



Oil Prices Fall as Iran Reopens Hormuz Following Truce

Description

Oil prices fell sharply in early Asian trading on Wednesday after the US and Iran reached a two-week ceasefire agreement. Iran announced it would permit safe passage for ships through the Strait of Hormuz during this truce, which is significant as this waterway handles about one-fifth of the world's oil trade. Iranian Foreign Minister Abbas Araghchi confirmed the arrangement, while Iran's Supreme National Security Council stated that although the ceasefire is in place, it does not signify the end of the conflict.

Diplomatic discussions are set to begin in Islamabad on Friday, marking the first major opportunity for negotiation since the fighting started in February. Reports indicate that the price of US crude, known as West Texas Intermediate, dropped by 16.56% to \$96.39 per barrel, while Brent crude fell by 15.89% to \$93.38.

In stock markets, Japan's Nikkei 225 index rose by 4.38% to 55,771.56 points, and South Korea's Kospi increased by 5.71% to 5,808.65 points, as investors returned to riskier assets following weeks of uncertainty caused by the conflict.

This market relief followed a significant announcement from US President Donald Trump, who stated he would halt attacks on Iran if the country ensured the reopening of the Strait of Hormuz. Shortly after, a senior official in the White House confirmed that Israel had also agreed to pause its bombing activities while negotiations were ongoing. As the deadline approached, Pakistan sought to encourage further diplomatic efforts and requested Trump to allow more time for negotiations.

Vocabulary List:

1. **ceasefire** //ˈsiːs,faɪər// (noun): an agreement to stop fighting for a time
2. **permit** //pəˈmɪt// (verb): to allow someone to do something
3. **passage** //ˈpæsɪdʒ// (noun): movement through a place or area
4. **waterway** //ˈwɔːtə,weɪ// (noun): a river or channel used by ships
5. **diplomatic** //ˌdɪpləˈmætɪk// (adjective): relating to talks and relations between countries
6. **negotiation** //ˌnə,ɡɒʃiˈeɪʃən// (noun): a discussion to reach an agreement

Comprehension Questions



Multiple Choice

1. What percentage did the price of US crude drop to after the ceasefire agreement?

- Option: 16.56%
- Option: 15.89%
- Option: 20%
- Option: 10%

2. Which country's index rose by 4.38% to 55,771.56 points?

- Option: China
- Option: South Korea
- Option: Japan
- Option: India

3. During the ceasefire, which body of water was significant for oil passage?

- Option: Strait of Gibraltar
- Option: Strait of Hormuz
- Option: Bering Strait
- Option: Bosphorus Strait

4. What was the percentage drop for Brent crude oil?

- Option: 16.56%
- Option: 15.89%
- Option: 14.75%
- Option: 10%

5. Who confirmed the ceasefire agreement on behalf of Iran?

- Option: Abbas Araghchi
- Option: Donald Trump
- Option: The Supreme Leader
- Option: The President

6. When are the diplomatic discussions set to begin?

- Option: Wednesday
- Option: Friday
- Option: Monday
- Option: Saturday



True-False

7. Iran's ceasefire agreement signifies the end of the conflict.
8. The price of West Texas Intermediate crude oil fell to \$96.39 per barrel.
9. Pakistan encouraged Trump to hasten negotiations.
10. Investment in stock markets increased following the announcement from Trump.
11. Israel agreed to increase bombing activities during the negotiations.
12. The ceasefire agreement was reached for a period of one week.

Gap-Fill

13. Iran announced it would permit safe passage for ships through the Strait of Hormuz during this truce, which is significant as this waterway handles about one-fifth of the world's oil trade. Iranian Foreign Minister Abbas Araghchi confirmed the arrangement, while Iran's Supreme National Security Council stated that although the ceasefire is in place, it does not signify the end of the conflict. The price of US crude, known as West Texas Intermediate, dropped by _____ to \$96.39 per barrel.
14. In stock markets, Japan's Nikkei 225 index rose by _____ to 55,771.56 points.
15. This market relief followed a significant announcement from US President Donald Trump, who stated he would halt attacks on Iran if the country ensured the reopening of the _____ of Hormuz.
16. Shortly after, a senior official in the White House confirmed that Israel had also agreed to pause its _____ activities while negotiations were ongoing.
17. As the deadline approached, Pakistan sought to encourage further diplomatic efforts and requested



Trump to allow more time for _____ .

18. Reportedly, Brent crude fell by _____ to \$93.38.

Answer

Multiple Choice: 1. 16.56% 2. Japan 3. Strait of Hormuz 4. 15.89% 5. Abbas Araghchi 6. Friday

True-False: 7. False 8. True 9. False 10. True 11. False 12. False

Gap-Fill: 13. 16.56% 14. 4.38% 15. Strait 16. bombing 17. negotiations 18. 15.89%

CATEGORY

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