Prewave

Situation Report:

Updated 21:00 CET | March 1, 2026

Iran-US War: Systemic Impact Assessment

Dual-Chokepoint Maritime Shutdown, Energy Supply Crisis & Global Exposure Analysis

Prewave Platform

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- Iran - 34989149
- UAE - 34989151
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- Jordan - 34989165

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Executive Summary

- **Military:** US-Israel launched Operation Epic Fury / Roaring Lion on Feb 28. Iran's Supreme Leader Khamenei killed alongside army chief of staff, defense minister, IRGC commander, and 40+ senior officials. Strikes across 24 of Iran's 31 provinces. Iran retaliating against 27 US bases, Israel, and 6 Gulf states. 201 dead in Iran, 9 in Israel, 3 US soldiers killed. Ongoing — Day 2.
- **Maritime:** Both Middle East chokepoints — **Strait of Hormuz and Red Sea — closed to commercial traffic simultaneously,** a first in shipping history. Every major carrier has halted Gulf operations. Around 170 containerships (450,000 TEU) trapped inside the Gulf. Zero vessels entering Hormuz. Jebel Ali, the region's 15.5M TEU hub, cut off from ocean trade. No maritime workaround exists.
- **Energy:** Oil and LNG tanker traffic through Hormuz has effectively stopped. Brent closed Friday at $72.48. Based on our analysis, there is roughly a 75% chance oil breaks $100 at Monday's open, with prices in the $130–150 range not unrealistic if disruption persists. OPEC+ agreed to add 206,000 bpd — 0.2% of global supply. Saudi Arabia and the UAE hold spare capacity but cannot export it while Hormuz is closed.
- **Global exposure:** The economies that depend most on Gulf energy, shipping, and trade routes — India, Japan, South Korea, Pakistan — face the sharpest impact. Those prosecuting the war (US, Israel) are among the least exposed. That asymmetry will shape the politics of this conflict.

1. Military Situation — 48-Hour Timeline

Feb 28, ~0200 UTC — Strikes Begin

US and Israeli forces launch simultaneous strikes across Iran. Operation codenamed Roaring Lion (Israel) / Epic Fury (US). Israel reports dropping 1,200+ munitions across 24 of Iran's 31 provinces. Targets include military headquarters, nuclear sites, intelligence facilities, and leadership compounds. The attack was preceded by the largest US military buildup in the Middle East since the 2003 Iraq invasion.

Feb 28, 0300–0500 UTC — Leadership Killed

Supreme Leader Ali Khamenei killed in airstrike. A separate strike on a defense council meeting kills the army chief of staff, the defense minister, the IRGC commander, and a senior security adviser. Total: 40+ senior officials eliminated. Trump claims operations are "ahead of schedule."

Feb 28, 0400–0800 UTC — Iran Hits Back

IRGC launches missiles and drones against 27 US military bases across the Middle East and Israeli military targets. Strikes hit the UAE (Jebel Ali port debris fire, Abu Dhabi), Qatar, Kuwait (Shuaiba port evacuated), Bahrain (US 5th Fleet HQ targeted, airport hit), Jordan (49 drones and missiles intercepted), Saudi Arabia. Three US soldiers killed, five seriously wounded. 40 buildings damaged in Tel Aviv.

Feb 28, 0600–0800 UTC — Hormuz Closure

IRGC Navy broadcasts on maritime radio: "No ship is allowed to pass the Strait of Hormuz." UK Maritime Trade Operations and EU naval forces confirm. US Naval Forces Central Command warns it cannot guarantee commercial traffic safety. Oil majors suspend tanker movements.

Feb 28, PM — Red Sea Returns to Hostility

Houthi forces announce resumption of Red Sea attacks in solidarity with Iran, breaking the ceasefire held since early 2025. Both Middle East maritime chokepoints now hostile simultaneously. Carriers reverse their January Suez Canal returns.

Mar 1, AM — Day 2 Escalation

Strikes continue. Israel targets Tehran directly. Trump claims 9 Iranian naval vessels sunk. An oil tanker attacked off the Oman coast — one crew member killed. Iranians celebrate Khamenei's death in several cities; security forces fire on crowds. Ali Larijani announces a temporary leadership council. UAE orders nationwide remote schooling Mon–Wed. Dubai: 70% of flights cancelled. Jebel Ali hit again by intercepted drone debris.

Mar 1, PM — International Response

China calls Khamenei's killing "a grave violation of Iran's sovereignty." Shia protesters storm US Consulate in Karachi — six killed. NATO adjusts force posture. OPEC+ meets and agrees a modest production increase. IEA director in contact with energy ministers.

Casualty toll as of this evening: at least 201 dead in Iran (including 148 in a school airstrike in Minab), 9 in Israel, 3 US soldiers. Iran's cabinet: "This great crime will never go unanswered." The IRGC threatens its "most intense offensive operation" ever.

Assessment: This is a Scenario 3–4 event — between Major Escalation and Full Regional War. What pushes it toward the upper end: the killing of the supreme leader and the entire military chain of command, strikes across six Gulf states simultaneously, both maritime chokepoints closed, and Houthi proxy reactivation. The only element not yet triggered: sustained ground operations or a nuclear dimension.

2. Maritime Disruption — The Dual-Chokepoint Shutdown

For the first time in the history of container shipping, both of the Middle East's critical maritime chokepoints are closed to commercial traffic at the same time.

Strait of Hormuz — Iran's navy announced a full closure. Ship-tracking data as of March 1 shows a trickle of vessels leaving the Gulf into the Gulf of Oman. Zero vessels entering. Roughly 750 commercial ships were inside the strait area as of Saturday morning. Oil and LNG tanker traffic has effectively stopped.

Red Sea / Bab al-Mandab — Houthi forces announced the resumption of attacks, breaking the ceasefire held since early 2025. Carriers who had cautiously returned to the Suez Canal in January 2026 reversed course entirely. Back to the Cape of Good Hope.

The critical difference from the 2024 Red Sea crisis is simple: there is no maritime bypass for Hormuz. The Gulf is a dead end. Jebel Ali — DP World's flagship 15.5 million TEU hub, the Middle East's primary transshipment node — sits inside the Gulf, behind the chokepoint. No amount of rerouting gets cargo in or out by sea.

Xeneta's Peter Sand confirmed the reality: carriers will omit Gulf calls entirely, dropping containers at a "least-worst alternative port" outside the Gulf — Salalah, Jeddah, Karachi, or Mumbai — for overland trucking. That adds 5–15 days and 30–60% cost per container. Bulk commodities cannot be moved overland at all.

Jebel Ali Throughput	Vessels Trapped	Containerships Trapped	Oil & LNG at Risk
15.5M	**~750**	**~170**	**~20M**
TEU/year — now zero inbound	commercial vessels inside Gulf	ships / ~450,000 TEU	barrels per day equivalent

3. Carrier Response & Trapped Fleet

Carrier / Sector	Action Taken	Status
Hapag-Lloyd	Suspended all Hormuz transits. Advisory: “not discretionary but a necessary response.”	HALTED
Maersk	Diverted ME11 and MECL services to Cape of Good Hope. Reversed January Suez return.	DIVERTED
CMA CGM	All vessels inside or bound for Gulf ordered to shelter immediately.	HALTED
MSC	Expected to follow industry. No public advisory yet.	PENDING
Oil Majors	Multiple trading houses suspended tanker movements through Hormuz.	HALTED
China Merchants	VLCC New Vision transited Hormuz outbound Mar 1 at 0230 local. Possible informal Chinese exemption.	TRANSITING

Gulf Port Status — March 1

Port	Status	Detail
Jebel Ali (Dubai)	UNREACHABLE	Operational but no vessels can reach it. Hit twice by intercepted drone debris.
Shuaiba (Kuwait)	EVACUATED	Fully suspended. Vessels moved to anchorage.
Khalifa Bin Salman (Bahrain)	SUSPENDED	All operations halted except emergency movements.
Hamad Port (Qatar)	RESTRICTED	Operations curtailed by Ministry of Transport.

The trapped fleet creates three compounding problems. First, cargo on 170 containerships is stuck and inaccessible. Second, those ships are removed from the global network — carriers cannot reassign them. Third, the container equipment itself (boxes, chassis, reefer units) trapped inside the Gulf will cause equipment shortages on other trade lanes within 2–3 weeks.

The Insurance Shutdown

Due to insurance costs (or non-insurability), no full physical shutdown by Iran is needed. War risk premiums were already at six-year highs before the strikes. BIMCO’s Jakob Larsen confirmed that rates will “increase manyfold” and that ships with US or Israeli connections will likely be unable to get coverage at any price.

This is a self-enforcing economic closure. Even if Iran physically allowed some ships through, insurers won’t cover them. Ships without insurance usually doesn't take the risk of sailing.

What to watch: Count the tankers entering the Strait of Hormuz. When ships start entering the Gulf again — even one per day — the blockade is breaking. Until that count moves off zero, treat Hormuz as closed.

4. Energy Market Impact & OPEC+ Response

Brent crude closed Friday at $72.48/bbl — already a seven-month high on pre-strike tension. Markets were closed over the weekend. Monday's opening will be the first real price discovery since the Hormuz closure was announced.

Based on the scale of the disruption, the closure of both chokepoints, and the absence of any functioning bypass, there is roughly a **75% chance oil opens above $100 on Monday.** Prices in the **$130–150 range are not unrealistic** if the disruption persists beyond the first few weeks — Barclays, RBC, and multiple Gulf state leaders have publicly warned of $100+ oil. The question is not whether prices spike, but how far and for how long.

There are natural limits. At very high prices, demand drops as consumers and businesses cut back. Strategic petroleum reserves from the US, Japan, South Korea, and the EU will eventually be released. These create a ceiling. But that ceiling is well above anything the global economy has seen since 2008.

OPEC+ Response: Signal, Not Solution

The OPEC+ group agreed Sunday to raise production by 206,000 barrels per day starting in April. They debated options from 137,000 to 548,000 bpd and settled in the middle.

206,000 bpd is 0.2% of global supply. The Hormuz closure puts roughly 20 million barrels per day at risk. OPEC's spare production capacity is nearly exhausted outside Saudi Arabia and the UAE, which together hold an estimated 2.5 million bpd in reserve. But Saudi Arabia and the UAE sit behind the Hormuz chokepoint. They cannot export those extra barrels while the strait is closed. The only workaround is pipeline capacity to Red Sea terminals — roughly 2.6 million bpd — and the Red Sea itself is now under Houthi threat.

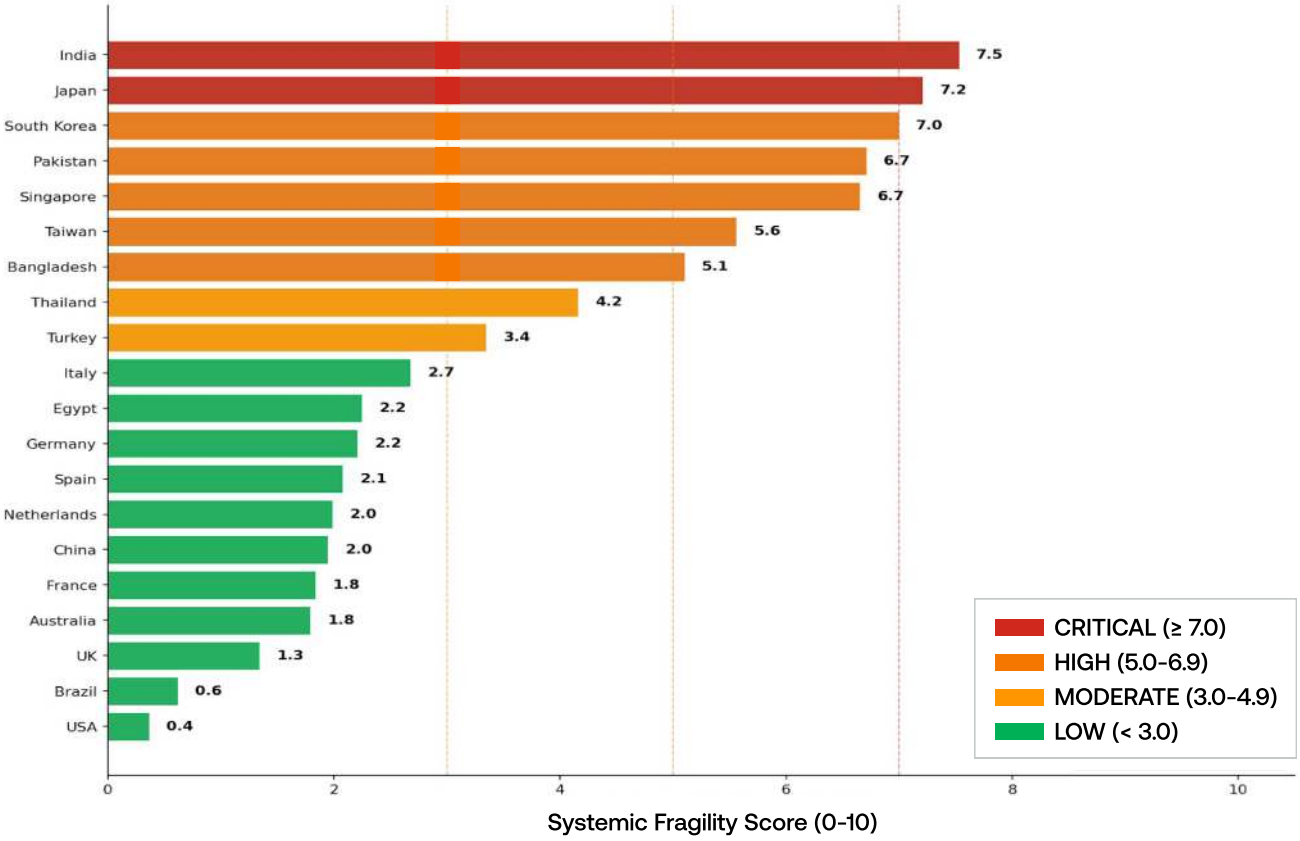
Rystad Energy's Jorge Leon said it plainly: "This move is unlikely to calm markets — it's a signal, not a solution. Prices will respond to developments in the Gulf and the status of shipping flows, not to a relatively small increase in output."

The IEA has confirmed it is "actively monitoring events" and its director is in contact with ministers of major producing and consuming nations. The US Strategic Petroleum Reserve holds over 400 million barrels, but no release has been announced.

5. Who Is Most Exposed — 20 Economies Ranked

Not all economies are equally affected by a Gulf crisis. We ranked 20 countries across six dimensions of exposure: how much oil they import through Hormuz, how dependent they are on Gulf LNG, whether their air cargo routes through Gulf hubs, how much container trade goes via Gulf ports, their reliance on Gulf petrochemical feedstock, and their overall fossil fuel import dependency.

Systemic Fragility Index, Gulf/Hormuz Disruption Exposure by Country



Top 5 Most Exposed

1. India — Exposure: CRITICAL [CRITICAL]

The most broadly exposed economy in the world. India isn't just dependent on Gulf oil — it's dependent on Gulf LNG, Gulf air cargo hubs, Gulf container routes, Gulf petrochemicals, and Gulf fertilizer. On top of that, 3.3% of India's GDP comes from remittances, half from Gulf states. With only 9.5 days of strategic petroleum reserves, India may be the first large economy to face physical fuel shortages.

2. Japan — Exposure: CRITICAL [CRITICAL]

80% of Japan's crude oil arrives via Hormuz. 87% of its energy is imported fossil fuels. The single most energy-exposed major economy. However, Japan has 180 days of strategic petroleum reserves and $1.4 trillion in foreign exchange reserves — the best financial buffer of any highly exposed country.

3. South Korea — Exposure: CRITICAL [CRITICAL]

68% of crude via Hormuz, 50% of petrochemical feedstock from the Gulf. Semiconductor and automotive manufacturing depend on continuous chemical inputs. Those production lines start to falter within 2–4 weeks of disruption. 200-day SPR covers crude, but not petrochemicals.

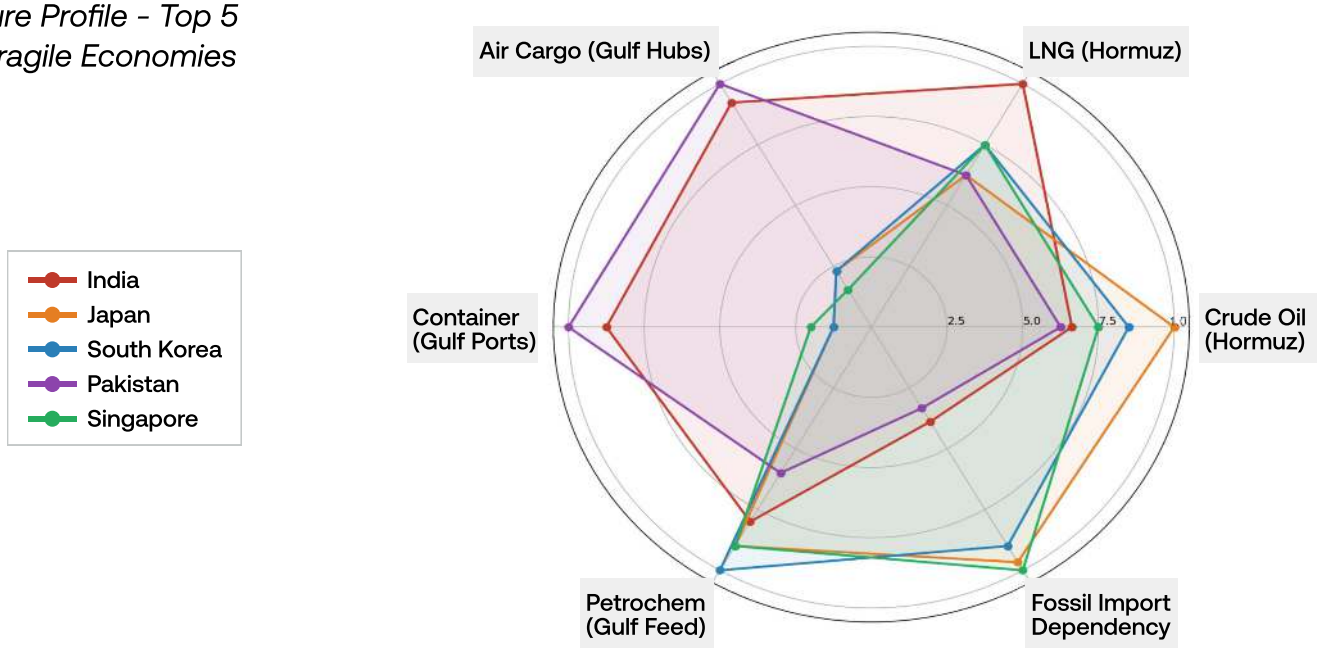
4. Pakistan — Exposure: HIGH [HIGH]

Pakistan's exposure is about logistics, not just energy. 65% of air cargo goes through Gulf hubs. 40% of container trade goes via Jebel Ali. An extended disruption functionally disconnects Pakistan from global trade. Add 8.5% of GDP from remittances, 20 days of fuel reserves, and an economy already on an IMF programme.

5. Singapore — Exposure: HIGH [HIGH]

90% fossil import dependency, 60% of crude via Hormuz. Jurong Island petrochemical cluster runs on 45% Gulf feedstock. Lower GDP sensitivity because much energy is re-exported after refining. 90 days of SPR.

Exposure Profile - Top 5 Most Fragile Economies



The China Wildcard

China scores low on percentage exposure — it has diversified across Russian pipelines, African sources, and domestic coal. But in absolute terms, it imports 5.4 million barrels per day through Hormuz, the single largest flow. And the VLCC New Vision transit today raises a question: is Beijing positioning to maintain exclusive Gulf access while everyone else is locked out? If Chinese-flagged vessels keep transiting, we are looking at a two-tier global shipping system.

The Political Asymmetry

The countries fighting this war are barely affected by its economic consequences. The US scores near zero on Gulf exposure. Israel is low. But India, Japan, South Korea, Pakistan — who had no say in this operation — are absorbing the worst of it. That asymmetry will define the diplomacy. Expect India to lead the pressure for a ceasefire. Japan and South Korea will coordinate on reserve sharing. Pakistan faces a dual crisis: economic disruption plus domestic sectarian violence.

6. The 8 Hardest-Hit Economies

Beyond the top-line exposure ranking, the damage flows through different channels depending on the country. Some are hit hardest through energy costs. Others through disrupted logistics. Others through lost remittances.

Pakistan [CRITICAL]
Energy costs are the primary channel, but the logistics breakdown is what makes Pakistan's situation acute. With 40% of container trade via Gulf ports now unreachable, and 65% of air cargo routed through grounded Gulf hubs, Pakistan faces a functional trade disconnection — not just higher costs. Remittance flows from 3 million Gulf-based workers are at risk. Only 20 days of fuel reserves. Already on an IMF programme with 12% inflation.

South Korea [CRITICAL]
The petrochemical channel sets South Korea apart. Semiconductor fabs and auto plants require continuous inputs of specialty chemicals — 50% sourced from the Gulf. Crude dependency (68% via Hormuz) is the headline number, but the manufacturing shutdown risk from missing petrochemicals hits faster and harder. 200 days of crude reserves buy time; zero days of petrochemical buffer does not.

Japan [CRITICAL]
The largest absolute cost of any country. 80% crude dependency on Hormuz in an economy that imports 87% of its energy. Japan's 180-day SPR and $1.4 trillion in reserves provide the best cushion. But the reserves only cover crude — not LNG, not petrochemical feedstock. Recession within weeks if disruption persists.

India [CRITICAL]
The only country in the top four with a high enough baseline growth rate (6.5%) to potentially avoid recession. But the breadth of exposure is unmatched: oil, LNG, air cargo, containers, petrochemicals, fertilizer, and remittances — every channel is exposed. India's 9.5-day fuel reserve is the most urgent vulnerability. Physical fuel shortages within 1–2 weeks.

Taiwan [HIGH]
55% crude via Hormuz, 40% petrochemical feedstock from the Gulf. Semiconductor manufacturing risk mirrors South Korea's. 90 days of SPR.

Bangladesh [HIGH]
The thinnest buffer: only 5 days of strategic petroleum reserves. Physical fuel shortages within the first week. Fertilizer imports (40% from Gulf) threatened during planting season create a food security risk 3–6 months downstream. Remittances (5.5% of GDP, mostly from Gulf) at risk.

Thailand [HIGH]
45% crude via Hormuz, only 25 days of reserves. Tourism (12% of GDP) takes a secondary hit from Gulf aviation disruption.

Singapore [MODERATE]
60% crude via Hormuz, but lower GDP sensitivity because most oil is refined and re-exported. LNG and the Jurong Island petrochemical cluster (45% Gulf feedstock) are the real pressure points. 90 days SPR.

7. Shipping-Specific Damage Channels

Other important factors with impact on logistics and supply chains.

Container Logistics Shutdown

Jebel Ali handles 15.5 million TEU per year. Pakistan routes 40% of its container trade through Gulf ports. India 35%. Bangladesh 35%. With carriers omitting Gulf calls entirely, these countries lose their primary trade gateway. The workaround — offload outside the Gulf, truck overland — adds 5–15 days and 30–60% cost per container. Bulk commodities cannot be rerouted overland at all.

Air Cargo Collapse

Dubai, Doha, and Abu Dhabi are the world's busiest air cargo hubs for traffic between Asia, Africa, and Europe. Dubai alone has 70% of flights cancelled today. India routes 60% of air cargo through these hubs, Pakistan 65%, Bangladesh 55%. The goods affected are high-value and time-sensitive: pharmaceuticals, electronics components, perishable food. Alternative hubs lack the capacity to absorb this volume.

Petrochemical Feedstock

South Korea imports 50% of its petrochemical inputs from the Gulf. Japan 45%. Singapore 45%. Taiwan 40%. These chemicals cannot be sourced elsewhere at short notice. The disruption propagates into manufacturing within 2–4 weeks: semiconductor fabrication requires specialty chemicals, automotive production needs Gulf-sourced plastics and coatings, packaging materials become scarce. This is the channel that turns a shipping crisis into a manufacturing crisis.

Fertilizer and Food Security

Pakistan imports 45% of fertilizer from Gulf sources. Bangladesh 40%. India 35%. Gulf ammonia and urea production sits on the Hormuz side. Fertilizer disruption during planting seasons triggers food price spirals 3–6 months later — a political destabilisation risk in countries where food represents 30–50% of household spending.

8. Why This Is Not Another Red Sea Crisis

The temptation to pattern-match to 2024 is strong. During the Houthi attacks, one chokepoint was disrupted. Carriers had a bypass: the Cape of Good Hope. It absorbed about 7% of global container capacity. Freight rates rose. Transit times extended 10–14 days. Supply chains adjusted. Painful, expensive, and manageable.

Today is structurally different in three ways.

No maritime bypass. The Gulf is a dead end. Cargo bound for or from Gulf ports cannot be rerouted by sea. There is no Cape equivalent. The only fallback is overland trucking from outside the Gulf — feasible for some containers, impossible for bulk, and catastrophically expensive.

Both chokepoints at once. Houthis have resumed attacks. Carriers are routing around the Cape for Red Sea services AND omitting Gulf calls entirely. The world lost two shipping corridors in one weekend. The combined freight impact will exceed the Red Sea crisis alone by a factor of 3–5x on affected lanes.

Everything at once. The Red Sea was primarily a container shipping problem. Today is simultaneously an oil crisis, an LNG crisis, a container crisis, an air cargo crisis, a petrochemical feedstock crisis, a fertilizer crisis, and a remittance crisis. These compound. A refinery running short on Gulf crude cannot substitute when the petrochemical feedstock from the same region is also disrupted and the LNG powering the plant is also constrained.

9. Economic Fallout

Every major oil supply disruption in history has dragged on global growth. The 1973 embargo, the 1979 Iranian Revolution, the 1990 Gulf War, the 2022 Russia-Ukraine energy shock — each produced recessions or sharp slowdowns in energy-importing economies.

This disruption is larger in scale than any of those precedents. 20 million barrels per day at risk through Hormuz exceeds the 1973 embargo (4.4 mb/d), the 1979 revolution (~5.5 mb/d), and the 1990 Gulf War (~4.5 mb/d). The dual-chokepoint dimension and the simultaneous disruption of container, air cargo, and petrochemical supply chains add layers that pure oil crises did not.

How much damage depends almost entirely on duration. A disruption lasting weeks produces a sharp but temporary price spike. A disruption lasting months compounds: reserves deplete, manufacturing lines shut down, trade patterns restructure, and the cost accumulates. The economies most exposed — India, Japan, South Korea, Pakistan, Bangladesh — face the most severe growth impacts, potentially tipping several into recession. The global economy absorbs a meaningful but smaller hit, cushioned by the fact that major Western economies are less Gulf-dependent and can draw on strategic reserves.

The full economic impact of this complex, large scale event will depend on the duration.

10. Scenarios Forward & Decision Points

Scenario A — Rapid De-escalation (7–21 days)

Requires: Iran's new leadership council signals willingness to negotiate; US and Israel halt strikes; Hormuz reopens under naval escort. The chances are slim — perhaps 10%. Even in this best case, oil breaks $100 before retreating, insurance takes weeks to normalize, and carrier schedules need 4–6 weeks to recover.

Scenario B — Prolonged Disruption (1–6 months)

The most likely path. Hormuz partially operational under naval escort after 2–4 weeks, but at reduced capacity. Houthi attacks continue. Insurance stays elevated. Oil settles somewhere in the $120–150 range. Japan, South Korea, and Europe draw down strategic reserves. India and Bangladesh face fuel rationing. Container freight rates 3–5x on affected lanes. Multiple Asian economies in recession.

Scenario C — Escalation / Regime Collapse (6+ months)

Iran's temporary leadership fractures. The IRGC intensifies asymmetric warfare — mines in Hormuz, proxy attacks across the region. Gulf energy infrastructure sustains serious damage. Oil stays above $150. Pakistan faces a balance-of-payments crisis. India deploys naval assets to protect shipping lanes. China positions as the only power maintaining Gulf access. Global recession risk rises.

What to Watch

This week: Chinese vessel behaviour through Hormuz. If Chinese-flagged ships keep transiting while all others stop, we have a two-tier global shipping system. Also watch for any US Strategic Petroleum Reserve release announcement, IEA coordinated response, and the composition of Iran's temporary leadership council.

Next 2–4 weeks: Reserve exhaustion. Bangladesh (5 days), India (9.5 days), Pakistan (20 days) face physical fuel shortages first. Watch for rationing announcements, emergency imports, and diplomatic pressure from New Delhi. Container equipment shortages begin appearing on Asia-Europe lanes.

Ongoing: Count the ships entering Hormuz. That is the single most reliable indicator. When that number moves off zero, the curve bends. Until then, every day compounds the damage.

The defining feature of this crisis: The countries prosecuting the war (US, Israel) bear minimal economic exposure. The countries absorbing the worst of the impact (India, Japan, South Korea, Pakistan) had no say in the decision. That asymmetry is the source of the political pressure that will eventually push toward resolution. The question is how much damage accumulates before it does.

Sources & Methodology

Exposure rankings based on six dimensions of Gulf/Hormuz dependency, using data from the EIA, IEA, Vortexa tanker tracking, Ember energy tracker, and national trade statistics.

Oil price range derived from scenario modelling calibrated against historical oil supply disruptions (1973, 1979, 1990, 2022) and cross-checked against current analyst estimates from Barclays, RBC Capital Markets, Rystad Energy, and others.

Shipping and carrier data from Lloyd's List Intelligence, Bloomberg ship tracking, Linerlytica, Xeneta, Skytek, carrier advisories (Hapag-Lloyd, Maersk), and industry publications.

Military and political developments from Al Jazeera, CNBC, Reuters, NPR, Dawn (Pakistan), CNN, CENTCOM statements, and OPEC+ official communications.

Limitations: Oil prices reflect Friday close; Monday will provide first real discovery. Government interventions (emergency rationing, diplomatic resolution) are not predicted. Chinese vessel exemption scenario is flagged but not quantified. Secondary effects (food crises, social unrest, sovereign debt) are outside the scope of this report.