

# Royal Caribbean's Stock Performance During Economic and Geopolitical Crises

Milana Lamdan

School for Advanced Studies - North, Miami, Florida, United States of America

## Abstract

This study examined how major global economic and geopolitical events were associated with differences in Royal Caribbean's stock performance. By comparing six events, this study aimed to identify recurring patterns and determine which factors were most strongly associated with differences in the company's stock price. This research was conducted because Royal Caribbean operates globally and depends on travel demand, making it vulnerable to pandemics, wars, oil price changes, and travel restrictions. This study used a quantitative comparative descriptive research design. Historical stock prices, oil prices, travel conditions, and market performance were collected from public financial databases, government sources, and news publications. The analysis examined six major events between 2020 and 2026 and compared stock declines, recovery times, oil prices, travel conditions, and overall market performance. The results showed that Royal Caribbean's stock declined across all six events examined, although the size of the decline and recovery time varied. COVID-19 was associated with the largest decline (82.8%) the longest recovery period at 1,456 calendar days, while the Labadee suspension was associated with the smallest decline (2.9%) and a recovery period of 7 days. The findings also showed that higher monthly oil prices were not consistently associated with the largest stock declines. Overall, the results showed that events involving widespread cruise disruptions and global travel restrictions were associated with larger stock declines than localized operational disruptions. These findings may help investors compare future events with the historical patterns identified in this study.

**Keywords:** Royal Caribbean Group, stock performance, event study, cruise industry, geopolitical events, economic crises, travel restrictions, oil prices

## 1. Introduction

### 1.1. Statement of Purpose

The purpose of this study is to examine which characteristics of major global economic and geopolitical events are most strongly associated with differences in Royal Caribbean's stock performance. Specifically, this study compares operational disruptions, the extent of travel disruption, fuel price conditions, and broader market conditions across six major events. By comparing several events, this study aims to identify recurring patterns and determine which factors have the strongest associations with the company's stock performance. The analysis compares changes in stock price, recovery times, oil prices, travel conditions, and overall market performance to better understand how different types of events have historically been associated with Royal Caribbean's stock performance and how these patterns may help provide a framework for evaluating similar events in the future.

### 1.2. Statement of Problem

Royal Caribbean operates globally and depends on people choosing to take cruise vacations. Because of this, the company is exposed to many external events, including wars, pandemics, inflation, rising oil prices, and travel restrictions. Some investors may assume that similar events, such as different wars or increases in oil prices, are associated with changes in the company's stock in the same way. However, evidence suggests that some crises are associated with larger stock-price changes than others. Understanding this difference cannot only explain past stock reactions but also help investors and analysts better compare future events with historical patterns in Royal Caribbean's stock performance. Comparing multiple historical events allows this study to identify which factors are most strongly associated with differences in the company's stock performance and may improve future risk assessment.

### 1.3. Rationale

Studying Royal Caribbean's historical stock performance can help investors and analysts better understand how various global events are associated with changes in the company's stock performance. A comparative descriptive study examines similarities and differences across multiple cases to identify recurring patterns (Mills et al., 2006). This study uses a comparative descriptive approach to compare multiple economic and geopolitical events with different characteristics. For example, Lin et al. (2022) examined the financial performance of major cruise companies during the COVID-19 pandemic, providing a framework for comparing financial performance during a major global crisis. Building on this type of analysis, the present study expands the comparison beyond COVID-19 to examine Royal Caribbean's stock performance across different types of economic and geopolitical crises. By examining stock-price declines, recovery times, travel disruptions, fuel-price conditions, and broader market conditions across these events, the study aims to identify recurring patterns and differences in Royal Caribbean's stock performance.

### 1.4. Background

Royal Caribbean is an important company to study because it is one of the world's largest cruise companies, operating the brands Royal Caribbean International, Celebrity Cruises, and Silversea Cruises, and owning a 50% interest in TUI Cruises and Hapag-Lloyd Cruises (Royal Caribbean Group, 2026). Because these brands serve different market segments, ranging



from mass-market to premium and luxury travelers, different global events may be associated with changes across each segment differently, potentially relating to differences in the company's overall stock performance.

The company earns revenue through two main sources. According to Royal Caribbean Group (2026), approximately 70% of total revenue comes from passenger ticket sales, while the remaining 30% comes from onboard spending, such as specialty dining, excursions, and internet packages. Because both revenue sources depend on passengers choosing to cruise and spend onboard, events that reduce travel demand or onboard spending may be associated with decreases in revenue, earnings, and ultimately the company's stock price.

According to Royal Caribbean Group (2026), Royal Caribbean operates globally but has a predominantly U.S. customer base. As a result, both U.S. economic conditions, such as inflation and interest rates, and international events, such as wars, oil supply disruptions, travel restrictions, and regional instability, may influence travel demand, the company's financial performance, and ultimately its stock price.

## 1.5. Literature Review

Previous research has shown that stock prices often react quickly to unexpected news because investors immediately adjust their expectations about future company performance (Fama, 1970). This concept is known as the Efficient Market Hypothesis, which suggests that new information is rapidly reflected in stock prices. Behavioral finance also provides another perspective by considering the role of investor sentiment. Baker and Wurgler (2006) describe investor sentiment in terms of investors' tendency to speculate and their optimism or pessimism toward stocks. Their study suggests that changes in sentiment do not affect all stocks equally; stronger effects are observed among stocks whose values are more subjective and harder to determine. For example, during a crisis involving travel restrictions, investors may become more pessimistic about a cruise company such as Royal Caribbean because its business depends heavily on people being able and willing to travel. As a result, Royal Caribbean's stock may experience a different pattern than the broader market during the same period. This idea is relevant to the present study because the six crises differed in how they directly affected travel disruption, cruise operations, fuel-price conditions, and overall market conditions. Therefore, investor sentiment provides one possible framework for understanding why Royal Caribbean's stock performance may differ across periods of crisis.

Another important consideration when examining stock performance during a crisis is understanding the difference between systematic and unsystematic risk. Sharpe (1964) explains that systematic risk refers to risk associated with the broader market or economic conditions that can affect many companies at the same time and cannot be eliminated simply through diversification. For example, a major global crisis may create economic uncertainty that influences stock prices across multiple industries. Unsystematic risk, on the other hand, refers to risk that is more specific to an individual company or industry and is not explained by broader market movements. This type of risk may arise from factors that affect a particular company's industry more directly. Sharpe (1964) distinguishes these two types of risk by explaining that systematic risk reflects the portion of an asset's movement associated with broader market conditions, while the remaining uncorrelated portion represents unsystematic risk. This distinction is particularly relevant with Royal Caribbean because the events examined in this study differed in how broadly they affected financial markets and how directly they related to cruise operations. For example, a geopolitical conflict may create uncertainty across the broader stock market, while Royal Caribbean's suspension of visits to a particular destination represents a more localized operational disruption. Comparing Royal Caribbean's stock performance with the S&P 500 therefore provides context for examining whether Royal



Caribbean's stock movements occurred alongside broader market movements or displayed a different pattern.

Previous research has also examined how major crises can affect the financial performance of cruise companies. Lin et al. (2022) analyzed the financial performance of the three largest cruise companies, including Royal Caribbean, from 2015 to 2021 and examined the effects of the COVID-19 pandemic on the cruise industry. Their study found that the suspension of cruise operations during the pandemic was accompanied by major declines in passenger numbers, operating income, profitability, and stock prices, while debt and financial leverage increased substantially. For Royal Caribbean specifically, passenger numbers declined from approximately 6.55 million in 2019 to 1.30 million in 2020, while operating income fell from approximately \$10.95 billion to \$2.21 billion. These findings demonstrate how a crisis that directly disrupts cruise operations can coincide with substantial changes in both the operational and financial performance of a cruise company.

Geopolitical risk is another important factor when examining the performance of travel and leisure stocks during periods of crisis. Demiralay and Kilincarslan (2019) define geopolitical risk as risks associated with events such as wars, terrorism, and tensions between countries that can disrupt normal international relations. Their study examined the relationship between geopolitical risk and the stock performance of companies in the travel and leisure industry across several regional markets. The researchers found that geopolitical risks were associated with changes in travel and leisure stock performance, but the strength of this relationship varied depending on market conditions. For example, when the market was performing well, a geopolitical threat might create concern among investors but have a smaller effect on travel and leisure stocks. In contrast, when the market was already performing poorly, investors might be more sensitive to additional geopolitical uncertainty, resulting in a stronger stock-market reaction. These findings are relevant to Royal Caribbean because several events examined in the present study involve geopolitical conflicts that may create uncertainty for the travel industry. For example, the Russia–Ukraine War created geopolitical uncertainty that could influence investors' expectations about travel demand, fuel prices, and broader economic conditions.

Although previous research has examined how individual crises affect financial markets, tourism companies, and the cruise industry, less attention has been given to comparing how different types of crises relate to the stock performance of a single cruise line. Existing studies have examined factors such as investor sentiment, geopolitical risk, and the financial effects of COVID-19, but these factors are often studied separately. The present study builds on this research by comparing Royal Caribbean's stock performance across six different crises, including a global pandemic, geopolitical conflicts, an oil-production shock, and a localized operational disruption. By also examining travel conditions, Brent crude oil prices, and the S&P 500, the study provides a framework for comparing how Royal Caribbean's stock performance differed across crises with different characteristics.

## 2. Methodology

### 2.1. Purpose and Study Design

This study uses a comparative descriptive research design to examine Royal Caribbean's stock performance across six major economic and geopolitical events. Comparative research examines multiple cases to identify similarities, differences, and recurring patterns (Mills et al., 2006). Each event is examined based on Royal Caribbean's stock price decline and recovery, travel disruptions, fuel-price conditions, and broader market performance. The findings are then compared across the six events to identify patterns associated with different crisis characteristics. Because this study uses



descriptive comparisons rather than statistical methods, the comparisons are used to identify associations and historical patterns rather than establish direct cause-and-effect relationships.

## 2.2. Sample

The sample consists of six major events that were selected because they represent different types of external crises with the potential to affect Royal Caribbean's business and stock performance. To be included in this study, events had to occur between 2020 and 2026, have the potential to be associated with changes in travel demand, cruise operations, fuel prices, or broader market conditions, and have sufficient financial and news data available for analysis. The events include:

- COVID-19
- Russia–Ukraine War
- OPEC+ Oil Production Cuts<sup>1</sup>
- Israel-Hamas War
- U.S.–Israel–Iran Conflict<sup>2</sup>
- Royal Caribbean's temporary suspension of visits to Labadee, Haiti

These events were selected to represent different types and levels of disruption, including a global travel shutdown, geopolitical conflicts, an oil-production shock, and a localized operational disruption. This variation allows the study to compare Royal Caribbean's stock performance across crises that differed in travel disruption, operational effects, fuel-price conditions, and broader market conditions. Other events, such as hurricanes, earnings announcements, and company-specific financial announcements, were not included because the study focuses on external economic, geopolitical, and localized operational disruptions rather than on every type of event that could influence Royal Caribbean's stock price. Hurricanes may affect cruise operations, but they are weather-related disruptions and therefore fall outside the categories examined in this study.

Because this study used publicly available financial and historical data and did not involve human participants, Institutional Review Board (IRB) approval was not required.

## 2.3. Measures

For each event, the following variables were collected and analyzed:

1. Pre-event reference price: For events with a clearly identifiable start or announcement date, this was defined as Royal Caribbean's closing stock price on the last trading day before the event. For COVID-19, which developed

---

<sup>1</sup> On April 2, 2023, OPEC+ announced voluntary oil production cuts to reduce global supply and support oil prices.

<sup>2</sup> The war began in late February 2026 and ended with an interim peace agreement on June 17, 2026.



gradually rather than beginning on a single date, the pre-crisis reference was defined as the highest closing price immediately preceding the sustained decline associated with the developing pandemic.

2. Crisis-period low: The lowest daily closing stock price reached following the event before the stock began to recover.
3. Stock-price decline: The percentage change from the pre-event reference to the crisis-period low.
4. Recovery: The first trading day on which Royal Caribbean's closing stock price returned to or exceeded its pre-event reference price.
5. Recovery time: The amount of time between the crisis-period low and the first trading day on which Royal Caribbean's closing stock price returned to or exceeded its pre-event reference price.
6. Brent crude oil price: The monthly average Brent crude oil price per barrel during the month in which each event occurred.
7. Market performance: The percentage change in the S&P 500 over the same period used to calculate Royal Caribbean's stock-price decline, from the pre-event reference date to the crisis-period low date.
8. Travel disruption: The extent of cruise or broader travel disruption associated with each event, including restrictions, suspensions, cancellations, or itinerary changes.

The S&P 500 Index was selected because it represents the performance of large U.S. companies and provides a benchmark for comparing Royal Caribbean's stock performance with overall market conditions.

**Table 1:** Variables Collected and Analyzed

| Variable                    | Description                                                                                                |
|-----------------------------|------------------------------------------------------------------------------------------------------------|
| Event date                  | Date the event began                                                                                       |
| Royal Caribbean stock price | Daily closing stock price before, during, and after each event                                             |
| Stock-price decline (%)     | Percentage decline from the pre-event reference price to the crisis-period low following the event.        |
| Recovery                    | The first trading day on which Royal Caribbean's closing stock price returned to or exceeded its pre-event |



|                       | reference price.                                                                                                                                                                                               |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Recovery time         | The amount of time between the crisis-period low and the first trading day on which the closing stock price returned to or exceeded its pre-event reference price.                                             |
| Brent crude oil price | Monthly average Brent crude oil price per barrel during the month in which each event occurred.                                                                                                                |
| Travel conditions     | Presence and extent of travel restrictions, cruise suspensions, cancellations, or itinerary changes associated with each event.                                                                                |
| Overall Market        | Percentage change in the S&P 500 index over the same period used to calculate Royal Caribbean's stock-price decline, used to compare Royal Caribbean's stock performance with broader U.S. market performance. |

## 2.4. Data Collection

For each event, daily closing stock-price data for Royal Caribbean Group (RCL) were collected using Yahoo Finance. For events with a clearly identifiable start or announcement date, the pre-event reference price was the closing price on the last trading day before the event. If the event occurred on a weekend or market holiday, the last available trading day was used as the pre-event reference price, and the next available trading day was observed to identify the initial market reaction.

COVID-19 was treated differently because the crisis developed gradually rather than beginning on a single identifiable date. January 17, 2020, was used as the pre-crisis reference date because it represented Royal Caribbean's highest closing stock price immediately before the sustained decline associated with the developing pandemic.

- Following each reference date, daily closing prices were examined to identify the crisis-period low and subsequent recovery. Monthly average Brent crude oil prices were then collected for the month of each event. S&P 500 performance was measured from the pre-event reference date to the crisis-period low date.

## 2.5. Data Analysis

Each event was analyzed individually before being compared across all six events. For every event, the following questions were examined:



- Did Royal Caribbean's stock decline following the event?
- How large was the percentage decline?
- Did the stock recover, and how long did the recovery take?
- What was the monthly average Brent crude oil price during the month in which each event occurred?
- What travel or cruise disruptions occurred?
- How did the overall market, represented by the S&P 500, perform during the same period used to calculate Royal Caribbean's stock-price decline?

After each event was analyzed, the results were organized into comparison tables to identify recurring patterns. Events were then compared according to their primary characteristics, including global travel disruptions, geopolitical conflicts, fuel price shocks, and company-specific operational disruptions. The similarities and differences across the six events were then evaluated to examine whether differences in Royal Caribbean's stock performance occurred alongside differences in travel disruption, fuel-price conditions, and broader market performance. Because this study uses descriptive comparisons, these patterns were interpreted as associations rather than evidence of direct cause-and-effect relationships

## 2.6. Study Limitations

This study relied on publicly available historical financial data and qualitative information from government agencies, company reports, and news publications. Because only six major events were analyzed, the findings identify historical patterns rather than establish cause-and-effect relationships. In addition, some variables, such as travel conditions, were evaluated qualitatively because consistent quantitative data were not available for every event.

## 3. Results and Findings

### 3.1. Stock Price Decline and Recovery

All six events were followed by declines in Royal Caribbean's stock price, although the magnitude of the declines varied by event. COVID-19 was associated with the largest decline at 82.8%, followed by the Russia-Ukraine War at 61.6%. The U.S.-Israel-Iran Conflict was associated with an 18.3% decline, while the Israel-Hamas War and OPEC+ Production Cuts were associated with declines of 11.9% and 8.8%, respectively. The temporary suspension of visits to Labadee, Haiti, was associated with the smallest decline at 2.9%. Recovery times also varied across the six events. COVID-19 had the longest recovery period at 1,456 calendar days, followed by the Russia-Ukraine War at 322 days. In comparison, the U.S.-Israel-Iran Conflict recovered in 47 days, the Israel-Hamas War in 14 days, the Labadee suspension in 7 days, and the OPEC+ Production Cuts in 2 days.

The broader conditions surrounding these events also differed. During the Russia-Ukraine War, inflation and interest rates increased (Franco, 2022), while the Israel-Hamas War was accompanied by geopolitical uncertainty and rising concerns about a wider regional conflict (Cahill, 2023). The U.S.-Israel-Iran Conflict was similarly accompanied by concerns over



higher oil prices, inflation, and increased global trade disruptions (Kori, 2026).

**Table 2:** Stock-Price Declines and Recovery Following Major Global Events

| Event                     | Pre-event reference price | Crisis-period low | Stock-Price Decline (%) | Recovery Time (calendar days) |
|---------------------------|---------------------------|-------------------|-------------------------|-------------------------------|
| COVID-19                  | \$130.04                  | \$22.34           | -82.8%                  | 1,456 days                    |
| Russia-Ukraine War        | \$81.38                   | \$31.28           | -61.6%                  | 322 days                      |
| U.S.-Israel-Iran Conflict | \$310.96                  | \$254.01          | -18.3%                  | 47 days                       |
| OPEC+ Production Cuts     | \$65.29                   | \$59.56           | -8.8%                   | 2 days                        |
| Israel-Hamas War          | \$90.88                   | \$80.04           | -11.9%                  | 14 days                       |
| Labadee, Haiti            | \$132.11                  | \$128.26          | -2.9%                   | 7 days                        |

**Table 3:** Travel Impacts and Primary Characteristics of Major Global Events

| Event    | Travel Impact                         | Event Characteristics                 |
|----------|---------------------------------------|---------------------------------------|
| COVID-19 | Worldwide cruise operations suspended | Global travel restrictions, lockdowns |



|                           |                                       |                                                                                            |
|---------------------------|---------------------------------------|--------------------------------------------------------------------------------------------|
| Russia-Ukraine War        | Itinerary changes in affected regions | Regional conflict, Higher oil prices, inflation, and interest rates (Franco, 2022)         |
| OPEC+ Production Cuts     | No major travel disruption            | Higher oil prices and fuel costs                                                           |
| Israel-Hamas War          | Itinerary changes in affected areas   | Regional conflict, short-term geopolitical uncertainty (Cahill, 2023)                      |
| U.S.-Israel-Iran Conflict | Itinerary changes in affected areas   | Higher oil prices, regional conflict, and short-term geopolitical uncertainty (Kori, 2026) |
| Labadee, Haiti            | One destination temporarily suspended | Temporary disruption at one destination; ships rerouted                                    |

### 3.2. Oil Prices and Stock Performance

According to Royal Caribbean Group Press Center (2026), Royal Caribbean routinely hedges a portion of its fuel requirements to reduce the impact of rising fuel costs. For 2026, approximately 60% of the company's forecasted fuel consumption was hedged through fuel swaps. The company also estimated that a 10% increase in fuel prices would increase annual fuel expenses by approximately \$57 million. Royal Caribbean's use of fuel hedging provides additional context for interpreting fuel-price conditions across the events examined. Although fuel costs remain an important operating expense, the stock declines observed in this study were not consistently proportional to monthly oil prices.

**Table 4:** Average Brent Crude Oil Prices During Major Economic and Geopolitical Events

| Event              | Month      | Monthly average Brent crude oil price per barrel |
|--------------------|------------|--------------------------------------------------|
| COVID-19           | March 2020 | \$32.01                                          |
| Russia-Ukraine War | March 2022 | \$117.25                                         |



|                           |              |          |
|---------------------------|--------------|----------|
| OPEC+ Production Cuts     | April 2023   | \$84.64  |
| Israel-Hamas War          | October 2023 | \$90.60  |
| U.S.-Israel-Iran Conflict | April 2026   | \$117.29 |
| Labadee, Haiti            | March 2024   | \$85.41  |

Note. Brent crude oil price data are from the U.S. Energy Information Administration (n.d.).

Oil prices varied substantially across the six events. The lowest monthly Brent crude oil price among the events examined was \$32.01 per barrel during COVID-19 in March 2020. The highest was \$117.29 during the U.S.-Israel-Iran Conflict in April 2026, followed closely by \$117.25 during the Russia-Ukraine War in March 2022. Brent crude oil prices were \$84.64 during the OPEC+ Production Cuts, \$90.60 during the Israel-Hamas War, and \$85.41 during the temporary suspension of visits to Labadee, Haiti.

### 3.3. Travel Conditions

Because consistent passenger-volume and occupancy data were not available for all six events, travel impacts were compared using qualitative information on travel restrictions, advisories, cruise suspensions, and itinerary changes.

Travel conditions differed substantially across the six events:

**Table 5:** Comparison of Global Travel Conditions and Royal Caribbean Operational Impacts During Major Global Events

| Event              | Impact on Global Travel                                                              | Impact on Royal Caribbean Operations       |
|--------------------|--------------------------------------------------------------------------------------|--------------------------------------------|
| COVID-19           | Global travel was largely suspended because of government restrictions and lockdowns | Worldwide cruise operations were suspended |
| Russia-Ukraine War | International travel continued, although                                             | Operations continued with itinerary        |



|                           |                                                                                                                |                                                     |
|---------------------------|----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|
|                           | travel to Eastern Europe declined                                                                              | changes in affected regions.                        |
| OPEC+ Production Cuts     | No significant impact on global travel.                                                                        | Operations continued without major disruptions.     |
| Israel-Hamas War          | Travel advisories were issued for parts of the Middle East, while most global travel continued.                | Operations continued with limited itinerary changes |
| U.S.–Israel–Iran Conflict | Travel advisories and airspace closures affected parts of the Middle East, while most global travel continued. | Operations continued with limited itinerary changes |
| Labadee Suspension        | No significant impact on global travel.                                                                        | Labadee visits were temporarily suspended.          |

### 3.4. Overall Market Performance

Royal Caribbean's stock generally experienced larger declines than the broader market during the six events (Table 6). The largest difference occurred during COVID-19, when Royal Caribbean declined approximately 82.8% compared with about 28.3% for the S&P 500. During the Russia–Ukraine War, Royal Caribbean declined about 61.6% compared with 10.3% for the S&P 500. During the U.S.–Israel–Iran Conflict, Royal Caribbean declined 18.3%, while the S&P 500 increased by 3.7%. In contrast, the OPEC+ Production Cuts and the Labadee suspension were associated with relatively smaller declines in Royal Caribbean's stock and smaller changes in the overall market. Overall, Royal Caribbean's stock experienced larger declines than the S&P 500 across the six events examined.

**Table 6:** Comparison of Royal Caribbean and S&P 500 Stock Price Declines During Major Global Events

| Event                 | RCL Stock-Price Decline | S&P 500 Performance |
|-----------------------|-------------------------|---------------------|
| COVID-19              | -82.8%                  | -28.3%              |
| Russia–Ukraine War    | -61.6%                  | -10.3%              |
| OPEC+ Production Cuts | -8.8%                   | -1.3%               |



|                           |        |       |
|---------------------------|--------|-------|
| Israel-Hamas War          | -11.9% | -2.0% |
| U.S.-Israel-Iran Conflict | -18.3% | +3.7% |
| Labadee Suspension        | -2.9%  | -0.3% |

### 3.5. Major Findings

#### Operational Impact

- Events involving widespread disruptions were associated with larger declines in Royal Caribbean's stock price, while the localized Labadee suspension was associated with a much smaller decline.

#### Geographic Scope

- Global crises were generally associated with larger stock declines and longer recovery periods than regional or localized events.

#### Recovery Patterns

- Royal Caribbean's stock declined across all six events examined and eventually returned to or exceeded its pre-event reference price. Recovery times varied substantially, ranging from 2 calendar days for OPEC+ Production Cuts to 1,456 calendar days for COVID-19.

#### Fuel and Energy Conditions

- Brent crude oil prices varied across the six events, but higher monthly oil prices did not consistently correspond with larger declines in Royal Caribbean's stock price.

## 4. Discussion and Conclusion

### 4.1. Summary of Findings

This study compared Royal Caribbean's stock performance during six major economic and geopolitical events, including COVID-19, the Russia-Ukraine War, OPEC+ Production Cuts, the Israel-Hamas War, the U.S.-Israel-Iran Conflict, and the temporary suspension of visits to Labadee, Haiti. Royal Caribbean's stock declined across all six events examined; however, the size of the decline and recovery time differed substantially among the events. COVID-19 was associated with the largest decline at 82.8% with the longest recovery period at 1,456 calendar days, while the Labadee suspension was associated with the smallest decline among the six events examined at 2.9% with a recovery period of 7 days. The results also showed differences between Royal Caribbean's stock performance and broader market performance across the six events.



## 4.2. Interpretation of Findings

One of the most important findings of this study is that the extent of disruptions to cruise operations, travel conditions, the geographic scope of an event, and fuel-price conditions appeared to be associated with differences in Royal Caribbean's stock performance. The comparison of travel impacts and event characteristics showed that the six events differed in several ways, including whether they disrupted cruise operations, affected global or regional travel, occurred alongside higher fuel prices, or created broader economic instability. Rather than producing the same market response, these different characteristics were associated with different stock price patterns. For example, COVID-19 was the only event that suspended cruise operations worldwide and restricted global travel. It was also associated with the largest decline and had the longest recovery. In contrast, the temporary suspension of visits to Labadee affected only one destination while the rest of Royal Caribbean's operations continued, and was associated with only a small decline. Likewise, the OPEC+ production cuts primarily increased fuel costs but did not significantly disrupt travel demand, and the company's stock recovered relatively quickly. Together, these examples show that different event characteristics occurred alongside different patterns in Royal Caribbean's stock performance.

These findings can also be considered through the framework of investment sentiment. Baker and Wurgler (2006) explain that investment optimism and pessimism can influence stock performance, particularly for companies whose future performance may be difficult to evaluate during times of uncertainty. In the events examined in this study, crises involving widespread travel and operational disruptions, such as COVID-19, may have created greater uncertainty about Royal Caribbean's future operations and travel demand than more localized disruptions, such as the Labadee suspension. This provides one possible explanation for why events with different characteristics were associated with different patterns in Royal Caribbean's stock performance.

Recovery times also varied substantially across the six events. COVID-19 had the longest recovery period at 1,456 calendar days, followed by the Russia-Ukraine War at 322 days. In comparison, the U.S.-Israel-Iran Conflict recovered in 47 days, the Israel-Hamas War in 14 days, the Labadee suspension in 7 days, and the OPEC+ Production Cuts in 2 days. These differences show that the time required for Royal Caribbean's stock to return to or exceed its pre-event reference price varied considerably across the events examined.

The study also found that higher oil prices were not consistently associated with the largest stock declines. For example, COVID-19 was associated with the largest decline among the six events examined (82.8%) even though Brent crude oil prices averaged \$32.01 per barrel in March 2020. In contrast, the Russia-Ukraine War and the U.S.-Israel-Iran Conflict occurred when Brent crude oil prices exceeded \$117 per barrel, yet Royal Caribbean's stock declined by approximately 61.6% and 18.3%, respectively. This suggests that oil prices alone were not sufficient to explain the differences in Royal Caribbean's stock performance across the six events examined.

The comparison between Royal Caribbean and the S&P 500 can also be interpreted using the distinction between systematic and unsystematic risk described by Sharpe (1964). Systematic risk is associated with broad market conditions that affect many companies simultaneously and cannot be eliminated simply by holding a diversified stock portfolio. Examples include inflation, changes in interest rates, or major global crises that influence the overall stock market, such as COVID-19. Unsystematic risk, in contrast, refers to risk that is more specific to an individual company or industry and is not explained by broader market movements. For Royal Caribbean, this could include disruptions more directly related to the



cruise industry, such as cruise suspensions or itinerary changes. Comparing Royal Caribbean's stock performance with the S&P 500 provides context for examining whether Royal Caribbean's stock movements occurred alongside broader market movements. Royal Caribbean experienced larger stock price declines than the S&P 500 across the six events examined. For example, during the U.S.–Israel–Iran Conflict, Royal Caribbean declined 18.3% while the S&P 500 increased 3.7%. This difference may reflect investor concerns that were more specific to Royal Caribbean or the cruise and travel industry. However, because this study is descriptive, these comparisons identify patterns rather than statistically separating systematic and unsystematic risks.

### 4.3. Implications

The findings of this study may provide investors and analysts with a practical framework for comparing future events affecting Royal Caribbean. Instead of focusing only on the name of an event, investors may benefit from evaluating its characteristics. Based on the findings of this study, four key questions may help compare future events with the historical events examined in this study:

- Does the event directly disrupt cruise operations or only require itinerary changes?
- Does the event reduce global travel demand or affect only one region?
- Does the event primarily affect fuel prices or directly reduce passenger demand?
- Does Royal Caribbean's stock decline more than the overall market, indicating a difference from broader market performance?

Events that involve widespread operational disruptions and global travel restrictions, such as COVID-19, were associated with the largest stock declines and longest recovery periods. In contrast, events involving regional conflicts, itinerary changes, or higher fuel prices were generally associated with smaller declines and faster recoveries. Using these questions may help investors compare future events with similar historical examples and identify similarities and differences in their characteristics.

This framework may also be useful for Royal Caribbean's management. Understanding which characteristics have historically been associated with larger stock-price declines may help the company better communicate with investors during periods of uncertainty and prepare for future disruptions. Although future events may differ because of changes in the cruise industry, government regulations, or other unforeseen circumstances, historical patterns can still provide a useful framework for comparison. While historical events cannot predict future stock performance, recognizing similar characteristics may help investors and businesses compare future events with historical patterns more systematically.

### 4.4. Limitations

This study has several limitations. Only six major events were examined, and stock prices are influenced by many factors beyond those analyzed, including company earnings, interest rates, inflation, investor sentiment, and broader economic conditions. In addition, this study relied on descriptive comparisons of historical events and did not use formal statistical methods, such as regression or time-series analysis, to evaluate the relationships among variables. Therefore, this study



identifies historical patterns rather than cause-and-effect relationships. Future global events may differ from those examined in this study and therefore be associated with different market responses.

#### 4.5. Future Research

Future research could examine whether similar patterns occur in other cruise companies, such as Carnival Corporation and Norwegian Cruise Line Holdings. Additional studies could also investigate more global events and other factors, such as consumer confidence and company earnings, to better understand how different characteristics are associated with stock performance over time. Future studies could also use larger datasets and statistical methods, such as event-study analysis or regression models, to further examine the relationships between event characteristics and stock performance.

#### 4.6. Conclusion

This study found that major global events were associated with different patterns in Royal Caribbean's stock performance depending on their characteristics. Events that involved widespread disruptions to cruise operations and travel demand were generally associated with larger stock declines, while localized disruptions and higher fuel-price conditions were generally associated with smaller stock declines. Rather than assuming all crises produce the same stock-market response, investors may evaluate each event by considering its relationship to cruise operations, travel demand, geographic scope, and fuel prices. Although past events cannot predict future stock performance, understanding these historical patterns may help investors and analysts better compare future events with the historical events studied.

### 4. References

- Baker, M., & Wurgler, J. (2006). Investor sentiment and the cross-section of stock returns. *The Journal of Finance*, 61(4), 1645–1680. <https://doi.org/10.1111/j.1540-6261.2006.00885.x>
- Cahill, B. (2023, October 11). *Energy market implications of the Israel-Hamas conflict*. Center for Strategic and International Studies. <https://www.csis.org/analysis/energy-market-implications-israel-hamas-conflict>
- Demiralay, S., & Kilincarslan, E. (2019). The impact of geopolitical risks on travel and leisure stocks. *Tourism Management*, 75, 460–476. <https://doi.org/10.1016/j.tourman.2019.06.013>
- Fama, E. F. (1970). Efficient capital markets: A review of theory and empirical work. *The Journal of Finance*, 25(2), 383–417. <https://doi.org/10.2307/2325486>
- Franco, L. (2022, May 4). *Rising prices and interest rate hikes: Double whammy for the U.S. consumer*. The Conference Board. <https://www.conference-board.org/topics/geopolitics/rising-prices-and-interest-hikes-a-double-whammy-for-the-american-consumer>
- Kori, N. K. S. (2026). *The economic impact of the 2026 Iran-Israel-U.S. conflict on global energy, inflation, and trade*. SSRN. <https://doi.org/10.2139/ssrn.6523578>
- Lin, L.-Y., Tsai, C.-C., & Lee, J.-Y. (2022). A study on the trends of the global cruise tourism industry, sustainable development,



- and the impacts of the COVID-19 pandemic. *Sustainability*, 14(11), 6890. <https://doi.org/10.3390/su14116890>
- Mills, M. C., van de Bunt, G. G., & de Bruijn, J. G. M. (2006). Comparative research: Persistent problems and promising solutions. *International Sociology*, 21(5), 619–631. <https://doi.org/10.1177/0268580906067833>
- Royal Caribbean. (2026, January 29). Travel updates. Royal Caribbean Cruises. <https://www.royalcaribbean.com/notices/travel-updates>
- Royal Caribbean Group. (2026, February 11). *Annual report (Form 10-K) for the fiscal year ended December 31, 2025*. U.S. Securities and Exchange Commission. <https://www.sec.gov/ix?doc=/Archives/edgar/data/0000884887/000088488726000007/rcl-20251231.htm>
- Royal Caribbean Group Press Center. (2026, January 29). *Royal Caribbean Group reports 2025 results, issues 2026 guidance*. <https://royalcaribbeangrouppresscenter.com/news/royal-caribbean-group-reports-2025-results-issues-2026-guidance>
- Sharpe, W. F. (1964). Capital asset prices: A theory of market equilibrium under conditions of risk. *The Journal of Finance*, 19(3), 425–442. <https://doi.org/10.2307/2977928>
- Suau-Sanchez, P., Voltes-Dorta, A., & Cugueró-Escofet, N. (2020). An early assessment of the impact of COVID-19 on air transport: Just another crisis or the end of aviation as we know it? *Journal of Transport Geography*, 86, 102749. <https://doi.org/10.1016/j.jtrangeo.2020.102749>
- U.S. Energy Information Administration. (n.d.). Europe Brent spot price FOB (dollars per barrel). <https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=pet&s=rbrte&f=m>
- Yahoo Finance. (n.d.). Royal Caribbean Cruises Ltd. (RCL) stock historical prices & data. <https://finance.yahoo.com/quote/RCL/>

## AI Tools Statement

ChatGPT (OpenAI) was used to assist with minor language editing, including grammar, clarity, wording, and APA formatting. Milana Lamdan independently conducted the research, performed the analysis, and developed the findings and conclusions. All AI-assisted edits were reviewed and verified by Milana, who takes full responsibility for the final manuscript.

## Code & Data Availability Statement

The data used in this study were obtained from publicly available sources, including Yahoo Finance, the U.S. Energy Information Administration, Royal Caribbean Group reports, and other sources cited in the manuscript. No original software code was developed for this study. The data used for the analysis can be accessed through the publicly available sources listed in the References section.



## Acknowledgements

**Milana Lamdan** would like to sincerely thank **Dr. Tiberio Garza** for giving her the opportunity to conduct this research. His guidance, encouragement, and support throughout the project helped Milana strengthen her research skills and complete this study. Milana is grateful to Professor Garza for allowing her to explore a topic that combines her interests in finance and the cruise industry. Again, Milana wants to thank Professor Garza; she couldn't have done this without him. Milana also gratefully acknowledges Lance Aschliman, her high school finance teacher, who always encouraged her passion for the cruise industry and inspired her to keep exploring the intersection of finance and cruising.

## Author Biography

**Milana Lamdan** is a high school junior at School for Advanced Studies who is always excited to learn about cruise ships, motorsports, and finance. Over the summer, Milana served as a research intern at Florida International University, where her passion for research continued to grow. Outside of research, Milana loves networking, meeting new people, and learning from professionals with inspiring careers. This passion led to the creation of Open Seas Networking, an organization dedicated to helping students connect with professionals and discover new opportunities. Milana also enjoys volunteering with the Mark Cuban Foundation, where she serves as the first student member of its Advisory Council. Whether researching, networking, or simply having conversations with people from different industries, Milana believes there is always something new to learn and looks forward to every opportunity to grow.

## Mentor Contribution Statement

**Dr. Tiberio Garza** played an important role in supporting the development of this study by providing guidance, encouragement, and thoughtful feedback throughout the research process. Dr. Garza encouraged Milana to look beyond the events themselves and instead focus on the characteristics of each event, such as travel disruptions, operational impacts, and fuel price changes, to better identify recurring patterns across multiple crises. This perspective helped strengthen the study's overall framework and analysis. Dr. Garza also provided valuable suggestions regarding the organization, formatting, and presentation of the manuscript while encouraging the author to think critically and approach the research from new perspectives. Thank you so much, Professor Garza.

