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Executive Assessment

The Iran war has entered a more dangerous maritime-energy phase without any meaningful indication of de-escalation. The conflict is no longer defined only by air and missile exchanges between Israel, the United States, and Iran; it has now evolved into a combined military, shipping, and energy disruption crisis centered on the Strait of Hormuz. The most important developments on 11 March were the continued near-blockade of Hormuz, the direct striking of additional merchant vessels, the U.S. destruction of Iranian minelayers, and an intensifying international effort to stabilize oil markets through strategic reserve releases. Reuters reported that most shipping is still not getting through the strait and that only a small number of mostly Iran-linked vessels are moving sporadically. Three more vessels were struck on Wednesday, bringing the number of ships hit since the war began to at least 14.

At the same time, the conflict remains militarily intense across several theaters. Israel continued striking targets in Iran and Lebanon, while Iran maintained missile, drone, and maritime pressure across the Gulf and Levant. CNN reported that the U.S. military destroyed multiple Iranian naval vessels, including 16 minelayers, after intelligence indicated, Iran had begun laying mines in Hormuz. The Pentagon described Tuesday's attacks as the most intensive phase of the war so far. These developments indicate a shift from a conflict centered on deterrence and retaliation toward one aimed at systemic disruption of energy flows, shipping confidence, and regional military endurance.

Politically, Tehran continues to project continuity and resistance under Mojtaba Khamenei, while international diplomacy is focused less on mediation than on crisis containment. Bloomberg reported that G7 energy ministers are backing potential strategic reserve use, while Reuters indicated the International Energy Agency was preparing a recommendation for a record oil-stock release. The core strategic question is no longer whether the war can disrupt oil markets, but whether reserve releases and emergency logistics can offset a prolonged physical interruption in Hormuz traffic.

Security and War Developments

The operational picture remains highly kinetic. Reuters reported that Iran continued firing at Israel and other targets across the Middle East, while CNN and AP described continued U.S.-Israeli strikes on Iranian and Iran-linked positions, including attacks in Tehran, Beirut, southern

Lebanon, and Iraq. Israeli military action remains focused on degrading Iranian command, missile, and regional proxy capabilities, while Iranian retaliation is increasingly distributed across a wider regional arc.

The most consequential military development on 11 March was the U.S. action against Iranian maritime assets in and around the Strait of Hormuz. CNN reported that U.S. Central Command said it destroyed multiple Iranian naval ships, including 16 minelayers, after intelligence showed, Iran had begun laying mines in the waterway. President Trump posted that if Iran had placed mines in Hormuz, they should be removed "IMMEDIATELY," while Defense Secretary Pete Hegseth said U.S. forces were eliminating mine-laying vessels with "ruthless precision." This marked a clear transition from deterrent naval posture to direct maritime combat linked to the protection of a global energy chokepoint.

Commercial shipping remains under direct threat. Reuters reported that the Thai-flagged dry bulk carrier Mayuree Naree was struck by two projectiles, causing a fire and serious engine-room damage. Three crew members were reported missing and believed trapped, while the remaining 20 were evacuated to Oman. Iran's Guards said the vessel had been "fired upon by Iranian fighters," which Reuters noted would suggest one of the first clear direct engagements against merchant shipping by Iranian forces rather than indirect attack through drones or missiles. Bloomberg separately reported that the three vessels struck on Wednesday included a cargo ship in Hormuz, a container vessel west of Ras Al-Khaimah, and a bulk carrier northwest of Dubai, while UKMTO assessed the maritime threat level as "critical."

The wider regional battlespace remains active. Bloomberg reported further Iranian strikes against Israel and the UAE, while AP reported that Israeli strikes killed seven people in southern Lebanon and that repeated attacks also hit facilities around Baghdad International Airport. The conflict therefore continues to span the Iran-Israel theater, Gulf security space, Iraq, and Lebanon simultaneously.

The human cost is also mounting. AP reported that 140 U.S. troops have been wounded in the war. The same coverage described a memorial in Tel Aviv for six U.S. soldiers killed in a drone strike on a command center in Port Shuaiba, Kuwait. Evacuations from Iran are continuing as well: AP reported that 22 Indonesians arrived in Jakarta after leaving Tehran via Baku and said around 329 Indonesians had been in Iran. One evacuee described conditions inside Tehran in stark terms: "The situation was terrifying. The blasts were so powerful that the embassy's windows shook."

Diplomatic Dimension

Diplomacy remains secondary to military and market stabilization efforts. Tehran's posture is one of endurance and continuity. Reuters reported that Mojtaba Khamenei was "lightly injured" early in the war when airstrikes killed his father, mother, wife, and a son, but that he remains in

control. Reuters also noted that he has still not appeared publicly or issued a direct message since the war began. That absence is politically notable because Tehran is otherwise trying to signal continuity under a wartime leadership transition.

International reactions continue to harden along geopolitical lines. Reuters reported that North Korea publicly backed Mojtaba's appointment, saying it respected Iranians' right to choose their own leader and condemning U.S. and Israeli interference. At the same time, U.S. officials used the leadership transition to reinforce deterrent messaging. CNN reported that Defense Secretary Pete Hegseth said Mojtaba should "heed the words" of President Trump and "not pursue nuclear weapons."

The central diplomatic focus is now economic crisis management. Bloomberg reported that G7 energy ministers said they support the potential use of strategic oil reserves to address supply disruptions and market volatility, adding that they are "vigilantly monitoring energy market trends" in coordination with the IEA and other partners. This indicates that the main Western-led diplomatic response is not peace diplomacy but emergency energy-market coordination.

Energy and Maritime Risk

Energy remains the war's most consequential strategic layer. The physical security of the Strait of Hormuz now drives both military escalation and market sentiment. Reuters reiterated that Hormuz carries about one-fifth of the world's oil, while Bloomberg cited IEA estimates that around 20 million barrels per day of crude and petroleum products flowed through the strait last year. CNN also stressed the downstream Asian vulnerability, reporting that around 80% of Asian fuel supplies pass through Hormuz and that some countries, including Indonesia and Pakistan, are relying on reserves that may last only weeks. Energy Aspects told CNN: "Most Asian buyers are resorting to storage, fuel-switching and some industrial demand curtailment to offset lost LNG."

Shipping conditions remain highly abnormal. Reuters wrote that tracking movements in the Gulf has become significantly harder because of switched-off transponders, suspended satellite data provision, GPS jamming, and spoofing of vessel positions. The result is not only physical disruption but severe information degradation, making it harder for both markets and governments to assess actual flows in real time. Reuters' shipping correspondent said that, to the best of his understanding, most shipping is currently not getting through the strait.

Oil prices on 11 March were volatile rather than one-directional. Bloomberg reported that Brent held below $90 per barrel after reports of a possible record IEA stock release and later described Brent as about 1% lower near $87 a barrel, even though futures still retained a firmer bias and remained well above pre-war assumptions. At the same time, Bloomberg emphasized that the war had pushed Brent to a peak of almost $120 a barrel this week and that oil had just experienced its steepest one-day slide in four years. That combination of extreme upward stress

and sharp policy-driven reversals suggests that markets are trying to price a war-defined supply risk against an emerging official backstop.

Reserve policy is now the main stabilization instrument. Reuters reported that the IEA was preparing to recommend a 400-million-barrel stock release, which would surpass the 182 million barrels released after Russia's 2022 invasion of Ukraine and become the largest coordinated release in the agency's history. Bloomberg separately noted that the Wall Street Journal had flagged a release of more than 182 million barrels, and that the proposed intervention is being framed as necessary because the current shock threatens a far larger share of global oil trade than earlier crises. Bloomberg also noted that the U.S. Strategic Petroleum Reserve, though partly rebuilt, remains well below its total capacity of more than 700 million barrels.

National emergency measures are also expanding. Reuters reported that Japan plans to release 80 million barrels from emergency oil stocks. Reuters also cited OPEC data showing that Saudi Arabia had already raised production to 10.882 million bpd in February, up from 10.1 million bpd in January, as part of prewar contingency planning. This indicates that some producers anticipated military escalation and had already begun preparing supply buffers before the conflict reached its current maritime phase.

There are also signs that the blockade is selective rather than absolute. Bloomberg reported that U.S. Energy Secretary Chris Wright mistakenly posted, then deleted, a message saying the U.S. Navy had escorted a tanker through Hormuz. Reuters also noted that an IRGC spokesperson denied any U.S.-escorted oil ship had passed through the strait. More significantly, Reuters reported that at least 11 million barrels of Iranian crude had left Iran since February 28, excluding the most recent 2-million-barrel shipment carried by the sanctioned super tanker Cuma to China. This suggests that while most neutral or commercial shipping is deterred, Iran-linked flows remain comparatively more likely to move.

Market Impact

The broader economic signal is shifting from pure panic toward politically managed volatility, but the underlying disruption remains severe. Bloomberg reported that the MSCI Asia Pacific Index rose 1.5% for a second consecutive day as traders reacted to the potential scale of an IEA intervention. Reuters also noted that stock markets rebounded somewhat on expectations that President Trump may try to find a quick end to the war. That said, the improvement is tactical rather than structural; market stabilization is currently being purchased with the expectation of reserve releases, not with the restoration of actual shipping security.

Domestic political pressure is rising in the United States as the war's energy costs spread. AP reported that a Quinnipiac poll found about 7 in 10 registered voters were concerned the war would raise oil and gasoline prices, while 53% opposed U.S. military action against Iran. AP

also reported that the national average U.S. gasoline price had climbed to $3.48 per gallon, up from $2.90 just before the war. Reuters separately reported that the Trump administration informed Congress it had used $5.6 billion in munitions during the first two days of strikes and that some officials expect a supplemental request exceeding $50 billion. The political and fiscal costs of a prolonged campaign are therefore rising alongside the energy shock.

Conflict Assessment

The war has entered a phase in which maritime coercion and energy disruption are no longer secondary effects of military escalation; they are now central components of the conflict itself. The direct striking of merchant vessels, the laying of mines in Hormuz, the U.S. destruction of minelayers, and the move toward record strategic reserve releases all indicate that the conflict has become a contest over the security of global oil flows as much as over deterrence, retaliation, or regional military prestige.

Three structural dynamics now define the war's trajectory. First, military escalation continues across multiple theaters with no clear operational pause. Second, the Hormuz crisis is degrading both physical energy flows and the quality of maritime information. Third, policy intervention is increasingly carrying the burden of market stabilization in the absence of restored security at sea. The easing in prices on 11 March should therefore be read not as evidence of normalization, but as a temporary policy-relief response to an unresolved physical supply crisis.

FORWARD LOOK FOR 7 DAYS:

- Monitor whether additional merchant vessels are struck, especially if Iranian forces continue direct engagement rather than indirect missile or drone pressure.
- Track whether the U.S. expands from mine-removal strikes to broader maritime escort or suppression operations in and around Hormuz.
- Watch for the formal size and timing of any IEA-coordinated reserve release, especially if it approaches the reported 400-million-barrel level.
- Assess whether Japan's planned 80-million-barrel release is followed by similar unilateral actions from other major Asian importers.
- Monitor whether Asian buyers intensify storage drawdowns, fuel switching, or industrial curtailment as LNG and oil disruptions persist.
- Watch for further evidence that Iran-linked cargoes continue moving while neutral shipping remains deterred, which would indicate a coercive but selective blockade model.
- Track whether the combination of military cost, wounded personnel, higher gasoline prices, and munitions expenditure increases political pressure in Washington for either escalation or negotiated containment.