



CIO favors strategies to improve portfolio resilience and remain invested, including holding a well-diversified portfolio, utilizing structured investments, and incorporating exposure to gold and oil. (UBS)

Middle East tensions push up gold, oil

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Gold has continued to make fresh highs amid elevated tensions in the Middle East, while Brent crude oil is trading above USD 75 per barrel at the time of writing.

Israel's military said it had killed a number of Hezbollah commanders and fighters in southern Lebanon over the past 48 hours, including the militant group's heir apparent leader Hashem Safieddine. Just last week, Israel said its forces had killed Hamas leader Yahya Sinwar. Meanwhile, US Secretary of State Antony Blinken urged Israel to bring the war to an end as he attempts to broker a ceasefire in the region.

Our view: Our base case remains that an all-out war between Israel and Iran can be avoided, but markets are on high alert after Iran launched a barrage of missiles earlier this month. Against this backdrop, we favor strategies to improve portfolio resilience and remain invested, including holding a well-diversified portfolio, utilizing structured investments, and incorporating exposure to gold and oil. With price targets of USD 2,850/oz for gold and USD 87/barrel for Brent crude by mid-2025, in view of the geopolitical risks and supportive supply-demand fundamentals, we rate both commodities as Attractive.

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Original report: [US dollar weakness should return, 23 October 2024.](#)

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