SECURITY UPDATE / MIDDLE EAST & IRAN

Iran Conflict - Week 24

Operational, Strategic and Regional Assessment

8-14 August 2026

Economic attrition, maritime coercion and the strategic contest for time.

FOCUS

Strait of Hormuz | U.S. blockade | IRGC decision-making

Economic attrition | Maritime risk | Regional escalation

REPORT PARAMETERS

Week 24 - At a Glance

Scope	Week 24 operational, strategic and regional assessment covering the stalled Hormuz process, consolidation of security-led decision-making in Tehran, continued Iranian and Iran-aligned attacks against Gulf and commercial interests, sustained U.S. naval blockade enforcement, and Washington's increasingly explicit emphasis on economic attrition.
Period	8 August 2026 - 14 August 2026
Core Assessment	The United States currently holds the more sustainable strategic position. Iran remains under firm security control, but its security leadership is prioritising coercive leverage over increasingly visible economic risk. Provided Washington maintains political patience, allied support and blockade pressure, Iran's loss of oil revenue, access to hard currency and normal trade is likely to become more strategically damaging than repeated attacks on military infrastructure.

EXECUTIVE ASSESSMENT

1. Executive Summary

The reporting period opened on 8 August with Iran and Oman saying that a technical agreement concerning new Hormuz shipping arrangements was close. Foreign Minister Abbas Araqchi nevertheless stated that this agreement would not itself reopen the Strait. Iran demanded U.S. compensation, an end to threats and military pressure, removal of sanctions and the blockade, release of frozen Iranian assets and an end to action against Iranian-aligned groups elsewhere in the region. The IRGC separately stated that reopening Hormuz depended upon Washington accepting Iranian conditions rather than upon the Iran-Oman negotiations.

The contrast inside Tehran was notable. President Masoud Pezeshkian said on 8 August that he believed this was the best time for an agreement and blamed U.S. restrictions for difficulties importing essential goods. The same day, however, the IRGC publicly maintained that the Strait would remain restricted until Washington accepted Tehran's terms. This divergence became more significant two days later when former IRGC commander Mohsen Rezaei was elevated to the Supreme National Security Council (SNSC), strengthening hardline security influence over both foreign and security policy.

Iranian maritime coercion continued. On 8 August the UAE said an Iranian missile struck an ADNOC-affiliated vessel transiting Hormuz; no injuries were reported and a fire aboard the vessel was extinguished. On 13 August the UAE accused Iran of attacking two additional ADNOC vessels in the Strait. No injuries were reported, but Abu Dhabi explicitly accused the IRGC of using commercial shipping as an instrument of economic coercion.

The U.S. blockade simultaneously became more assertive. U.S. Central Command said by 8 August that more than 30 humanitarian ships had been permitted through, while 53 vessels had been turned away, two disabled and two boarded since the latest blockade began. On 11 August a U.S. Navy MH-60 helicopter fired two Hellfire missiles into the steering equipment of the Panama-flagged Vela Nova after CENTCOM said the vessel ignored repeated warnings while attempting to sail toward an Iranian port.

Regional proxy activity also intensified. Iran-aligned Houthis struck the Egyptian-owned Tihamah in the Bab el-Mandeb on 11 August. Four crew members - three Pakistanis and one Indonesian - were killed, together with two Yemeni rescuers when the Houthis struck again during the rescue operation. Ten people were injured. The incident was the first confirmed fatal Houthi attack on commercial shipping during the current Iran conflict.

By 12 August, the diplomatic process had effectively stalled. A senior Iranian source told Reuters that there had been no progress toward restoring the June interim agreement. Iran rejected reports that the 60-day diplomatic period had been extended, while President Trump claimed that the United States had total control over Hormuz. Tehran continued to state that the Strait would remain closed until its conditions were accepted.

On 13 August Washington made the strategic direction increasingly explicit. Defense Secretary Pete Hegseth stated that the U.S. Navy could sustain the blockade indefinitely through ship rotations. Treasury Secretary Scott Bessent announced that additional economic measures would be unveiled during the following week and described them as measures of economic isolation beyond those previously used against another country. The blockade had already cut Iran's principal source of hard currency and compounded wartime damage to its energy sector.

By 14 August, Hormuz traffic remained extremely depressed. Kpler recorded only nine commodity-vessel transits on Thursday 13 August, compared with an August daily average of approximately 12 and 130-140 daily vessels before the war. Five vessels entered the Gulf and four exited, mostly using Iran's preferred route. This is not meaningful normalisation of commercial traffic.

The central Week 24 assessment is therefore that negotiations are becoming less strategically important than economic endurance. Tehran believes its control of Hormuz and capacity to threaten Gulf shipping can force Washington into concessions. Washington increasingly appears prepared to test the opposite proposition: that Iran's economy and political system will come under intolerable strain first.

Regional conflict exposure and missile/drone targeting in the 2026 Iran war. Source: Encyclopaedia Britannica

WEEKLY CHANGE

2. What Has Changed in the Past 7 Days

The most important change was the deterioration of the diplomatic track from a technically promising Iran-Oman shipping discussion into a broader political deadlock. On 8 August Araqchi described the Oman negotiations as close to completion, but simultaneously made clear that a maritime agreement would not result in reopening unless Washington separately met Iran's political and economic conditions. This effectively detached the technical navigation discussions from the actual strategic decision to reopen Hormuz.

That distinction hardened after Mohsen Rezaei's appointment on 10 August. On 11 August Rezaei stated that Hormuz would remain closed until the United States ended the war, released Iranian funds overseas and accepted other conditions communicated through intermediaries. Iran therefore moved during Week 24 from describing the Oman talks as an avenue toward reopening to explicitly stating that even a successful technical agreement was insufficient.

The United States also changed emphasis. Trump's 11 August comments were unusually explicit in identifying economic attrition as an alternative to a major strike campaign. He said Washington could continue its present approach and allow Iran to fail economically, contrasting this with the option of hitting Iran much harder. This was not merely rhetoric: two days later Hegseth confirmed that the blockade could be maintained indefinitely and Bessent announced substantially intensified financial action.

This combination is strategically significant. Previous phases of the conflict relied heavily upon destroying military capability. Week 24 showed Washington increasingly recognising that Iran's economic vulnerability may provide a more sustainable lever. Military assets can be dispersed, repaired or replaced, while denial of oil income and international financial access compounds continuously.

Iranian behaviour moved in the opposite direction. The appointment of Rezaei, continued IRGC insistence on control of Hormuz and repeated attacks on UAE-linked commercial shipping indicate that Tehran remains committed to extracting political leverage through coercion rather than reducing the economic cost of the conflict.

The economic warning signs became harder to dismiss. Associated Press reporting on 8 August described triple-digit food inflation and concerns that delayed settlement could make economic recovery significantly more difficult and increase the danger of renewed internal unrest. Pezeshkian also publicly acknowledged difficulties importing essential goods.

The week therefore reinforced a widening distinction between internal control and strategic strength. Iran remains governable and the security apparatus remains capable of enforcing policy. That does not mean that the underlying economic position is sustainable.

CHRONOLOGY

3. Key Events During the Reporting Period

8 August 2026 Foreign Minister Abbas Araqchi said Iran and Oman were very close to agreeing a new Hormuz shipping route. He nevertheless said reopening required additional U.S. concessions, including compensation. Then-SNSC Secretary Mohammad Baqer Zolqadr separately demanded an end to U.S. threats, cessation of action against Iran and its regional allies, removal of sanctions and the blockade, and release of frozen Iranian assets.

8 August 2026 President Masoud Pezeshkian said he believed it was the best time to reach agreement and publicly blamed the conflict and U.S. restrictions for difficulties importing basic goods. The IRGC simultaneously stated that Hormuz reopening depended solely upon Washington accepting Iran's conditions and was not dependent upon the Oman negotiations.

8 August 2026 The UAE accused Iran of firing a missile at an ADNOC-affiliated vessel transiting the Strait. No injuries were reported. UKMTO reported that a vessel had caught fire after being struck by an unknown projectile but that the fire was extinguished and there was no reported environmental impact. Iran did not immediately accept responsibility.

8 August 2026 CENTCOM said it had permitted more than 30 vessels carrying humanitarian supplies through the blockade, turned away 53 vessels, disabled two and boarded two. These figures demonstrated that the blockade was being actively enforced rather than functioning merely as a political declaration.

9 August 2026 Saudi authorities reported a fire at the Aramco refinery at Jazan after the Houthis claimed a drone attack. The fire was extinguished and no casualties were reported. The incident reinforced the continuing exposure of alternative Saudi export routes to Iran-aligned forces.

10 August 2026 Iran appointed Mohsen Rezaei as secretary of the Supreme National Security Council. Rezaei commanded the IRGC from 1981 to 1997, served through most of the Iran-Iraq War and is closely aligned with Supreme Leader Mojtaba Khamenei. Khamenei simultaneously appointed him as his representative on the SNSC. Former secretary Mohammad Baqer Zolqadr became Khamenei's political adviser.

11 August 2026 Rezaei said Hormuz would remain closed until the United States changed its behaviour, ended the war and unfroze Iranian funds. Other Iranian conditions had been transmitted through mediators.

11 August 2026 President Trump publicly described two alternatives: continuing the existing pressure until Iran failed economically or conducting much heavier military action. He characterised Iran as economically distressed, pointed specifically to U.S. control over frozen Iranian assets and said Washington could simply continue allowing pressure to accumulate.

11 August 2026 A U.S. Navy MH-60 helicopter fired two Hellfire missiles at the Panama-flagged Vela Nova in the Gulf of Oman, disabling its steering after CENTCOM said the vessel ignored repeated warnings to halt while attempting to breach the blockade on Iranian ports. Maritime sources placed the incident approximately 71 nautical miles off Pakistan.

11 August 2026 Iran-aligned Houthis attacked the Egyptian-owned Tihamah near Perim Island in the Bab el-Mandeb. Four crew members were killed, including three Pakistani nationals and one Indonesian. Two members of Yemen's National Resistance Forces were killed when the Houthis struck again during rescue operations. Ten additional people were injured.

12 August 2026 A senior Iranian source told Reuters that indirect efforts to restore the June agreement had made no progress. Tehran denied that the original 60-day negotiating period had been extended and maintained that Washington must first return to the previous agreement and establish a timetable for meeting its commitments.

12 August 2026 Hormuz traffic fell to a one-week low. Kpler recorded eight vessels transiting on Tuesday compared with a ten-day average of approximately 12; only one vessel exited while seven entered through Iranian waters. Pre-war volumes were approximately 130-140 vessels per day.

12 August 2026 The International Energy Agency reduced its global 2026 oil-supply forecast, estimating that supply would fall by 4.3 million barrels per day, approximately 4%, as continued Gulf disruption constrained output and exports. Middle Eastern production remained substantially below pre-war levels.

12 August 2026 Reuters reported that Saudi crude exports from the Red Sea were increasingly moving with AIS tracking disabled because of the Houthi threat. Tankers loading at Yanbu were increasingly operating 'dark', while Saudi Arabia diverted additional crude northward toward the Suez Canal and SUMED pipeline.

13 August 2026 The UAE said two ADNOC vessels were attacked while transiting Hormuz. No injuries were reported and ADNOC said the situation was under control. The UAE Foreign Ministry blamed Iran and accused the IRGC of using attacks on commercial vessels as economic coercion. Iran had not immediately commented.

13 August 2026 Defense Secretary Pete Hegseth stated that the United States could maintain the blockade indefinitely, explaining that U.S. Navy vessels could simply be rotated through the operation. Treasury Secretary Scott Bessent said further measures would be announced during the following week and described the planned campaign as an unprecedented level of economic isolation.

13 August 2026 The Houthis claimed a further two-drone attack on Saudi Aramco's Jazan refinery. Saudi authorities had not publicly confirmed the claimed strike at the time of reporting. The claim therefore remains reported but unverified.

14 August 2026 Kpler data showed nine commodity vessels transited Hormuz during Thursday 13 August, up from five the previous day but still below August's daily average of approximately 12. Five vessels entered and four departed, mostly through the Iranian route.

14 August 2026 Associated Press reported that the USS George Washington Carrier Strike Group was moving through the Strait of Malacca toward the Indian Ocean and was expected to replace the long-deployed USS Abraham Lincoln in the Middle East. The Lincoln had spent more than 260 days at sea supporting operations in the Iran conflict. The rotation demonstrates both the burden the conflict is imposing on U.S. forces and Washington's ability to sustain a major naval presence through force rotation.

14 August 2026 At the report cutoff, Brent crude was trading around $87.97 per barrel, approximately 1% higher during early Friday trading and on course for a weekly rise of roughly 4%.

MILITARY

4. Military and Operational Picture

Week 24 did not produce a confirmed return to the sustained large-scale U.S. strike campaign against Iranian land targets seen during earlier phases of the war. U.S. kinetic activity identified during the reporting window was instead concentrated on blockade enforcement, most visibly the disabling of the Vela Nova on 11 August.

This supports an increasingly apparent change in U.S. strategy. Washington does not currently need to destroy Iranian targets every night to maintain military pressure. The ability to blockade ports, intercept shipping, rotate naval forces and retain the option of much heavier strikes gives the United States a wide escalation ladder without requiring continuous high-tempo bombing. Hegseth's 13 August statement that the naval operation can be sustained indefinitely reinforces this interpretation.

The movement of USS George Washington toward the region further indicates that the United States intends to preserve this military leverage. The protracted deployment of USS Abraham Lincoln has created real personnel and logistical strain, but a carrier rotation is evidence of sustainment rather than withdrawal.

Iran retains meaningful asymmetric capability. It can threaten merchant vessels, impose risk around Hormuz and rely upon partners such as the Houthis to pressure Saudi Arabia and Bab el-Mandeb traffic. The 11 August Tihamah attack demonstrated that this threat remains lethal.

However, these capabilities have not compelled Washington to lift its blockade or release Iranian assets. Militarily, Iran remains capable of imposing costs; strategically, it has not demonstrated that those costs are sufficient to change the balance.

U.S. aircraft carrier CVN-73 USS George Washington at sea. (Source: Facebook)

DISRUPTION

5. Damage and Disruption Assessment

The most important damage accumulating against Iran is increasingly economic rather than physical.

On 13 August Reuters reported that the reimposed U.S. blockade was cutting off Iran's principal source of hard currency and adding to previous wartime damage against its energy infrastructure. Tehran itself continued making release of frozen assets, sanctions relief and lifting of the blockade central conditions for any settlement, illustrating how important these pressures have become.

Domestic consumer pressure is also increasingly visible. Associated Press reporting during the period described triple-digit food inflation, while Pezeshkian publicly acknowledged difficulties importing essential goods on 8 August.

Oil-storage pressure remains an important secondary consequence of continued export denial. No reliable new Iranian national storage-volume figure was identified during the Week 24 reporting window and one should therefore not be invented. The underlying mechanism nevertheless remains unchanged: exports that cannot leave the country must be diverted into domestic or floating storage, and sustained accumulation eventually forces upstream production reductions once available capacity becomes constrained.

The key Week 24 indicator is therefore not an unverifiable estimate of tank capacity but continued suppression of export routes and Iran's increasingly urgent demand for blockade relief.

Hormuz itself remained heavily disrupted. Eight tracked vessels crossed on Tuesday and nine on Thursday, compared with 130-140 daily transits before the war. The Strait is therefore functioning at only a small fraction of normal observable activity.

The broader global economic consequence is substantial. The IEA revised expected 2026 global supply downward by 4.3 million barrels per day, while Brent remained near $88 on 14 August.

Ships anchored in the Strait of Hormuz near Bandar Abbas, Iran, Aug. 10. ALI SAEEDI/GETTY IMAGES

GCC & MARITIME

6. GCC Infrastructure and Maritime Continuity Update

The UAE experienced two separate periods of Iran-linked maritime attack during Week 24. On 8 August Abu Dhabi accused Iran of striking an ADNOC-affiliated vessel with a missile. On 13 August two further ADNOC vessels were attacked in Hormuz, again without reported casualties. The repeated targeting of UAE-linked energy shipping shows that Iran continues attempting to impose a direct commercial cost on Gulf states aligned with Washington.

Saudi Arabia's exposure also increased. The Houthis claimed attacks on Jazan energy infrastructure on both 9 and 13 August, while the fatal Tihamah attack reinforced the seriousness of the Red Sea maritime threat. Saudi exporters increasingly responded by switching off AIS tracking and rerouting crude northward through alternative infrastructure.

The Saudi-Türkiye-Pakistan defence agreement signed immediately before this reporting period is also operationally relevant because these attacks provide an early test of the security environment that motivated deeper regional defence coordination. Türkiye described the arrangement as technically comparable to NATO Article 5, although officials stressed that it was not specifically directed against Iran.

The key GCC risk remains simultaneous pressure on Hormuz and Bab el-Mandeb. Iran and aligned forces do not need to close both routes completely to impose significant insurance, routing and energy-market costs.

REGIONAL

7. Regional Context and Impact

The most consequential regional development was the increasing integration of Houthi activity into the broader economic confrontation.

The fatal Tihamah attack, threats against Saudi shipping and repeated claimed strikes on Jazan are forcing Saudi Arabia to alter shipping behaviour and conceal some Red Sea movements. This places additional pressure on an export route that Riyadh relies upon specifically to reduce dependence on Hormuz.

Iran therefore continues to possess a mechanism for exporting economic disruption beyond its own coastline. However, this does not necessarily improve Tehran's long-term position. The more Iranian-aligned forces threaten Gulf energy infrastructure and international shipping, the stronger the incentive for regional states to deepen security cooperation with Washington and with one another.

Lebanon also remained unresolved. On 13 August Israel tied its withdrawal from southern Lebanon to verified Hezbollah disarmament, while Hezbollah continued rejecting disarmament before an Israeli withdrawal. This preserves another Iran-linked regional dispute that complicates any attempt to negotiate a comprehensive U.S.-Iran settlement.

DIPLOMACY

8. Diplomatic and International Response

The diplomatic environment deteriorated substantially during Week 24.

On 8 August an Oman arrangement appeared technically close. By 11 August Rezaei was publicly stating that Hormuz would remain closed regardless of the Oman process unless Washington accepted Tehran's wider demands. By 12 August a senior Iranian source said attempts to revive the interim agreement had made no progress.

Pakistan and Qatar continued mediation, and Pakistani officials publicly suggested some form of agreement remained possible. However, the measurable evidence during the week points in the opposite direction: attacks on shipping continued, Washington enforced the blockade kinetically, Tehran rejected the reported ceasefire extension and Hormuz traffic remained severely depressed.

The author therefore assesses that diplomatic rhetoric should currently be treated cautiously. Neither side has accepted the other's fundamental conditions.

Trump's language also shifted. Rather than repeatedly presenting agreement as imminent, he increasingly highlighted Washington's ability simply to wait while economic pressure accumulates. That may prove the most strategically significant diplomatic development of the week.

IRANIAN LEADERSHIP

9. IRGC Internal Dynamics

Week 24 produced unusually clear evidence of increased hardline security influence.

Mohsen Rezaei's appointment to the SNSC is central. He is not simply another civilian political appointee: he commanded the IRGC for sixteen years, including through most of the Iran-Iraq War, and was simultaneously appointed Supreme Leader Mojtaba Khamenei's representative on the council.

Rezaei's first major public position after appointment was uncompromising. Hormuz would remain closed until Washington ended the war, unfroze Iranian assets and accepted other Iranian conditions.

This contrasts with Pezeshkian's 8 August statement that the present moment was the best time for an agreement and his acknowledgement of difficulties importing essential goods.

The distinction should not be simplified into an assumption that Iran's security leaders are unaware of economics. Rezaei himself holds a doctorate in economics and previously served as vice president for economic affairs.

The more important assessment is that the security establishment understands the economic risk but is choosing to subordinate it to strategic and ideological objectives. That decision may ultimately prove more damaging than an absence of knowledge. Tehran appears to believe control of Hormuz will force Washington to concede before domestic economic pressure becomes intolerable. Washington increasingly appears determined to test that calculation.

The IRGC therefore remains dominant operationally but is taking an increasingly high-risk strategic gamble.

Illustrative Supreme National Security Council composition chart supplied for the report. User-supplied graphic.

IRAN INTERNAL

10. Internal Conditions

There was no confirmed new nationwide protest wave during Week 24 in the major reporting reviewed. However, the economic environment deteriorated sufficiently to remain a major strategic concern.

Associated Press reporting on 8 August described triple-digit food inflation and warned that the blockade was choking oil-export income. Figures associated with Iran's more moderate political establishment warned that failure to exploit the current diplomatic opening could make economic recovery difficult and increase the possibility of renewed unrest.

Pezeshkian's acknowledgement that importing basic goods had become difficult is particularly important because it came from the sitting president rather than an external analyst.

This supports the assessment that Iran remains controlled but increasingly brittle.

Security control and economic stability are not synonymous. The IRGC and security services can suppress protest and maintain institutional control, but coercive tools cannot restore foreign-currency income, increase shipping access or make imported food cheaper. The economic danger is therefore cumulative rather than necessarily immediate.

STRATEGIC

11. Strategic Assessment

Week 24 provides stronger evidence for an American strategy based on economic exhaustion rather than military destruction.

Trump articulated this choice on 11 August. Washington could either allow economic deterioration to continue or return to much heavier strikes. Two days later, Hegseth confirmed the physical sustainability of the blockade and Bessent announced a further escalation in economic pressure.

From a strategic perspective, the economic option has several advantages for Washington. It reduces U.S. munitions expenditure, limits exposure of aircraft and personnel, gives Iran fewer opportunities to generate nationalist mobilisation around visible U.S. attacks, and continues imposing costs every day without requiring a decision to begin another large strike cycle.

Iran faces the inverse problem. Its principal export revenue is constrained; frozen assets remain under U.S. leverage; basic-goods imports are becoming more difficult; food inflation is severe; and commercial normalisation through Hormuz has not occurred.

Tehran is attempting to counter this through economic coercion of its own. Attacks on ADNOC shipping and Houthi operations against Saudi routes are intended to increase the international cost of U.S. patience. That strategy is rational, but its effectiveness remains uncertain because it simultaneously strengthens Gulf dependence on U.S. military protection.

The fundamental contest has therefore shifted toward which side can tolerate time more effectively.

The United States remains under pressure from energy prices, domestic opposition to the war, munitions expenditure and extended naval deployments. The movement of USS George Washington to replace USS Abraham Lincoln illustrates the physical burden of sustaining the conflict. These are real constraints and should not be dismissed. They are nevertheless smaller than the existential economic pressures accumulating against Iran.

The author assesses that if Washington remains patient, maintains the blockade, intensifies financial isolation and limits kinetic action to proportionate enforcement or self-defence, Iran's strategic position will continue deteriorating faster than America's.

This does not make Iranian defeat mathematically inevitable. Wars can change through political shocks, successful attacks, alliance fractures or unforeseen diplomatic concessions. However, under the current conditions and current balance of resources, it is increasingly difficult to identify a sustainable pathway by which the IRGC can maintain its present position indefinitely without either major concessions or serious internal economic consequences.

In this sense, economic pressure may prove more effective against the Iranian system than repeated destruction of military infrastructure.

FUTURE OUTLOOK

12. Future Outlook

The most likely Week 25 trajectory is continued economic escalation rather than immediate large-scale military escalation.

Bessent has already stated that additional U.S. economic measures will be announced. The immediate indicator to watch is therefore the scope of those measures: whether Washington targets additional Iranian oil channels, banks, overseas assets, insurers, shipping intermediaries or third-country entities supporting Iranian trade.

The naval blockade is highly likely to remain in force. Hegseth's statement that it can be maintained indefinitely removes any suggestion that Washington considers the operation merely temporary. Carrier rotation provides additional evidence that the U.S. intends to sustain regional military capacity rather than withdraw it.

A comprehensive diplomatic settlement appears unlikely in the immediate term. Iran said on 12 August that mediation had produced no progress, while its new security chief has explicitly tied reopening Hormuz to wider U.S. concessions that Washington has shown no inclination to accept.

Limited kinetic incidents are nevertheless likely to continue. Blockade enforcement against vessels attempting to reach Iranian ports, defensive interceptions and proportionate responses to Iranian or proxy attacks can occur without Washington returning to a sustained strategic bombing campaign.

A broader return to kinetic operations cannot be ruled out. Trump continues publicly retaining the option of hitting Iran much harder, and serious Iranian attacks causing U.S. casualties or major damage to Gulf infrastructure could rapidly alter the current preference for economic attrition.

However, absent such a trigger, the United States has little strategic need to rush. Time is increasingly doing work that missiles would otherwise have to do.

Iran faces mounting food prices, lost oil income, hard-currency constraints and growing import difficulty. The IRGC can maintain political and security control in the short term, but each additional week of blockade increases the eventual cost of refusing compromise.

The most significant risk for Tehran is therefore no longer simply another U.S. air campaign. It is that Washington concludes it does not need one.

13. Conclusion

Week 24 materially weakened the case that the conflict is approaching diplomatic resolution.

The Iran-Oman discussions remained technically active, but Tehran explicitly separated agreement on shipping lanes from the political decision to reopen Hormuz. By 12 August Iranian officials acknowledged that efforts to restore the wider interim agreement had made no progress.

At the same time, Iran continued attacks or alleged attacks against UAE-linked shipping, while the Houthis expanded pressure against Saudi and Red Sea routes. These actions demonstrated continuing Iranian-aligned coercive capability but did not force Washington to relax its blockade.

Inside Tehran, the appointment of former IRGC commander Mohsen Rezaei strengthened hardline security influence at the centre of national decision-making. This occurred while President Pezeshkian and more moderate figures were publicly acknowledging the economic dangers and potential value of an agreement.

The United States ended the week in the stronger position. It demonstrated that blockade enforcement could be kinetic when necessary, that naval forces could be rotated to sustain the operation, and that substantially stronger financial measures were being prepared.

The author's central assessment is that the conflict is increasingly becoming an endurance contest that favours Washington.

The IRGC appears to believe that control of Hormuz, proxy pressure and disruption of global energy supplies will eventually force U.S. concessions. Washington increasingly appears willing to let Iran test that theory while progressively reducing Iranian access to oil revenue, foreign currency and international commerce.

Provided the United States maintains strategic patience, preserves Gulf and international support and avoids unnecessary escalation, economic pressure is likely to become more damaging to Tehran than another sustained campaign against military or critical infrastructure.

Iran remains under firm security control, but its position is weakening. The longer the IRGC maintains maximalist conditions while the blockade remains intact, the more difficult it becomes for Tehran to avoid either substantial concessions or a serious internal economic crisis.

Annex A: Threat Matrix - Iran Conflict

ANNEX A

Threat Matrix - Iran Conflict

Reporting Period: 8 August 2026 - 14 August 2026

Threat	Likelihood	Impact	Operational Implication
Strait of Hormuz / Maritime Security	High	Critical	Continued Iranian restriction of transit, attacks on non-compliant shipping and competing U.S.-Iran claims of control. No commercial normalisation should be assumed from diplomatic statements alone.
U.S. Economic Escalation	Very High	Critical	Substantially expanded U.S. measures against Iranian trade, finance and revenue are expected. Economic pressure is becoming the principal U.S. coercive instrument.
U.S. Naval Blockade	Very High	Critical	Continued interdiction, boarding, diversion or disabling of vessels attempting to trade with Iranian ports. The Vela Nova incident demonstrates willingness to enforce the blockade kinetically.
Return to Broader U.S. Kinetic Operations	Medium	Critical	Renewed sustained strikes remain a contingency following major escalation or failure of economic coercion. Large-scale strikes are not the current base case.
GCC Energy and Maritime Exposure	High	Critical	Continued Iranian and proxy attacks against UAE and Saudi commercial or energy assets. Simultaneous Hormuz and Red Sea pressure remains the principal regional maritime risk.
IRGC Strategic Rigidity	High	High	Security-led leadership is maintaining maximalist demands despite increasing economic damage. Rezaei's appointment strengthens this trend.
Iran Internal Economic Instability	Medium-High	Critical	Inflation, import disruption and lost oil revenue may generate renewed domestic instability. The risk is cumulative rather than necessarily immediate.
Iran-Aligned Regional Escalation	High	High	Houthi or other aligned forces may broaden attacks against Saudi Arabia and international shipping. The Tihamah attack confirms that proxy maritime operations can cause significant casualties.

The primary Week 24 threat driver shifted further from immediate large-scale U.S.-Iran exchanges toward economic attrition backed by military enforcement. Iran retains substantial coercive capability and remains under effective IRGC-led security control. However, Washington can rotate naval forces, maintain the blockade, control access to Iranian overseas assets, escalate financial sanctions and retain large-scale kinetic operations as a reserve option. The central risk to Iran is therefore cumulative: every additional week without normal oil exports or financial access reduces the resources available to sustain both the state and the conflict.