# Article information:

Does oil connect differently with prominent assets during war? Analysis of intra-day data during the Russia-Ukraine saga - ScienceDirect
<https://www.sciencedirect.com/science/article/pii/S0301420722001763>

# Article summary:

1. Oil connects differently with prominent financial assets during market turbulence caused by war.

2. Connectedness is stronger during the Russia-Ukraine war than before it.

3. Oil becomes a net transmitter of spillovers during the war, affecting all other assets, but the spillover effect is transitory and dies out gradually.

# Article rating:

Appears moderately imbalanced: The article provides some useful information, but is missing several important points or pieces of evidence that would be required to present the discussed topics in a balanced and reliable way. You are encouraged to seek a more balanced perspective on the presented issues by exploring the provided research topics and looking at different information sources.

# Article analysis:

The article titled "Does oil connect differently with prominent assets during war? Analysis of intra-day data during the Russia-Ukraine saga" published on ScienceDirect provides an interesting analysis of how oil connects with other financial assets during market turbulence caused by a war. The study is based on intra-day data before and during the ongoing Russia-Ukraine war, and it examines the connectedness of oil with bonds, bitcoin, U.S. dollar, gold, and stocks.

The article presents several key findings that are worth noting. Firstly, the study finds that connectedness is stronger during the war than before it. This suggests that market turbulence caused by a war has a significant impact on how different financial assets are connected to each other. Secondly, the study finds that oil becomes a net transmitter of spillovers during the war, unlike in the pre-war era when it is characterized as a net receiver of spillovers. This finding suggests that oil plays a more significant role in transmitting shocks to other financial assets during times of war.

Thirdly, whereas the net directional pairwise results suggest heterogeneity regarding how oil connects individually with each of the remaining assets before the war, oil has a strong spillover effect on all of them during the war. This finding suggests that during times of war, all financial assets are affected by changes in oil prices.

However, there are some potential biases and limitations to consider when interpreting these findings. Firstly, the study only examines one specific conflict (the Russia-Ukraine war), which may limit its generalizability to other conflicts or periods of market turbulence. Secondly, while the study uses intra-day data to examine short-term effects on financial markets, it does not examine longer-term effects or potential feedback loops between different financial assets.

Additionally, while the article notes some implications for short-term investors and future research agendas related to this topic, it does not provide any discussion or analysis of potential risks associated with increased connectedness between financial assets during times of war. For example, increased connectedness could lead to greater systemic risk or contagion in financial markets.

Overall, the article provides an interesting analysis of how oil connects with other financial assets during times of war. However, readers should be aware of potential biases and limitations in the study's methodology and interpretation of results.

# Topics for further research:

* Long-term effects of war on financial markets
* Feedback loops between financial assets during market turbulence
* Systemic risk and contagion in financial markets
* Historical analysis of oil's role in financial markets during times of war
* Impact of geopolitical events on financial markets
* Interconnectedness of global financial markets during times of crisis

# Report location:

<https://www.fullpicture.app/item/369317f6f4340a6a5db5b01bb6d11432>