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JUNE 23rd, 2025

MONDAY MORNING QUARTERBACK ENERGY MARKETS CEO BRIEFING NOTE

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MAGA Movement for NEOCONS Interventionist
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Trump's Iran Dilemma: Sacrificing Isolationist MAGA Movement for NEOCONS Interventionist War Agenda Would Be Bullish for Oil?

By Sean Evers, Managing Partner, Gulf Intelligence

Donald Trump's recent decision to execute a direct military strike against Iran has placed him squarely at the intersection of two influential yet contrasting forces within his political base—the nationalist isolationists of the MAGA movement and the aggressive interventionists represented by the neoconservative faction. Trump's next steps in this delicate geopolitical chess match will not only determine his political future but also significantly impact global oil markets. Aligning further with neoconservative interventionism, historically associated with the "Project for a New American Century" (PNAC), could push oil prices upward due to heightened geopolitical tensions and potential supply disruptions. Conversely, retreating swiftly to the MAGA camp's isolationism could temporarily ease market concerns, albeit at the potential cost of empowering adversaries and destabilizing long-term energy security.

Immediate Market Reaction: Volatility and Uncertainty

The initial oil price reaction following Trump's decisive military strike was notably volatile but eventually muted. Global

benchmark Brent crude surged as much as 5.7% to \$81.40 a barrel in heavy trading immediately after the U.S. strikes targeted Iranian nuclear facilities. However, these gains were quickly pared, with prices settling near \$78 per barrel, reflecting a cautious market reassessment.

Trump's announcement that U.S. airstrikes had "obliterated" significant Iranian targets initially sent shockwaves through the oil markets. Tehran's subsequent threat of "everlasting consequences" heightened fears of potential supply disruptions, particularly through the strategically critical Strait of Hormuz, which facilitates approximately a third of global crude oil trade. Despite these acute initial anxieties, the absence of immediate physical disruptions in oil flows and shipping routes tempered market fears and fostered investor optimism about Trump's stated "one and done" approach.

Navigating MAGA Isolationism vs. Neoconservative Interventionism

Trump's presidency has been heavily influenced by his populist "America First" ideology, explicitly opposing prolonged military

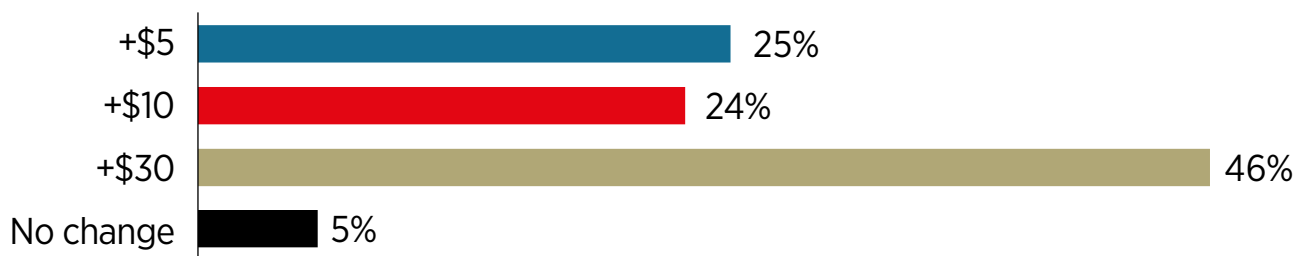
Brent is still below January High – Geopolitical risk premium is unlikely to rise much further until oil supply infrastructure is actually targeted in Israel-Iran war?



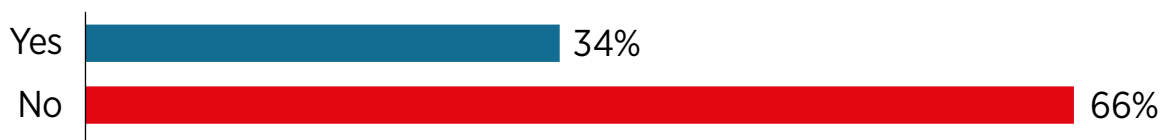
The scale of disruption to shipping inside and outside of Straits of Hormuz from GPS jamming could amount in time to defacto closure of the waterways?



What impact would US strike on Iran have on oil prices?



Have we already seen the high for Brent when back in January oil hit \$82 approx?



(*nb. Polling conducted with 100+ Energy Market Stakeholders June 16-20)

engagements abroad. His recent strike against Iran's nuclear infrastructure, however, represents a significant deviation from his core MAGA vision. Instead, this action aligns closely with the principles espoused by neoconservatives, articulated in the influential PNAC document, which promotes military force to ensure U.S. global hegemony and protect strategic interests, notably oil resources.

Prominent MAGA figures like Tucker Carlson and Marjorie Taylor Greene have sharply criticized Trump's decision, arguing that intervention contradicts his foundational anti-war stance. Carlson explicitly warned against continued neoconservative intervention, highlighting risks of sustained economic volatility and adverse market reactions. Greene echoed these sentiments, cautioning that prolonged engagement could provoke significant humanitarian and economic fallout, potentially undermining Trump's populist appeal.

However, Trump's action found cautious backing from key MAGA-aligned figures like Vice President JD Vance and Representative Andy Biggs, who emphasized conditional trust in Trump's assertion that the strike was limited and justified. Their cautious support illustrates the tightrope Trump walks—seeking to reassure his isolationist supporters by reinforcing that the operation was precisely targeted and finite.

Future Risks: Escalation or Stabilization?

Trump's strategic framing of the Iran strike as a singular, decisive action aims to appease markets and stabilize his political base. Nonetheless, significant risks remain. Any escalation, intentional or otherwise, could disrupt Iranian and regional oil production, causing sustained market volatility. Historical precedent, particularly during the Bush administration's Iraq war influenced by PNAC principles, underscores that extended conflicts in the Middle East typically heighten oil market uncertainty and drive prices upward.

Conversely, a rapid shift back to MAGA isolationism could initially stabilize markets but may embolden Iran or other adversaries to test U.S. resolve further, potentially targeting critical regional energy infrastructure. Such a scenario would inadvertently trigger the very market disruptions Trump aims to avoid, creating sustained geopolitical and economic uncertainty.

To maintain market stability, Trump's administration must clearly communicate and demonstrate strategic restraint, avoiding further aggressive actions that might unsettle global energy markets. Domestically, reinforcing popular MAGA-aligned policies, such as economic nationalism, strong border security, and increased domestic infrastructure spending, could help Trump realign and reassure his core base, offsetting political fallout from his controversial military move.

Ultimately, Trump's ability to navigate the tension between neoconservative demands for decisive action and MAGA calls for strict non-intervention will profoundly shape global oil market dynamics. While the muted initial market response provides a brief respite, maintaining this delicate equilibrium depends significantly on Trump's subsequent decisions and communications. Should his assurances of limited engagement hold, markets could swiftly stabilize. However, any indication of further military escalation would likely lead to a significant reassessment by investors, risking prolonged volatility and rising oil prices.

Trump's pivotal decision illustrates the complex balancing act between domestic political considerations and global economic stability. The stakes—including oil market reactions, international relations, and U.S. political alignments—highlight the profound complexity and gravity of his recent actions. How Trump navigates this geopolitical dilemma moving forward will critically impact not only his presidential legacy but also the broader trajectory of global energy security. ■



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