MINTEL WORLD

Conflict and energy consultancy

STRATEGIC INTELLIGENCE DAILY

Region: Iran
Date: 10 March 2026
Scope: Security | Energy | Diplomacy |
Classification: Client Confidential

Executive Assessment

The Iran war environment has entered a deeper phase of regional escalation defined by three mutually reinforcing dynamics: leadership consolidation in Tehran following the appointment of Mojtaba Khamenei as Supreme Leader, widening horizontal spillover across Gulf and NATO-adjacent space, and a rapidly intensifying energy shock driven by disruption to global oil flows through the Strait of Hormuz.

The elevation of Mojtaba Khamenei represents a wartime consolidation move by Iran's ruling establishment rather than a transitional political development. Iranian officials framed the succession as a continuation of revolutionary leadership, with one senior security official stating that Mojtaba could guide the country with "his father's teachings." International observers interpret the move as confirmation that Iran's hardline political and military networks remain firmly in control of the state apparatus during wartime.

Operationally, the conflict remains dominated by missile, drone and air-strike exchanges, but the battlespace has expanded significantly beyond the immediate Iran-Israel corridor. Israeli strikes now target Iranian regime infrastructure across Tehran, Isfahan and southern Iran, while Iranian retaliation has extended across the Gulf security environment.

Iranian missile and drone attacks have now affected:

- Israel
- Saudi Arabia
- Bahrain
- Qatar
- the United Arab Emirates
- Turkish airspace

The interception of Iranian ballistic missiles inside Turkish airspace by NATO-linked missile defense systems represents one of the most significant escalation indicators since the war began. Continued missile trajectories crossing alliance territory could create a broader security crisis involving NATO member states.

Energy has become the central strategic transmission channel of the conflict. Oil prices surged above $100 per barrel and briefly approached $120, while tanker traffic through the Strait of Hormuz slowed sharply and several Gulf producers began cutting output or declaring force majeure. The conflict is therefore evolving into a regional military confrontation with systemic consequences for global energy markets and inflation expectations.

Security and War Developments

The military situation continues to intensify across multiple operational fronts. Israeli forces expanded strike operations on 9 March with a wide wave of attacks targeting Iranian regime infrastructure. Targets reportedly included facilities in Tehran, Isfahan and southern Iran, reflecting a strategy aimed at degrading Iran's military logistics network and signaling Israel's ability to operate deep inside Iranian territory.

Israeli officials described the campaign as a sustained pressure strategy designed to weaken Iran's missile infrastructure and strategic command networks.

In parallel, Israeli operations continue against Hezbollah-linked targets in Beirut and southern Lebanon, suggesting that Israel is attempting to prevent the opening of a fully active northern front while maintaining pressure on Iran's regional proxy network.

Iranian Missile and Drone Campaign

Iran's retaliation strategy increasingly focuses on distributed missile and drone attacks across multiple regional states, stretching Gulf air-defense systems and demonstrating the geographic reach of Iranian retaliation. The UAE reported detecting 15 ballistic missiles and 18 drones during the latest wave of attacks. Air-defense intercept results included:

- 12 ballistic missiles intercepted
- 3 missiles falling into the sea
- 17 drones destroyed
- 1 drone landing inside UAE territory

Qatar confirmed that its armed forces intercepted a missile targeting the country before declaring that the security threat had been eliminated.

Saudi authorities reported Iranian strikes targeting infrastructure including the Shaybah oil field. Two people were killed in a missile strike near Al-Kharj, marking the first confirmed fatalities in Saudi Arabia linked to the conflict.

Air raid sirens were triggered and 32 civilians were reported injured near the Sitra refinery complex, highlighting the vulnerability of Gulf energy infrastructure.

One of the most serious developments occurred when an Iranian ballistic missile entered Turkish airspace. Turkish authorities confirmed that NATO missile defense systems deployed in the Eastern Mediterranean intercepted the missile after it crossed into Turkish territory. Debris reportedly fell near Gaziantep without causing casualties.

Turkey's defense ministry warned: "All necessary measures will be taken decisively and without hesitation against any threat directed at our country's territory and airspace." This represents the second missile interception over Turkish territory within a week, increasing the risk that the conflict could unintentionally involve NATO security mechanisms.

Casualty figures remain fragmented but increasingly severe. Iran's ambassador to the United Nations reported that U.S.–Israeli attacks have killed at least 1,332 Iranian civilians and wounded thousands. Israeli emergency services confirmed that the Israeli death toll has risen to 11 fatalities since the conflict began.

Bahrain reported 32 civilian injuries following strikes near refinery infrastructure, while Saudi Arabia confirmed two deaths in the Al-Kharj missile attack.

Diplomatic Dimension

Diplomatic engagement continues but remains secondary to battlefield escalation. Iranian messaging remains highly defiant. Iranian officials argue that the war represents an attempt by external powers to weaken Iran's sovereignty and control its energy resources. Iranian officials warned that continued attacks on Iranian infrastructure would lead to "similar actions across the region."

Western governments have focused primarily on managing the economic consequences of the conflict rather than direct mediation.

French President Emmanuel Macron urged Iran to halt attacks against regional states and restore freedom of navigation through the Strait of Hormuz. British Prime Minister Keir Starmer warned: "The longer this goes on, the more likely the potential for an impact on our economy." German Chancellor Friedrich Merz similarly warned about the implications of rapidly rising energy prices.

Regional diplomatic reactions have hardened sharply following Iranian attacks on Gulf states. Qatar's prime minister stated that Iranian strikes against Gulf countries have "destroyed everything" in bilateral relations. Saudi Arabia warned Tehran that it would become "the greatest loser" if attacks against civilian and energy infrastructure continue.

Russia congratulated Mojtaba Khamenei following his appointment and reaffirmed support for Tehran, reinforcing the broader geopolitical alignment emerging around the conflict.

Energy and Maritime Risk

The energy dimension of the war now represents the most critical strategic development. Oil markets experienced extreme volatility as the conflict intensified. Key price levels reported across financial coverage include:

- Brent crude reaching approximately $119.50 per barrel
- WTI crude reaching approximately $119.48

Prices later stabilized around $110–112 per barrel, representing an increase of more than 20 percent since the escalation began and marking the highest oil prices since 2022.

The principal driver of the oil price shock is disruption to maritime traffic through the Strait of Hormuz, the world's most important oil shipping chokepoint. Typical flows through the strait include:

- 15 million barrels per day of crude oil
- over 20 million barrels per day of petroleum liquids

This represents approximately 20% of global oil trade. Tanker traffic has slowed dramatically as shipping companies avoid the region due to missile and drone threats.

Production losses have begun to emerge across Gulf exporters. Output from southern oil fields has fallen approximately 70 percent, dropping to around 1.3 million barrels per day because exports through Hormuz have become severely constrained.

Saudi Aramco has begun reducing output at several oilfields while rerouting shipments toward the Yanbu terminal on the Red Sea. Kuwait Petroleum Corporation declared force majeure after cutting production due to export bottlenecks. QatarEnergy LNG suspended operations at major liquefied natural gas facilities representing roughly 20 percent of global LNG supply.

Energy infrastructure has increasingly become a battlefield target. Key incidents include:

- Drone strikes on the Bahrain Bapco refinery
- Missile attacks targeting the Saudi Shaybah oil field
- Fires near Iranian fuel storage facilities
- Damage reported at energy sites in the UAE

The strike on Bahrain's refinery forced the operator to declare force majeure, demonstrating the vulnerability of Gulf refining capacity.

Financial markets reacted sharply to the energy shock. Asian stock markets experienced significant declines:

- Kospi (South Korea): −6–8%
- Nikkei (Japan): −5–6%
- Taiex (Taiwan): −4.4%
- Hang Seng (Hong Kong): −1.4%
- Shanghai Composite: −0.7%

IMF Managing Director Kristalina Georgieva warned policymakers: "Think of the unthinkable and prepare for it." The IMF estimates that a sustained 10% increase in oil prices could raise global inflation by approximately 0.4 percentage points.

Governments are preparing contingency measures to stabilize markets. G7 finance ministers are discussing a coordinated release of strategic petroleum reserves. European officials suggested releasing 20–30 percent of emergency reserves if market instability persists.

EU member states collectively maintain reserves equivalent to approximately 90 days of oil imports, but analysts warn that reserve releases may have limited impact if tanker traffic through the Strait of Hormuz remains disrupted.

Conflict Assessment

The Iran war has evolved beyond a bilateral confrontation between Israel and Iran. It has become a regionalized missile and drone conflict with direct implications for Gulf security, NATO airspace and global energy markets. Three structural dynamics now define the trajectory of the conflict:

- Leadership consolidation in Tehran under Mojtaba Khamenei
- Expansion of the missile-drone battlespace across Gulf states
- Severe disruption of global energy supply chains

The center of gravity of the conflict is shifting from symbolic retaliation toward systemic disruption of critical infrastructure, particularly oil export terminals, refineries, LNG facilities and maritime chokepoints.

FORWARD LOOK FOR 7 DAYS:

- Monitor whether Iranian retaliation continues targeting Gulf energy infrastructure rather than Israeli military targets alone.
- Track additional missile trajectories entering Turkish airspace that could trigger NATO security concerns.
- Assess whether tanker traffic resumes through the Strait of Hormuz.
- Watch for a coordinated G7 strategic petroleum reserve release.
- Monitor further production cuts or force majeure declarations among Gulf energy companies.
- Track whether Mojtaba Khamenei's leadership consolidation stabilizes the Iranian political system or generates internal dissent.
- Observe diplomatic messaging from Gulf states, European governments and Russia regarding possible de-escalation frameworks.