

The Signal That Flagged WTI's Wild Weeks

By Gill Segal

Most questions about the Strait of Hormuz are directional: should crude be bought or sold? But there is a somewhat easier question, and it is the one an options trader would ask first: how much oil movement (up or down) is ahead? A long straddle (a call and a put with the same strike and expiry) does not require a directional view. It requires enough realized movement to offset the premium paid. A short straddle is the opposite exposure: it earns the premium when movement stays contained and loses when the underlying travels too far.

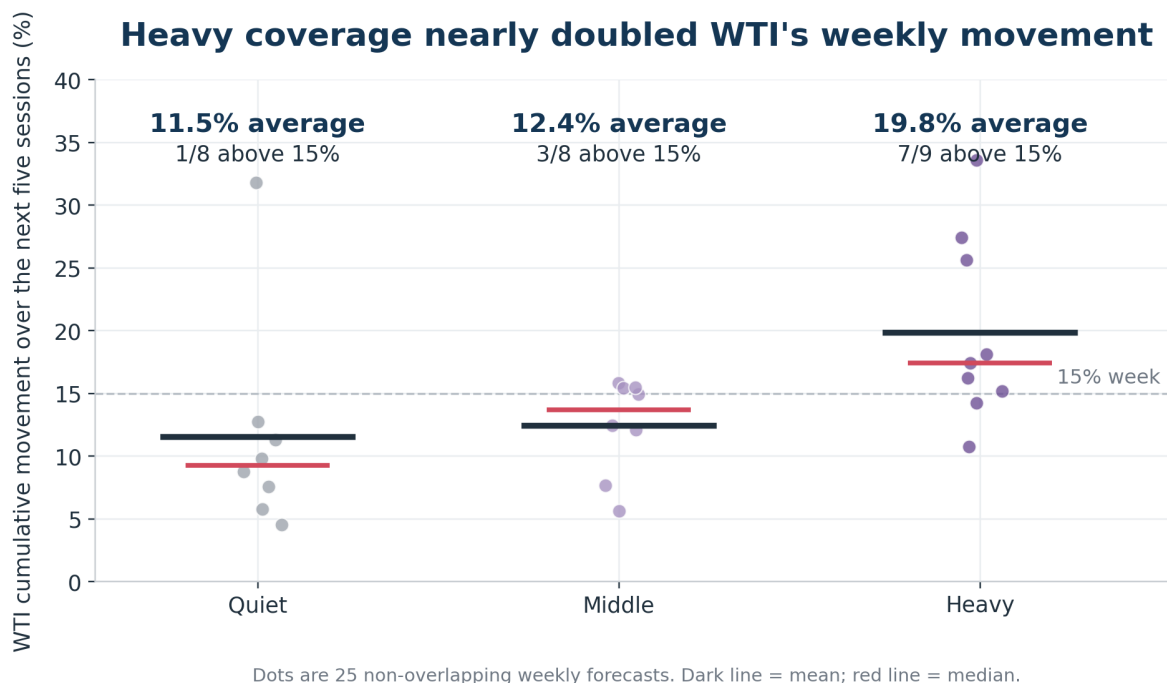
In the 2026 Israel-U.S.-Iran crisis, one daily signal was useful for that decision: the previous day's GDELT count of articles linking Iran and oil. [GDELT](#) - the Global Database of Events, Language, and Tone - is an open project that monitors news coverage around the world and converts it into structured, searchable data. Here I use its daily count of article instances. The indicator is simple: count the coverage, then use it as a forecast of how rough WTI's path may be over the next five sessions.

Heavy coverage flagged the wild weeks

The outcome here is cumulative absolute movement, not WTI's net return. I add the absolute value of each daily move over the next five sessions. A sequence of +4%, -3%, +2%, -1% and +2% is 12% of movement even though crude ends only 4% higher. The measure captures how far WTI traveled.

For the cleanest comparison, I used 25 non-overlapping weekly forecasts. At each Friday close, the signal was the completed Thursday article count. I then measured WTI's movement across the following five sessions.

The heavy-news weeks were simply much rougher. Average cumulative absolute movement was 11.5% after quiet coverage, 12.4% in the middle, and 19.8% after heavy coverage. A week with more than 15% of cumulative movement occurred in only 1 of 8 quiet weeks, but in 7 of 9 heavy weeks. That is a jump from 12% to 78%.



Heavy coverage nearly doubled WTI's weekly movement.

Volatility takeaway: the count does not choose calls over puts. It identifies the kind of week in which volatility trades deserve a closer look.

Same OVX, different realized path

The obvious question is whether the article count might simply be OVX - often described as the VIX for oil - in disguise. It was not fully redundant.

Across 129 daily observations, the news count alone explained 33% of the variation in WTI's next-five-session absolute movement. OVX alone explained 32%. A conventional market model using OVX and recent realized WTI movement explained 38%. Adding the news count raised that to 47%.

The free news count added information to the market model

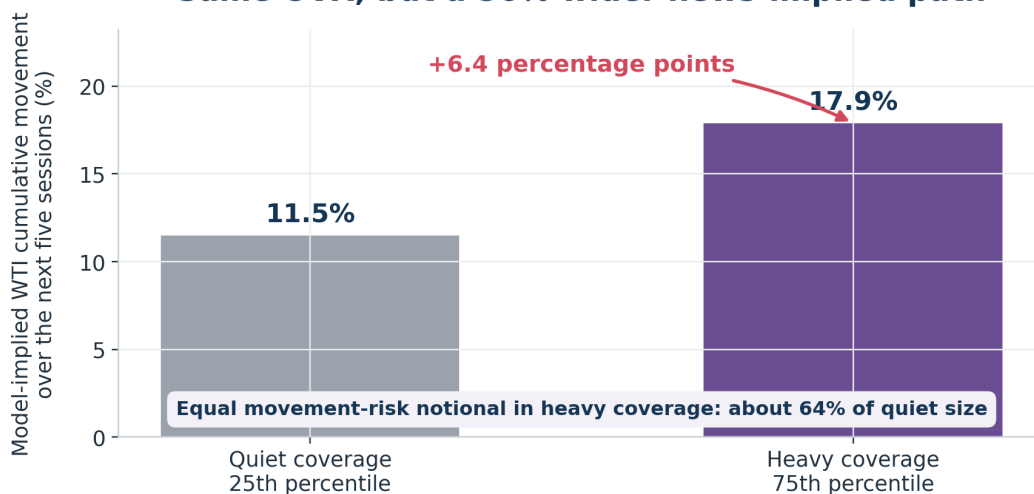


The full model includes OVX, recent realized WTI movement and the Iran-and-oil article count.

The free news count added information to the market model.

A sharper comparison can be seen when fixing the OVX level. Moving from the 25th to the 75th percentile of news coverage raised the model's expected five-session WTI absolute movement from 11.5% to 17.9%. That is a 6.4-point increase, or roughly 56% more expected cumulative movement, without changing OVX.

Same OVX, but a 56% wider news-implied path



Calibration holds OVX and recent realized movement at their median values. 2026 sample.

At the same OVX level, heavy coverage implied a much wider realized path.

In short, the news count acted like an overlay on OVX.

As an independent check, I looked at *Arabic* (not English! Think proximity to the source!) Wikipedia pageviews for the Strait of Hormuz. They showed almost the same pattern. Quiet, middle and heavy pageview weeks produced roughly the same 12%, 12%, 20% progression.

How I would translate it into a volatility trade

I would not automatically buy every straddle after a busy-news day. I did not backtest historical option-chain P&L. The result maps more naturally to gamma exposure - the value of owning optionality while the underlying keeps moving and the position is re-hedged:

- **For long volatility:** when coverage is heavy and the option-implied move has not widened by a similar amount, an at-the-money straddle deserves a closer look.
- **For short volatility:** demand more premium, widen the loss budget, or sell fewer contracts. Heavy coverage was a poor environment for carrying short gamma.

A quiet count is not an automatic short-volatility signal, and a loud count is not proof that a long straddle is cheap. The useful question is: has the options market widened enough to reflect the most recent news environment?

Next time Hormuz returns to the screen, I would still watch OVX and recent WTI movement. But I would put yesterday's Iran-and-oil article count beside them. It will not tell me whether to buy a call or a put. In this episode, it was useful for deciding when to look for long gamma - and when selling a straddle needed more compensation.

How to get the attention data

The two attention series are free. GDELT supplies the primary news count; Arabic Wikipedia pageviews provide the independent check.

GDELT news count. Use the [GDELT DOC 2.0 API](#). Set the query to **iran oil**, choose **TimelineVolRaw** so the output is the actual number of matched article instances, request CSV or JSON, use daily resolution, and set smoothing to zero. Specify the date window with `startdatetime` and `enddatetime`. If a long request is rejected, download shorter monthly or quarterly windows and append them. The count is not a deduplicated number of independent publishers.

Sample GDELT request: [open the last three months of the Iran-oil daily count](#). Replace the rolling timespan with precise start and end timestamps when reproducing a fixed historical window.

Arabic Wikipedia pageviews. The easiest no-code route is [Wikimedia Pageviews Analysis](#). Select project **ar.wikipedia.org**, article **مضيق هرمز**, daily frequency, all platforms, and user agents; then download the CSV. Pageviews count page loads, not unique readers. For code, use the [Wikimedia Analytics per-article pageviews API](#) with project **ar.wikipedia.org**, article **مضيق_هرمز**, access **all-access**, agent **user**, and granularity **daily**.