

FREE SPECIAL REPORT

7 Stocks

to Own Before the

Next Global Energy Shock

PLUS



3 ETFs

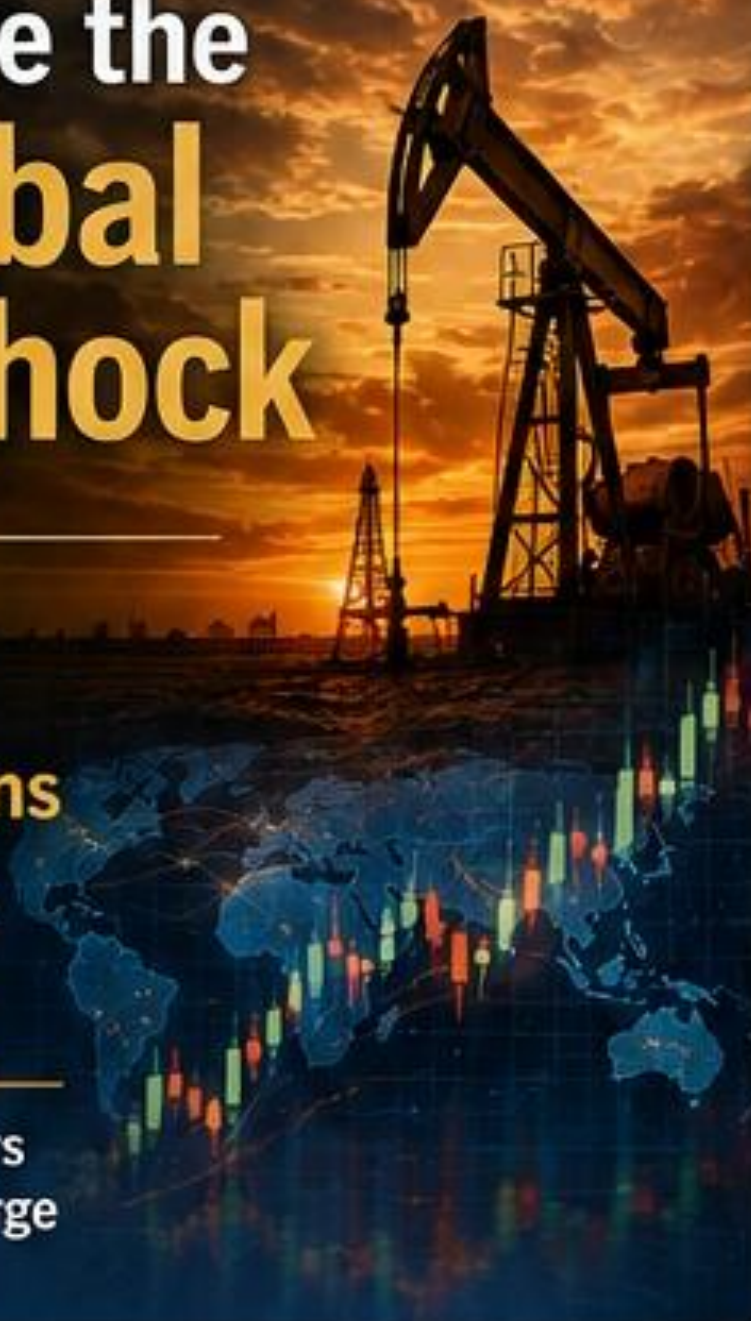


5 Warning Signs



**Every Investor
Should Watch**

Discover How Smart Investors
Prepare Before Oil Prices Surge



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2 Introduction

Oil is the lifeblood of the global economy.

When geopolitical conflicts erupt, energy markets react instantly—creating both risk and extraordinary opportunity for prepared investors.

This report shows you how to:



Understand the forces that drive oil prices



Identify the biggest winners and losers



Monitor key indicators and warning signs



Take action with a focused investment strategy



Inside, you'll get a complete playbook including 7 stocks, 3 ETFs, and 5 warning signs every investor should watch.



1. WHY INVESTORS SHOULD CARE

Geopolitical conflict is more than a headline—it's a market-moving event.

When tensions rise in the Middle East, oil prices spike, shipping routes become vulnerable, inflation re-accelerates, and entire sectors experience dramatic shifts in valuation.

For investors, these periods of uncertainty also create some of the most significant opportunities in the market—if you know where to look.



WHY IT MATTERS

The Middle East supplies about one-third of the world's oil and two-thirds of its LNG. Any disruption can ripple across the global economy.

THE RIPPLE EFFECT OF CONFLICT



SUPPLY SHOCK

Threats to oil supply or shipping routes reduce global supply.



PRICE SPIKE

Oil and commodity prices rise sharply.



ECONOMIC IMPACT

Higher costs drive inflation, slow growth, and pressure rates.



INVESTMENT OPPORTUNITY

Certain sectors and assets benefit historically.

KEY REASONS INVESTORS SHOULD PAY ATTENTION

- ✓ Oil is the lifeblood of the global economy.
- ✓ Energy prices influence nearly every good and service.
- ✓ Markets tend to move before the headlines hit.
- ✓ Volatility creates opportunity for prepared investors.
- ✓ Understanding the drivers helps you manage risk and capital.



2. HISTORY'S BIGGEST OIL SHOCKS

The past shows us how markets react—and what opportunities emerge.

Oil shocks have shaped economies, triggered recessions, and created immense wealth for those positioned in the right assets at the right time.

While every crisis is unique, history reveals patterns that can guide today's investors.



THE 6 MAJOR OIL SHOCKS SINCE 1973

PERIOD	EVENT	OIL PRICE CHANGE	S&P 500 RETURN	DURATION OF IMPACT
1973–1974	Arab Oil Embargo	+300%	-43%	18 months
1979–1980	Iranian Revolution	+200%	-17%	12 months
1990–1991	Gulf War	+90%	-9%	6 months
2003–2008	Commodity Supercycle (Geopolitical Tensions)	+236%	+22%	5 years
2011–2012	Arab Spring / Iran Nuclear Tensions	+45%	+2%	6 months
2020–2022	Pandemic Recovery + Russia-Ukraine War	+125%	-5%	18 months

WHAT HISTORY TEACHES US



Oil prices spike fast during crises.



Markets often bottom before the crisis ends.



Certain sectors consistently outperform.

INVESTOR TAKEAWAYS

- ✓ Oil shocks are not rare—they are part of the economic cycle.
- ✓ The market impact can be severe, but often temporary.
- ✓ Prepared investors focus on the sectors and assets that benefit.
- ✓ Understanding history helps you act with confidence today.

3. THE WORLD'S ENERGY CHOKEPOINTS

A small disruption in a narrow waterway can shake the entire world.

Over 80% of the world's oil travels by sea. These strategic chokepoints are critical to global energy supply—and highly vulnerable to conflict or disruption.



80%+

**OF GLOBAL OIL TRADE
MOVES BY SEA**

THE MOST CRITICAL ENERGY CHOKEPOINTS



WHY THESE CHOKEPOINTS MATTER



Any disruption limits oil supply and pushes prices higher.



The impact spreads globally through higher costs and inflation.



Insurance costs rise, shipping slows, and supply chains weaken.



Investors who understand these risks can position early.

INVESTOR TAKEAWAYS

- ✓ Chokepoint disruptions can remove millions of barrels from the market overnight.
- ✓ Monitor geopolitical tensions in these regions closely.
- ✓ Tanker rates and shipping costs often surge before oil prices do.
- ✓ Being early to recognize risk creates a major investment edge.

4. WHY OIL CONTROLS THE GLOBAL ECONOMY

Oil is more than a commodity—it's the engine of modern life.

From transportation and manufacturing to agriculture and defense, oil powers nearly every sector of the global economy. When oil prices rise or supply is threatened, the impact is felt everywhere.



WHERE OIL SHOWS UP IN YOUR EVERYDAY LIFE



THE OIL MULTIPLIER EFFECT

Changes in oil prices ripple through the entire economy, impacting inflation, consumer spending, corporate profits, interest rates, and market sentiment.



KEY FACTS



Oil powers more than 80% of global energy consumption.



Over 30% of the world's oil is used for transportation.



A \$10 increase in oil prices can add 0.3%–0.5% to global inflation.



The oil & gas industry represents over 7% of global GDP.

INVESTOR TAKEAWAYS



- ✓ Oil is a critical input for nearly every sector of the economy.
- ✓ Disruptions or price spikes impact inflation, interest rates, and growth.
- ✓ Understanding oil's role helps you anticipate market movements.

5. WINNERS & LOSERS DURING ENERGY CRISES

Not all sectors are affected equally.

History shows clear patterns—certain industries and assets benefit, while others struggle when oil prices spike or supply is threatened.



HISTORICAL SECTOR PERFORMANCE DURING OIL PRICE SPIKES

SECTOR	TYPICAL IMPACT	WHY
 Energy Producers (Exploration & Production)	Strong Positive	Higher oil prices = higher revenues and cash flow.
 Oil Services & Equipment (Drilling, Services, Equipment)	Positive	Higher activity, more drilling, increased capital spending.
 Refiners & Midstream (Refining, Pipelines)	Positive	Higher refining margins and transportation fees.
 Defense & Aerospace	Positive	Higher government spending and geopolitical risk.
 Gold & Precious Metals	Positive	Safe-haven demand rises during uncertainty and inflation.
 Airlines	Negative	Higher fuel costs squeeze profit margins.
 Transportation & Shipping	Negative	Higher fuel costs increase operating expenses.
 Consumer Discretionary	Negative	Higher energy costs reduce consumer spending.
 Utilities (Non-Oil Based)	Negative	Input costs rise, margins come under pressure.

INVESTOR TAKEAWAYS

- ✓ Energy producers, services, and refiners typically benefit from oil shocks.
- ✓ Defense and gold often act as safe havens during crises.
- ✓ Travel, transportation, and consumer sectors usually feel the pressure.
- ✓ Focus on sectors with pricing power and strong balance sheets.

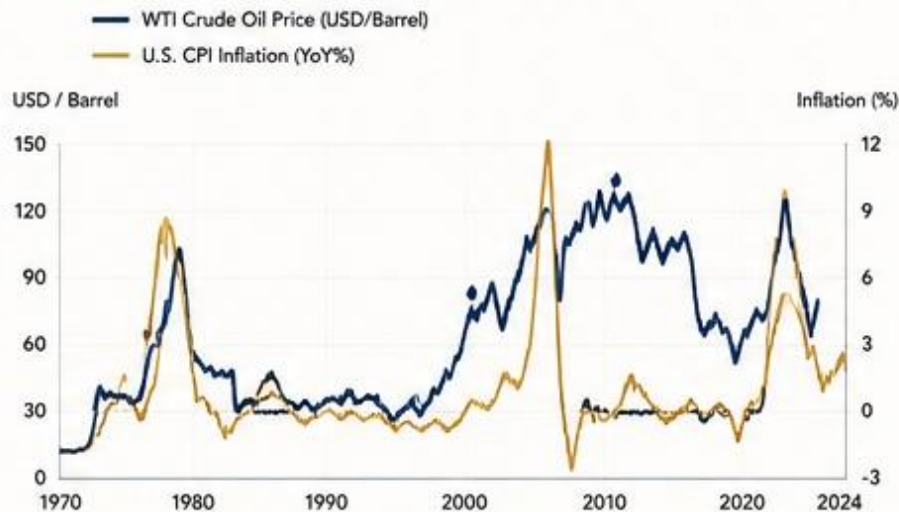
6. INFLATION: THE HIDDEN IMPACT

Rising oil prices flow directly into higher inflation.

Energy costs are a major component of CPI. When oil prices rise, it impacts everything from gas and food to housing and manufactured goods.



OIL PRICE vs. U.S. INFLATION (CPI)



Sources: EIA, BLS, MacroTrends | Data through May 2024

HOW HIGHER OIL PRICES FEED INFLATION



INVESTOR TAKEAWAYS

- ✓ Oil is one of the biggest drivers of headline inflation.
- ✓ Higher inflation can lead to higher interest rates and slower growth.
- ✓ Monitor oil closely—it often signals where inflation is headed.

7. DEFENSE COMPANIES: STRONG IN UNCERTAIN TIMES

Geopolitical conflict drives demand for national security.

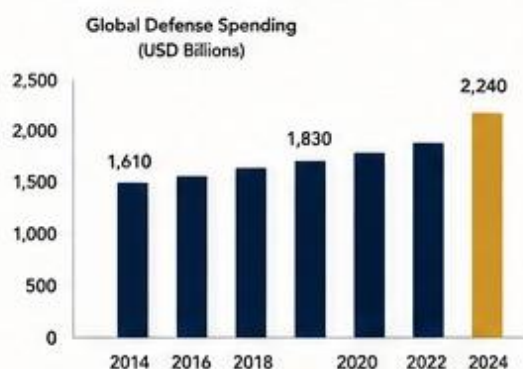
When tensions rise, governments increase defense budgets. Defense contractors benefit from long-term, multi-year contracts and rising global demand. The trend is structural, not cyclical.



TOP DEFENSE COMPANIES TO WATCH

COMPANY	TICKER	MARKET CAP (USD)	FOCUS AREA	REVENUE GROWTH (3YR)	DIVIDEND YIELD
 LOCKHEED MARTIN	LMT	\$124B	Aerospace, Missiles, Defense Systems	6.7%	2.7%
 NORTHROP GRUMMAN	NOC	\$77B	Aerospace, Cyber, Defense Systems	7.3%	1.6%
 GENERAL DYNAMICS	GD	\$72B	Land Systems, Aerospace, Marine	5.6%	2.0%
 RAYTHEON TECHNOLOGIES	RTX	\$134B	Missiles, Radar, Cyber, Space	7.1%	1.9%
 BAE SYSTEMS	BA. (LSE)	\$33B	Defense, Aerospace, Cyber, Security	6.9%	2.4%

GLOBAL DEFENSE SPENDING IS RISING



KEY DRIVERS

- ✓ Rising geopolitical tensions
- ✓ Modernization of armed forces
- ✓ Cybersecurity threats
- ✓ Space & missile defense
- ✓ Long-term government budgets

INVESTOR TAKEAWAYS



- ✓ Defense companies benefit from multi-year, recession-resistant contracts.
- ✓ Global defense budgets are increasing across NATO, Asia, and the Middle East.
- ✓ Look for companies with strong order backlogs and technology leadership.

8. GOLD & COMMODITIES: THE ULTIMATE HEDGE

When uncertainty rises, so does the demand for hard assets.

Gold has been a store of value for thousands of years. During conflict, inflation, and currency debasement, investors move into real assets to protect purchasing power.



GOLD PRICE HISTORY (USD PER TROY OZ)



KEY COMMODITIES TO WATCH

COMMODITY	TICKER	WHY IT MATTERS	2024 TREND
 Gold	GLD	Safe haven, inflation hedge, currency protection	
 Silver	SLV	Industrial demand + monetary metal	
 WTI Crude Oil	USO	Energy demand, supply risk, geopolitical premium	
 Natural Gas	UNG	Power generation, LNG demand, supply constraints	
 Copper	CPER	Industrial growth, electrification, infrastructure	

INVESTOR TAKEAWAYS



- ✓ Gold protects wealth when fear and inflation rise.
- ✓ Commodities benefit from supply disruptions and demand shifts.
- ✓ Real assets are a critical part of a diversified portfolio.

10 7 Indicators Every Trader Should Watch

- 1** 

Crude Oil Price (WTI/Brent)
Rising prices signal tightening supply and potential for higher inflation.
- 2** 

Shipping Rates (Baltic Dry Index)
Higher rates indicate supply chain disruptions and higher costs.
- 3** 

Natural Gas Prices
Spikes impact power costs, industry, and inflation.
- 4** 

U.S. Dollar Index (DXY)
A weaker dollar often supports higher commodity prices.
- 5** 

OPEC+ Production Decisions
Cuts or unexpected changes can move markets dramatically.
- 6** 

Geopolitical Risk Index
Measures uncertainty from conflict, sanctions, and trade tensions.
- 7** 

Inflation Expectations
Rising expectations can lead to higher interest rates and volatility.

11 Building a Crisis Watchlist

A strong watchlist helps you act quickly when opportunities emerge.

SECTORS TO FOCUS ON



Energy Producers



Oil Services & Equipment



Defense & Aerospace



Gold & Precious Metals



Shipping & Logistics

WHAT TO MONITOR

- ✓ Earnings trends & balance sheets
- ✓ Debt levels & cash flow
- ✓ Dividend yield & payout ratio
- ✓ Geopolitical exposure
- ✓ Commodity sensitivity

12 3 ETFs to Consider

ETFs provide instant diversification across key sectors.



XLE Energy Select Sector SPDR Fund

- ◆ Tracks the performance of U.S. energy companies
- ◆ Includes oil, gas, and energy services
- ◆ Benefits from rising energy prices

RISK LEVEL: MODERATE ★★☆☆☆



ITA iShares U.S. Aerospace & Defense ETF

- ◆ Exposure to leading defense & aerospace firms
- ◆ Benefits from higher defense spending
- ◆ Strong long-term growth potential

RISK LEVEL: MODERATE ★★☆☆☆



GLD SPDR Gold Shares

- ◆ Tracks the price of gold
- ◆ Hedge against inflation & currency risk
- ◆ Safe haven during market uncertainty

RISK LEVEL: LOW TO MODERATE ★★☆☆☆

5 Warning Signs Oil Prices Could Be Ready to Surge

Watch for these signals that often precede major oil price shocks.

1



Escalating Geopolitical Tensions

Military conflicts, sanctions, or threats to energy infrastructure increase supply risk.

2



Supply Disruptions

Production cuts, pipeline outages, or natural disasters tighten global supply.

3



Rising Shipping Costs

Higher tanker rates signal potential disruptions in global oil transport.

4



Strong Global Demand

Economic growth, especially in Asia, drives higher energy consumption.

5



Tight Inventories

Declining crude inventories indicate the market has less buffer against shortages.

7 Stocks to Own Before the Next Global Energy Shock

These 7 companies are positioned to benefit if oil prices surge due to geopolitical conflict or supply disruptions.

1	ExxonMobil	XOM	Integrated energy giant with strong cash flow and dividend.
2	ConocoPhillips	COP	Low-cost producer with strong balance sheet and growth.
3	Cheniere Energy	LNG	Leading LNG exporter benefiting from global gas demand.
4	LOCKHEED MARTIN	LMT	Defense leader with strong order backlog and global demand.
5	Schlumberger	SLB	Oilfield services leader that benefits from higher activity.
6	Newmont	NEM	Gold producer providing inflation hedge and safe haven.
7	Frontline	FRO	Tanker operator that benefits from higher shipping rates.



These stocks are not recommendations.
Do your own research and consider your
own risk tolerance.

11. ACTION CHECKLIST FOR INVESTORS

A simple plan you can follow when tensions rise.

1		STAY INFORMED Monitor geopolitical news, energy markets, and key indicators daily.	
2		REVIEW YOUR PORTFOLIO Ensure your portfolio is diversified across sectors, asset classes, and geographies.	
3		FOCUS ON QUALITY Own strong balance sheets, consistent cash flow, and industry leaders.	
4		CONSIDER HEDGES Evaluate gold, energy, and volatility hedges to protect against downside risk.	
5		MANAGE RISK Use position sizing, stop losses, and discipline to protect capital.	
6		LOOK FOR OPPORTUNITY Crises create mispriced assets. Be ready to act when others hesitate.	

SAMPLE STRATEGIC ALLOCATION DURING HIGH TENSION PERIODS



	Energy Stocks & ETFs	25%
	Defense & Aerospace	20%
	Gold & Precious Metals	15%
	Cash & Short-Term Bonds	15%
	Quality Dividend Stocks	15%
	Commodities (Diversified)	10%



KEY POINT

The goal isn't to predict the crisis—it's to prepare for it.
Prepared investors survive the storm and profit from the recovery.

**UNCERTAINTY CREATES RISK.
PREPARATION CREATES OPPORTUNITY.**

The world will always face uncertainty.
Prepared investors turn crises into
stepping stones toward financial freedom.

12. RISK MANAGEMENT PRINCIPLES IN VOLATILE MARKETS

Protect your capital first. Profits come second.

These timeless principles help investors navigate uncertain and fast-moving markets.



1. PRESERVE CAPITAL

Your first goal is survival. Never risk more than you can afford to lose.



2. DIVERSIFY WISELY

Spread risk across asset classes, sectors, and geographies.



3. CONTROL POSITION SIZE

Small positions keep you in the game. Big positions can take you out.



4. USE STOP LOSSES

Define risk before you enter a trade or investment. Stick to your plan.



5. MANAGE YOUR EMOTIONS

Fear and greed are costly. Discipline and patience create long-term success.



6. HAVE A PLAN

Know what you'll do in multiple scenarios. Adjust—don't react emotionally.



Risk comes from not knowing what you're doing.

– Warren Buffett

KEY RESOURCES & DATA SOURCES



- U.S. Energy Information Administration (EIA) – www.eia.gov
- International Energy Agency (IEA) – www.iea.org
- Bloomberg – www.bloomberg.com
- TradingView – www.tradingview.com
- World Gold Council – www.gold.org
- U.S. Department of Defense – www.defense.gov



YOUR NEXT STEP

Use the insights in this guide to build your watchlist, refine your strategy, and position your portfolio for opportunity—no matter what comes next.

13. HISTORICAL RETURNS DURING MAJOR GEOPOLITICAL CONFLICTS

Markets are volatile during crises, but certain assets have historically held up—or even thrived—over the long term.

ASSET PERFORMANCE DURING MAJOR GEOPOLITICAL EVENTS

Average Total Return During Event Periods

ASSET CLASS	GULF WAR 1990–1991	IRAQ WAR 2003–2008	ARAB SPRING 2010–2012	RUSSIA–UKRAINE 2022	AVERAGE RETURN
 Oil (WTI Crude)	53%	72%	35%	38%	49%
 Defense Stocks (ITA ETF)	13%	26%	18%	23%	20%
 Gold	6%	11%	8%	7%	8%
 Energy Sector (XLE ETF)	11%	24%	12%	20%	17%
 S&P 500	-3%	2%	-4%	-8%	-3%
 U.S. Dollar Index (DXY)	4%	7%	5%	9%	6%



WHAT HISTORY TELLS US

- Oil and energy assets typically benefit from conflict-driven supply disruptions.
- Defense stocks show consistent strength as governments increase spending.
- Gold acts as a hedge against uncertainty and currency debasement.
- Broad equity markets are unpredictable in the short term.



KEY TAKEAWAY

While no two crises are identical, history shows that preparedness and positioning in the right assets can turn uncertainty into opportunity.

14. GLOSSARY OF KEY TERMS

	Chokepoint	A narrow waterway or passage critical for global energy supply. Disruption can impact oil prices.
	Brent Crude	A global benchmark for oil prices, reflecting international supply and demand.
	Inflation	The rate at which prices for goods and services rise, eroding purchasing power.
	Hedge	An investment used to reduce the risk of adverse price movements in an asset.
	ETF	Exchange-Traded Fund. A basket of securities that trades like a stock.
	Volatility (VIX)	A measure of expected market fluctuations based on S&P 500 options.
	Treasury Yield	The return investors earn on U.S. government bonds, often used as a benchmark.
	U.S. Dollar Index (DXY)	Measures the value of the U.S. dollar relative to a basket of major currencies.

ADDITIONAL RESOURCES



INVESTMENT RESEARCH

Analyst reports, company filings, market insights.



ECONOMIC CALENDARS

Track key events, announcements, and economic data.



NEWS & GEOPOLITICAL UPDATES

Stay informed on global events that impact markets.



EDUCATION

Continue learning about investing, trading, and risk management.

“

The more you learn, the better prepared you'll be when the next crisis creates opportunity.

- ✓ Geopolitical conflict will always impact energy markets.
- ✓ Prepared investors understand the drivers, monitor the indicators, and act with discipline.
- ✓ 7 stocks, 3 ETFs, and 5 warning signs can help you position for what's next.



Opportunity belongs to those who prepare before the crisis—not after it hits.

