



JUNE 2025

Israel Strikes Iran



MEEDER

Israel conducted an early morning air assault on June 13 with over 200 Israeli jets and drones striking multiple targets across Iran, including uranium-enrichment facilities, missile production sites, and command centers. Iranian reports indicate that at least 20 senior IRGC officers and six nuclear scientists were killed, marking one of the most significant direct hits on Iran’s military infrastructure in decades.

The United States publicly distanced itself from the operation, as President Trump reiterated that Tehran “brought this on itself” by failing to curb its nuclear ambitions.

Market Reactions

Financial markets reacted sharply: Brent crude oil spiked more than 9%, briefly surpassing \$75 per barrel on fears of disruptions in the Strait of Hormuz, while gold neared record highs as investors sought safety. Equities sold off broadly, with airline stocks plunging on fears of spiking fuel prices and airspace closures. In fixed income, U.S. Treasury yields fell as investors moved to the safety of government bonds. It will be interesting to see what impact this oil-driven inflation could have on the Fed’s plans for interest rates.

Looking ahead, the risk of further Iranian retaliation or wider regional clashes creates uncertainty that could keep energy prices elevated. Any disruption to shipping lanes or energy infrastructure could heighten these pressures and potentially impact monetary easing by the Federal Reserve. Conversely, a diplomatic breakthrough or swift de-escalation might see markets retrace much of the recent volatility.

What History Tells Us?

It is important to remember that each historical event is unique and does not predict the future, but it can provide an idea of what investors may expect. Below is a table of geopolitical events that have occurred going back to 1940 and the impact these have had on the performance of the S&P 500 over various time periods.

EVENT	DATE	1-MONTH	3-MONTHS	6-MONTHS	12-MONTHS	RECESSION?
Germany Invades France	5/10/1940	-19.9%	-12.7%	-4.5%	-18.7%	No
Pearl Harbor Attack	12/7/1941	-1.0%	-11.0%	-6.5%	4.3%	No
N. Korea Invades S. Korea	6/25/1950	-10.0%	1.6%	4.1%	11.7%	No
Hungarian Uprising	10/23/1956	-2.1%	-2.8%	-1.3%	-11.7%	Yes
Suez Crisis	10/29/1956	-4.4%	-3.6%	0.0%	-11.6%	Yes
Cuban Missile Crisis	10/16/1962	5.1%	14.1%	20.7%	27.8%	No
Kennedy Assassination	11/22/1963	6.8%	11.9%	15.5%	23.2%	No
Gulf of Tonkin Incident	8/2/1964	-1.6%	1.9%	5.3%	2.7%	No
Six-Day War	6/5/1967	3.3%	5.9%	7.5%	13.5%	No
Tet Offensive	1/30/1968	-3.8%	5.1%	5.2%	10.2%	No
Penn Central Bankruptcy	6/21/1970	-0.1%	7.2%	16.8%	28.6%	Yes
Munich Olympics	9/5/1972	-1.0%	5.7%	2.3%	-5.8%	No
Yom Kippur War	10/6/1973	-3.9%	-10.7%	-15.3%	-43.2%	Yes
Oil Embargo	10/16/1973	-7.0%	-13.2%	-14.4%	-35.2%	Yes
Nixon Resigns	8/9/1974	-14.4%	-7.0%	-2.8%	6.4%	Yes

EVENT	DATE	1-MONTH	3-MONTHS	6-MONTHS	12-MONTHS	RECESSION?
Reagan Shooting	3/30/1981	-0.9%	-1.8%	-14.0%	-16.4%	Yes
Continental Illinois Bailout	5/9/1984	-3.1%	1.0%	6.4%	12.8%	No
1987 Stock Market Crash	10/19/1987	8.1%	10.9%	14.7%	22.9%	No
Iraq's Invasion of Kuwait	8/2/1990	-8.2%	-13.5%	-2.1%	10.1%	Yes
Soros Breaks Bank of England	9/16/1992	-2.5%	3.0%	6.8%	9.9%	No
First World Trade Center Bombing	2/26/1993	1.7%	2.0%	4.0%	4.7%	No
Asian Financial Crisis	10/8/1997	-3.7%	-1.8%	14.1%	-1.5%	No
U.S. Cole Yemen Bombing	10/12/2000	2.7%	-0.9%	-11.3%	-19.6%	Yes
U.S. Terrorist Attacks (9/11)	9/11/2001	-0.2%	2.5%	6.7%	-18.4%	Yes
Iraq War Started	3/20/2003	1.9%	13.6%	18.7%	26.7%	No
Madrid Bombing	3/11/2004	3.5%	2.7%	1.5%	8.4%	No
London Subway Bombing	7/5/2005	3.3%	1.8%	5.3%	5.5%	No
Bear Stearns Collapses	3/14/2008	3.6%	5.6%	-2.8%	-41.5%	Yes
Lehman Brothers Collapses	9/15/2008	-16.3%	-26.2%	-34.8%	-11.7%	Yes
Boston Marathon Bombing	4/15/2013	6.3%	8.4%	9.7%	17.9%	No
Russia Annexed Crimea	2/20/2014	1.5%	2.6%	8.0%	14.7%	No
BREXIT	6/24/2016	6.5%	6.2%	11.0%	19.7%	No
Bombing of Syria	4/7/2017	1.8%	3.1%	7.6%	12.8%	No
North Korea Missile Crisis	7/28/2017	-1.1%	3.6%	14.8%	13.4%	No
Saudi Aramco Drone Strike	9/14/2019	-1.4%	5.4%	-8.8%	12.5%	No
Iranian General Killed in Airstrike	1/3/2020	1.9%	-23.1%	-4.2%	14.4%	Yes
U.S. Pulls Out of Afghanistan	8/30/2021	-3.7%	2.8%	-4.9%	-12.0%	No
Russia Invades Ukraine	2/24/2022	5.9%	-7.2%	-2.1%	-7.1%	No
Hamas Attacks Israel	10/7/2023	1.3%	10.6%	20.9%	34.1%	No
Trump Shooting	7/13/2024	-4.8%	3.9%	4.4%	?	No
Israel Strikes Iran	6/12/2025	?	?	?	?	?
Average		-1.2%	0.2%	2.6%	2.9%	
% Higher		42.5%	65.0%	60.0%	64.1%	
ECONOMIC ENVIRONMENT						
Average if no recession		0.0%	3.5%	6.7%	10.2%	
Average if Recession		-3.8%	-6.7%	-6.1%	-11.5%	

SOURCE: CARSON INVESTMENT RESEARCH, BLOOMBERG

History shows that geopolitical shocks typically provoke short-term market weakness, but gains have often followed over the medium and longer term. On average, the one-month return after these events is -1.2% (with 42.5% of events positive), yet by three months the average return is +0.2% (65% positive), by six months +2.6% (60% positive) and by twelve months +2.9% (64.1% positive). Importantly, those gains are almost entirely driven by non-recessionary periods, when economies remain on solid footing, returns are very positive, whereas events accompanied by a recession see negative trajectories. Staying invested through the noise and focusing on broader economic fundamentals has historically rewarded patience rather than panic.

Looking Ahead

While it may be uncomfortable, it is vital to remember that market volatility is common and can sometimes produce opportunities. While it is essential to have a financial plan, it is more important to maintain discipline and refrain from allowing emotion to drive investment decisions when the market becomes challenging. If you have questions or would like to continue the conversation, reach out to your regional Meeder Consultant.

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