

## SITUATION OVERVIEW

### Talks Expand, Pressure Hardens

The conflict enters today in a more unstable but not yet decisive phase, with diplomacy widening on paper while military and economic pressure continue to deepen in practice. Pakistan says it will host direct US–Iran talks in coming days, yet Tehran has rejected the US 15-point proposal and insists on sovereignty, damages and non-attack guarantees. At the same time, Trump has publicly threatened to hit power plants, oil wells and Kharg Island if no deal is reached, while Iran continues to control access through Hormuz and keep global energy markets under strain. Regional governments are now shifting from crisis response toward financial shielding, travel controls, fuel conservation, operational restrictions, and contingency planning for prolonged disruption across aviation, shipping, banking, labour mobility and industrial production.

## COUNTRY KEY DEVELOPMENTS

### Iran

- Rejected the US plan, issued a five-point counter, and questioned NPT value.

### Israel

- ADAMA plant disruption sharpened concern around industrial-zone exposure in southern Israel.

### United Arab Emirates

- Flights are recovering unevenly, while Dubai tightened entry and transit for Iranians.

### Saudi Arabia

- Confirmed AWACS loss at Prince Sultan deepens US military vulnerability on Saudi soil.

### Kuwait

- Central bank eased liquidity rules to strengthen banking resilience under conflict stress.

### Qatar

- QCB launched precautionary liquidity support as banks prepare for prolonged uncertainty.

### Oman

- Salalah disruption keeps Oman exposed as a fallback logistics hub under pressure.

### Iraq

- Kirkuk-area strikes and Green Zone interception renewed pressure on militia-linked exposure.

### Lebanon

- Southern Beirut evacuation directives widened as Israeli operations pushed deeper south.

### Türkiye

- Ankara remains central to mediation through the Islamabad track rather than escalation.

### Yemen

- Houthi re-entry keeps Bab el-Mandeb risk elevated despite no fresh vessel strikes.

### Egypt

- Cairo expanded fuel-saving measures with remote work and slower state projects.

### Syria

- Energy rehabilitation plans continue leaning on Gulf and US backing despite instability.

## RISK INDICATORS

**Security Risk:** University threats and broader industrial targeting are widening soft-site exposure beyond bases and ports. Qatar and Kuwait support measures show stress is moving from markets into system liquidity.

**SEVERE**

**Aviation Risk:** Recovery at Gulf hubs remains fragile because foreign suspensions and military airspace pressure persist.

**HIGH**

**Maritime Risk:** Managed Hormuz transit near Larak is reducing routing flexibility and increasing compliance exposure.

**SEVERE**

**Energy Risk:** Smelter damage and renewed Kharg threats are widening disruption into metals and industrial inputs.

**HIGH**

## OPERATIONAL IMPACT

### Aviation

- Alaska Air has warned fuel costs will deepen quarterly losses, reinforcing how the conflict is now pressuring airline earnings far beyond the Gulf.
- United and Delta appear better positioned than weaker US carriers, but Reuters says a prolonged fuel shock could trigger wider airline consolidation and capacity cuts.

### Logistics & Supply Chain

- Rerouting around Africa is adding 10 to 14 days on some services and has brought new surcharges of roughly \$1,500 to \$4,000 per container.
- Global air cargo rates remain elevated as blocked sea routes, reduced flight options and higher jet fuel prices keep shippers under pressure.

### Maritime

- Tanger Med in Morocco is preparing for heavier rerouted traffic as Maersk, Hapag-Lloyd and CMA CGM divert more cargo around Africa.
- Hormuz remains commercially constrained, with only nine cargo transits per day and 212 mainstream tankers still trapped west of the strait.

### Energy Markets

- Europe's LNG risk is rising because gas storage is already unusually low, leaving buyers exposed to a costly refill race as Hormuz disruption tightens global supply and intensifies competition for cargoes.
- Golden Pass LNG in Texas has reached first production, giving QatarEnergy and ExxonMobil a timely non-Gulf supply as energy security concerns deepen.

## OUTLOOK (NEXT 72–96 HOURS)

The next 72–96 hours are likely to be shaped by fragile diplomacy alongside continued coercive pressure rather than any clear move toward de-escalation. Pakistan's effort to host direct US–Iran talks creates a possible off-ramp, but Tehran's rejection of the US proposal and Washington's threats against Iranian energy infrastructure mean diplomacy remains conditional, politically fragile and easily reversible. Both sides still appear to be using military and economic pressure to improve their negotiating position. Economically, the conflict is broadening from an oil shock into a wider inflation, liquidity and confidence strain. Higher energy prices are likely to feed through into transport costs, air fares, industrial inputs, insurance premiums, shipping rates and weaker risk appetite across global markets. The global effect is no longer limited to crude prices alone, but increasingly includes freight disruption, tighter credit conditions, softer equity sentiment and more defensive state intervention in key sectors. Gulf governments are increasingly focused on containing spillover, protecting financial systems and preserving internal stability, while markets remain sensitive to any sign that maritime access, energy flows or military activity could worsen again.

## ADVISORY NOTE

Companies operating across the Gulf should prepare for a disruption environment defined less by total shutdown than by uneven access, delayed recovery and fast-changing restrictions. The most immediate pressure points are likely to be staff movement, flight availability, contractor access, customs timing, port handling, and the reliability of time-sensitive deliveries. Management teams should therefore review which functions genuinely need physical presence, identify where approvals or permits could tighten without notice, and ensure that critical suppliers, transport providers and local partners can still operate under a more restrictive environment. Particular attention should also be given to payment timing, fuel availability, and inventory exposure for goods that depend on predictable cross-border flows. Social media discipline should remain part of the operating posture: staff should avoid posting locations, travel movements, incidents, security responses or speculative commentary that could create reputational, legal or security risk. The most effective posture in the coming days is operational flexibility, message control and reduced dependence on single routes or providers.