

Oil falls \$1 per barrel on reports Iran seeks truce with Israel

Oil prices fell by \$1 per barrel on Monday in volatile trading, following reports that Iran is seeking an end to hostilities with Israel. The news raised the possibility of a truce and eased fears of a disruption to the region's oil supply.

Brent crude futures settled down \$1, or 1.35%, at \$73.23 a barrel. U.S. West Texas Intermediate (WTI) crude futures dropped \$1.21, or 1.66%, to \$71.77 a barrel.

Iran has asked Qatar, Saudi Arabia, and Oman to pressure U.S. President Donald Trump to use his influence over Israel to reach an immediate ceasefire in exchange for Tehran's flexibility in nuclear negotiations, two Iranian sources and three regional sources told Reuters. Earlier, *The Wall Street Journal* had reported that Iran was seeking a truce.

Traders scaled back bets that the exchange of airstrikes could escalate into a broader regional war threatening energy infrastructure, said Mizuho analyst Robert Yawger.

On Friday, oil prices had jumped more than 7% after Israel launched airstrikes on Iran, claiming Tehran was close to obtaining an atomic bomb.

Friday's surge pushed oil into "overbought territory" from a technical standpoint, which is often followed by a downward move, said Rory Johnston, energy analyst and founder of the *Commodity Context* newsletter.

"In my view, the initial price rally on Thursday/Friday was fueled by a major influx of speculative money, which brought us back to levels of overbought speculative positioning," Johnston said.

"When you're in that state, the market is especially vulnerable to sharp sell-offs," he added.

Both Israel and Iran have carried out airstrikes, including on energy infrastructure, but key oil export facilities have not yet been hit.