

DAILY BRIEFING

The Dispatch

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MAIN STORY: WASHINGTON PUSHES THE IRAN DEAL TOWARD CLOSE

- **The Senate's 24-hour reversal.** The Senate passed a House-originated war-powers resolution Tuesday 50-48, directing Trump to withdraw US forces from hostilities with Iran absent explicit congressional authorization, the first time both chambers went on record against the war that opened with US and Israeli strikes on Iran in late February. As a concurrent resolution it never reaches Trump's desk and carries disputed legal force. Trump dismissed it as "poorly timed and meaningless" and said it made his job harder. Wednesday the Senate defeated a near-identical measure 50-47, a vote that did not nullify Tuesday's, after which Trump declared it put "Iran on notice."
- **Trump forces the flip.** Trump berated Republican senators face to face at a closed-door Capitol lunch Wednesday, venting at the four who had crossed him and stalling much of the chamber's business. Within hours Bill Cassidy and Rand Paul, who had both backed checking the president, switched to vote with him. Cassidy, who lost his reelection bid last month after Trump endorsed his opponent, was summoned to a White House briefing on the war by Vice President JD Vance and envoy Steve Witkoff, then returned to vote no.
- **Rubio's three-country Gulf tour.** Secretary of State Marco Rubio toured the UAE, Kuwait, and Bahrain across three days, the first high-level diplomatic mission since the US-Iran framework, to sell the preliminary accord to wary Gulf partners. He closed at a Gulf Cooperation Council foreign ministers' meeting in Manama, home to the US Navy's Fifth Fleet, telling them Washington seeks an enduring peace with Iran but "not at any price," and that no settlement would come at the expense of allied security.
- **Gulf states press for a seat.** Many Gulf governments view the deal as too soft after absorbing unprecedented Iranian attacks during the war, and pressed Rubio for a larger say in the outcome. They want to be briefed at every step of an accord that already carries provisions on the Strait of Hormuz, with the GCC pushing for a bigger role in its own regional security. Rubio said allies voiced "very serious concerns," and assured them no deal would permit Iran to charge for passage through the Strait, a core Gulf demand.
- **Vance and Rubio split on Israel.** The administration's united front frayed between its two top messengers. Vance, speaking at the White House, attacked Israeli critics of the preliminary deal and suggested Israel's bombing of civilian infrastructure in Beirut, meant to weaken Hezbollah, was undermining US-led peace efforts. Rubio, across his Gulf swing, repeatedly defended Israel's Lebanon campaign as a justified response to Hezbollah attacks and affirmed its right to

self-defense. The divergence tracks competing Republican foreign-policy camps, Vance voicing the restraint wing and Rubio the traditional pro-Israel line.

- **The diplomatic track underneath.** The drive rests on a memorandum of understanding reached the prior week and weekend talks in Switzerland between senior US and Iranian officials, the spine of a 60-day push to convert the preliminary text into a durable settlement. Rubio's tour, the Senate fight, and the Vance-Rubio messaging gap all play out against that clock, with the framework still unsigned.

STRATEGIC ASSESSMENT

The administration is racing to consummate the Iran deal before its own coalition fractures, and the fractures now show on two fronts at once, the Senate and the Gulf. Trump reasserted control of his caucus inside a day, but Tuesday's vote is a marker that narrows his free hand on the war. The Vance-Rubio split exposes an unresolved fight over whether Israel's Lebanon campaign is an asset or a liability to closing the deal, and Gulf buy-in remains conditional on security guarantees and a Hormuz arrangement the parties have not settled. The next observable is whether the 60-day memorandum converts into signed text carrying explicit Gulf security provisions, or whether continued Israeli strikes in Lebanon and the Hormuz dispute drag it past the clock.

IRAN

- Iran's claim to administer the Strait of Hormuz hardened into an open standoff with Washington, the Gulf, and Oman. Tehran insists it will keep control of the waterway and plans what it calls maritime service fees, which it distinguishes from tolls, and the IRGC Navy declared the only valid passage the route Iran has announced, made coordination on marine VHF Channel 16 mandatory, and warned that violating vessels "will be dealt with." Secretary of State Marco Rubio, on his Gulf tour, called Hormuz an international waterway on which no country may levy tolls or fees, and a joint US-Gulf statement demanded the strait reopen free of any tolls, fees, or assertion of control. Oman, the strait's other coastal state, broke with Tehran: foreign minister Badr Al-Busaidi told Gulf counterparts in Bahrain that future arrangements would carry no transit fees, even after a Muscat joint statement with Iran had referenced studying "costs" for services while affirming both states' sovereignty. The IRGC's unilateral route assertion also undercut an Oman-backed, IMO-coordinated safe corridor, exposing a split between Iran's diplomats and its military over who sets Hormuz policy.
- Iran fired on a Singapore-flagged cargo ship, the Ever Lovely, as it tried to pass through the Strait of Hormuz, the first kinetic breach of the truce. A projectile struck the vessel's starboard side 7.5 nautical miles (14km) southeast of Oman's port of Dahit, damaging the bridge that houses its navigation, communications, and command functions, with no injuries and no pollution. The strike landed hours after the IRGC ordered vessels off any route Tehran had not approved, and the ship pressed on through the strait despite the hit. Iran's newly created Persian Gulf Strait Authority said transit outside its designated routes would carry no guarantee of safe passage and put the consequences on the vessel's owner, operator, and master. The attack came minutes after foreign minister Abbas Araghchi called a conversation with his Omani counterpart on Hormuz administration "productive." The UN's International Maritime Organization, which two days

earlier had begun moving 600 ships and roughly 11,000 stranded mariners out of the Gulf, paused the evacuation. Secretary-general Arsenio Dominguez said the struck ship sat outside the IMO framework but halted the operation to reconfirm safety guarantees. Two Liberian-flagged tankers had already cleared the strait through the new Omani corridor before the pause.

- A public dispute opened over how Iran's unfrozen assets would be spent. Trump said the US would soon use the funds, released from sanctions, to buy wheat, soybeans, and corn from American farmers, framing an initial \$500 million in American goods under the Pakistan-mediated memorandum and insisting no direct cash would reach Tehran. Iran's lead negotiator and parliament speaker Mohammad Bagher Ghalibaf rejected the claim outright, calling it false and dismissing US agriculture exports as GMO soybeans and broken promises. Rubio separately told Gulf allies that reconstruction cash for Iran had not been discussed with them and that Washington would do nothing to undermine their security.
- President Masoud Pezeshkian flew to Islamabad for talks with the Pakistani officials mediating the US-Iran negotiations, his first foreign trip since the war began on February 28, meeting President Asif Ali Zardari and Prime Minister Shehbaz Sharif. The visit came as technical teams worked to finalize the deal after high-level talks in Switzerland. Tehran pushed back on one claimed outcome, a foreign ministry spokesman saying no IAEA inspector visits had been scheduled to the nuclear facilities the US bombed, despite reports the watchdog would return.
- Iran's state fused the Muharram mourning of Imam Hussein, marked at Tasua and Ashura, with regime legitimacy, presenting commanders of the "axis of resistance" killed by the US and Israel as martyrs in Hussein's mould and casting the post-war state as heir to his stand against unjust rule, a bid to convert wartime losses into domestic cohesion.
- Two waves of cyberattacks hit Iran's banking sector in ten days, the latest on June 23 forcing a temporary nationwide suspension of card-based services at three major banks. The disruption revived domestic argument over the wartime internet blackout and raised the prospect that Israel has shifted back to covert operations now that the memorandum has ended overt hostilities.
- Ghalibaf, addressing a conference in Baku, cast ending the war in Lebanon as "as important" as ending the war on Iran, binding the two fronts together. He called the Islamabad memorandum "America's declaration of defeat," crediting Iranian resistance rather than pressure, and named the withdrawal of foreign military forces from the region a "strategic goal" on the argument that their presence breeds instability. He paired the triumphalism with an overture toward regional coexistence, insisting regional states must provide their own security.

ISRAEL

- Defense Minister Israel Katz declared that Washington has made no demand for Israel to pull its forces from the positions they hold in southern Lebanon, calling the absence a diplomatic achievement, and said he told US Defense Secretary Pete Hegseth the troops are there to protect Israel's northern residents. Netanyahu reinforced the line, vowing that "as long as I am Prime Minister, we will maintain the security zone in southern Lebanon for as long as it is necessary," extending the same logic to Syria and Gaza and framing the army's stated dismantling of Hezbollah's ground infrastructure as proof Israel has changed the face of the Middle East. The defiance runs against mounting US friction. Vice-President JD Vance publicly rebuked Israel's leaders for opposing the memorandum, noting that two-thirds of the defensive weapons that shielded Israel from Iranian

retaliation were American-built and US-funded, and Trump has signaled he has lost patience with Netanyahu's resistance to the Iran settlement.

- Netanyahu called for Israel to "break free" of its dependency on US military aid and build an independent armaments network, telling reserve officers in the occupied West Bank that the country must manufacture its own weapons. The appeal, made a day after the initial US-Iran deal that Israel has fiercely opposed, targets an aid relationship worth more than \$300 billion (inflation-adjusted) since 1948 and, under the 2016 agreement running to 2028, roughly \$3.8 billion a year, about 15 percent of the defense budget.
- Netanyahu faced compounding domestic pressure. At the Bahad 1 combat-officer graduation, crowd members shouted "Go home" during his speech and he drew open calls to resign. The October Council, an organization of bereaved families, former hostages, and survivors, used the approach of the 1,000th day since the October 7 massacre to renew its demand for a state commission of inquiry into the attack, announcing a nationwide minute of silence, a "1,000 Days March," and a central rally at Hostages Square in Tel Aviv. Separately, the Tel Aviv District Court handed his camp a reprieve, rejecting for a second time a prosecution request to bar senior aide Yonatan Urich from the Prime Minister's Office in the Bild leak case, allowing him to keep working.
- The fight over ultra-Orthodox conscription escalated on two fronts. A police officer filmed dragging a Haredi protester to the ground and beating him at a draft protest on the Geva Highway was questioned by the Police Internal Investigations Department and released without restrictions, after weeks of demonstrations across Jerusalem, Tel Aviv, and Ramat Gan in which protesters blocked highways and railways against the IDF haredi-draft legislation. In parallel, the coalition scheduled marathon Knesset House Committee sessions, opening with an eight-hour meeting, to fast-track the Basic Law: Torah Study bill that critics say entrenches draft evasion and preserves yeshiva students' state benefits. The haredi parties Shas and United Torah Judaism had boycotted coalition votes to force the bill forward, relenting only after MKs Moshe Gafni and Arye Deri met Netanyahu.
- Former Mossad chief Yossi Cohen disclosed for the first time that the agency staged its "dress rehearsal" for the January 2018 raid on Iran's secret nuclear archives in Africa, a detail withheld from his earlier accounts. In the operation, dozens of agents breached the facility and removed documents within six hours, supplying the impetus for Trump's first-term withdrawal from the 2015 nuclear deal.
- Katz committed Israel to becoming the world's leading power in space-attack capabilities, arguing that no country can yet mount attacks in space and Israel must be first to secure a deterrent and offensive edge against well-resourced enemies, an implicit reference to Iran, whose space-warfare facilities Israel struck during the 2026 war. The claim of primacy is overstated, as Russia and China have already destroyed their own satellites in anti-satellite tests.
- Foreign Minister Gideon Sa'ar will ask the cabinet to approve a resolution formally recognizing the Armenian Genocide, acknowledging the mass killings of Armenians in the final years of the Ottoman Empire and condemning any attempt to deny or minimize the record. Formal recognition would strain relations with Turkey, which rejects the genocide label.

LEBANON

- An Israeli drone strike on a vehicle on the road between Zawtar and Mayfadoun in Nabatieh governorate killed three people and wounded one on Thursday, the third deadly Israeli attack since Tuesday and pushing the week's death toll in the south to seven. It followed a Wednesday drone strike near Kfar Rumman that killed two as residents inspected their homes, which the Israeli military said had hit "two armed Hezbollah terrorists" on the Ali al-Taher Ridge near Nabatieh plus a vehicle crossing its security zone, and a Tuesday incident in which Israeli fire killed two more. Israeli forces also burned homes in Ain Arab after ordering residents out by 5pm Wednesday, bulldozed and torched houses in Markaba in Marjeyoun, hit Beit Yahoun in Bint Jbeil with two raids alongside artillery and thermal balloons, struck Nabatieh al-Fawqa, set off stun grenades in Kfartebnit, and flew drones over Beirut and its southern suburbs. They released Syrian shepherd Mohammed Hilal, seized two days earlier in an incursion near Ebel el-Saqi. On the Israeli side, reservist Sgt. Basel Sweid, 32, a driver in the 75th Battalion, was killed and another soldier wounded when their vehicle overturned during an operation near Rab el-Thalathine late Wednesday, which Israel called an accident. The war has killed 4,230 people and wounded 12,179 in Lebanon since it began on March 2.
- Lebanese and Israeli delegations closed a fifth round of direct talks in Washington with the United States extending the negotiations a fourth day into Friday after an eleven-hour session, both sides moving toward a "declaration of intent." Speaking in Bahrain, Secretary of State Marco Rubio called the two countries "very close" to a "very positive" commitment of intent and stressed that for the first time in 30 years Lebanon's government was negotiating directly with Israel rather than through Hezbollah. The two sides agreed to extend the ceasefire and to establish military "pilot zones" in the south, areas the Israeli army would vacate for the Lebanese Army to deploy into and clear of weapons. The Israeli withdrawal file stayed the principal sticking point, with Lebanon pressing for a fixed timetable and Israel tying any pullout to the security threat and insisting the Lebanese Army operate outside the occupation zone on both sides of the Litani. More than ten Lebanese and US pilot-zone proposals were rejected, and a security annex linking withdrawal to full disarmament remained contentious, with US officials wanting tangible steps beyond a statement of intent and signaling nothing was final. President Joseph Aoun framed the talks as separate from the US-Iran track, and GCC and US ministers meeting in Manama urged preserving the negotiations without linking them to other conflicts while backing full disarmament of non-state groups.
- MP Hassan Fadlallah of the Loyalty to the Resistance bloc rejected any concession, declaring there would be "no final agreement that the United States is seeking without a complete Israeli withdrawal." He cast the Iranian-American memorandum as a major Iranian achievement that bound Tehran to Hezbollah and warned that negotiations would not continue if Israeli fire on Lebanon did not stop, saying the resistance "knows how to" confront Israel's violations. Iran and its allies hold that the memorandum gives Israel two months to complete its withdrawal for the final Iran-US accord to take effect. Hezbollah continues to log Israeli ceasefire breaches while affirming its own adherence, and has told mediators it will accept no security arrangements outside the area south of the Litani, rejects Israeli demands around the Ali al-Taher heights near Nabatieh, and holds that no deal outside Resolution 1701 is acceptable.
- The truce has brought no return for most of the more than 1.2 million people displaced during the war, with tens of thousands unable to go home because their towns were leveled, sit inside

the Israeli-occupied strip of the south, or both. In Tyre, where strikes killed around 60 people, destroyed 26 buildings, and damaged some 1,000 homes, crews are clearing rubble as residents sift the wreckage for belongings. Beirut's city council is pushing to remove makeshift camps even as authorities brace for a prolonged displacement crisis. Ashoura was marked across the south amid ruins. Jordan dispatched a 20-truck convoy, its ninth humanitarian shipment to Lebanon.

- Lebanon transferred 128 Syrian convicts to Damascus, the second batch under an agreement signed earlier this year covering nearly 300 prisoners who have served ten years or more and will finish their sentences in Syria. The handover follows more than 130 moved in March and brings to at least 260 the number sent to Syria's Adra prison out of 356 held at Roumieh. Lebanese prisons hold roughly 2,000 Syrians, many awaiting trial or charged before military courts over alleged jihadist or armed-group membership, including attacks on Lebanese forces.

SYRIA

- The United States and the Gulf Cooperation Council, at their ministerial meeting in Manama, issued a joint statement renewing support for Syria's sovereignty, unity, and territorial integrity and pledging continued work with President Ahmed al-Sharaa's government on counterterrorism, basic services, the investment climate, and the voluntary return of refugees and the internally displaced. UAE President Sheikh Mohamed bin Zayed separately received Syrian Foreign Minister Asaad al-Shaibani in Abu Dhabi to review regional developments.
- US Central Command killed senior Islamic State commander Ali Husayn al-Ulaywi in a June 19 airstrike in northwestern Syria, part of continuing operations against militants accused of planning attacks on Americans and US interests. The strike lands as ISIS has declared a new phase of operations targeting President Ahmed al-Sharaa's government and claimed a series of attacks since February, with Damascus having joined the US-led anti-ISIS coalition last year.
- Ahmad Hassoun, 77, Syria's grand mufti from 2005 to 2021 and a staunch Assad backer, appeared before Damascus's Fourth Criminal Court for the first session of his war-crimes trial, charged with crimes against humanity and incitement to murder for using his Friday sermons to justify the regime's crackdown during a 13-year war that killed more than 580,000 people and displaced 13 million. Arrested in March 2025 trying to flee to Jordan through Damascus airport, he told the court the incriminating fatwas reached him "sealed and ready" for him only to announce. The court adjourned to July 16 to continue hearing witnesses, in one of several trials of former regime military and senior civilian figures.
- Turkish Interior Minister Mustafa Çiftçi said 1.425 million Syrians have voluntarily returned home between 2016 and 2026, as Ankara presses returns amid improving security in parts of northern Syria. Some 2.26 million Syrians remain in Türkiye under temporary protection, the largest single bloc of the 3.63 million foreign nationals with legal status there.

PALESTINE

- Israeli prosecutors indicted Uriah Cohen, 38, a settler from the Yitzhar outpost, on June 25 over a June 6 assault in Huwara, in the northern West Bank, in which he and a masked, rifle-armed ac-

complice rammed and blocked a Palestinian car, ordered its occupants out at gunpoint, and fired into the air. The charges include firing a weapon in a residential area in a manner endangering life, threats, obstruction of justice, and being an accessory after the fact, and the prosecution asked the Petah Tikva court to detain him through trial. The flock the men were ostensibly searching for belongs to Tzafnat Farm, an agricultural outpost near Tapuah Junction that a March 25 Security Cabinet decision listed for retroactive authorization.

- Dozens of senior Israelis, among them two former prime ministers, former heads of the security agencies, and a Nobel laureate, signed a June 17 letter warning the government to halt its support for what they call “Jewish terrorism” and an “ideology of ethnic cleansing” in the West Bank, and threatening to petition the Supreme Court if it does not act. The signatories tie a surge in daily settler attacks on Palestinians to a coalition that contains settler ministers and is expanding settlements at an unprecedented rate ahead of elections.
- The “Heritage Authority in Judea and Samaria” bill, which passed the first of three Knesset readings in May, would place Roman, Byzantine, and Crusader-era sites in the West Bank under Israel’s Heritage Ministry and authorize the confiscation and purchase of the associated property, stripping oversight from the Palestinian Authority in Area A. Palestinian Tourism and Antiquities Minister Hani al-Hayek called the antiquities control a pretext to push settlement deep into Palestinian land, and Israeli rights groups call the measure de facto annexation. Israel says the law protects the sites. Whether the final vote will be held before the Knesset disperses ahead of elections expected by October 27 is unclear.
- Hundreds of Palestinians protested Israeli home-demolition policy in the Negev.
- The UAE opened a second medical centre in northern Gaza under its Operation Gallant Knight 3 aid campaign, adding primary and therapeutic care to a collapsing health system after the first centre launched in Khan Younis in December. The Emirati effort since October 2023 also includes a field hospital inside the enclave, a second in Egypt, and the evacuation of thousands of Gazans for treatment in the UAE.
- The Egyptian Red Crescent received a 56th batch of injured and sick Palestinians through the Rafah crossing.
- The Israeli military released 13 detainees from Gaza, whom Red Cross teams transferred to Al-Aqsa Martyrs Hospital in Deir al-Balah, in the central Strip.

KEY REGIONAL EVENTS

Saudi Arabia

- Saudi Arabia completed the Kingdom’s first domestic Eurofighter Typhoon 2,500-flight-hour heavy maintenance overhaul, a Vision 2030 defense-localization milestone, carried out inside the Kingdom with a workforce roughly 80 percent Saudi. It cuts dependence on European maintenance facilities and tracks a broader shift from importer toward indigenous production already visible in Saudi-made UAVs and MRAPs from SAMI Defense.

UAE

- Anwar Gargash, diplomatic adviser to UAE President Sheikh Mohamed, warned that “new geopolitical realities cannot be imposed on the Arab Gulf states as a result of a treacherous act of aggression,” singling out the Strait of Hormuz, as Gulf foreign ministers met Rubio in Manama. Imposing a fait accompli born of aggression plants new seeds of discord rather than stability, he wrote. Reconciliation talks with Iran are not imminent, and reports of Saudi Arabia hosting Gulf-Iran talks in Riyadh are premature, with rebuilding trust the central obstacle after Iranian missile barrages that killed civilians across the GCC. Gulf capitals remain wary of Tehran despite the framework agreement and insist confidence be restored first.

Iraq

- Iraqi Prime Minister Ali Al Zaidi said US companies will receive “top priority” in Iraq as the relationship transitions from military to economic, with his first Washington trip weeks away. The ministries of oil, electricity, and communications have been directed to favor reputable US firms, concentrated in energy, telecoms, technology, and development. Under a 2024 deal, coalition forces left federal Iraq for the Kurdistan region and are to withdraw fully by September 30, after which a residual advisory presence is expected to continue against ISIS in Syria and the exit is meant to give way to bilateral security partnerships. Iran-aligned militias have tied their own disarmament to the same withdrawal date.

Turkey

- Turkish security forces detained 209 people in raids across Ankara over suspected links to extremist groups, including 56 alleged ISIS militants and 35 members of the far-left DHKP/C, ahead of the July 7-8 NATO summit that Trump is expected to attend. Authorities are banning demonstrations and sealing off the venue and delegation hotels.

KEY INTERNATIONAL EVENTS

- Two earthquakes off Venezuela's Caribbean coast on Wednesday evening, a magnitude 7.2 foreshock followed 40 seconds later by a 7.5 main shock (the strongest to hit the country in over a century), killed at least 235 and injured more than 4,300, with thousands still missing. The coastal state of La Guaira north of Caracas took the worst damage, over 100 collapsed buildings including a 10-story hotel, and the main international airport shut after sustaining damage. The United States allocated \$150 million (\$50 million to local humanitarian groups, \$100 million to UN OCHA), deployed two warships plus transport aircraft and helicopters, and issued temporary sanctions waivers to ease humanitarian transactions. Israel began immediate preparations to send an aid delegation despite having no diplomatic ties with Caracas, with nonprofits NATAN, ZAKA and IsraAid mobilizing, and Iran also offered aid.
- A magnitude 7.2 earthquake (initially measured at 6.9) struck off Iwate prefecture on Japan's northern coast during Thursday morning rush hour at roughly 50 kilometers depth, injuring eight in Aomori and Iwate from falls and falling objects. No tsunami was triggered, though tremors reached Tokyo in a region hit by repeated strong quakes in recent months.

- The European Union disbursed the first 3 billion-euro (\$3.4 billion) tranche of a 90 billion-euro (\$101 billion) two-year loan to Ukraine at a post-war reconstruction conference in Gdansk, Poland, where Kyiv expects to sign more than 160 agreements worth over 10 billion euros and the EU will transfer a further 6 billion euros for drone production. German Chancellor Friedrich Merz, European Commission President Ursula von der Leyen and NATO Secretary General Mark Rutte attended, but Ukrainian President Volodymyr Zelenskyy's absence over a dispute with Warsaw overshadowed the gathering. Ukraine opened EU membership negotiations on June 15.
- The role Europe played in the US-Israel war on Iran became a transatlantic flashpoint. Iran accused NATO of "complicity" in the campaign. Trump, meeting NATO chief Mark Rutte on Wednesday, voiced displeasure with allies he said had withheld support, singling out Italy, the UK, Germany, France and Spain, and Rubio said in Manama that European refusal to permit use of military bases undermines the alliance. Rutte countered that, isolated cases aside, ally after ally had in fact made bases available to American forces and assisted with wartime logistics. Italian Prime Minister Giorgia Meloni rejected that account, reiterating that Italy did not take part in the war against Iran and disputing Rutte's claim about US use of bases on Italian soil.
- Newly printed Sudanese pounds began circulating in territory held by the Rapid Support Forces, deepening the country's de facto partition. The RSF, at war with the national army since April 2023 and now controlling much of the west including Darfur, last year stood up a parallel "Tasis" government that has taken on functions such as paying civil servant salaries. Cash had grown scarce across RSF zones after the army-led government voided old notes in 2024 and issued new 500 and 1,000-pound bills, which the RSF declared invalid. The shortage eased in late May when civil servants and fighters were paid in fresh, unused notes dated May 2022, whose origin is undetermined.

MARKETS

- **Crude has retraced the entire war premium.** Brent fell to a low of \$72.24 a barrel Thursday, below its level the day before the late-February US-Israeli strikes on Iran, and both Brent and WTI touched their lowest since February 27, with Brent off more than 20% on the month. By Friday Brent was down another \$1.47 (1.95%) to \$73.79 and WTI off \$1.44 (2%) to \$70.48, leaving both benchmarks down close to 7% on the week. August Brent trading under September (\$73.59) signals ample prompt supply. The slide tracks the reopening of the Strait of Hormuz under the interim deal: vessel traffic through the strait doubled in 24 hours to its highest since late February, US Energy Secretary Chris Wright put flows near pre-war levels with at least 20 million barrels exiting in the prior 24 hours (full normality still weeks away), and the IMF logged the drop in energy and commodity prices since the agreement. Mideast fuel-oil exports are set for a four-month high of about 2.4 million tons (508,000 bpd) in June, up over 20% from May but still well below the 5.5 to 6.0 million-ton pre-war monthly average, as Iraq and Saudi Arabia routed cargoes through alternate ports. The UAE has pushed output back toward pre-war rates, and Saudi Aramco resumed loading Friday at Ras Tanura, the world's largest oil port, after a near four-month halt, with two VLCCs run by state shipper Bahri loading and a third waiting, while two empty VLCCs entered the strait to lift Iranian crude and Iraq and Qatar offered barrels via tender. The Ever Lovely strike near Oman on Thursday briefly lifted both benchmarks more than 2% before the selloff resumed.
- **Iraq has weighed leaving OPEC** if the group refuses to let Baghdad significantly raise production. Iraq is OPEC's second-largest producer after Saudi Arabia and one of five founding members (the

bloc was formed in Baghdad in 1960), and an exit would be a serious blow to a group the UAE quit less than two months ago. The threat is driven by a financial crisis after the Hormuz disruption choked Iraqi exports, with Baghdad pressing for a significant quota increase.

- **US pump prices stayed above pre-war levels even as crude fell**, and Trump ordered a probe of major oil companies, charging that they are “not dropping their price at the pump commensurate with the sharply lower prices they are paying” and that customers are being “gouged.” A Gallup survey of 1,001 adults found 67% reporting financial hardship from fuel costs (17% severe), on par with the 2022 post-invasion spike above \$5 a gallon, with most respondents driving less or altering summer travel. Economists expect oil to take months to return to pre-war levels.

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