
The Iran War and Global Markets

What the First Week Has Revealed —
and What Traders Should Expect Next

A Strategic White Paper for Traders

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This report is intended to provide a framework for understanding how markets may behave during periods of geopolitical tension, such as the Iran conflict. It is **not a predictive tool** and should not be relied upon as the sole basis for any trading decision.

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By reading this report, you acknowledge that:

- You are solely responsible for your trading and investment decisions
 - You will conduct your own research and due diligence
 - You will consult with a licensed financial professional if needed
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TraderInsight, its principals, employees, and affiliates shall **not be held liable for any losses or damages**, including but not limited to direct, indirect, incidental, or consequential losses, arising from the use of or reliance on the information contained in this report.

Final Note

The goal of this report is to help you think more clearly about market structure during periods of uncertainty—not to tell you what to trade.

Plan the trade. Trade the plan. Manage the risk.

THE IRAN WAR TRADING PLAYBOOK

Geopolitical conflict introduces uncertainty into global markets. Military escalation, energy supply risks, and shifting political alliances can cause rapid changes in investor sentiment.

For many investors, these events create anxiety and unpredictability.

For traders, however, geopolitical shocks represent something different.

They represent volatility.

Volatility expands trading ranges, increases institutional participation, and creates price movement. Price movement is the raw material traders work with.

Professional traders do not attempt to predict the outcome of wars or political conflicts. Instead, they prepare structured strategies that allow them to respond to market movement as it occurs.

Understanding how markets typically react to geopolitical events allows traders to focus their attention where opportunity is most likely to appear.

Historically, four sectors dominate market movement during geopolitical crises:

- Energy
- Defense
- Transportation
- High-liquidity technology stocks

Each of these sectors responds to different economic forces that emerge during periods of geopolitical tension.

Energy companies benefit when oil prices rise. Defense contractors attract capital as governments expand military spending. Transportation companies face rising fuel costs. Large technology stocks often become the primary vehicles for volatility trading due to their liquidity and institutional ownership.

By focusing on these areas, traders can develop a structured watchlist before the trading day begins.

Preparation is the foundation of professional trading.

TRADER WATCHLIST

During geopolitical crises, capital tends to rotate quickly into industries that either benefit from conflict or respond strongly to rising energy prices.

Professional traders monitor specific stocks that historically react strongly to these conditions.

ENERGY SECTOR

Energy stocks are often the first to react when geopolitical tensions rise in the Middle East. Concerns about supply disruptions can quickly push crude oil prices higher, which tends to drive strong momentum moves in oil producers and energy service companies.

Key symbols traders often monitor include:

- XOM — Exxon Mobil
- CVX — Chevron
- OXY — Occidental Petroleum
- SLB — Schlumberger
- HAL — Halliburton

When oil futures move overnight, these stocks frequently open with significant gaps and can produce strong directional moves during the first hour of trading.

DEFENSE SECTOR

Military conflict typically increases expectations for defense spending. As governments expand procurement of military systems and technology, defense contractors often experience strong institutional buying.

Important defense stocks include:

- LMT — Lockheed Martin
- RTX — RTX Corporation
- NOC — Northrop Grumman
- GD — General Dynamics

These companies produce aircraft, missile systems, radar technologies, and advanced defense electronics. When geopolitical tensions escalate, they often become sector leaders.

TRANSPORTATION AND AIRLINE SECTOR

While energy and defense companies may benefit from geopolitical conflict, transportation companies often face the opposite dynamic.

Airlines and shipping companies are highly sensitive to fuel prices. When oil rises sharply, operating costs increase, which can place pressure on their stock prices.

Stocks that often react to rising fuel costs include:

- DAL — Delta Airlines
- UAL — United Airlines
- AAL — American Airlines
- UPS — United Parcel Service
- FDX — FedEx

These stocks sometimes present short-selling opportunities when oil prices surge.

HIGH-LIQUIDITY TECHNOLOGY STOCKS

Even though technology companies are not directly tied to war economics, they remain some of the most actively traded stocks in the market.

During volatile market conditions, large institutional investors frequently use highly liquid technology stocks to rapidly adjust portfolio exposure.

Key symbols include:

- TSLA — Tesla
- NVDA — Nvidia
- AAPL — Apple
- META — Meta Platforms
- MSFT — Microsoft

These stocks often produce the largest intraday trading ranges during volatile markets.

WEEK ONE PRICE ACTION SUMMARY

One week into the Iran conflict, global markets have already begun repricing geopolitical risk.

Energy prices have reacted sharply. Defense contractors have experienced institutional buying. Transportation companies have faced pressure due to rising fuel costs.

Equity markets have also experienced increased volatility as investors attempt to evaluate the economic implications of the conflict.

For traders, however, the most important development is not the macro narrative.

It is the expansion of trading ranges.

Periods of geopolitical uncertainty often produce:

- larger opening gaps
- stronger momentum moves
- increased trading volume
- expanded intraday volatility

These conditions create an environment where disciplined traders operating with structured strategies can thrive.

This report examines the early market reactions to the Iran conflict, identifies sectors most likely to respond to further developments, and outlines how professional traders prepare for volatile market conditions.

WEEK ONE MARKET SCORECARD

The first week of the Iran conflict produced significant movement across multiple sectors.

Energy stocks rallied as crude oil prices surged on concerns about potential supply disruptions in the Middle East. Stocks like XOM, CVX, HAL, OXY, and SLB are highly volatile during geopolitical shocks. During week one of the conflict, these stocks experienced directional spikes higher and lower with each piece of breaking news.

Figure 1 depicts the spike in the oil index that has fueled the volatility in the energy sector's most active stocks.



Figure 1 - NYSE Arca Oil Index. Strait of Hormuz closure and production capacity disruption have driven index pricing sharply higher. We could see oil reach \$150 per barrel if fighting escalates or if the war drags on for many weeks or months.

Defense contractors experienced strong buying interest as markets began pricing increased military spending.

Figure 2 shows the increase in the composite value of the TraderInsight Defense Sector Heavyweights Index.

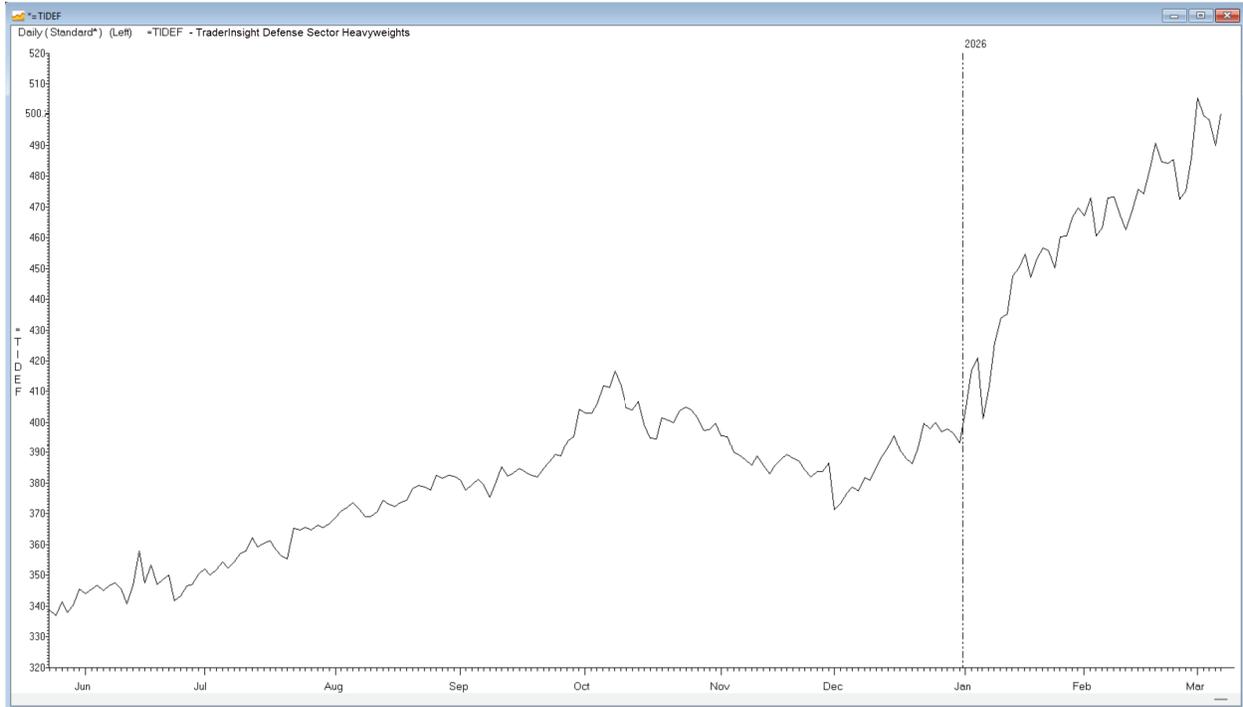


Figure 2 - TraderInsight Defense Sector Heavyweights Index. Weapons utilization and depletion rates have caused sharp swings in index and component valuation.

Airline and transportation stocks are particularly sensitive to rising fuel costs and route disruptions. All of the players in the sector weakened due to rising fuel costs. Figure 3 shows the 15% decrease in index valuation since the start of the war.



Figure 3 - NYSE Arca Airline Index. We expect rising fuel costs to push airline stock prices lower. Ticket prices will likely increase significantly in the coming days, further pressuring valuations if the war continues.

Technology stocks produced wide intraday ranges as traders adjusted risk exposure. The magnificent 10 are trader favorites during periods of normal volatility: AAPL, AMD, AMZN, AVGO, GOOG, META, MSFT, NFLX, PLTR, TSLA made extreme and unpredictable moves throughout the week as money flowed out of some tech names and into wartime gainers.

Figure 4 shows the volatility in the Dow Jones Technology Titans Index, where massive swings have fueled intraday range expansions in many component stocks.



Figure 4- DJ Technology Titans 30 Index. This is always the heart and soul of volatility in the markets, and week one of the conflict has created swings that stop traders in and out of positions in the blink of an eye.

These moves illustrate how quickly capital flows shift during geopolitical events.

Energy companies benefited from rising oil prices. Defense contractors attracted institutional accumulation. Airline companies experienced downward pressure as fuel costs increased.

Meanwhile, highly liquid technology stocks such as Tesla and Nvidia produced large intraday swings, providing significant trading opportunities.

These examples highlight the principle that drives markets during geopolitical crises:

Capital does not disappear - It moves.

Understanding where capital flows allows traders to focus their attention where opportunity is most likely to emerge.

HOW MARKETS HISTORICALLY REACT TO WAR

Financial markets have responded to geopolitical conflict in remarkably consistent ways throughout history.

MARKET CYCLICALITY

When military events occur, markets typically move through three phases.

The first phase is the shock reaction, where markets experience sudden volatility as investors react to unexpected developments.

The second phase is repricing, where traders begin evaluating the economic implications of the conflict and adjusting expectations accordingly.

The third phase is stabilization, where markets adapt to the new environment and volatility gradually declines.

One important lesson from past conflicts is that markets often recover more quickly than many investors expect. Once uncertainty begins to diminish, capital frequently flows back into risk assets.

However, during the adjustment phase between shock and stabilization, volatility tends to expand dramatically.

For traders, this period can produce some of the most significant opportunities.

GEOPOLITICALLY SENSITIVE STOCKS PROVIDE OPPORTUNITY

The stocks and sectors we have focused on consistently attract attention during geopolitical crises due to their exposure to energy markets, defense spending, or overall market volatility.

Energy companies such as Exxon Mobil, Chevron, and Occidental Petroleum often react quickly to changes in crude oil prices.

Defense contractors including Lockheed Martin, RTX Corporation, Northrop Grumman, and General Dynamics frequently experience strong momentum moves when military tensions rise.

Airlines and transportation companies such as Delta Airlines and United Airlines often face pressure due to rising fuel costs.

Meanwhile, large-cap technology stocks including Tesla, Nvidia, Apple, and Meta often dominate intraday trading because of their liquidity and institutional participation.

Traders can maintain a targeted watchlist and capitalize on increased volatility.

EXAMPLE WAR-DRIVEN TRADES

Geopolitical events frequently produce large opening gaps and powerful momentum moves.

For example, energy stocks may gap higher when crude oil spikes overnight due to concerns about supply disruptions.

Defense contractors may break out as investors anticipate increased government spending.

Technology stocks may produce rapid intraday swings as institutional investors reposition portfolios.

These moves often occur during the first hour of trading, when markets process overnight information and large institutional orders enter the market.

Prepared traders who identify key levels before the opening bell can respond quickly to these opportunities.

FUTURE TRADING OPPORTUNITIES

While the first week of the Iran conflict has already produced significant market movement, several developments could create additional volatility in the weeks ahead.

A breakout in oil prices could produce strong momentum moves in energy stocks.

An expansion of the conflict could drive further rallies in defense contractors.

Rising fuel prices could place additional pressure on airline and transportation companies.

Technology stocks may continue to produce large intraday swings as investors adjust risk exposure.

Index futures such as the S&P 500 and NASDAQ futures may react rapidly to geopolitical headlines, often moving significantly overnight before the U.S. market opens.

Each of these developments could create additional trading opportunities.

THE ANATOMY OF A VOLATILE TRADING DAY

Geopolitical news often triggers a recognizable sequence in financial markets.

Breaking headlines typically occur outside U.S. trading hours. Global markets react first, followed by movements in U.S. futures markets.

By the time the U.S. premarket session begins, futures prices may already reflect significant sentiment changes.

Institutional traders begin adjusting positions before the opening bell.

Stocks may open with large gaps as new information is priced into the market.

During the first hour of trading, institutional participation often produces strong directional moves.

After the initial surge in activity, markets may consolidate before establishing new price levels.

Understanding this sequence helps traders identify where the most significant opportunities occur.

OUR APPROACH

At TraderInsight, our preparation begins the night before the trading session.

Each evening, structured trading plans are developed identifying stocks and futures likely to attract institutional participation.

These plans focus on statistical patterns, volatility-based setups, and opening gap opportunities.

Each morning, those opportunities are monitored and executed live inside the TraderInsight Livestream War Room.

This process transforms market volatility into a structured trading opportunity.

Rather than reacting emotionally to headlines, traders operate with predefined strategies and disciplined risk management.

CONCLUSION

The first week of the Iran conflict has demonstrated how quickly geopolitical events can influence financial markets.

Energy prices have surged. Defense stocks have rallied. Volatility has expanded across major equity indices.

While the ultimate outcome of the conflict remains uncertain, one fact is clear.

Markets will continue to react.

For traders, this reaction is where opportunity exists.

Professional traders do not attempt to predict geopolitical outcomes.

They prepare structured strategies designed to operate in volatile environments.

Preparation transforms uncertainty into opportunity.

And in trading, volatility is not something to fear.

It is something to act on.

We offer a free livestream strategy session during the trading day. I share my thoughts on market conditions and trading ideas for specific stocks affected by unfolding world events. You can subscribe to the broadcast at <https://traderinsight.com/live-stream> or by scanning the QR code.



Daily Live Stream Strategy Sessions

- ✓ My analysis of **major index price action** in a quick daily live stream that you can watch or listen to anywhere.
- ✓ **My trading ideas** to capitalize on moves in index ETFs and futures markets.
- ✓ The exact thresholds I will use to make trading decisions.



ABOUT TRADERINSIGHT

TraderInsight was founded by Dr. Adrian Manz and Dr. Julie Manz, professional traders and educators with more than three decades of market experience.

Their methodology combines structured trading plans, statistical market analysis, and performance psychology.

Each evening, TraderInsight publishes detailed trading plans identifying potential opportunities for the next trading session.

Each morning, those plans are executed live inside the TraderInsight Livestream War Room, where traders can observe real-time decision making and disciplined trade execution.

For traders seeking a structured approach to navigating volatile markets, TraderInsight provides both the strategy and mentorship necessary to develop consistent performance.

Trading War-Driven Momentum: SWMR Case Study

This real-time example illustrates how the Iran conflict is creating targeted trading opportunities in defense-related sectors. SWMR (Swarmer), a drone technology IPO, emerged as a direct beneficiary of increased demand expectations tied to prolonged geopolitical tension. Rather than chasing the initial explosive move, the higher-probability opportunity developed after price consolidated into a defined range. Using VWAP and pivot resistance (R2) at \$56.16 as key levels, the stock provided multiple structured intraday opportunities. The preferred approach was bracket trading: - Entries near support - \$1–\$2 profit targets - Tight, defined stop losses This allowed for repeatable, disciplined execution inside a volatile environment. Order flow analysis (Bookmap) also revealed overhead liquidity near \$65, reinforcing the strategy of taking incremental gains rather than holding for extended moves. Key takeaway: The edge is not in predicting the news—but in identifying institutional footprints and executing with structure and discipline.

Watch the full video breakdown: <https://www.youtube.com/watch?v=veNX68DU-gU&feature=youtu.be>

Video Addendum: Trading Wartime Momentum & Mispriced IPOs

This video expands on the *Trading the Iran War* framework by examining a real-time example of how geopolitical conflict can create **extreme price dislocations**—particularly in emerging sectors tied to defense and technology.

The focus is on a newly issued IPO (“Swarmer”), which surged from **\$5 to \$65 in a matter of days**, illustrating a core theme:

In times of geopolitical stress, markets don’t price efficiently—they overreact.

Click the link to watch the video: https://youtu.be/LQMaMtD_x1c

The Opportunity: Mispricing Driven by Narrative

This type of move is not driven purely by fundamentals.

Instead, it reflects:

- **Narrative-driven buying** (e.g., drones, defense, wartime technology)
- **Retail-dominated order flow**
- **Limited ability to short**, which creates a one-sided market

The result is a powerful but unstable trend where price can extend far beyond reasonable valuation.

Key Insight: You Don’t Chase — You Structure

A common question traders ask in these situations is:

- *“Is it a short?”*
- *“Should I buy it here?”*

The answer is neither.

Instead, the strategy is to **wait for structure to form**.

Adrian outlines two primary approaches:

1. Swing Trade Setup (Post-Exhaustion Reversion)

Rather than chasing the initial spike, the focus is on:

- A **3–5 day pullback**
- Formation of **lower highs and lower lows**
- A retracement into key levels (e.g., Fibonacci zones such as the 61.8%)

Once that structure forms, traders look for:

- A **trigger above the first higher low**
- A move back toward prior resistance levels

This aligns with familiar TraderInsight patterns:

- **Baltimore Chop structure**
- **2SD mean reversion dynamics**

The key is patience:

Let the emotional buying exhaust itself before stepping in.

2. Intraday Opportunity (Order Flow & Volume Levels)

On shorter timeframes, the opportunity shifts to **order flow and liquidity zones**.

Heavy trading volume creates:

- Clear **support and resistance levels**
- Repeated **tests and retests of price zones**
- Predictable intraday ranges

In this case, trading is focused within defined ranges where:

- Buyers and sellers have already shown commitment
- Price is likely to oscillate before resolving

Importantly, the video highlights that much of this activity is:

Retail-driven, not institutional

Which reinforces the idea that these moves are **less stable—and more tradable**.

Critical Constraint: No Shorting

Because this is a fresh IPO:

- Shares are **not readily available to borrow**
- Shorting is extremely difficult or impossible

This creates a **long-biased environment**, where:

- Pullbacks become buying opportunities
 - Overhead supply becomes the primary resistance driver
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The Bigger Picture: Wartime Market Behavior

This example reinforces a key principle from the Iran War report:

Geopolitical events create asymmetric opportunity through volatility—not prediction.

In wartime conditions:

- Capital flows aggressively into “relevant” sectors
- Price discovery becomes inefficient
- Emotional participation increases

For disciplined traders, this creates:

- **Defined entry opportunities after excess**
 - **Repeatable intraday structure**
 - **High-probability mean reversion setups**
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Key Takeaways

- Wartime narratives can drive **extreme mispricing**, especially in new or emerging stocks
- The best opportunities come **after the initial move**, not during it
- IPO dynamics (limited float, no shorting) create **one-sided markets**
- Intraday trading benefits from **volume-defined support and resistance**