

STRATEGIC INTELLIGENCE WEEKLY

Region: Iran

Date: 7 - 14 March 2026 Strategic Developments

Scope: Security | Energy | Diplomacy |

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Executive Summary

Over the last twelve days, the Iran war evolved from a high-intensity U.S.-Israeli air campaign into a wider regional conflict defined by three converging dynamics: sustained strikes inside Iran and across the Levant, a sharp expansion of retaliation into Gulf states and Turkish airspace, and the transformation of the Strait of Hormuz into the war's central economic battlespace. By the end of the period, military operations had spread across Iran, Iraq, Lebanon, Israel, Gulf waters, and NATO-adjacent airspace, while oil prices, shipping patterns, insurance costs, air cargo routes, and reserve-release diplomacy were all being shaped by the same core variable: whether energy flows through Hormuz could be preserved.

The war's military trajectory also shifted materially over the week. Early reporting showed broad U.S.-Israeli bombardment of Iranian targets and a widening Iranian retaliatory pattern aimed at Gulf states hosting U.S. assets. By 11 March, the conflict had entered what your 11 March brief correctly identified as a "maritime-energy phase," marked by direct attacks on merchant shipping, U.S. strikes on Iranian minelayers, and a near-blockade of Hormuz. By 13–14 March, the war had escalated further with the crash of a U.S. KC-135 refueling aircraft in Iraq killing all six crew members, renewed missile and drone attacks across the region, a third Iranian ballistic missile trajectory into Turkish airspace, and U.S. strikes on military targets on Kharg Island, Iran's principal oil export hub.

The energy dimension is now the defining strategic layer of the war. Hormuz normally carries about one-fifth of the world's oil, and IEA-linked estimates cited in the files put total crude and petroleum-product flows through the strait at around 20 million barrels per day. Reporting over the week showed that most neutral shipping was no longer transiting normally, that three additional ships were struck on 11 March, bringing the number hit since the war began to at least 14, and that at least 16 ships had been attacked by mid-March. At the same time, Brent whipsawed from prewar levels near \$80 to almost \$120, then settled around \$99.50–\$103 by 14 March, still roughly 40% above the start-of-war level. Strategic reserve releases, Russian-oil waivers, Saudi production increases, and selective transit permissions all emerged as partial stabilizers, but none restored actual physical security at sea.

Strategic Overview

The week can be divided into three operational phases. The first phase, visible in the 3–5 March dailies and especially the 4 March file, was the rapid widening of the war from an Iran-Israel confrontation into a Gulf-wide regional crisis. Iran responded to U.S.-Israeli strikes not only by targeting Israel directly, but also by hitting or threatening Saudi Arabia, Kuwait, Qatar, Bahrain, and the UAE, while also placing heavy stress on shipping and airports in the Gulf. U.S. and

Israeli officials framed this period as one of deep degradation of Iranian air defenses, missiles, launchers, and drones, but Iranian retaliatory capacity remained sufficient to hit diplomatic facilities, bases, civil infrastructure, and trade routes.

The second phase, centered on 9–11 March, saw the war's center of gravity move decisively toward maritime coercion. U.S. military action against Iranian maritime assets, including the destruction of 16 minelayers, reflected a shift from airpower dominance to direct protection of a global energy chokepoint. Reuters coverage cited in the 11 March brief made clear that most shipping was no longer getting through Hormuz normally, and that the vessels still moving were disproportionately Iran-linked. Merchant ships such as the Thai-flagged Mayuree Naree were struck directly, with Iran's Guards saying the vessel had been "fired upon by Iranian fighters," suggesting one of the clearest direct Iranian engagements against commercial shipping during the war.

The third phase, from 13 to 14 March, fused military escalation with energy coercion more explicitly than before. Reuters reported Trump saying the U.S. would hit Iran "very hard" over the next week. The same file recorded Israel saying it struck more than 200 targets in Iran over one day, Iran wounding 58 in Israel with missile fire, and the war death toll approaching 2,000, most of them in Iran but also many in Lebanon and a growing number in the Gulf. At the same time, the U.S. strike on Kharg Island, paired with Trump's warning that he would "wipe out" oil infrastructure there if Iran continued blocking Hormuz, made explicit what had previously been implicit: the war may now move from threatening oil flows to directly threatening export infrastructure at the source.

Military and Security Developments

The early-week air campaign remained extensive. The 4 March daily described a campaign focused on degrading Iranian air defenses, missile infrastructure, naval assets, political-military leadership sites, and command nodes, while also noting Israeli action in Beirut and expanding pressure on Hezbollah-linked targets. By the end of the week, Reuters reported Israel had hit more than 200 targets in western and central Iran in a single day, including ballistic missile launchers, air-defense systems, and weapons production sites. The overall pattern suggests a sustained effort to hollow out Iran's military-industrial and retaliatory base while preventing Hezbollah from transforming Lebanon into a fully active second front.

Iran's retaliatory model over the week remained dispersed, layered, and region-wide. The 4 March brief documented Iranian missiles and drones affecting Saudi Arabia, Kuwait, Qatar, Bahrain, and the UAE, including strikes near Al Udeid and attacks on U.S. diplomatic or consular sites. By mid-March, Reuters reported Iranian drones flying into Kuwait, Iraq, the UAE, Bahrain, and Oman, while the New York Times reported new ballistic missile attacks on Israel, mostly intercepted, though some still caused injuries. The weekly pattern indicates that Iranian retaliation never needed to reverse battlefield momentum inside Iran to remain strategically effective; it only needed to raise the cost of the war across multiple states and sectors simultaneously.

One of the week's most consequential escalation indicators involved Türkiye. By 13 March, a third Iranian ballistic missile trajectory had entered Turkish airspace and been intercepted by

NATO air and missile defense assets deployed in the Eastern Mediterranean. Earlier interceptions had occurred near Dörtyol in Hatay on 4 March and Güneyşehir in Gaziantep on 9 March; the latest incident occurred near Incirlik Air Base in Adana. Reuters further reported Erdoğan saying Turkey would not be dragged into the war but was prepared for all threats. This repeated crossing of Turkish airspace matters strategically because it turns NATO territory from a passive flank into a recurring transit corridor for war-related missile activity, increasing the risk of accidental or politically unavoidable alliance involvement.

The U.S. also paid a higher direct military price by the end of the period. The 11 March brief cited AP reporting that 140 U.S. troops had been wounded and referenced a memorial for six U.S. soldiers killed in a drone strike on a command center in Port Shuaiba, Kuwait. Reuters on 14 March then confirmed that all six crew members of a refueling aircraft that crashed in western Iraq were dead. Even though the crash was not attributed to hostile fire, it underscored how operational tempo, congested skies, and prolonged regional force projection are now generating strategic risk independently of enemy strikes.

Maritime Conflict and Hormuz Disruption

The Strait of Hormuz became the war's central operational and economic fault line. Reporting in the 11 March brief and Reuters live coverage showed that, by then, most shipping was not getting through the strait normally. The few vessels still transiting were often Iran-linked. Tracking itself became harder because of switched-off transponders, GPS jamming, spoofing, and reduced satellite visibility. This degradation of data quality is strategically important: it means markets, militaries, and governments are operating with less certainty about real physical flows than price action alone suggests.

The commercial toll is substantial. On 11 March, three more vessels were hit, bringing the total number of ships struck since the war began to at least 14. Reuters later reported that at least 16 ships had been attacked, including Greek-operated vessels. A Greek shipping source described transits through Hormuz as "like entering an enemy's bathtub," while average daily tanker earnings surged to the highest levels in six years. The U.S. military, meanwhile, declined broad escort requests because of attack risk, even as Trump urged ships to "show some guts" and run the strait. This creates a classic coercive-market environment: price signals and freight incentives encourage movement, while security conditions actively deter it.

There is also strong evidence that the blockade has been selective rather than absolute. The 11 March brief noted that at least 11 million barrels of Iranian crude had left Iran since February 28, excluding a 2-million-barrel shipment aboard the sanctioned supertanker Cuma bound for China. Mid-March reporting also indicated that two Indian LPG carriers were permitted transit. In practical terms, this suggests Tehran is not pursuing a simple shutdown model. It is instead using Hormuz as a discriminatory pressure instrument: neutral or nonaligned shipping is deterred or delayed, while selected flows linked to Iranian or strategic partner interests retain a higher probability of movement.

Political and Diplomatic Developments

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Politically, the week consolidated rather than softened the wartime leadership transition in Tehran. Early in the period, Mojtaba Khamenei remained largely silent while Tehran projected continuity under his leadership despite reporting that he had been lightly injured when earlier strikes killed his father, mother, wife, and one son. By the latter part of the week, however, he had shifted to a more explicit wartime posture. The later files describe him warning that “other fronts could be opened,” demanding closure of U.S. regional bases, and linking Hormuz pressure directly to the confrontation with the U.S. and Israel. The cumulative effect is that Mojtaba’s political role has evolved from symbolic succession to overt escalation management.

Western diplomacy increasingly focused on crisis management rather than mediation. Germany’s Friedrich Merz warned there was “no joint plan” to end the war swiftly and said Europe had no interest in a “war without end,” while also noting the risks to security, energy supply, and migration. G7 energy ministers backed potential strategic reserve use and said they were “vigilantly monitoring energy market trends” with the IEA. Japan prepared to release 80 million barrels from emergency stocks. These are the actions of governments preparing to manage second-order consequences rather than expecting near-term diplomacy to halt first-order military escalation.

The U.S. adopted a dual-track position: harder military rhetoric paired with selective market relief. Reuters reported Trump saying the U.S. would hit Iran “very hard” over the next week, while the U.S. temporarily eased some restrictions on Russian oil in an attempt to soften the energy shock. The New York Times noted this step effectively benefited Moscow by lifting pressure just as prices were soaring. This underscores the war’s strategic paradox for Washington: containing Iranian maritime coercion requires military escalation, but cushioning the resulting oil shock requires short-term energy pragmatism, even if that benefits geopolitical rivals.

Energy and Market Implications

The week’s most important energy fact is simple: the conflict is now being priced as a physical supply disruption, not just a geopolitical risk premium. Brent moved from a prewar baseline near \$80 to above \$100 by mid-March, peaked near \$120 during the week, and ended around \$99.50–\$103 depending on the day and source. The New York Times reported oil up 40% since the war began, ending Friday at \$103.14 a barrel. Reuters also described Brent around \$99.50 in European trading on 14 March, still almost 40% above the start of the war.

The data in the files also show how market stress spread beyond crude. Reuters published a chart showing air cargo rates surging by as much as 70% on some routes since the start of the war, with South Asia–Europe routes the most affected because of Middle Eastern airspace closures and the stranding of more than 100 container ships around the Hormuz corridor. This matters because one-third of world trade by value moves by air; the energy shock is now feeding directly into freight inflation, medicine and food supply chains, and broader goods pricing. A small set of metrics captures the week’s energy picture:

Indicator	Weekly Signal
Share of world oil moving via Hormuz	~20%
IEA-estimated crude + product flow via Hormuz	~20M bpd

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Asian fuel dependence on Hormuz	~80%
Saudi production before the war maritime phase	10.882M bpd in February
Japan emergency stock action	80M barrels planned for release
Proposed IEA coordinated release	Up to 400M barrels
U.S. gasoline price by 14 March	\$3.68 per gallon
Rise in gasoline since war start	23.5%
Oil price increase since war start	~40%

These figures show that the market has not normalized; it has merely become temporarily policy supported. Kharg Island raises the next escalation threshold. The New York Times states the island handled about 90% of Iran's crude exports before the war. Trump said he ordered the Pentagon not to damage oil infrastructure there "for reasons of decency," but threatened to "wipe out" that infrastructure if Iran persisted in blocking Hormuz. Iran's Guards answered that if the U.S. followed through, they would attack "all oil, energy and economic infrastructure of oil companies across the region that have American stock shares or cooperate with America" and would turn them into "a pile of ash." This explicit oil-for-oil threat architecture is a major reason the market continues to price extreme upside risk even after temporary pullbacks. [OBJ]

Humanitarian and Civilian Dimensions

The human toll also worsened over the week. The 4 March brief already described more than 1,000 killed in Iran by that stage. Reuters then reported that after nearly two weeks of war, 2,000 people had been killed, most in Iran but many also in Lebanon and a growing number in the Gulf. Lebanon's displacement burden surged further, with the U.N. launching a \$325 million flash appeal and Reuters reporting 800,000 displaced. By 14 March, the New York Times cited a humanitarian appeal of \$308.3 million and more than 830,000 displaced in Lebanon. This indicates a conflict no longer producing only military and market effects but now sustained population displacement and humanitarian system stress.

Civilians and cultural sites inside Iran are increasingly exposed as well. The New York Times reported that 56 historical buildings and cultural sites in Iran had been seriously damaged, with Tehran alone accounting for 19. Reuters also reported a formal U.S. command investigation into a strike on an Iranian girls' school, including the possibility of disciplinary action if warranted. These developments matter because they raise the reputational and political cost of sustaining the current tempo of operations, especially for Washington and Israel.

Weekly Assessment

This week confirmed that the Iran war is no longer best understood as a conventional regional air campaign with energy side effects. It is now a three-domain conflict in which military operations, maritime coercion, and market stabilization efforts are all interacting in real time. Airpower remains central, but the decisive strategic battleground is increasingly Hormuz; and the most consequential future trigger is likely to be whether oil infrastructure, particularly Kharg Island or major Gulf energy assets, becomes a regular rather than contingent target.

The war also showed that coercion can be effective without full closure. Tehran does not need to stop all tankers to create a systemic shock. It only needs to make transit uncertain, costly, and politically contested. Washington, in turn, does not need to destroy Iranian export infrastructure immediately to create deterrent leverage. It only needs to demonstrate credible willingness to do so. That mutual signaling equilibrium is inherently unstable, because both sides are now implicitly threatening the same object: the regional oil system.

Forward Outlook: Next 7–14 Days

Over the coming week, the most important variable is whether the war moves from shipping disruption to direct energy infrastructure warfare. A second critical variable is whether the U.S. expands from mine-removal and punitive maritime action into a broader escort or suppression mission inside and around Hormuz. A third is whether Iran escalates through additional attacks on Gulf energy facilities, U.S. bases in Iraq, or allied commercial and financial infrastructure in the UAE and elsewhere.

From a market perspective, reserve releases can smooth volatility but cannot restore physical confidence at sea. As long as most neutral shipping remains deterred, insurers reprice risk, and freight routes remain distorted, the energy shock will continue to leak into broader inflation, logistics costs, and political pressure in importing economies. The war therefore enters the next week with no clear de-escalation mechanism and with rising incentives on both sides to widen pressure if the current balance proves insufficient.

If you want, I can now turn this into a formatted Word-style weekly report with a cover structure, executive highlights box, chronology table, and an annex of key metrics.