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Royal Caribbean's Stock Performance During Economic and Geopolitical Crises

A comparative analysis of historical patterns in Royal Caribbean's stock performance and their implications for future stock performance.

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Abstract

This study examined how major global economic and geopolitical events affect Royal Caribbean's stock performance. By comparing six events, this study aimed to identify recurring patterns and determine which factors appeared to have the greatest influence on 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 historical 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, second declines, oil prices, travel conditions, and overall market performance. The results showed that all six events caused an initial decline in Royal Caribbean's stock price, although the size and recovery time varied. COVID-19 produced the largest decline (82%) and required about two years to recover, while the Labadee suspension resulted in only a 3% decline and recovered within one day. Several geopolitical events experienced an initial decline, a partial recovery, and a second decline before fully recovering. The findings also showed that changes in oil prices alone were not consistently associated with the largest stock declines. Overall, the results suggest that global suspension of cruise operations, widespread travel restrictions, and broader economic uncertainty had a greater influence on Royal Caribbean's stock performance than localized disruptions or higher fuel costs. These findings may help investors evaluate how similar future events could affect Royal Caribbean's stock.

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INTRODUCTION

Statement of Purpose: The purpose of this study is to examine how major global economic and geopolitical events affect Royal Caribbean's stock performance. By comparing several different events, this study aims to identify recurring patterns and determine which factors have the greatest influence on the company's stock price. 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 affected Royal Caribbean in the past and how similar events may influence the company's stock in the future.

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, affect the company's stock in the same way. However, evidence suggests that some crises have much larger impacts than others. Understanding this difference can not only explain past stock reactions but also help investors and analysts better evaluate how Royal Caribbean's stock may respond to future events.Comparing multiple historical events allows this study to identify which factors have the greatest influence on the company's stock performance and may improve future risk assessment.

Rationale: Studying Royal Caribbean's historical stock performance can help investors and analysts better understand how various global events influence the company. Rather than focusing on a single crisis, comparing multiple events can help identify recurring patterns and determine which characteristics have historically had the

greatest effect on the company's stock. MacKinlay (1997) described event studies as a widely used method for examining how unexpected events affect stock prices by analyzing market reactions before and after an event. While many event studies focus on a single event, this study compares multiple economic and geopolitical crises affecting one cruise company to identify broader patterns that may help evaluate future risks.

Background: Royal Caribbean is an important company to study because it's one of the world's largest cruise companies, operating the brands Royal Caribbean International, Celebrity Cruises, and Silversea Cruises while also owning a 50% interest in TUI Cruises and Hapag-Lloyd Cruises. (Rcl-20251231, 2025). Because these brands serve different market segments, ranging from mass-market to premium and luxury travelers, different global events may affect each segment differently, potentially influencing the company's overall stock performance.

The company earns revenue through two main sources. According to Royal (Rcl-20251231, 2025), 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 decrease revenue, earnings, and ultimately the company's stock price.

According to (Rcl-20251231, 2025), 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.

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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, commonly used in event studies, suggests that new information is rapidly reflected in stock prices. Building on this idea, this study compares multiple global events affecting Royal Caribbean to identify recurring patterns in the company's stock performance. Research has also shown that travel and tourism companies are sensitive to changes in travel demand during crises such as pandemics (Suau-Sanchez et al., 2020). However, few studies have compared multiple types of global crises affecting a single cruise company to identify which characteristics are most closely associated with changes in stock performance.

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METHODS

Purpose and Study Design: The purpose of this study is to identify recurring patterns in Royal Caribbean's stock performance during major economic and geopolitical events and determine what these patterns may suggest about future stock performance. This study uses a quantitative comparative historical research design, meaning it compares numerical stock market data across several major event periods using publicly available financial data. Daily closing stock prices were examined beginning immediately before the start of each event and continuing until the stock returned to its approximate pre-event price. Percentage stock declines, recovery times, second declines, oil prices, travel conditions, and overall market performance were then compared across all six events.

Sample: The sample consists of six major events that were selected because they represented different types of global crises with the potential to affect Royal Caribbean's business as well as its stock price. To be included in this study, events had to occur between 2020 and 2026, have the potential to affect travel demand, cruise operations, or fuel prices, and have sufficient financial and news data available for analysis. The events include:

- Covid-19
- Russia-Ukraine War
- OPEC+ Oil Production Cuts[1]
- Israel-Hamas War

[1] On April 2, 2023, OPEC+ announced voluntary oil production cuts to reduce global supply and support oil prices.

- US-Israel-Iran Conflict[2]
- Royal Caribbean's temporary suspension of visits to Labadee, Haiti

Although these events differ in scope, they were included because each had the potential to influence Royal Caribbean's operations and investor expectations, allowing comparisons across different types of crises. These events were chosen because they represent different types of disruptions, including global travel shutdowns, geopolitical conflicts, fuel price shocks, and company-specific operational disruptions. These categories provided a consistent framework for comparing how different types of events affected Royal Caribbean's stock performance.

Because this study used publicly available financial data and historical data, no human participants were involved. Therefore, Institutional Review Board (IRB) approval was not needed

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

Table 1
Variables Collected and Analyzed

Variable	Description
Event Date	Date the event began
Royal Caribbean Stock Price	Stock price before, during, and after the event
Initial decline (%)	Percentage decline from the pre-event closing price to the first major low following the event.
Recovery	Whether the stock experienced another noticeable decline after a partial recovery but before returning to its pre-event price.
Second Decline	Whether the stock experienced another noticeable decline after a partial recovery but before returning to its pre-event price.

[2] The war began in late February 2026 and ended with an interim peace agreement on June 17, 2026.

Oil Prices	Changes in the Brent Crude Oil price during the event.
Travel Conditions	Presence of travel restrictions or itinerary changes.
Overall Market	Performance of the S&P 500 Index, used to represent overall U.S. stock market conditions for comparison with Royal Caribbean's stock performance.

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.

Data Collection: Stock prices for Royal Caribbean Group (NYSE: RCL) were collected from the publicly available financial database Yahoo Finance. Information regarding oil prices, overall market performance, and the timeline of each event was obtained from reliable government agencies and news publications. Daily closing stock prices were used throughout the analysis. For each event, three primary time periods were recorded to calculate the percentage change:

- The closing stock price on the last trading day before the event began.
- The lowest closing stock price following the event.
- The closing stock price after the stock had approximately returned to its pre-event price or stabilized.

If an event began on a weekend or market holiday, the next available trading day was used.

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 immediately?
- How large was the percentage initial decline?
- Did the stock recover?
- Was there a second decline
- What factors appeared to contribute to the stock's movement?
- How did oil prices behave?
- What happened to travel conditions?
- What happened to the overall market?

After each event was analyzed, the results were organized into comparison tables to identify recurring patterns. Events were then grouped according to predefined categories based on their primary characteristics, including global travel disruptions, geopolitical conflicts, fuel price shocks, and company-specific operational disruptions. Finally, the similarities and differences were evaluated to determine which factors consistently had the greatest influence over Royal Caribbean's stock performance. These patterns also help provide insight into how similar future events may impact the company's stock and allow for more informed predictions.

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.

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RESULTS AND FINDINGS

Initial Stock Reaction Price and Recovery

All six events (COVID-19, the Russia-Ukraine War, OPEC+ Production Cuts, the Israel-Hamas War, the US-Israel-Iran Conflict (2026), and the temporary suspension of visits to Labadee, Haiti) resulted in an initial decline; however, the size of the decline differed among the events.COVID-19 produced the largest decline (82%), while the Labadee, Haiti, suspension resulted in the smallest decline (3%). The Russia-Ukraine War and the US-Israel-Iran Conflict produced larger declines than the Israel-Hamas War and the OPEC+ Production Cuts. Recovery patterns varied among the events. COVID-19 required the longest recovery period (approximately two years) because cruise operations were suspended worldwide and travel restrictions remained in place for an extended period.The Russia–Ukraine War experienced an initial recovery, followed by a second decline from approximately −10.8% to −24.1% due to rising inflation and higher interest rates (Franco, 2022).Similarly, the Israel–Hamas War experienced an initial recovery followed by a second decline from approximately −0.6% to −5.5% as geopolitical uncertainty continued and concerns about a wider regional conflict increased (Cahill, 2023). The U.S.–Israel–Iran Conflict also experienced an initial recovery followed by a second decline from approximately −12.6% to −13.6% as concerns over higher oil prices, inflation, and global trade disruptions increased (Kumar & Kori, 2026). In contrast, the OPEC+ Production Cuts and the Labadee suspension recovered more quickly and did not experience a second decline.

Table 2

Initial Stock Price Declines and Recovery Patterns Following Major Global Events

Event	Initial Decline	Approximate Recovery Time	Returned to Pre-Event Price?	Second Decline?
Covid- 19	-82%	~2 years	Yes	No
Russia-Ukraine War	−10.8%, brief rebound, −24.1%	~3 months	Yes	Yes
Us- Israel- Iran Conflict	−12.6%, rebound, −13.6%	~2 months	Yes	Yes
OPEC+ Production Cuts	6.5%	~ 1 month	Yes	No
Israel-Hamas War	−0.6%, rebound, −5.5%	~1 week (initial recovery); ~2 months (full recovery)	Yes	Yes
Labadee Haiti	-3%	~1 day	Yes	No

Travel impacts differed considerably among the six events. COVID-19 was the only event that caused a worldwide suspension of cruise operations, while the Labadee suspension affected only one destination and allowed the rest of Royal Caribbean's operations to continue. The remaining events primarily resulted in itinerary changes, higher fuel costs, or broader economic uncertainty rather than a complete disruption of cruise operations. These differences corresponded with the patterns shown in Table 2, where events causing greater disruptions to cruise operations were generally associated with larger stock declines and longer recovery periods than more localized disruptions.

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 War	Itinerary changes in affected areas	Higher oil prices, Regional conflict, and short-term geopolitical uncertainty (Kumar & Kori, 2026)
Labadee,Haiti	One destination temporarily suspended	Temporary disruption at one destination; ships rerouted

Oil Prices and Stock Performance

Oil prices did not move in the same direction across all events. During Covid -19, oil prices decreased sharply due to a collapse in travel demand. In contrast, oil prices increased during several geopolitical events, including the Russia-Ukraine War, the OPEC+ production cuts, and the U.S.–Israel–Iran War. However, the size of Royal Caribbean's stock decline was not always proportional to changes in oil prices. Royal Caribbean states that it 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 estimates that a 10% increase in fuel prices would increase annual fuel expenses by approximately $57 million. (*Royal Caribbean Group Press Center*, 2026). .Because a large portion of the company's fuel costs is hedged, short-term increases in oil prices may have a smaller

effect on operating costs than expected. This may help explain why events that caused widespread travel disruptions and cruise operation suspensions were associated with larger stock declines than events primarily driven by higher fuel prices. Although fuel costs remain an important operating expense, the stock declines observed in this study were not consistently proportional to oil changes

Average Brent Crude Oil Price During Major Economic and Geopolitical Events[3]

(*Europe Brent Spot Price FOB (Dollars per Barrel)*, n.d.)

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

Event	Month	Brent Crude Oil Price per gallon
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
US-Iran-Israel	April 2026	$117.29
Labadee, Haiti	March 2024	$85.41

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.

[3] Note. Brent crude oil prices are monthly average spot prices for the month in which each event occurred. Data was obtained from (*Europe Brent Spot Price FOB (Dollars per Barrel)*, n.d.) the U.S. Energy Information Administration (EIA)

Travel Conditions differed substantially across the six events[4]

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 travel to Eastern Europe declined	Operations continued with itinerary 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
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.

Overall Market Performance[5]

Royal Caribbean's stock generally experienced larger declines than the broader market during the six events (Table 6). The largest difference occurred during

[4] Note. All itinerary change information was taken from (*Travel Updates | Royal Caribbean Cruises*, 2024)
[5] All financial data, including Royal Caribbean stock prices and the S&P 500 Index, were obtained from the historical stock charts available on Yahoo Finance

COVID-19, when Royal Caribbean declined approximately 82% compared with about 31.6% for the S&P 500. During geopolitical events such as the Russia–Ukraine War and the U.S.–Israel–Iran Conflict, Royal Caribbean also declined more than the broader market, although the differences were smaller than during COVID-19. In contrast, the OPEC+ Production Cuts and the Labadee suspension had relatively limited effects on both Royal Caribbean and the overall market. These comparisons suggest that Royal Caribbean's stock was more sensitive to events that directly affected the cruise industry than to broader market conditions alone.

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

Event	RCL Initial Decline	S&P 500 Initial Decline
Covid-19	~82%	~31.6%
Russia-Ukraine War	~ −10.8%, brief rebound, −24.1%	−4.6% (first low), brief rebound, then −4.5%
OPEC+ Production Cuts	~ 6.5%	(Didn’t decline- went up 0.24%)
Israel-Hamas War	~ −0.6%, brief rebound, −5.5%	First decline− 0.6% Second decline− 5.5%
U.S-Israel-Iran War	~ −12.6%, rebound, −13.6%	−0.9%, gradual decline to −7.7%
Labadee Suspension	~3%	~0.7%

Points of Major Findings

Operational Impact

- Events that caused widespread disruptions to cruise operations produced the largest declines in Royal Caribbean's stock price, while company-specific operational disruptions resulted in much smaller declines.

Geographic Scope

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

Recovery Patterns

- Every event resulted in an initial decline in Royal Caribbean's stock price. Although the stock eventually recovered after each event, recovery times varied, and several geopolitical events experienced a second decline before fully recovering.

Fuel and Energy Conditions

- Changes in oil prices were not consistently associated with the largest declines in Royal Caribbean's stock, suggesting that disruptions to travel demand and cruise operations had a greater influence on stock performance than fuel costs alone.

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DISCUSSION AND CONCLUSION

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. Every event resulted in an initial decline in Royal Caribbean's stock price; however, the size of the decline, recovery time, and overall stock pattern differed substantially among the events. COVID-19 produced the largest decline and longest recovery, while company-specific disruptions such as the Labadee suspension had relatively little impact. Several geopolitical conflicts also displayed more complex stock movements than other events.

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 changes in oil prices appeared to be associated with how Royal Caribbean's stock responded. The comparison of travel impacts and event characteristics showed that events differed in several ways, including whether they disrupted cruise operations, affected global or regional travel, increased fuel costs, 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 also produced the largest decline and required 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, resulting in 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 suggest that the market reacted not only to the event itself, but also to how much the event affected Royal Caribbean's operations.

Another important observation is that the events followed different recovery patterns. Three general recovery patterns were identified: direct recovery, recovery followed by a second decline, and longer recovery periods. The Russia–Ukraine War and the Israel–Hamas War both experienced an initial decline, a partial recovery, and a second decline before fully recovering. In contrast, COVID-19 followed a much longer recovery because worldwide cruise operations were suspended for approximately two years, while the OPEC+ Production Cuts and the Labadee suspension recovered more directly without a second decline. These different recovery patterns suggest that some events continued influencing the market as they developed, while others had a more immediate impact and recovered more quickly.

The study also found that increases in oil prices were not consistently associated with the largest stock declines. For example, COVID-19 produced the largest stock decline (82%) even though Brent crude oil prices fell to approximately $32.01 per barrel. 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 24.1% and 13.6%, 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.

Implications

The findings of this study may provide investors and analysts with a practical framework for evaluating 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 evaluate future events:

- 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, suggesting company-specific effects?

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 generally resulted in smaller declines and faster recoveries. Using these questions may help investors compare future events with similar historical examples and better evaluate their potential impact on Royal Caribbean's stock performance.

This framework may also be useful for Royal Caribbean's management. Understanding which characteristics have historically been associated with larger market reactions 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 evaluating potential risks. While historical events cannot predict future stock performance, recognizing similar characteristics may help investors and businesses evaluate future risks more systematically.

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 produce different market responses.

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 influence 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.

Conclusion

This study found that major global events affected Royal Caribbean's stock performance in different ways depending on their characteristics. Events that caused widespread disruptions to cruise operations and travel demand were generally associated with larger stock declines, while localized disruptions and fuel price changes had smaller effects. Rather than assuming all crises affect Royal Caribbean's stock in the same way, investors should evaluate each event by considering its impact on cruise operations, travel demand, geographic scope, and fuel prices. Although past events cannot predict future stock performance, understanding these patterns may help investors and analysts better evaluate how similar future events could influence Royal Caribbean's stock.

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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 how major global economic and geopolitical events affect Royal Caribbean's stock performance. By comparing several different events, this study aims to identify recurring patterns and determine which factors have the greatest influence on the company's stock price. 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 affected Royal Caribbean in the past and how similar events may influence the company's stock 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, affect the company's stock in the same way. However, evidence suggests that some crises have much larger impacts than others. Understanding this difference can not only explain past stock reactions but also help investors and analysts better evaluate how Royal Caribbean's stock may respond to future events.Comparing multiple historical events allows this study to identify which factors have the greatest influence on 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 influence the company. Rather than focusing on a single crisis, comparing multiple events can help identify recurring patterns and determine which characteristics have historically had the greatest effect on the company's stock. MacKinlay (1997) described event studies as a widely used method for examining how unexpected events affect stock prices by analyzing market reactions before and after an event. While many event studies focus on a single event, this study compares multiple economic and geopolitical crises affecting one cruise company to identify broader patterns that may help evaluate future risks.

1.4 Background:

Royal Caribbean is an important company to study because it's one of the world's largest cruise companies, operating the brands Royal Caribbean International, Celebrity Cruises, and Silversea Cruises while also owning a 50% interest in TUI Cruises and Hapag-Lloyd Cruises. (Rcl-20251231, 2025). Because these brands serve different market segments, ranging from mass-market to premium and luxury travelers, different global events may affect each segment differently, potentially influencing the company's overall stock performance.

The company earns revenue through two main sources. According to Royal (Rcl-20251231, 2025), 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 decrease revenue, earnings, and ultimately the

company's stock price.

According to (Rcl-20251231, 2025), 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.

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, commonly used in event studies, suggests that new information is rapidly reflected in stock prices. Building on this idea, this study compares multiple global events affecting Royal Caribbean to identify recurring patterns in the company's stock performance. Research has also shown that travel and tourism companies are sensitive to changes in travel demand during crises such as pandemics (Suau-Sanchez et al., 2020). However, few studies have compared multiple types of global crises affecting a single cruise company to identify which characteristics are most closely associated with changes in stock performance.

2. Methodology

2.1 Purpose and Study Design:

Studying Royal Caribbean's historical stock performance can help investors and analysts better understand how various global events influence the company. Rather than focusing on a single crisis, comparing multiple events can help identify recurring patterns and determine which characteristics have historically had the greatest effect on the company's stock. MacKinlay (1997) described event studies as a widely used method for examining how unexpected events affect stock prices by analyzing market reactions before and after an event. While many event studies focus on a single event, this study compares multiple economic and geopolitical crises affecting one cruise company to identify broader patterns that may help evaluate future risks.

2.2 Sample:

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

- Covid-19
- Russia-Ukraine War
- OPEC+ Oil Production Cuts[1]
- Israel-Hamas War
- US-Israel-Iran Conflict[2]
- Royal Caribbean's temporary suspension of visits to Labadee, Haiti

[1] On April 2, 2023, OPEC+ announced voluntary oil production cuts to reduce global supply and support oil prices.
[2] The war began in late February 2026 and ended with an interim peace agreement on June 17, 2026.

Although these events differ in scope, they were included because each had the potential to influence Royal Caribbean's operations and investor expectations, allowing comparisons across different types of crises. These events were chosen because they represent different types of disruptions, including global travel shutdowns, geopolitical conflicts, fuel price shocks, and company-specific operational disruptions. These categories provided a consistent framework for comparing how different types of events affected Royal Caribbean's stock performance.

Because this study used publicly available financial data and historical data, no human participants were involved. Therefore, Institutional Review Board (IRB) approval was not needed

2.3 Measures:

For each event, the following variables were collected and analyzed

Table 1
Variables Collected and Analyzed

Variable	Description
Event Date	Date the event began
Royal Caribbean Stock Price	Stock price before, during, and after the event
Initial decline (%)	Percentage decline from the pre-event closing price to the first major low following the event.
Recovery	Whether the stock experienced another noticeable decline after a partial recovery but before returning to its pre-event price.
Second Decline	Whether the stock experienced another noticeable decline after a partial recovery but before returning to its pre-event price.
Oil Prices	Changes in the Brent Crude Oil price during the event.
Travel Conditions	Presence of travel restrictions or itinerary changes.
Overall Market	Performance of the S&P 500 Index, used to represent overall U.S. stock market conditions for comparison with Royal Caribbean's stock performance.

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.

2.4 Data Collection:

Stock prices for Royal Caribbean Group (NYSE: RCL) were collected from the publicly available financial database Yahoo Finance. Information regarding oil prices, overall market performance, and the timeline of each event was obtained from reliable government agencies and news publications. Daily closing stock prices were used throughout the analysis. For each event, three primary time periods were recorded to calculate the percentage change:

- The closing stock price on the last trading day before the event began.
- The lowest closing stock price following the event.
- The closing stock price after the stock had approximately returned to its pre-event price or stabilized.
- If an event began on a weekend or market holiday, the next available trading day was used.

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 immediately?
- How large was the percentage initial decline?
- Did the stock recover?
- Was there a second decline
- What factors appeared to contribute to the stock's movement?
- How did oil prices behave?
- What happened to travel conditions?
- What happened to the overall market?

After each event was analyzed, the results were organized into comparison tables to identify recurring patterns. Events were then grouped according to predefined categories based on their primary characteristics, including global travel disruptions, geopolitical conflicts, fuel price shocks, and company-specific operational disruptions. Finally, the similarities and differences were evaluated to determine which factors consistently had the greatest influence over Royal Caribbean's stock performance. These patterns also help provide insight into how similar future events may impact the company's stock and allow for more informed predictions.

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 Initial Stock Reaction Price and Recovery

All six events (COVID-19, the Russia-Ukraine War, OPEC+ Production Cuts, the Israel-Hamas War, the US-Israel-Iran Conflict (2026), and the temporary suspension of visits to Labadee, Haiti) resulted in an initial decline; however, the size of the decline differed among the events.COVID-19 produced the largest decline (82%), while the Labadee, Haiti, suspension resulted in the smallest decline (3%). The Russia-Ukraine War and the US-Israel-Iran Conflict produced larger declines than the Israel-Hamas War and the OPEC+ Production Cuts. Recovery patterns varied among the events. COVID-19 required the longest recovery period (approximately two years) because cruise operations were suspended worldwide and travel restrictions remained in place for an extended period.The Russia–Ukraine War experienced an initial recovery, followed by a second decline from approximately −10.8% to −24.1% due to rising inflation and higher interest rates (Franco, 2022).Similarly, the Israel–Hamas War experienced an initial recovery followed by a second decline from approximately −0.6% to −5.5% as geopolitical uncertainty continued and concerns about a wider regional conflict increased (Cahill, 2023). The U.S.–Israel–Iran Conflict also experienced an initial recovery followed by a second decline from approximately −12.6% to −13.6% as concerns over higher oil prices, inflation, and global trade disruptions increased (Kumar & Kori, 2026). In contrast, the OPEC+ Production Cuts and the Labadee suspension recovered more quickly and did not experience a second decline.

Table 2

Initial Stock Price Declines and Recovery Patterns Following Major Global Events

Event	Initial Decline	Aproximate Recovery Time	Returned to Pre-Event Price?	Second Decline?
Covid-19	-82%	~2 years	Yes	No
Russia-Ukraine War	-10.8%, breif rebound, -24.1%	~3 months	Yes	Yes
US-Iran-Israel Conflict	−12.6%, rebound, −13.6%	~2 months	Yes	Yes
OPEC+ Production Cuts	-6.5%	~ 1 month	Yes	No
Israel-Hamas War	−0.6%, rebound, −5.5%	~1 week (initial recovery); ~2 months (full recovery)	Yes	Yes
Labadee Haiti	-3%	~1 day	Yes	No

Travel impacts differed considerably among the six events. COVID-19 was the only event that caused a worldwide suspension of cruise operations, while the Labadee suspension affected only one destination and allowed the rest of Royal

Caribbean's operations to continue. The remaining events primarily resulted in itinerary changes, higher fuel costs, or broader economic uncertainty rather than a complete disruption of cruise operations. These differences corresponded with the patterns shown in Table 2, where events causing greater disruptions to cruise operations were generally associated with larger stock declines and longer recovery periods than more localized disruptions.

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 War	Itinerary changes in affected areas	Higher oil prices, Regional conflict, and short-term geopolitical uncertainty (Kumar & Kori, 2026)
Labadee,Haiti	One destination temporarily suspended	Temporary disruption at one destination; ships rerouted

3.2 Oil Prices and Stock Performance

Oil prices did not move in the same direction across all events. During Covid -19, oil prices decreased sharply due to a collapse in travel demand. In contrast, oil prices increased during several geopolitical events, including the Russia-Ukraine War, the OPEC+ production cuts, and the U.S.–Israel–Iran War. However, the size of Royal Caribbean's stock decline was not always proportional to changes in oil prices. Royal Caribbean states that it 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 estimates that a 10% increase in fuel prices would increase annual fuel expenses by approximately $57 million. (Royal Caribbean Group Press Center, 2026). .Because a large portion of the company's fuel costs is hedged, short-term increases in oil prices may have a smaller effect on operating costs than

expected. This may help explain why events that caused widespread travel disruptions and cruise operation suspensions were associated with larger stock declines than events primarily driven by higher fuel prices. Although fuel costs remain an important operating expense, the stock declines observed in this study were not consistently proportional to oil changes

Average Brent Crude Oil Price During Major Economic and Geopolitical Events[3] (*Europe Brent Spot Price FOB (Dollars per Barrel)*, n.d.)

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

Event	Month	Brent Crude Oil Price per gallon
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
US-Iran-Israel	April 2026	$117.29
Labadee, Haiti	March 2024	$85.41

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[4]

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	Worldwide cruise operations were

[3] Note. Brent crude oil prices are monthly average spot prices for the month in which each event occurred. Data was obtained from (*Europe Brent Spot Price FOB (Dollars per Barrel)*, n.d.) the U.S. Energy Information Administration (EIA)
[4] Note. All itinerary change information was taken from (Travel Updates | Royal Caribbean Cruises, 2024)

	lockdowns	suspended
Russia-Ukraine War	International Travel continued, although travel to Eastern Europe declined	Operations continued with itinerary 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
Irán Conflict	Travel advisories and airspace closures affected parts of the Middle East, while most global travel continued.	Operations continued with limited itinerary changes
Labadee Suspensión	No significant impact on global travel.	Labadee visits were temporarily suspended.

3.4 Overall Market Performance[5]

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% compared with about 31.6% for the S&P 500. During geopolitical events such as the Russia–Ukraine War and the U.S.–Israel–Iran Conflict, Royal Caribbean also declined more than the broader market, although the differences were smaller than during COVID-19. In contrast, the OPEC+ Production Cuts and the Labadee suspension had relatively limited effects on both Royal Caribbean and the overall market. These comparisons suggest that Royal Caribbean's stock was more sensitive to events that directly affected the cruise industry than to broader market conditions alone.

Table 6

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

Event	RCL Initial Decline	S&P 500 Initial Decline
Covid-19	~-82%	~31.6%
Russia-Ukraine War	~-10.8% ,breif rebound, -24.1%	−4.6% (first low), brief rebound, then −4.5%
OPEC+ Production Cuts	~-6.5%	(Didn't decline- went up 0.24%)
Israel-Hamas War	~-0.6 ,breif rebound, -5.5%	First decline− 0.6% Second decline− 5.5%

[5] All financial data, including Royal Caribbean stock prices and the S&P 500 Index, were obtained from the historical stock charts available on Yahoo Finance

U.S-Israel-Iran War	~-12.6% ,rebound, -13.6%	−0.9%, gradual decline to −7.7%
Labadee Suspensión	~3%	~0.7%

3.5 Points of Major Findings

Operational Impact

- Events that caused widespread disruptions to cruise operations produced the largest declines in Royal Caribbean's stock price, while company-specific operational disruptions resulted in much smaller declines.

Geographic Scope

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

Recovery Patterns

- Every event resulted in an initial decline in Royal Caribbean's stock price. Although the stock eventually recovered after each event, recovery times varied, and several geopolitical events experienced a second decline before fully recovering.

Fuel and Energy Conditions

- Changes in oil prices were not consistently associated with the largest declines in Royal Caribbean's stock, suggesting that disruptions to travel demand and cruise operations had a greater influence on stock performance than fuel costs alone.

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. Every event resulted in an initial decline in Royal Caribbean's stock price; however, the size of the decline, recovery time, and overall stock pattern differed substantially among the events. COVID-19 produced the largest decline and longest recovery, while company-specific disruptions such as the Labadee suspension had relatively little impact. Several geopolitical conflicts also displayed more complex stock movements than other 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 changes in oil prices appeared to be associated with how Royal Caribbean's stock responded. The comparison of travel impacts and event characteristics showed that events differed in several ways, including whether they disrupted cruise operations, affected global or regional travel, increased fuel costs, 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 also produced the largest decline and required 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, resulting in 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 suggest that the market reacted not only to the event itself, but also to how much the event affected Royal Caribbean's operations.

Another important observation is that the events followed different recovery patterns. Three general recovery patterns were identified: direct recovery, recovery followed by a second decline, and longer recovery periods. The Russia–Ukraine War and the Israel–Hamas War both experienced an initial decline, a partial recovery, and a second decline before fully recovering. In contrast, COVID-19 followed a much longer recovery because worldwide cruise operations were suspended for approximately two years, while the OPEC+ Production Cuts and the Labadee suspension recovered more directly without a second decline. These different recovery patterns suggest that some events continued influencing the market as they developed, while others had a more immediate impact and recovered more quickly.

The study also found that increases in oil prices were not consistently associated with the largest stock declines. For example, COVID-19 produced the largest stock decline (82%) even though Brent crude oil prices fell to approximately $32.01 per barrel. 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 24.1% and 13.6%, 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.

4.3 Implications

The findings of this study may provide investors and analysts with a practical framework for evaluating 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 evaluate future events:

- 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, suggesting company-specific effects?

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 generally resulted in smaller declines and faster recoveries. Using these questions may help investors compare future events with similar historical examples and better evaluate their potential impact on Royal Caribbean's stock performance.

This framework may also be useful for Royal Caribbean's management. Understanding which characteristics have

historically been associated with larger market reactions 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 evaluating potential risks. While historical events cannot predict future stock performance, recognizing similar characteristics may help investors and businesses evaluate future risks 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 produce 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 influence 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 Conclusión

This study found that major global events affected Royal Caribbean's stock performance in different ways depending on their characteristics. Events that caused widespread disruptions to cruise operations and travel demand were generally associated with larger stock declines, while localized disruptions and fuel price changes had smaller effects. Rather than assuming all crises affect Royal Caribbean's stock in the same way, investors should evaluate each event by considering its impact on cruise operations, travel demand, geographic scope, and fuel prices. Although past events cannot predict future stock performance, understanding these patterns may help investors and analysts better evaluate how similar future events could influence Royal Caribbean's stock.

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Royal Caribbean's Stock Performance During Economic and Geopolitical Crises

Abstract

This study examined how major global economic and geopolitical events affect Royal Caribbean's stock performance. By comparing six events, this study aimed to identify recurring patterns and determine which factors appeared to have the greatest influence on 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 historical 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, second declines, oil prices, travel conditions, and overall market performance. The results showed that all six events caused an initial decline in Royal Caribbean's stock price, although the size and recovery time varied. COVID-19 produced the largest decline (82%) and required about two years to recover, while the Labadee suspension resulted in only a 3% decline and recovered within one day. Several geopolitical events experienced an initial decline, a partial recovery, and a second decline before fully recovering. The findings also showed that changes in oil prices alone were not consistently associated with the largest stock declines. Overall, the results suggest that global suspension of cruise operations, widespread travel restrictions, and broader economic uncertainty had a greater influence on Royal Caribbean's stock performance than localized disruptions or higher fuel costs. These findings may help investors evaluate how similar future events could affect Royal Caribbean's stock.

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 how major global economic and geopolitical events affect Royal Caribbean's stock performance. By comparing several different events, this study aims to identify recurring patterns and determine which factors have the greatest influence on the company's stock price. 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 affected Royal Caribbean in the past and how similar events may influence the company's stock 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, affect the company's stock in the same way. However, evidence suggests that some crises have much larger impacts than others. Understanding this difference can not only explain past stock reactions but also help investors and analysts better evaluate how Royal Caribbean's stock may respond to future events.Comparing multiple historical events allows this study to identify which factors have the greatest influence on 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 influence the company. Rather than focusing on a single crisis, comparing multiple events can help identify recurring patterns and determine which characteristics have historically had the greatest effect on the company's stock. MacKinlay (1997) described event studies as a widely used method for examining how unexpected events affect stock prices by analyzing market reactions before and after an event. While many event studies focus on a single event, this study compares multiple economic and geopolitical crises affecting one cruise company to identify broader patterns that may help evaluate future risks.

1.4 Background:

Royal Caribbean is an important company to study because it's one of the world's largest cruise companies, operating the brands Royal Caribbean International, Celebrity Cruises, and Silversea Cruises while also owning a 50% interest in TUI Cruises and Hapag-Lloyd Cruises. (Rcl-20251231, 2025). Because these brands serve different market segments, ranging from mass-market to premium and luxury travelers, different global events may affect each segment differently, potentially influencing the company's overall stock performance.

The company earns revenue through two main sources. According to Royal (Rcl-20251231, 2025), 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 decrease revenue, earnings, and ultimately the

company's stock price.

According to (Rcl-20251231, 2025), 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.

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, commonly used in event studies, suggests that new information is rapidly reflected in stock prices. Building on this idea, this study compares multiple global events affecting Royal Caribbean to identify recurring patterns in the company's stock performance. Research has also shown that travel and tourism companies are sensitive to changes in travel demand during crises such as pandemics (Suau-Sanchez et al., 2020). However, few studies have compared multiple types of global crises affecting a single cruise company to identify which characteristics are most closely associated with changes in stock performance.

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- The closing stock price on the last trading day before the event began.
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- How large was the percentage initial decline?
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- What happened to travel conditions?
- What happened to the overall market?

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3. Results and Findings

3.1 Initial Stock Reaction Price and Recovery

All six events (COVID-19, the Russia-Ukraine War, OPEC+ Production Cuts, the Israel-Hamas War, the US-Israel-Iran Conflict (2026), and the temporary suspension of visits to Labadee, Haiti) resulted in an initial decline; however, the size of the decline differed among the events.COVID-19 produced the largest decline (82%), while the Labadee, Haiti, suspension resulted in the smallest decline (3%). The Russia-Ukraine War and the US-Israel-Iran Conflict produced larger declines than the Israel-Hamas War and the OPEC+ Production Cuts. Recovery patterns varied among the events. COVID-19 required the longest recovery period (approximately two years) because cruise operations were suspended worldwide and travel restrictions remained in place for an extended period.The Russia–Ukraine War experienced an initial recovery, followed by a second decline from approximately −10.8% to −24.1% due to rising inflation and higher interest rates (Franco, 2022).Similarly, the Israel–Hamas War experienced an initial recovery followed by a second decline from approximately −0.6% to −5.5% as geopolitical uncertainty continued and concerns about a wider regional conflict increased (Cahill, 2023). The U.S.–Israel–Iran Conflict also experienced an initial recovery followed by a second decline from approximately −12.6% to −13.6% as concerns over higher oil prices, inflation, and global trade disruptions increased (Kumar & Kori, 2026). In contrast, the OPEC+ Production Cuts and the Labadee suspension recovered more quickly and did not experience a second decline.

Table 2

Initial Stock Price Declines and Recovery Patterns Following Major Global Events

Event	Initial Decline	Aproximate Recovery Time	Returned to Pre-Event Price?	Second Decline?
Covid-19	-82%	~2 years	Yes	No
Russia-Ukraine War	-10.8%, breif rebound, -24.1%	~3 months	Yes	Yes
US-Iran-Israel Conflict	−12.6%, rebound, −13.6%	~2 months	Yes	Yes
OPEC+ Production Cuts	-6.5%	~ 1 month	Yes	No
Israel-Hamas War	−0.6%, rebound, −5.5%	~1 week (initial recovery); ~2 months (full recovery)	Yes	Yes
Labadee Haiti	-3%	~1 day	Yes	No

Travel impacts differed considerably among the six events. COVID-19 was the only event that caused a worldwide suspension of cruise operations, while the Labadee suspension affected only one destination and allowed the rest of Royal

Caribbean's operations to continue. The remaining events primarily resulted in itinerary changes, higher fuel costs, or broader economic uncertainty rather than a complete disruption of cruise operations. These differences corresponded with the patterns shown in Table 2, where events causing greater disruptions to cruise operations were generally associated with larger stock declines and longer recovery periods than more localized disruptions.

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 War	Itinerary changes in affected areas	Higher oil prices, Regional conflict, and short-term geopolitical uncertainty (Kumar & Kori, 2026)
Labadee,Haiti	One destination temporarily suspended	Temporary disruption at one destination; ships rerouted

3.2 Oil Prices and Stock Performance

Oil prices did not move in the same direction across all events. During Covid -19, oil prices decreased sharply due to a collapse in travel demand. In contrast, oil prices increased during several geopolitical events, including the Russia-Ukraine War, the OPEC+ production cuts, and the U.S.–Israel–Iran War. However, the size of Royal Caribbean's stock decline was not always proportional to changes in oil prices. Royal Caribbean states that it 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 estimates that a 10% increase in fuel prices would increase annual fuel expenses by approximately $57 million. (Royal Caribbean Group Press Center, 2026). .Because a large portion of the company's fuel costs is hedged, short-term increases in oil prices may have a smaller effect on operating costs than

expected. This may help explain why events that caused widespread travel disruptions and cruise operation suspensions were associated with larger stock declines than events primarily driven by higher fuel prices. Although fuel costs remain an important operating expense, the stock declines observed in this study were not consistently proportional to oil changes

Average Brent Crude Oil Price During Major Economic and Geopolitical Events[3] (*Europe Brent Spot Price FOB (Dollars per Barrel)*, n.d.)

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

Event	Month	Brent Crude Oil Price per gallon
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
US-Iran-Israel	April 2026	$117.29
Labadee, Haiti	March 2024	$85.41

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[4]

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	Worldwide cruise operations were

[3] Note. Brent crude oil prices are monthly average spot prices for the month in which each event occurred. Data was obtained from (*Europe Brent Spot Price FOB (Dollars per Barrel)*, n.d.) the U.S. Energy Information Administration (EIA)
[4] Note. All itinerary change information was taken from (Travel Updates | Royal Caribbean Cruises, 2024)

	lockdowns	suspended
Russia-Ukraine War	International Travel continued, although travel to Eastern Europe declined	Operations continued with itinerary 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
Irán Conflict	Travel advisories and airspace closures affected parts of the Middle East, while most global travel continued.	Operations continued with limited itinerary changes
Labadee Suspensión	No significant impact on global travel.	Labadee visits were temporarily suspended.

3.4 Overall Market Performance[5]

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% compared with about 31.6% for the S&P 500. During geopolitical events such as the Russia–Ukraine War and the U.S.–Israel–Iran Conflict, Royal Caribbean also declined more than the broader market, although the differences were smaller than during COVID-19. In contrast, the OPEC+ Production Cuts and the Labadee suspension had relatively limited effects on both Royal Caribbean and the overall market. These comparisons suggest that Royal Caribbean's stock was more sensitive to events that directly affected the cruise industry than to broader market conditions alone.

Table 6

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

Event	RCL Initial Decline	S&P 500 Initial Decline
Covid-19	~-82%	~31.6%
Russia-Ukraine War	~-10.8% ,breif rebound, -24.1%	−4.6% (first low), brief rebound, then −4.5%
OPEC+ Production Cuts	~-6.5%	(Didn't decline- went up 0.24%)
Israel-Hamas War	~-0.6 ,breif rebound, -5.5%	First decline− 0.6% Second decline− 5.5%

[5] All financial data, including Royal Caribbean stock prices and the S&P 500 Index, were obtained from the historical stock charts available on Yahoo Finance

U.S-Israel-Iran War	~-12.6% ,rebound, -13.6%	−0.9%, gradual decline to −7.7%
Labadee Suspensión	~3%	~0.7%

3.5 Points of Major Findings

Operational Impact

- Events that caused widespread disruptions to cruise operations produced the largest declines in Royal Caribbean's stock price, while company-specific operational disruptions resulted in much smaller declines.

Geographic Scope

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

Recovery Patterns

- Every event resulted in an initial decline in Royal Caribbean's stock price. Although the stock eventually recovered after each event, recovery times varied, and several geopolitical events experienced a second decline before fully recovering.

Fuel and Energy Conditions

- Changes in oil prices were not consistently associated with the largest declines in Royal Caribbean's stock, suggesting that disruptions to travel demand and cruise operations had a greater influence on stock performance than fuel costs alone.

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. Every event resulted in an initial decline in Royal Caribbean's stock price; however, the size of the decline, recovery time, and overall stock pattern differed substantially among the events. COVID-19 produced the largest decline and longest recovery, while company-specific disruptions such as the Labadee suspension had relatively little impact. Several geopolitical conflicts also displayed more complex stock movements than other 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 changes in oil prices appeared to be associated with how Royal Caribbean's stock responded. The comparison of travel impacts and event characteristics showed that events differed in several ways, including whether they disrupted cruise operations, affected global or regional travel, increased fuel costs, 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 also produced the largest decline and required 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, resulting in 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 suggest that the market reacted not only to the event itself, but also to how much the event affected Royal Caribbean's operations.

Another important observation is that the events followed different recovery patterns. Three general recovery patterns were identified: direct recovery, recovery followed by a second decline, and longer recovery periods. The Russia–Ukraine War and the Israel–Hamas War both experienced an initial decline, a partial recovery, and a second decline before fully recovering. In contrast, COVID-19 followed a much longer recovery because worldwide cruise operations were suspended for approximately two years, while the OPEC+ Production Cuts and the Labadee suspension recovered more directly without a second decline. These different recovery patterns suggest that some events continued influencing the market as they developed, while others had a more immediate impact and recovered more quickly.

The study also found that increases in oil prices were not consistently associated with the largest stock declines. For example, COVID-19 produced the largest stock decline (82%) even though Brent crude oil prices fell to approximately $32.01 per barrel. 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 24.1% and 13.6%, 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.

4.3 Implications

The findings of this study may provide investors and analysts with a practical framework for evaluating 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 evaluate future events:

- 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, suggesting company-specific effects?

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 generally resulted in smaller declines and faster recoveries. Using these questions may help investors compare future events with similar historical examples and better evaluate their potential impact on Royal Caribbean's stock performance.

This framework may also be useful for Royal Caribbean's management. Understanding which characteristics have

historically been associated with larger market reactions 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 evaluating potential risks. While historical events cannot predict future stock performance, recognizing similar characteristics may help investors and businesses evaluate future risks 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 produce 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 influence 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 Conclusión

This study found that major global events affected Royal Caribbean's stock performance in different ways depending on their characteristics. Events that caused widespread disruptions to cruise operations and travel demand were generally associated with larger stock declines, while localized disruptions and fuel price changes had smaller effects. Rather than assuming all crises affect Royal Caribbean's stock in the same way, investors should evaluate each event by considering its impact on cruise operations, travel demand, geographic scope, and fuel prices. Although past events cannot predict future stock performance, understanding these patterns may help investors and analysts better evaluate how similar future events could influence Royal Caribbean's stock.

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Author Biography

The author is a high school student who is always excited to learn about cruise ships, motorsports, and finance. Over the summer, the author served as a research intern at [redacted university], where this passion for research continued to grow. Outside of research, the author loves networking, meeting new people, and learning from professionals with inspiring

careers. This passion led to the creation of [redacted nonprofit], an organization dedicated to helping students connect with professionals and discover new opportunities. The author also enjoys volunteering with [redacted foundation], where they serve as the first student member of its Advisory Council. Whether researching, networking, or simply having conversations with people from different industries, the author believes there is always something new to learn and looks forward to every opportunity to grow.

Mentor Contribution Statement

The research mentor played an important role in supporting the development of this study by providing guidance, encouragement, and thoughtful feedback throughout the research process. The mentor encouraged the author 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. The mentor 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.

Review 100214: Royal Caribbean's Stock Performance During Economic and Geopolitical Crises

Decision: Revise and resubmit (major revisions needed)

Originality & Significance, Clarity & Structure

Overall, this is an impressive piece of work for a high-school researcher. It demonstrates independent data collection, thoughtful organisation, and a genuine attempt to apply financial theory to a real-world company. Its principal weaknesses lie not in the choice of topic but in the mismatch between the methodological claims and the methods actually employed, limited engagement with the broader literature, and a tendency to infer causal relationships from descriptive comparisons. With a more rigorous analytical framework, clearer operational definitions, deeper engagement with finance literature, and tighter editing, the paper could develop into a strong project.

Use of Evidence & Research Methods

The largest conceptual weakness is that the paper repeatedly describes itself as an event study, yet it does not actually conduct one. MacKinlay (1997) is cited as the methodological foundation, but the defining feature of an event study is the calculation of abnormal returns relative to expected returns over a clearly specified event window. Instead, the paper simply compares percentage declines in Royal Caribbean's share price after major events. There is no estimation window, no expected return model (such as the market model or CAPM), no cumulative abnormal returns (CARs), and no statistical significance testing. As a result, the methodology is descriptive rather than analytical, and referring to it as an event study overstates the methodological sophistication. It is better described as a comparative descriptive study than a true event study, and many of its conclusions are stronger than the evidence presented can support.

The methodology also lacks sufficient justification for several research decisions. The selection of six events appears reasonable, but there is little explanation of why these events were chosen over other potentially relevant events, such as interest-rate announcements, recession fears, hurricane seasons, or company-specific financial announcements. Similarly, concepts such as "major low," "recovery," and especially "second decline" are never operationally defined. Readers are left uncertain about the threshold used to determine when a decline or recovery begins and ends, reducing the study's replicability.

A further weakness is the treatment of causality. Throughout the discussion, the paper frequently implies that specific characteristics—such as travel restrictions or operational disruptions—caused differences in Royal Caribbean's stock performance. However, the methodology does not allow causal conclusions.

Because multiple factors influence stock prices simultaneously, it is impossible to isolate the effect of travel restrictions, oil prices, inflation, or geopolitical uncertainty without regression analysis or formal event-study methods. The paper occasionally acknowledges this limitation but then makes stronger causal claims than its evidence supports.

Engagement with Literature

The literature review is relatively thin and serves primarily as background rather than engaging with existing scholarship. Apart from Fama (1970), MacKinlay (1997), and one aviation study on COVID-19, there is limited discussion of previous research on tourism stocks, cruise companies, crisis management, behavioural finance, or financial market reactions to geopolitical shocks. As a result, the paper does not clearly position its contribution within the existing literature or explain how its findings confirm, extend, or challenge previous studies.

Grammar & Language

There are also some inconsistencies in presentation. Sections of the introduction and methodology repeat almost identical wording, particularly the discussion of the study's purpose and the explanation of event studies. This repetition makes the paper longer than necessary. Some tables also require greater precision. For example, Table 6 reports different formats for stock declines, while the Labadee suspension appears to report a positive 3% despite the text stating a 3% decline. Small inconsistencies such as these reduce confidence in the accuracy of the data presentation.

Summary of specific changes required

1. Narrow and sharpen the research question. The paper currently asks how "major economic and geopolitical events" affect Royal Caribbean's stock, but this is very broad. Instead, frame the question around which characteristics of crises (e.g., operational disruption, geographic scope, travel restrictions, fuel shocks) are most strongly associated with stock performance. This aligns better with your findings.
2. Either, conduct a proper event study using abnormal returns and statistical testing; or relabel the paper as a comparative historical analysis of stock price reactions or a comparative descriptive study.
3. Define your variables operationally.
4. Justify the event selection.
5. Engage much more with the finance literature. Currently the literature review is extremely limited. Consider discussing Efficient Market Hypothesis, Investor Sentiment, Systematic vs Idiosyncratic Risk, Tourism and hospitality stock performance, Airline/cruise crisis literature.

Submission 100214

Recommendation: Revise and resubmit (major revisions needed)

This manuscript examines how six major economic and geopolitical events between 2020 and 2026 affected Royal Caribbean Group's stock price. The topic is timely and relevant for students of finance, tourism economics, and event-study methods. The author has assembled a clear comparative framework, produced useful summary tables, and drawn practical implications for investors. The writing is generally clear and professional, and the structure (Introduction → Methodology → Results → Discussion) is easy to follow. These are real strengths for an early-career researcher.

At the same time, several substantive issues limit the paper's rigour and originality. Addressing them will substantially strengthen the contribution.

Strengths

- **Clear purpose and practical framing.** The research questions are explicit, and the four evaluative questions offered in the Discussion (Section 4.3) give investors a concrete decision framework.
- **Useful comparative tables.** Tables 2–6 effectively juxtapose initial declines, recovery patterns, oil prices, travel impacts, and market-relative performance. Readers can quickly see the contrast between COVID-19 and the Labadee suspension.
- **Appropriate limitations section.** The author correctly notes that the study is descriptive rather than causal and that only six events were examined.
- **Accessible language.** The prose is readable and avoids unnecessary jargon—valuable for a student-oriented journal.

Areas Requiring Major Revision

1. Originality & Significance / Engagement with Literature

The paper cites classic references (Fama 1970; MacKinlay 1997) and one COVID-era aviation study, but it does not engage the substantial body of cruise-industry and tourism event-study literature (e.g., work on Carnival, Norwegian, or broader tourism stocks during the pandemic, oil shocks, or geopolitical events). As a result, it is difficult to judge what is genuinely new.

Actionable suggestion: Expand the Background and Discussion sections with 6–10 additional peer-reviewed sources on cruise or tourism stock reactions to crises. Explicitly state how the multi-event, single-firm comparative design advances or differs from prior single-event studies.

2. Research Methods & Evidence

- The design is labeled a "quantitative comparative historical research design" and an "event study," yet no formal event-study methodology is applied (no estimation window, no abnormal returns, no statistical tests). Percentage price changes alone do not constitute an event study in the MacKinlay sense.
- Recovery times and "second declines" are defined impressionistically ("approximately returned," "noticeable decline").
- Oil-price data are monthly averages; stock-price movements are daily. Alignment is therefore imprecise.
- Travel conditions are purely qualitative; no passenger-volume, occupancy, or booking data are reported even where publicly available (e.g., company 10-Ks, CDC cruise guidance).
- The "U.S.–Israel–Iran Conflict (2026)" and associated citations (Kori 2026) appear to reference future or hypothetical events relative to real-world chronology as of mid-2026; this needs clarification or removal if the data are not historical.

Actionable suggestions:

- Either reframe the paper as a descriptive multi-case comparison (removing "event study" claims) **or** implement a simple abnormal-return analysis relative to the S&P 500 for a short event window (±5 or ±10 trading days).
- Define "recovery" and "second decline" with explicit percentage thresholds or calendar rules.
- Add a short robustness note on daily vs. monthly oil-price sensitivity or use weekly averages.
- Clarify the status of the 2026 Iran-related event and its data sources.

3. Clarity & Structure

- Section 2.1 largely repeats material from 1.3 (Rationale).
- Table 1 contains a duplicated row for "Recovery" and "Second Decline."
- Footnotes and in-text citations are uneven (some URLs appear in footnotes, others in the reference list).
- The Abstract states "six events between 2020 and 2026" and later refers to a 2026 conflict whose data may not yet be fully historical.

Actionable suggestions: Delete the duplicated methodological text, correct Table 1, standardise citation format (APA), and ensure all data windows are historically verifiable.

4. Grammar & Language

Minor issues only (occasional missing articles, inconsistent en-dashes vs. hyphens, a few awkward phrases such as “Points of Major Findings”). These are secondary and can be cleaned in a final polish.

Overall Assessment

The manuscript shows solid organisational skill and a genuine interest in a practically relevant question. With clearer methodological grounding, deeper engagement with existing literature, tighter operational definitions, and resolution of the 2026 data question, it can become a useful contribution for student researchers and investors interested in the cruise sector. I encourage the author to undertake these revisions; the core comparative insight—that operational disruption and geographic scope matter more than oil-price spikes alone—is worth developing carefully.

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Royal Caribbean's Stock Performance During Economic and Geopolitical Crises

Abstract

This study examined how major global economic and geopolitical events affect Royal Caribbean's stock performance. By comparing six events, this study aimed to identify recurring patterns and determine which factors appeared to have the greatest influence on 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 historical 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, second declines, oil prices, travel conditions, and overall market performance. The results showed that all six events caused an initial decline in Royal Caribbean's stock price, although the size and recovery time varied. COVID-19 produced the largest decline (82%) and required about two years to recover, while the Labadee suspension resulted in only a 3% decline and recovered within one day. Several geopolitical events experienced an initial decline, a partial recovery, and a second decline before fully recovering. The findings also showed that changes in oil prices alone were not consistently associated with the largest stock declines. Overall, the results suggest that global suspension of cruise operations, widespread travel restrictions, and broader economic uncertainty had a greater influence on Royal Caribbean's stock performance than localized disruptions or higher fuel costs. These findings may help investors evaluate how similar future events could affect Royal Caribbean's stock.

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 how major global economic and geopolitical events affect Royal Caribbean's stock performance. By comparing several different events, this study aims to identify recurring patterns and determine which factors have the greatest influence on the company's stock price. 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 affected Royal Caribbean in the past and how similar events may influence the company's stock 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, affect the company's stock in the same way. However, evidence suggests that some crises have much larger impacts than others. Understanding this difference can not only explain past stock reactions but also help investors and analysts better evaluate how Royal Caribbean's stock may respond to future events. Comparing multiple historical events allows this study to identify which factors have the greatest influence on 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 influence the company. Rather than focusing on a single crisis, comparing multiple events can help identify recurring patterns and determine which characteristics have historically had the greatest effect on the company's stock. MacKinlay (1997) described event studies as a widely used method for examining how unexpected events affect stock prices by analyzing market reactions before and after an event. While many event studies focus on a single event, this study compares multiple economic and geopolitical crises affecting one cruise company to identify broader patterns that may help evaluate future risks.

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 while also 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 affect each segment differently, potentially influencing 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 decrease 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.

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, commonly used in event studies, suggests that new information is rapidly reflected in stock prices. Building on this idea, this study compares multiple global events affecting Royal Caribbean to identify recurring patterns in the company's stock performance. Research has also shown that travel and tourism companies are sensitive to changes in travel demand during crises such as pandemics (Suau-Sanchez et al., 2020). However, few studies have compared multiple types of global crises affecting a single cruise company to identify which characteristics are most closely associated with changes in stock performance.

2. Methodology

2.1 Purpose and Study Design:

Studying Royal Caribbean's historical stock performance can help investors and analysts better understand how various global events influence the company. Rather than focusing on a single crisis, comparing multiple events can help identify recurring patterns and determine which characteristics have historically had the greatest effect on the company's stock. MacKinlay (1997) described event studies as a widely used method for examining how unexpected events affect stock prices by analyzing market reactions before and after an event. While many event studies focus on a single event, this study compares multiple economic and geopolitical crises affecting one cruise company to identify broader patterns that may help evaluate future risks.

2.2 Sample:

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

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

[1] On April 2, 2023, OPEC+ announced voluntary oil production cuts to reduce global supply and support oil prices.
[2] The war began in late February 2026 and ended with an interim peace agreement on June 17, 2026.

Although these events differ in scope, they were included because each had the potential to influence Royal Caribbean's operations and investor expectations, allowing comparisons across different types of crises. These events were chosen because they represent different types of disruptions, including global travel shutdowns, geopolitical conflicts, fuel price shocks, and company-specific operational disruptions. These categories provided a consistent framework for comparing how different types of events affected Royal Caribbean's stock performance.

Because this study used publicly available financial data and historical data, no human participants were involved. Therefore, Institutional Review Board (IRB) approval was not needed

2.3 Measures:

For each event, the following variables were collected and analyzed

Table 1
Variables Collected and Analyzed

Variable	Description
Event Date	Date the event began
Royal Caribbean Stock Price	Stock price before, during, and after the event
Initial decline (%)	Percentage decline from the pre-event closing price to the first major low following the event.
Recovery	Whether the stock experienced another noticeable decline after a partial recovery but before returning to its pre-event price.
Second Decline	Whether the stock experienced another noticeable decline after a partial recovery but before returning to its pre-event price.
Oil Prices	Changes in the Brent Crude Oil price during the event.
Travel Conditions	Presence of travel restrictions or itinerary changes.
Overall Market	Performance of the S&P 500 Index, used to represent overall U.S. stock market conditions for comparison with Royal Caribbean's stock performance.

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.

2.4 Data Collection:

Stock prices for Royal Caribbean Group (NYSE: RCL) were collected from the publicly available financial database Yahoo Finance. Information regarding oil prices, overall market performance, and the timeline of each event was obtained from reliable government agencies and news publications. Daily closing stock prices were used throughout the analysis. For each event, three primary time periods were recorded to calculate the percentage change:

- The closing stock price on the last trading day before the event began.
- The lowest closing stock price following the event.
- The closing stock price after the stock had approximately returned to its pre-event price or stabilized.
- If an event began on a weekend or market holiday, the next available trading day was used.

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 immediately?
- How large was the percentage initial decline?
- Did the stock recover?
- Was there a second decline
- What factors appeared to contribute to the stock's movement?
- How did oil prices behave?
- What happened to travel conditions?
- What happened to the overall market?

After each event was analyzed, the results were organized into comparison tables to identify recurring patterns. Events were then grouped according to predefined categories based on their primary characteristics, including global travel disruptions, geopolitical conflicts, fuel price shocks, and company-specific operational disruptions. Finally, the similarities and differences were evaluated to determine which factors consistently had the greatest influence over Royal Caribbean's stock performance. These patterns also help provide insight into how similar future events may impact the company's stock and allow for more informed predictions.

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 Initial Stock Reaction Price and Recovery

All six events (COVID-19, the Russia-Ukraine War, OPEC+ Production Cuts, the Israel-Hamas War, the U.S.–Israel–Iran Conflict (2026), and the temporary suspension of visits to Labadee, Haiti) resulted in an initial decline; however, the size of the decline differed among the events. COVID-19 produced the largest decline (82%), while the Labadee, Haiti, suspension resulted in the smallest decline (3%). The Russia-Ukraine War and the U.S.–Israel–Iran Conflict produced larger declines than the Israel-Hamas War and the OPEC+ Production Cuts. Recovery patterns varied among the events. COVID-19 required the longest recovery period (approximately two years) because cruise operations were suspended worldwide and travel restrictions remained in place for an extended period. The Russia–Ukraine War experienced an initial recovery, followed by a second decline from approximately −10.8% to −24.1% due to rising inflation and higher interest rates (Franco, 2022). Similarly, the Israel–Hamas War experienced an initial recovery followed by a second decline from approximately −0.6% to −5.5% as geopolitical uncertainty continued and concerns about a wider regional conflict increased (Cahill, 2023). The U.S.–Israel–Iran Conflict also experienced an initial recovery followed by a second decline from approximately −12.6% to −13.6% as concerns over higher oil prices, inflation, and global trade disruptions increased (Kori, 2026). In contrast, the OPEC+ Production Cuts and the Labadee suspension recovered more quickly and did not experience a second decline.

Table 2

Initial Stock Price Declines and Recovery Patterns Following Major Global Events

Event	Initial Decline	Approximate Recovery Time	Returned to Pre-Event Price?	Second Decline?
COVID-19	-82%	~2 years	Yes	No
Russia-Ukraine War	-10.8%, brief rebound, -24.1%	~3 months	Yes	Yes
U.S.–Israel–Iran Conflict	−12.6%, rebound, −13.6%	~2 months	Yes	Yes
OPEC+ Production Cuts	-6.5%	~ 1 month	Yes	No
Israel-Hamas War	−0.6%, rebound, −5.5%	~1 week (initial recovery); ~2 months (full recovery)	Yes	Yes
Labadee, Haiti	-3%	~1 day	Yes	No

Travel impacts differed considerably among the six events. COVID-19 was the only event that caused a worldwide suspension of cruise operations, while the Labadee suspension affected only one destination and allowed the rest of Royal

Caribbean's operations to continue. The remaining events primarily resulted in itinerary changes, higher fuel costs, or broader economic uncertainty rather than a complete disruption of cruise operations. These differences corresponded with the patterns shown in Table 2, where events causing greater disruptions to cruise operations were generally associated with larger stock declines and longer recovery periods than more localized disruptions.

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

Oil prices did not move in the same direction across all events. During COVID-19, oil prices decreased sharply due to a collapse in travel demand. In contrast, oil prices increased during several geopolitical events, including the Russia-Ukraine War, the OPEC+ production cuts, and the U.S.–Israel–Iran Conflict. However, the size of Royal Caribbean's stock decline was not always proportional to changes in oil prices. 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. Because a large portion of the company's fuel costs is hedged, short-term increases in oil prices may have a smaller effect on

operating costs than expected. This may help explain why events that caused widespread travel disruptions and cruise operation suspensions were associated with larger stock declines than events primarily driven by higher fuel prices. Although fuel costs remain an important operating expense, the stock declines observed in this study were not consistently proportional to changes in oil prices.

Average Brent Crude Oil Price During Major Economic and Geopolitical Events[3] (*U.S. Energy Information Administration, n.d.*)

Table 4

Average Brent Crude Oil Prices During Major Economic and Geopolitical Events

Event	Month	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

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[4]

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

[3] Note. Brent crude oil prices are monthly average spot prices for the month in which each event occurred. Data was obtained from (*Europe Brent Spot Price FOB (Dollars per Barrel)*, n.d.) the U.S. Energy Information Administration (EIA)

[4] Note. All itinerary change information was taken from (Travel Updates | Royal Caribbean Cruises, 2024)

Russia-Ukraine War	International travel continued, although travel to Eastern Europe declined	Operations continued with itinerary 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
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[5]

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% compared with about 31.6% for the S&P 500. During geopolitical events such as the Russia–Ukraine War and the U.S.–Israel–Iran Conflict, Royal Caribbean also declined more than the broader market, although the differences were smaller than during COVID-19. In contrast, the OPEC+ Production Cuts and the Labadee suspension had relatively limited effects on both Royal Caribbean and the overall market. These comparisons suggest that Royal Caribbean's stock was more sensitive to events that directly affected the cruise industry than to broader market conditions alone.

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

Event	RCL Initial Decline	S&P 500 Initial Decline
COVID-19	-82%	~31.6%
Russia-Ukraine War	-10.8%, brief rebound, -24.1%	−4.6% (first low), brief rebound, then −4.5%
OPEC+ Production Cuts	-6.5%	Didn't decline; increased 0.24%
Israel-Hamas War	-0.6, brief rebound, -5.5%	First decline− 0.6% Second decline− 5.5%
U.S.–Israel–Iran Conflict	-12.6%, rebound, -13.6%	−0.9%, gradual decline to −7.7%

[5] All financial data, including Royal Caribbean stock prices and the S&P 500 Index, were obtained from the historical stock charts available on Yahoo Finance

Labadee Suspension	3%	~0.7%

3.5 Points of Major Findings

Operational Impact

- Events that caused widespread disruptions to cruise operations produced the largest declines in Royal Caribbean's stock price, while company-specific operational disruptions resulted in much smaller declines.

Geographic Scope

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

Recovery Patterns

- Every event resulted in an initial decline in Royal Caribbean's stock price. Although the stock eventually recovered after each event, recovery times varied, and several geopolitical events experienced a second decline before fully recovering.

Fuel and Energy Conditions

- Changes in oil prices were not consistently associated with the largest declines in Royal Caribbean's stock, suggesting that disruptions to travel demand and cruise operations had a greater influence on stock performance than fuel costs alone.

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. Every event resulted in an initial decline in Royal Caribbean's stock price; however, the size of the decline, recovery time, and overall stock pattern differed substantially among the events. COVID-19 produced the largest decline and longest recovery, while company-specific disruptions such as the Labadee suspension had relatively little impact. Several geopolitical conflicts also displayed more complex stock movements than other 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 changes in oil prices appeared to be associated with how Royal Caribbean's stock responded. The comparison of travel impacts and event characteristics showed that events differed in several ways, including whether they disrupted cruise operations, affected global or regional travel, increased fuel costs, 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 also produced the largest decline and required 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, resulting in 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 suggest that the market reacted not only to the event itself, but also to how much the event affected Royal Caribbean's operations.

Another important observation is that the events followed different recovery patterns. Three general recovery patterns were identified: direct recovery, recovery followed by a second decline, and longer recovery periods. The Russia–Ukraine War and the Israel–Hamas War both experienced an initial decline, a partial recovery, and a second decline before fully recovering. In contrast, COVID-19 followed a much longer recovery because worldwide cruise operations were suspended for approximately two years, while the OPEC+ Production Cuts and the Labadee suspension recovered more directly without a second decline. These different recovery patterns suggest that some events continued influencing the market as they developed, while others had a more immediate impact and recovered more quickly.

The study also found that increases in oil prices were not consistently associated with the largest stock declines. For example, COVID-19 produced the largest stock decline (82%) even though Brent crude oil prices fell to approximately $32.01 per barrel. 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 24.1% and 13.6%, 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.

4.3 Implications

The findings of this study may provide investors and analysts with a practical framework for evaluating 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 evaluate future events:

- 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, suggesting company-specific effects?

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 generally resulted in smaller declines and faster recoveries. Using these questions may help investors compare future events with similar historical examples and better evaluate their potential impact on Royal Caribbean's stock performance.

This framework may also be useful for Royal Caribbean's management. Understanding which characteristics have historically been associated with larger market reactions 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 evaluating potential risks. While historical events cannot predict future stock performance, recognizing similar characteristics may help investors and businesses evaluate future risks 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 produce 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 influence 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 affected Royal Caribbean's stock performance in different ways depending on their characteristics. Events that caused widespread disruptions to cruise operations and travel demand were generally associated with larger stock declines, while localized disruptions and fuel price changes had smaller effects. Rather than assuming all crises affect Royal Caribbean's stock in the same way, investors should evaluate each event by considering its impact on cruise operations, travel demand, geographic scope, and fuel prices. Although past events cannot predict future stock performance, understanding these patterns may help investors and analysts better evaluate how similar future events could influence Royal Caribbean's stock.

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Royal Caribbean's Stock Performance During Economic and Geopolitical Crises

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: Stock Performance; Comparative Descriptive Study; Cruise Industry; Geopolitical Events; Economic Crises; Travel Restrictions;

Oil Prices
~~Royal Caribbean Group; Stock Performance; Comparative Descriptive 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 how major global economic and geopolitical events affect Royal Caribbean's stock performance. By comparing several different events, this study aims to identify recurring patterns and determine which factors have the greatest influence on the company's stock price. 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 affected Royal Caribbean in the past and how similar events may influence the company's stock in the future.~~ 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.~~have much larger impacts than others.~~ Understanding this difference can not only explain past stock reactions but also help investors and analysts better compare future events with historical patterns in Royal Caribbean's stock performance. ~~evaluate how Royal Caribbean's stock may respond to future events.~~ Comparing multiple historical events allows this study to identify which factors are most strongly associated with differences in ~~have the greatest influence on~~ 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 patterns and differences between them (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. ~~Studying Royal Caribbean's historical stock performance can help investors and analysts better understand how various global events influence the company. Rather than focusing on a single crisis, comparing multiple events can help identify recurring patterns and determine which characteristics have historically had the greatest effect on the company's stock. MacKinlay (1997) described event studies as a widely used method for examining how unexpected events affect stock prices by analyzing market reactions before and after an event. While many event studies focus on a single event, this study compares multiple economic and geopolitical crises affecting one cruise company to identify broader patterns that may help evaluate future risks.~~ ¶

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~~affect~~ each segment differently, potentially relating to differences in~~influencing~~ 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~~decrease~~ 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 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 can not 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.~~Studying Royal Caribbean's historical stock performance can help investors and analysts better understand how various global events influence the company. Rather than focusing on a single crisis, comparing multiple events can help identify recurring patterns and determine which characteristics have historically had the greatest effect on the company's stock. MacKinlay (1997) described event studies as a widely used method for examining how unexpected events affect stock prices by analyzing market reactions before and after an event. While many event studies focus on a single event, this study compares multiple economic and geopolitical crises affecting one cruise company to identify broader patterns that may help evaluate future risks.~~

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[1]
- Israel-Hamas War
- U.S.–Israel–Iran Conflict[2]

[1] On April 2, 2023, OPEC+ announced voluntary oil production cuts to reduce global supply and support oil prices.
[2] The war began in late February 2026 and ended with an interim peace agreement on June 17, 2026.

- 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 data and historical data, no human participants were involved. Therefore, Institutional Review Board (IRB) approval was not needed~~The sample consists of six major events that were selected because they represented different types of global crises with the potential to affect Royal Caribbean's business as well as its stock price. To be included in this study, events had to occur between 2020 and 2026, have the potential to affect travel demand, cruise operations, or fuel prices, and have sufficient financial and news data available for analysis. The events include:¶~~

- ~~COVID-19¶~~
- ~~Russia-Ukraine War¶~~
- ~~OPEC+ Oil Production Cuts¶~~
- ~~Israel-Hamas War¶~~
- ~~U.S.-Israel-Iran Conflict ¶~~
- ~~Royal Caribbean's temporary suspension of visits to Labadee, Haiti¶~~

~~Although these events differ in scope, they were included because each had the potential to influence Royal Caribbean's operations and investor expectations, allowing comparisons across different types of crises. These events were chosen because they represent different types of disruptions, including global travel shutdowns, geopolitical conflicts, fuel price shocks, and company-specific operational disruptions. These categories provided a consistent framework for comparing how different types of events affected Royal Caribbean's stock performance.~~
~~Because this study used publicly available financial data and historical data, no human participants were involved. Therefore, Institutional Review Board (IRB) approval was not needed¶~~

~~Because this study used publicly available financial data and historical data, no human participants were involved. Therefore, Institutional Review Board (IRB) approval was not needed~~

2.3 Measures:

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

- 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 gradually rather than beginning on a single date, the pre-crisis reference was defined as the highest closing

price-crisis reference price was defined as the highest closing price immediately preceding the sustained decline associated with the developing pandemic.

- Crisis-period low: The lowest daily closing stock price reached following the event before the stock began to recover.
- Stock-price decline: The percentage change from the pre-event reference to the crisis-period low.
- Recovery: The point at which Royal Caribbean's stock price returned to approximately its pre-event reference price.
- Recovery Time: The amount of time between the crisis-period low and the stock's return to approximately its pre-event reference price.
- Oil-price change: The percentage change in Brent crude oil prices over the corresponding crisis period.
- 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.
- Travel disruption: The extent of cruise or broader travel disruption associated with each event, including restrictions, suspensions, cancellations, or itinerary changes
- ~~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 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.¶~~
- ~~Crisis-period low: The lowest daily closing stock price observed during the defined crisis period before the stock returned to or exceeded its pre-event reference price.¶~~
- ~~Stock-price decline: The percentage change from the pre-event reference to the crisis-period low.¶~~
- ~~Recovery: The first trading day on which Royal Caribbean's 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: The Brent crude oil price during the month in which the event occurred, used to compare fuel-price conditions across the six events.¶~~
- ~~Market performance: The percentage change in the S&P 500 over the corresponding crisis.¶~~
- ~~Travel disruption: The extent of cruise or broader travel disruption associated with each event, including restrictions, suspensions, cancellations, or itinerary changes~~

Table 1
Variables Collected and Analyzed¶

Variable	Description
e~~E~~vent d~~D~~ate	Date the event began
Royal Caribbean s~~S~~tock p~~P~~rice	Daily closing stock price before, during, and after each event
Stock-price ~~Initial~~ decline (%)	Percentage decline from the pre-event reference price to the crisis-period low following the event.

Recovery	The point at 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~~Oil~~ Prices	Brent Crude Oil price per barrel during the month in which each event occurred.
Travel c~~C~~onditions	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.

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.

2.4 Data Collection:

For each event, Royal Caribbean's daily closing stock prices 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. Brent Crude oil prices were collected for the month in which each event occurred, while S&P 500 performance was collected 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 for comparison.~~Stock prices for Royal Caribbean Group (NYSE: RCL) were collected from the publicly available financial database Yahoo Finance. Information regarding oil prices, overall market performance, and the timeline of each event was obtained from reliable government agencies and news publications. Daily closing stock prices were used throughout the analysis. For each event, three primary time periods were recorded to calculate the percentage change:¶~~

- ~~The closing stock price on the last trading day before the event began.¶~~
- ~~The lowest closing stock price following the event.¶~~

- ~~The closing stock price after the stock had approximately returned to its pre-event price or stabilized.¶~~
- ~~If an event began on a weekend or market holiday, the next available trading day was used.~~

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 price of Brent crude oil 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?~~Did Royal Caribbean's stock decline immediatly?¶~~
- ~~How large was the percentage initial decline?¶~~
- ~~Did the stock recover?¶~~
- ~~Was there a second decline¶~~
- ~~What factors appeared to contribute to the stock's movement?¶~~
- ~~How did oil prices behave?¶~~
- ~~What happened to travel conditions?¶~~
- ~~What happened to the overall market?~~

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~~6~~ 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 3.1 Stock Price Decline and Recovery~~Initial Stock Reaction Price 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.~~All six events (COVID-19, the Russia–Ukraine War, OPEC+ Production Cuts, the Israel–Hamas War, the U.S.–Israel–Iran Conflict (2026), and the temporary suspension of visits to Labadee, Haiti) resulted in an initial decline; however, the size of the decline differed among the events. COVID-19 produced the largest decline (82%), while the Labadee, Haiti, suspension resulted in the smallest decline (3%). The Russia–Ukraine War and the U.S.–Israel–Iran Conflict produced larger declines than the Israel–Hamas War and the OPEC+ Production Cuts. Recovery patterns varied among the events. COVID-19 required the longest recovery period (approximately two years) because cruise operations were suspended worldwide and travel restrictions remained in place for an extended period.~~

The broader conditions surrounding these events also differed. During t~~T~~he Russia–Ukraine War~~, experienced an initial recovery, followed by a second decline from approximately −10.8% to −24.1% due to rising~~ inflation and ~~higher~~ interest rates increased (Franco, 2022), while ~~. Similarly, the~~ the Israel–Hamas War was accompanied by geopolitical ~~experienced an initial recovery followed by a second decline from approximately −0.6% to −5.5% as geopolitical~~ uncertainty~~, continued~~ and rising concerns about a wider regional conflict ~~increased~~ (Cahill, 2023). The U.S.–Israel–Iran Conflict was similarly accompanied by concerns ~~also experienced an initial recovery followed by a second decline from approximately −12.6% to −13.6% as concerns~~ over higher oil prices, inflation, and increased global trade disruptions~~global trade disruptions increased~~ (Kori, 2026). ~~In contrast, the OPEC+ Production Cuts and the Labadee suspension recovered more quickly and did not experience a second decline.~~

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 2¶

Initial Stock Price Declines and Recovery Patterns Following Major Global Events¶

Event¶	Initial Decline¶	Approximate Recovery Time¶	Returned to Pre-Event Price?¶	Second Decline?¶
COVID-19¶	-82% ¶	~2 years ¶	Yes¶	No¶
Russia–Ukraine War¶	-10.8%, brief rebound, ~24.1%¶	~3 months ¶	Yes¶	Yes¶
U.S.–Israel–Iran Conflict¶	-12.6%, rebound, -13.6% ¶	~2 months ¶	Yes¶	Yes¶
OPEC+ Production Cuts¶	-6.5% ¶	~1 month ¶	Yes¶	No¶
Israel–Hamas War ¶	-0.6%, rebound, -5.5% ¶	~1 week (initial recovery); ~2 months (full recovery) ¶	Yes¶	Yes¶
Labadee, Haiti¶	-3% ¶	~1 day ¶	Yes¶	No¶

¶

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. ~~Because a large portion of the company's fuel costs is hedged, short-term increases in oil prices may have a smaller effect on operating costs than expected. This may help explain why events that caused widespread travel disruptions and cruise operation suspensions were associated with larger stock declines than events primarily driven by higher fuel prices.~~ Although fuel costs remain an important operating expense, the stock declines observed in this study were not consistently proportional to monthly ~~changes in~~ oil prices.

Average Brent Crude Oil Price During Major Economic and Geopolitical Events[3] (*U.S. Energy Information Administration, n.d.*)

Table 4

Average Brent Crude Oil Prices During Major Economic and Geopolitical Events

Event	Month	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

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 $117.259 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[4]

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

[3] Note. Brent crude oil prices are monthly average spot prices for the month in which each event occurred. Data was obtained from (*Europe Brent Spot Price FOB (Dollars per Barrel)*, n.d.) the U.S. Energy Information Administration (EIA)

[4] Note. All itinerary change information was taken from (Travel Updates | Royal Caribbean Cruises, 2024)

Russia-Ukraine War	International travel continued, although travel to Eastern Europe declined	Operations continued with itinerary 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
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[5]

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~~31.6~~% for the S&P 500. During ~~geopolitical events such as~~ the Russia–Ukraine War, Royal Caribbean declined about 61.6% compared with 10.3% for the S&P 500. During the ~~and the~~ U.S.–Israel–Iran Conflict, Royal Caribbean ~~also~~ declined 18.3%, while the S&P 500 increased by 3.7%. In contrast,~~more than the broader market, although the differences were smaller than during COVID-19. In contrast,~~ the OPEC+ Production Cuts and the Labadee suspension were associated with ~~had~~ relatively smaller declines in ~~limited effects on both~~ Royal Caribbean's stock decline and smaller changes in the ~~and the~~ overall market. Overall, Royal Caribbean's stock experienced larger declines than the S&P 500 across the six events examined. ~~These comparisons suggest that Royal Caribbean's stock was more sensitive to events that directly affected the cruise industry than to broader market conditions alone.~~

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

Event	RCL Stock-Price Decline~~RCL Initial Decline~~	S&P 500 Performance~~S&P 500 Initial Decline~~
COVID-19	-82.8%	−28.3%
Russia-Ukraine War	-61.56%	~~-4.6% (first low), brief rebound, then -4.5%~~ −10.3%

[5] All financial data, including Royal Caribbean stock prices and the S&P 500 Index, were obtained from the historical stock charts available on Yahoo Finance

OPEC+ Production Cuts	−8.78%	~~Didn't decline; increased 0.24%~~ −1.3%
Israel-Hamas War	−11.9%	~~First decline −0.6% Second decline −5.5%~~ −2.0%
U.S.–Israel–Iran Conflict	−11.9%	~~−0.9%, gradual decline to −7.7%~~ +3.7%
Labadee Suspension	-2.9%	~~-0.7%~~ −0.3%.

3.5 Points of Major Findings

Operational Impact

- Events involving~~that caused~~ widespread disruptions were associated with ~~to cruise operations produced the~~ larger~~st~~ declines in Royal Caribbean's stock price, while the localized Labadee suspension was associated with a ~~company-specific operational disruptions a~~ ~~resulted in~~ much smaller decline~~declines~~.

Geographic Scope

- Global crises were generally associated with~~produced~~ 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. ~~Every event resulted in an initial decline in Royal Caribbean's stock price. Although the stock eventually recovered after each event, recovery times varied, and several geopolitical events experienced a second decline before fully recovering.~~

Fuel and Energy Conditions

- Brent crude oil ~~Changes in oil~~ prices varied across the six events, but higher monthly oil prices did not consistently correspond with ~~were not consistently associated with the~~ larger~~st~~ declines in Royal Caribbean's stock price, ~~suggesting that disruptions to travel demand and cruise operations had a greater influence on stock performance than fuel costs alone.~~

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+ P~~p~~roduction C~~c~~uts, the Israel–Hamas War, the U.S.–Israel–Iran Conflict, and the temporary suspension of visits to Labadee, Haiti. ~~Every event resulted in an initial decline in~~ Royal Caribbean's stock declined across all six events examined; ~~price;~~ however, the size of the decline and~~,~~ recovery time~~, and overall stock pattern~~ differed substantially among the events. COVID-19 was associated with the largest decline at 82.8% and the ~~produced the largest decline and~~ longest recovery period at 1,456 calendar days, while ~~company-specific disruptions such as~~ the Labadee suspension was associated with the smallest decline at 2.9% and 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.

preformance. had relatively little impact. Several geopolitical conflicts also displayed more complex stock movements than other 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 conditionschanges in oil prices appeared to be associated with differences in how Royal Caribbean's stock performancepreofrmance responded. 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 increased fuel pricescosts, 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 alsoalso was associated with produced the largest decline and hadrequired 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 resulting in 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. occurred alongside higher fuel prices and were associated with a comparatively smaller stock-price decline and short recovery period. Together, these examples show that different event characteristics occurred alongside different patterns in Royal Caribbean's stock performance. suggest that the market reacted not only to the event itself, but also to how much the event affected Royal Caribbean's operations.

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, Another important observation is that the events followed different recovery patterns. Three general recovery patterns were identified: direct recovery, recovery followed by a second decline, and longer recovery periods. The Russia–Ukraine War and the Israel–Hamas War both experienced an initial decline, a partial recovery, and a second decline before fully recovering. In contrast, COVID-19 followed a much longer recovery because worldwide cruise operations were suspended for approximately two years, while the OPEC+ Production Cuts and the Labadee suspension recovered more directly without a second decline. These different recovery patterns suggest that some events continued influencing the market as they developed, while others had a more immediate impact and recovered more quickly.¶

The study also found that higher increases in oil prices were not consistently associated with the largest stock declines. For example, COVID-19 was associated withproduced the largest stock decline (82.8%) even though Brent crude oil prices averaged fell to approximately $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%24.1% and 13.6%, 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.

4.3 Implications

The findings of this study may provide investors and analysts with a practical framework for comparing~~evaluating~~ 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 ~~evaluate~~ 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~~suggesting company-specific effects~~?

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~~generally resulted in~~ 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~~better evaluate their potential impact on Royal Caribbean's stock performance.~~

This framework may also be useful for Royal Caribbean's management. Understanding which characteristics have historically been associated with larger stock-price declines ~~market reactions~~ 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~~evaluating potential risks~~. While historical events cannot predict future stock performance, recognizing similar characteristics may help investors and businesses compare future events with historical patterns~~evaluate future risks~~ 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 ~~produce~~ 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 ~~influence s~~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 differences in ~~affected~~ Royal Caribbean's stock performance in different ways depending on their characteristics across the six events examined. Events that involved ~~caused~~ widespread disruptions to cruise operations and travel demand were generally associated with larger stock declines, while localized disruptions and ~~fuel price changes had smaller effects~~ higher fuel-price conditions were generally associated with smaller stock declines. Rather than assuming all crises are associated with the same patterns in ~~affect~~ Royal Caribbean's stock in the same way, investors may~~should~~ evaluate each event by considering its relationship to~~impact on~~ 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. ~~evaluate how similar future events could influence Royal Caribbean's stock.~~

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Author Biography

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Mentor Contribution Statement

[redacted]

Milana Lamdan- Submission 100214 revision comments

Side Notes:

- Thank you for the opportunity to revise my manuscript. When I initially began making the revisions, I was unfamiliar with the Track Changes/Suggesting feature on Google Docs. I created a separate document containing the original and revised versions of the affected sections and then incorporated those revisions into the manuscript using Suggesting mode. As a result, some revisions in Sections 1–3 may appear as full-sentence, paragraph, or section replacements rather than individual word-by-word tracked changes. Later revisions were made directly using Suggesting mode and therefore display the specific word-by-word changes more clearly. All revisions requested by the reviewer have been incorporated into the revised manuscript.
- I deleted the second decline as a formal measure because I found that it was difficult to distinguish consistently between a separate second decline and normal stock-price fluctuations during a continuing downward trend. Since I did not originally establish a specific threshold for what qualified as a partial recovery or second decline, keeping this measure could make the analysis subjective and difficult to replicate. Later declines may still be discussed when relevant, but they are no longer treated as a standardized variable across all six events.
- During the revision process, I also identified inaccuracies in several of the stock-price percentage changes reported in the original manuscript. I recalculated the stock-price declines using the revised and clearly defined methodology of comparing the pre-event reference price with the crisis-period low. The corrected values and corresponding recovery times are now reported consistently throughout the revised manuscript and tables.

Comments:

1. Narrow and sharpen the research question. The paper currently asks how "major economic and geopolitical events" affect Royal Caribbean's stock, but this is very broad. Instead, frame the question around which characteristics of crises (e.g., operational disruption, geographic scope, travel restrictions, fuel shocks) are most strongly associated with stock performance. This aligns better with your findings.

Thank you so much for this important feedback. I revised the research focus to examine which characteristics of major economic and geopolitical events are most strongly associated with differences in Royal Caribbean's stock performance, rather than broadly examining how major events affect the stock. Specifically, the revised study compares operational disruptions, the extent of travel disruption, fuel-price conditions, and broader market conditions across the six events. I also revised the Statement of Purpose, research questions, results, and discussion to maintain this narrower focus and to emphasize associations rather than causal effects.

2. Either conduct a proper event study using abnormal returns and statistical

testing; or relabel the paper as a comparative historical analysis of stock price reactions or a comparative descriptive study.

Thank you so much again for this important feedback. For starters, I revised the manuscript to clarify that the study is a comparative descriptive study rather than a formal event study. The purpose, rationale, and methodology sections were revised to reflect this research design. I also revised the measures and data analysis procedures to focus on stock-price declines, recovery times, travel disruptions, fuel-price conditions, and broader market performance across all six events. Throughout the manuscript, casual language was replaced with language describing associations and historical patterns. The limitations in this study also now explicitly state that the study uses descriptive comparisons and does not establish cause-and-effect relationships.

3. Define your variables operationally.

Thank you so much again for this feedback. I revised the Measures section to provide clear operational definitions for each variable used in the study. Specifically, I defined the pre-event reference price, crisis-period low, stock-price decline, recovery, recovery time, Brent crude oil price, market performance (why I used the S&P 500 as a benchmark), and travel disruption. I also clarified how each variable was measured consistently across the six events. For example, stock-price decline is now defined as the percentage change from the pre-event reference price to the crisis-period low, and market performance is measured using the S&P 500 over the same period used to calculate Royal Caribbean's stock price decline.

4. Justify the event selection.

Again, thank you so much for this important feedback. I revised the Sample section to provide specific criteria for selecting the six events. Events were included if they occurred between 2020 and 2026, had the potential to be associated with changes in Royal Caribbean's business and stock performance, and represented different types of disruptions, including global health crisis, geopolitical conflicts, fuel-price conditions, and cruise-specific operational disruptions. I also explained that events such as hurricanes and company earnings announcements were excluded because they did not fit the study's focus on major economic and geopolitical events and broader crisis characteristics.

5. Engage much more with the finance literature. Currently, the literature review is extremely limited. Consider discussing Efficient Market Hypothesis, Investor Sentiment, Systematic vs Idiosyncratic Risk, Tourism and hospitality stock performance, Airline/cruise crisis literature.

Thank you for this very crucial feedback. I added a dedicated Literature Review section to provide a stronger financial foundation for the study. The new literature review discusses the Efficient Market Hypothesis (Fama, 1970), Investor Sentiment (Baker & Wurgler, 2006), and systematic versus unsystematic risk (Sharpe, 1964). I also included research related to geopolitical risk, travel and leisure stocks, and cruise industry preformance during major crises,

including Demiralay and Kilincarslan (2019), Suau-Sanchez et al. (2020), and Lin et al. (2022). These additions connect the study to existing finance and tourism/cruise-industry literature and provide a stronger foundation for interpreting the historical patterns examined in this study.

Royal Caribbean's Stock Performance During Economic and Geopolitical Crises

Reviewer decision: *Accept subject to any minor revisions*

The revised manuscript is substantially stronger than the previous submission and addresses the major concerns raised in the initial review. Most importantly, the research question is now significantly more focused, the methodology is internally consistent with the study's descriptive aims, the variables are clearly operationalised, the event-selection criteria are justified, and the literature review provides a much stronger financial foundation for the analysis. The paper now presents itself as a comparative descriptive study that identifies associations rather than causal relationships, making its claims considerably more rigorous and academically defensible. While there remains room to strengthen the theoretical integration (particularly by using concepts such as investor sentiment or systematic versus unsystematic risk as a more explicit analytical framework throughout the discussion) these are relatively minor issues that concern the depth of interpretation rather than the validity of the research design. Overall, the manuscript is suitable for publication.

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Royal Caribbean's Stock Performance During Economic and Geopolitical Crises

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: Stock Performance; Comparative Descriptive 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 can not 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 patterns and differences between them (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 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 can not 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[1]
- Israel-Hamas War
- U.S.–Israel–Iran Conflict[2]
- 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 data and historical data, no human participants were involved. Therefore, Institutional Review Board (IRB) approval was not needed

2.3 Measures:

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

- 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 gradually rather than beginning on a single date, the pre-crisis reference was defined as the highest closing price-crisis reference price was defined as the highest closing price immediately preceding the sustained decline associated with the developing pandemic.
- Crisis-period low: The lowest daily closing stock price reached following the event before the stock began to recover.

[1] On April 2, 2023, OPEC+ announced voluntary oil production cuts to reduce global supply and support oil prices.
[2] The war began in late February 2026 and ended with an interim peace agreement on June 17, 2026.

- Stock-price decline: The percentage change from the pre-event reference to the crisis-period low.
- Recovery: The point at which Royal Caribbean's stock price returned to approximately its pre-event reference price.
- Recovery Time: The amount of time between the crisis-period low and the stock's return to approximately its pre-event reference price.
- Oil-price change: The percentage change in Brent crude oil prices over the corresponding crisis period.
- 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.
- Travel disruption: The extent of cruise or broader travel disruption associated with each event, including restrictions, suspensions, cancellations, or itinerary changes

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 point at 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 Prices	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.

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.

2.4 Data Collection:

For each event, Royal Caribbean's daily closing stock prices 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. Brent Crude oil prices were collected for the month in which each event occurred, while S&P 500 performance was collected 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 for comparison.

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 price of Brent crude oil 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 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.

Average Brent Crude Oil Price During Major Economic and Geopolitical Events (*U.S. Energy Information Administration, n.d.*)

Table 4

Average Brent Crude Oil Prices During Major Economic and Geopolitical Events

Event	Month	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

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 travel to Eastern Europe declined	Operations continued with itinerary 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
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	-61.56%	−10.3%
OPEC+ Production Cuts	−8.78%	−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 Points of 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 andrecovery timediffered substantially among the events. COVID-19 was associated with the largest decline at 82.8% and the longest recovery period at 1,456 calendar days, while the Labadee suspension was associated with the smallest decline at 2.9% and 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. occurred alongside higher fuel prices and were associated with a comparatively smaller stock-price decline and short recovery period. 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 stock decline (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 differences in Royal Caribbean's stock performance in different ways depending on their characteristics across the six events examined. 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 are associated with the same patterns in Royal Caribbean's stock in the same way, 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.

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Royal Caribbean's Stock Performance During Economic and Geopolitical Crises

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: Stock Performance; Comparative Descriptive 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 can not 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 patterns and differences between them (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 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 can not 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[1]
- Israel-Hamas War
- U.S.–Israel–Iran Conflict[2]
- 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 data and historical data, no human participants were involved. Therefore, Institutional Review Board (IRB) approval was not needed

2.3 Measures:

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

- 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 gradually rather than beginning on a single date, the pre-crisis reference was defined as the highest closing price-crisis reference price was defined as the highest closing price immediately preceding the sustained decline associated with the developing pandemic.
- Crisis-period low: The lowest daily closing stock price reached following the event before the stock began to recover.

[1] On April 2, 2023, OPEC+ announced voluntary oil production cuts to reduce global supply and support oil prices.
[2] The war began in late February 2026 and ended with an interim peace agreement on June 17, 2026.

- Stock-price decline: The percentage change from the pre-event reference to the crisis-period low.
- Recovery: The point at which Royal Caribbean's stock price returned to approximately its pre-event reference price.
- Recovery Time: The amount of time between the crisis-period low and the stock's return to approximately its pre-event reference price.
- Oil-price change: The percentage change in Brent crude oil prices over the corresponding crisis period.
- 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.
- Travel disruption: The extent of cruise or broader travel disruption associated with each event, including restrictions, suspensions, cancellations, or itinerary changes

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 point at 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 Prices	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.

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.

2.4 Data Collection:

For each event, Royal Caribbean's daily closing stock prices 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. Brent Crude oil prices were collected for the month in which each event occurred, while S&P 500 performance was collected 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 for comparison.

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 price of Brent crude oil 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 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.

Average Brent Crude Oil Price During Major Economic and Geopolitical Events (*U.S. Energy Information Administration, n.d.*)

Table 4

Average Brent Crude Oil Prices During Major Economic and Geopolitical Events

Event	Month	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

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 travel to Eastern Europe declined	Operations continued with itinerary 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
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	-61.56%	−10.3%
OPEC+ Production Cuts	−8.78%	−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 Points of 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 andrecovery timediffered substantially among the events. COVID-19 was associated with the largest decline at 82.8% and the longest recovery period at 1,456 calendar days, while the Labadee suspension was associated with the smallest decline at 2.9% and 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. occurred alongside higher fuel prices and were associated with a comparatively smaller stock-price decline and short recovery period. 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 stock decline (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.

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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 differences in Royal Caribbean's stock performance in different ways depending on their characteristics across the six events examined. 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 are associated with the same patterns in Royal Caribbean's stock in the same way, 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.

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