

June 20, 2025

Good Morning,

With the expansion of conflicts in the Middle East (Israel and Iran), oil prices have spiked more than 10% in the past week. The Trump Administration is weighing US involvement against Iran, a move that could expand the conflict into an all-out war in the region. That would likely result in Iran cutting oil production and export and potentially shutting down shipping in the Strait of Hormuz, further impacting the price of oil around the world. Continued rising oil prices would have an inflationary effect and possibly delay any Fed rate cuts that Trump so desperately wants. (Trump called Fed Chair Powell "American Disgrace" after Wednesday's Fed decision.)

President Trump campaigned as a peacemaker, promising to end wars and avoid US involvement in future conflicts. While he's made no progress with the Russia/Ukraine war, will he keep his promise or succumb to political pressures to help Israel in its battle with Iran? No doubt that Iranian leadership despises Israel and the West, but it is an ancient civilization with 92 million citizens. Trump announced that he will be making his decision within the next two weeks. We hope it's the right one.

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http://www.commonwealth.com/RepSiteContent/weekly_comm/commentary_redirect.htm

As always, if you would like to discuss this or anything regarding current market conditions or your portfolio, feel free to contact me at any time.

Happy Summer and Go Reds!

Wade

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