

## SITUATION OVERVIEW

### Sanctions Relief Debate Emerges as Lebanon and Maritime Risks Persist

The regional ceasefire remains fragile as Washington and Tehran continue negotiating over Hormuz, sanctions and Iran's nuclear programme. US Secretary of State Marco Rubio said Iran will not receive sanctions relief simply for reopening Hormuz, although Washington says Tehran is now open to discussing nuclear issues previously off the table. Iran says the final text remains under review and no response has been sent to Washington. Lebanon remains the most active military front, with Israel continuing strikes in the south despite Trump's claim of no further escalation and new Israel-Lebanon talks beginning in Washington. Maritime risk has widened after MSC said a cargo vessel was struck by two projectiles near Iraq, while oil-product shipments exited Hormuz and an LNG tanker loaded in the UAE. This suggests limited physical-flow recovery, but without full diplomatic, maritime or sanctions normalisation across the region.

## COUNTRY KEY DEVELOPMENTS

### Iran

- Iran reportedly halted US mediator messages over Lebanon strikes as ceasefire covers all fronts.

### Israel

- Israel and Hezbollah clashed despite Trump's claimed halt to fighting before Washington talks.

### United Arab Emirates

- UAE remains exposed to Gulf security risks, fuel volatility and regional aviation disruption.

### Saudi Arabia

- Saudi Arabia continues humanitarian and regional-stability engagement amid conflict spillover.

### Kuwait

- Kuwait remains alert after recent Iranian missile and drone threats targeting US forces.

### Qatar

- Qatar remains exposed to Hormuz-linked LNG, cargo and aviation market disruption.

### Oman

- Oman remains central to Hormuz safety and maritime de-escalation concerns.

### Iraq

- Asaib Ahl al-Haq says it will disengage from PMF and place weapons under state control.

### Lebanon

- Lebanon's religious leaders warned Israeli attacks threaten the whole country.

### Türkiye

- Trump plans to attend NATO's Ankara summit, according to Türkiye's foreign minister.

### Yemen

- Yemen remains vulnerable to fuel, fertiliser and humanitarian pressures.

### Egypt

- Egypt promoted itself as a gateway to African markets despite regional economic strain.

### Syria

- Syria remains linked to regional diplomacy through Türkiye-Azerbaijan gas supply.

## RISK INDICATORS

**Security Risk:** Continued Israel-Hezbollah clashes, Iran's Lebanon linkage and unresolved US-Iran terms sustain multi-front escalation risk.

**SEVERE**

**Aviation Risk:** Gulf missile threats, Lebanon airspace concerns and regional passenger declines continue to affect routing and demand.

**HIGH**

**Maritime Risk:** The MSC Sariska V projectile strike near Umm Qasr, Hormuz uncertainty and blockade enforcement keep shipping and insurance risks elevated.

**SEVERE**

**Energy Risk:** Oil remains sensitive to Iran talks, Hormuz security and fuel-security warnings ahead of peak summer demand.

**HIGH**

## OPERATIONAL IMPACT

### Aviation

- Muscat International Airport passenger traffic fell 7.6% in January-April amid regional aviation disruption.
- Qatar Airways Cargo moved over 1.43 million tonnes in 2025/26, showing air-freight resilience.
- Low-cost airlines to resume flights to Jordan on 01 July 2026.
- Iran war hands Syria windfall as airlines reroute over its airspace.

### Logistics & Supply Chain

- Lebanon escalation may disrupt Eastern Mediterranean warehousing, insurance and transport planning.
- Umm Qasr maritime risk could affect Iraqi port calls, cargo timing and insurance terms.
- EU backs sanctions relief Path if Iran accepts strict conditions.
- DP World boosts Dominican Republic free zone investment by \$100M.

### Maritime

- MSC Sariska V was damaged by projectiles near Umm Qasr, with crew reported safe and maritime risk now extends beyond Hormuz into Iraq's southern port approaches.
- ADNOC L&S delivers strong first-quarter performance.
- DP World may accelerate Tartous port development.

### Energy Markets

- Analysts tell OPEC+ Hormuz disruption will last through year end.
- North America adds 28 rigs week on week.
- JP Morgan sees increasing monthly oil demand losses.
- WTI eases on Iran-US tensions as traders await API Crude inventory report.

## OUTLOOK (NEXT 72–96 HOURS)

The next 72–96 hours will determine whether current diplomatic momentum can translate into measurable reductions in regional security and commercial risk. US and Iranian negotiators appear to be moving closer on several issues, including discussions surrounding Iran's nuclear programme, but significant differences remain over sanctions relief, Hormuz access and implementation mechanisms. Washington's position that sanctions relief will remain conditional suggests negotiations could extend beyond the current framework, even if progress continues. Lebanon remains the most significant escalation risk. Despite reported efforts by the US to prevent further Israeli expansion around Beirut, military operations continue in southern Lebanon and any major escalation could quickly affect wider regional diplomacy. Maritime conditions may show gradual improvement following reports of oil-product shipments transiting Hormuz and LNG cargo activity from the UAE. However, the MSC vessel incident near Iraq demonstrates that commercial shipping risks extend beyond the Strait itself. Energy markets are likely to remain highly sensitive to political developments, military incidents and shipping disruptions. The most likely scenario is incremental diplomatic progress alongside continued security volatility, leaving businesses exposed to operational uncertainty despite signs of limited recovery.

## ADVISORY NOTE

Businesses should treat the current environment as partial operational recovery rather than confirmed stabilisation. Maritime, energy, aviation and logistics teams should not assume that limited Hormuz movements or UAE LNG loading mean regional trade conditions have normalised. Companies with Gulf-linked cargoes should verify sanctions exposure, port access, insurance cover, routing instructions and counterparty risks before approving movements. The MSC projectile incident near Iraq shows that maritime exposure now extends beyond Hormuz into southern Iraqi approaches, so vessel calls, container movements and delivery timelines should be reviewed carefully. Energy-intensive firms should continue monitoring fuel, feedstock and fertiliser costs, as sanctions relief remains conditional and oil markets remain sensitive to negotiations. Aviation and travel teams should retain flexible routing for Gulf and Levant corridors while Lebanon remains unstable. Companies exposed to Lebanon, Israel or Eastern Mediterranean logistics should review staff safety, warehousing, evacuation, insurance and reputational risks separately from the US-Iran track. The priority is verified information, compliance discipline and operational flexibility.