

President Trump Agrees to a Two-Week Suspension of Attacks on Iran; Crude Oil Prices Plunge

Ken Koyama, PhD

Chief Economist, Senior Managing Director
The Institute of Energy Economics, Japan

At 6:32 p.m. Eastern Standard Time on April 7, U.S. President Donald Trump announced via a social media post that the United States would suspend its attacks on Iran for a period of two weeks, on the condition that Iran agree to the complete, immediate, and secure reopening of the Strait of Hormuz.

This announcement was made just before the negotiation deadline of 8:00 p.m. on the same day—a deadline that President Trump himself had set, demanding, among other conditions, the reopening of the Strait of Hormuz. Prior to this announcement, President Trump had warned that, should no agreement be reached, the United States would carry out devastating attacks, stating that it would “destroy all power plants and bridges.” Earlier that same day, at approximately 8:00 a.m., President Trump had also posted on social media that “A whole civilization will die tonight, never to be brought back again. I do not want that to happen, but it probably will,” further signaling the possibility of large-scale military action. As the negotiation deadline approached under these circumstances, tensions surrounding Iran escalated to an extremely critical level.

Amid this sustained high-pressure environment, Pakistan’s Prime Minister Shehbaz Sharif, who had been serving as a mediator between the United States and Iran, announced via social media that he had requested President Trump to extend the negotiation deadline by two weeks. At the same time, he stated that he would ask Iran to allow the resumption of transit through the Strait of Hormuz for a two-week period. In response to Pakistan’s diplomatic efforts—aimed at encouraging all parties to the conflict to pursue resolution through dialogue rather than force—President Trump announced the two-week suspension of attacks.

As the deadline drew near, the international community watched the developments between the US and Iran with grave concern. The announcement of a two-week halt to military operations succeeded, at least temporarily, in preventing escalation toward a worst-case scenario, and generated cautious expectations that discussions toward peace might resume.

In a subsequent social media post, Prime Minister Sharif expressed his satisfaction that not only the United States and Iran, but also other parties involved, had agreed to an immediate ceasefire. He further announced plans to host direct talks between U.S. and Iranian delegations in Islamabad on April

10, aimed at reaching a final agreement to end the war. Iran, for its part, indicated that it would refrain from retaliatory actions should the United States suspend its attacks, thereby demonstrating its willingness to comply with a ceasefire. Moreover, Iranian Foreign Minister Abbas Araghchi stated that, during the two-week period, safe navigation through the Strait of Hormuz would be ensured.

Thus, the large-scale attack that had been imminent was avoided at the last possible moment, and the situation shifted dramatically. For the time being, a sense of relief has spread as the “worst-case scenario” was averted at this moment. The trajectory of the talks between the United States and Iran beginning on April 10 will be a focal point of international attention, and there is cautiously growing hope that progress toward stabilizing the situation may be achieved.

The last-minute announcement of a two-week suspension of attacks had an immediate and significant impact on global energy markets. In the New York market on April 7, crude oil prices surged sharply following President Trump’s hardline rhetoric, with WTI crude futures temporarily exceeding USD 117 per barrel. However, prices then fluctuated wildly and declined rapidly following reports of Prime Minister Sharif’s request to extend the negotiation deadline. Ultimately, WTI crude settled at USD 112.95 per barrel, up USD 0.54 from the previous day’s close. At this stage, heightened price levels reflected continued market anxiety over the potential initiation of major hostilities.

Following reports of the two-week suspension of attacks and the agreement on an immediate ceasefire among the relevant parties, crude oil prices fell sharply. In after-hours trading, WTI prices temporarily dropped into the low USD 90 range—nearly a 20 percent decline from the April 7 closing price. Equity markets worldwide, beginning in New York, rose sharply on optimism over the ceasefire, while the U.S. dollar weakened and the Japanese yen strengthened. The ceasefire news thus rapidly reverberated across global financial markets, exerting substantial influence.

These market reactions reaffirm how the developments surrounding Iran are perceived as a critical factor influencing the global economy, international financial markets, and international energy markets. In particular, regarding energy markets, the most crucial issue remains whether the Strait of Hormuz—under de facto blockade since the outbreak of the current conflict on February 28—will be reopened. Had the ceasefire failed and the United States proceeded with its planned large-scale attacks, Iran would likely have responded with intense retaliatory strikes, further deepening and prolonging the effective closure of the Strait of Hormuz. Such a scenario could also have led to Iranian attacks to cause severe damage to energy infrastructure in the Gulf producing countries. That these worst-case scenarios have, at least for now, been avoided carries enormous significance for the stability of international energy markets.

Iran's declaration that safe passage through the Strait of Hormuz would be possible during the two-week ceasefire period is also psychologically significant. Should negotiations between the United States and Iran progress, expectations that secure navigation through the Strait can be firmly ensured may increase. From the current extremely precarious situation, even modest improvements would represent meaningful progress toward stabilizing international energy markets, a development the author earnestly hopes to see realized.

Nonetheless, considerable uncertainty remains, and caution is warranted. Global attention will focus on the negotiations scheduled to begin on April 10, yet it is difficult at this stage to predict their trajectory. While President Trump has reportedly indicated that Iran's proposed 10 ceasefire conditions could serve as "a viable basis for negotiation," these demands are believed to include elements—such as financial compensation for Iran and Iranian control over the Strait of Hormuz—that would be difficult for the United States to accept. The gap between the two parties remains substantial, and the upcoming negotiations are unlikely to proceed smoothly. Excessive optimism would therefore be misplaced.

Even if a final agreement is reached and peace is achieved after overcoming numerous hurdles, it is difficult to imagine that the Middle Eastern situation surrounding Iran will fully revert to the pre-war status quo. The fact that countries have engaged in direct large-scale hostilities and suffered extensive damage weighs heavily, and mutual distrust is likely to persist. Moreover, the reality that the Strait of Hormuz will continue to function as a geopolitical "chokepoint" will remain unchanged.

While one sincerely hopes that the talks beginning on April 10 will lead to an end to the war and meaningful progress toward peace, it must be recognized that the geopolitical landscape of the Middle East has been fundamentally altered by this conflict. Ensuring regional stability will require sustained efforts by all concerned parties, including Japan. At the same time, from the perspective of strengthening energy security, it is essential to further promote diversification of energy sources and supply source countries/regions.

Finally, this crisis has once again underscored the critical importance of preparedness and response capabilities for emergency situations—particularly in light of the unprecedented experience of an effective blockade of the Strait of Hormuz. Strengthening energy security through comprehensive and integrated approaches, and enhancing systemic resilience are indispensable for survival in an increasingly severe energy-geopolitical environment. As the old adage advises, "In times of peace, do not forget the possibility of turmoil." Even if peace is achieved, steady and sustained efforts to reinforce energy security will remain imperative.

Contact: report@tky.ieej.or.jp

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