

Flights cancelled while oil and arms stocks surge amid Israel-Hamas war

The price of oil and shares in weapons makers have risen while a growing number of airlines are adjusting flight schedules over fears related to the Israel-Hamas conflict.

Ryanair was the latest carrier to reveal its plans, saying it would not fly in or out of Tel Aviv until Thursday at the earliest.

The scale of the fighting, also harming the ability of UK nationals to leave the region, is the subject of a UK government meeting.

Monday morning was the first time that financial markets had been able to react.

The cost of a barrel of Brent crude, the benchmark for oil prices, was at \$89 (£73.10) earlier in the day before falling back to \$87.77 (£72) by the evening,

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While the price is down compared to the past month, it was a more than 3% rise following the [Hamas attacks](#) on Israel and the [strikes on the Gaza Strip](#).

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Less than a month ago the price of Brent crude was [\\$94 a barrel](#) (£77). More expensive oil prices mean the price of petrol and diesel will go up and general economic production, which is reliant on oil, also increases in price.

Such rises in energy costs will fuel inflation.

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There are market worries that Iran, which is an oil exporter, could be drawn into the conflict.

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Arms companies saw the value of their shares rise on Monday. UK defence firm BAE Systems was the top riser on the FTSE 100 – up 4.5% to 1018.5p a share by the close

The trend could be seen across Europe. The jet fighter and car making company Saab saw gains of 9% to its share price earlier in the day, while German arms maker Rheinmetall had gains of 5.5%.

A number of major US airlines and other European carriers paused flights to the Israeli capital, Tel Aviv: Delta, United Airlines Holdings and American Airlines cancelled services as did Air France, easyJet, Lufthansa and Wizz Air.

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Virgin Atlantic said its flights between London Heathrow and

Tel Aviv could face delays or cancellations.

British Airways was one of the airlines continuing to fly to Israel on Monday.

Airline stocks' value fell as a result of the violence and the higher oil price.

The parent company of British Airways, Aer Lingus and Vueling, among others, saw the value of its shares fall 6% on Monday while Ryanair's share price dropped 3.7%.

Rockets were also fired into Israel from Lebanon, adding to concerns of a multi-state conflict.

"Investors assess the potential for the conflict to disrupt supply in the Middle East, if other countries are drawn in.

"There are concerns that deep and incessant retaliative strikes on Gaza could potentially bring Iran into the conflict and have an impact on the flow of energy in the region," said Susannah Streeter the head of money and markets at Hargreaves Lansdown.

Oil prices have also been pushed up due to supply cuts by Saudi Arabia and Russia.