



Intelligence



➤ MIDDLE EAST REGION

# Weekly Middle East Regional Intelligence Report

Decision-ready intelligence.

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ASSESSMENT

# 01. Executive Judgement

A missile strike hit Ali Al-Salem Air Base in Kuwait on 28 May, the first strike on the soil of a Gulf Cooperation Council (GCC) member in this cycle, with attribution to the Islamic Revolutionary Guard Corps (IRGC) reported but not yet independently confirmed. The 8 April US-Iran ceasefire is holding on the kinetic measure. US strikes on Iranian radar and drone-control sites around the Strait of Hormuz were self-defence actions in response to Iran downing a US drone, and both governments still claim the truce [Confirmed: CENTCOM]. The diplomatic track is contested: Iranian state media report a suspension of the talks over Israel’s operations in Lebanon, and the US administration says they continue. In Lebanon, Hezbollah has accepted a US-brokered ceasefire proposal that averted planned Israeli strikes on Beirut, and Israel says it will keep operating in the south. Iran now frames the US-Iran ceasefire as covering all fronts including Lebanon, a linkage the US rejects. That makes Israel’s continued operations in the south a live route to rupturing the calm, and Iran has threatened to close the Bab el-Mandeb strait. We hold prolonged high-intensity asymmetric conflict as the most likely path at 45 to 50 percent (Scenario B), set catastrophic escalation at 30 to 35 percent (Scenario C), and set managed de-escalation at 15 to 20 percent (Scenario A) [Assessed, moderate confidence]. The judgement that matters for planning is this: the main brake on a wider war is the US-Iran ceasefire, and that brake now depends on a Lebanon front Israel is still striking. Treat every GCC site, not only shipping through the Strait of Hormuz, as exposed, and set posture from the events on the ground.

**Next 72 hours.** The most immediate risk is a second Iranian strike on a Gulf state or a formal GCC bloc-level response that correlates all six members. Move Kuwait staff to mission-critical

only, occupy hardened shelter, and confirm land evacuation routing to Saudi Arabia by 3 June (Section 6).

**Next 14 days.** The trajectory runs toward prolonged high-intensity conflict with a live escalation tail. Model prolonged high-intensity asymmetric conflict as the baseline (Scenario B) and catastrophic escalation as a serious tail (Scenario C), and resource for both. The variables to watch are whether the contested US-Iran talks hold, whether Israel’s Lebanon operations rupture the ceasefire under Iran’s all-fronts doctrine, and any second Iranian strike on a GCC state (Section 5).

PLANNING ASSUMPTION

Plan for prolonged high-intensity asymmetric conflict with a live escalation tail. A confirmed second IRGC strike on a GCC state, a formal GCC bloc-level response, or a rupture of the US-Iran ceasefire, including over Israel’s Lebanon operations under Iran’s all-fronts doctrine, would move the baseline to catastrophic escalation. [Assessed, moderate confidence]



THE PICTURE

# 02. Regional Risk Snapshot

## BOTTOM LINE

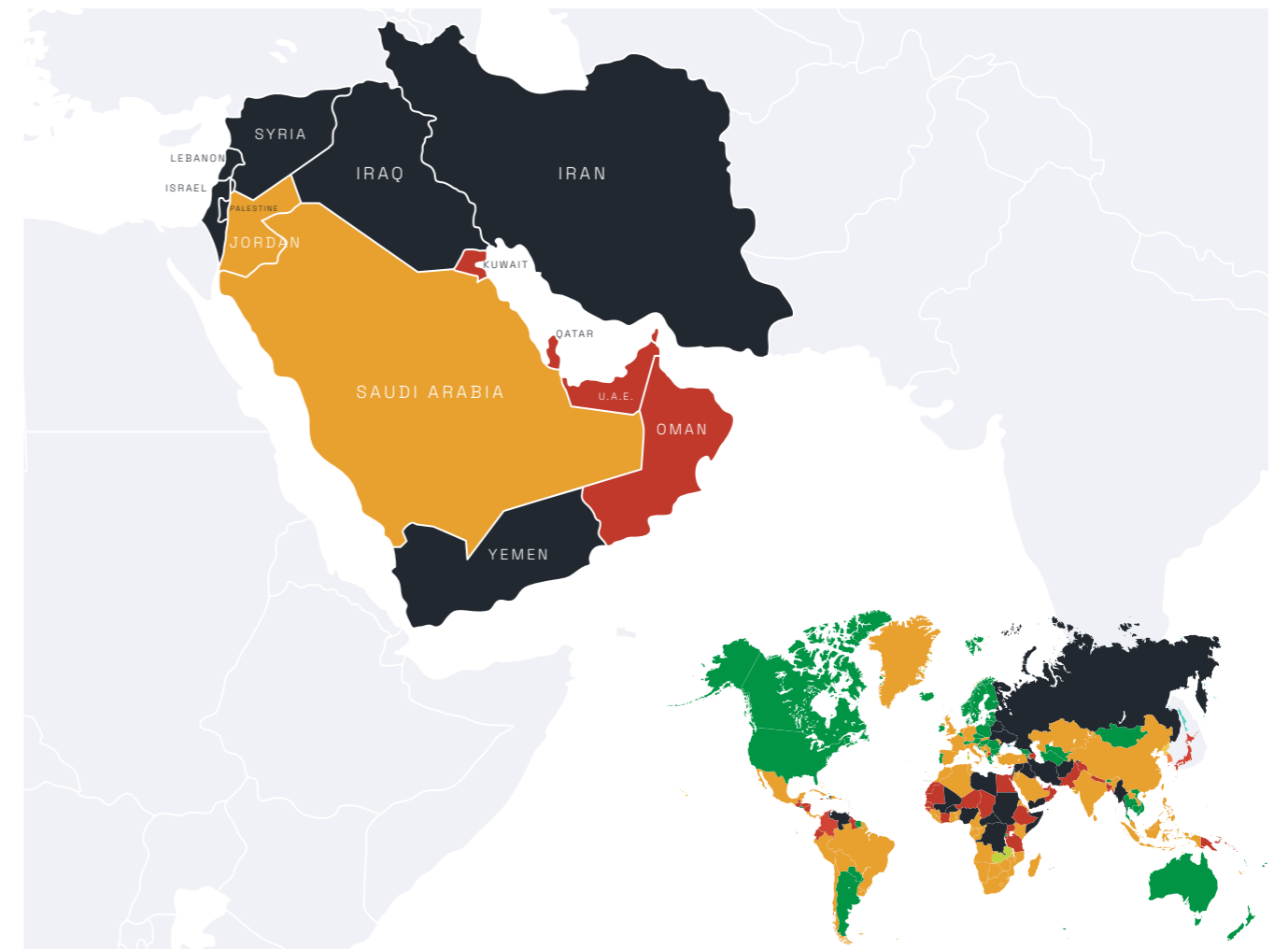
The conflict escalated this week, with Kuwait, Lebanon and Oman all worse off after Iran struck a Kuwaiti airbase and heavy fighting resumed in Lebanon.

COUNTRY	STRIKE*	INFRA*	OPS*	TRAJECTORY	ONE-LINE STATUS
Iraq	HIGH	CRITICAL	CRITICAL	DET.	Fiscal deficit persists; renewed regional kinetics raise militia-spillover risk.
Lebanon	CRITICAL	CRITICAL	CRITICAL	DET.	Heavy bombardment through the week; contested US-brokered ceasefire push on 1 June that Israel disputes.
Bahrain	HIGH	HIGH	HIGH	DET.	No local strike; placed inside the bloc-wide envelope after the GCC-state strike.
Kuwait	HIGH	HIGH	CRITICAL	DET.	IRGC missile strike on Ali Al-Salem Air Base, 28 May; operations to critical.
Qatar	MOD-HIGH	HIGH	MOD-HIGH	STABLE (fragile)	Mediation role continues; regional escalation moves trajectory to fragile.
UAE / Dubai	HIGH	HIGH	HIGH	DET.	No new strike; GPS jamming 23 May; regional escalation raises exposure.
Saudi Arabia	MOD	MODERATE	MOD-HIGH	DET.	No new strike; bloc exposure removes the improving cwall; 7 June spare-capacity test.
Oman	LOW-MOD	MODERATE	HIGH	DET.	First maritime attack in the Omani approach (Olympic Life, 26 May); Bab el-Mandeb critical.
Jordan	LOW-MOD	MODERATE	MOD	STABLE	Nightly airspace closures continue; militia threat to Jordanian territory persists.

\*Strike is strike risk | Infra is infrastructure risk | Ops is operational risk

## READ

Three countries changed trajectory on local events. Kuwait moved to deteriorating with operations at critical after the 28 May strike. Oman moved to deteriorating after the first attack in its maritime approach. Lebanon held at a CRITICAL ceiling through a week of heavy bombardment, with a contested ceasefire push on 1 June (D3). The states that had been improving last week, Qatar and Saudi Arabia, lost the improving call because the GCC-state strike pulled them into the bloc-wide exposure rather than because of anything local [Assessed, medium confidence]. Bahrain and UAE deteriorated on the same regional correlation. For any of these to reverse, the Kuwait strike would need to stay a one-off with no second GCC-state strike, and the US-Iran ceasefire and tentative deal would need to hold. The single most significant country-level development is the IRGC strike on Kuwait (Section 3, D2).



## FRAMEWORK

CON TERRA TIER	STATE DEPARTMENT LEVEL	MEANING
Critical	Level 4	Do not travel
High	Level 3	Reconsider travel
Moderate	Level 2	Exercise increased caution
Low	Level 1	Exercise normal precautions

DEVELOPMENTS

# 03. Key Developments This Week

**BOTTOM LINE**

Kuwait, Oman and Lebanon worsened on their own events this week, and the strike on Kuwaiti soil pulled the rest of the Gulf into shared, correlated exposure

**3.0 TREND LINES PANEL**

INDICATOR	3 WKS AGO	2 WKS AGO	LAST WEEK	THIS WEEK	DIRECTION
Scenario A (managed de-escalation)	n/a	20-25%	25-30%	15-20%	FALLING
Scenario B (prolonged asymmetric)	n/a	40-45%	40-45%	45-50%	RISING
Scenario C (catastrophic escalation)	n/a	30-35%	25-30%	30-35%	RISING
Brent weekly close (USD/bbl)	109.26	109.26	98.74	92.05	FALLING
Hormuz daily transits (range)	4-30	4-35	4-35	3-7	REVERSING
Escalation ladder (full ACTIVATED: R / A / G)	n/a	n/a	5 / 9 / 0	6 / 9 / 0	ESCALATING
Cumulative maritime incidents (since 28 Feb)	57	58	58	59	RISING
Issue lines tracked	n/a	Toll regime; Xi-Trump; Saudi-Iran float	Iraq deficit; KSA output	IRGC strike on Kuwait; US-Iran ceasefire holds; Lebanon ceasefire collapse	NEW

- **Scenario set.** The escalation tail widened this week on the first Iranian strike against a GCC state and the Lebanon ceasefire collapse. The US-Iran principal axis moved the other way, with the 8 April ceasefire holding and a tentative deal reported on 28 May, which keeps managed de-escalation (Scenario A) a live cross-current (Section 5).
- **Brent.** Down again to a 92.05 close, a second straight weekly fall, tracking demand destruction and the structural Hormuz bypass. Full figures in Section 4.
- **Hormuz transits.** The prior week's recovery reversed to a 97.8 percent collapse from the 138 pre-conflict daily baseline as renewed kinetics shut commercial transit (D4).
- **Escalation ladder.** The net direction flipped from mixed to escalating. The red count rose by one as the trigger for a direct Iranian strike on a GCC state reached full activation on the Kuwait strike (RED-9, Section 7).
- **Maritime incidents.** One new incident, the Olympic Life explosion off Oman, with the Bab el-Mandeb threat now rated critical (D4).

**3.1 RANKED DEVELOPMENTS**

**D1. US self-defence strikes around Hormuz as the 8 April ceasefire holds**

**Trend marker:** STEADY. The US-Iran ceasefire of 8 April held through the week, with self-defence exchanges around the Strait.

**What happened.** CENTCOM conducted self-defence strikes on Iranian radar and drone command-and-control sites at Goruk and on Qeshm Island, both near the Strait of Hormuz, over the weekend of 30 and 31 May and announced them on 1 June. CENTCOM said the strikes responded to Iran downing a US MQ-1 drone over international waters, described them as measured and deliberate, and reported no US casualties. Iranian outlets reported explosions at Bandar Abbas, including around a drone operation on 27 May. Iran accused the US of a ceasefire violation, and CENTCOM restated that the ceasefire was ongoing. Iranian state television reported on 27 May an unofficial draft memorandum to reopen Hormuz and end the US naval blockade, which the White House called a fabrication and Iran said was not agreed. On 1 June, Iranian state media said Tehran suspended the talks over Israel's operations in Lebanon, and the US administration said the talks continue at a rapid pace. Iran's foreign ministry framed the ceasefire as covering all fronts including Lebanon, so a violation on one front breaks the whole truce; the US holds that Lebanon was never part of the US-Iran ceasefire. The Iranian Civil Aviation Authority kept the western sector of the Tehran Flight Information Region (FIR) closed [Confirmed: CENTCOM; Iranian state TV; White House].

**So what for clients.** Read the US-Iran axis as de-escalating on the kinetic measure, with the diplomatic track now contested. The strikes are self-defence actions inside a ceasefire both governments still claim. The new escalation risk is Iran's all-fronts linkage doctrine: Israel's continued Lebanon operations could rupture the US-Iran ceasefire that has been the main brake on a wider war (D3, Section 5). Keep aviation routing

through Iranian and adjacent airspace treated as degraded for as long as the FIR closure stands.

**Confidence:** [Confirmed] on the CENTCOM strikes, the ceasefire status and the 1 June talks dispute. The draft deal is reported by Iranian state television and disputed by the White House [Unverified].

**D2. Strike on Ali Al-Salem Air Base, the first on GCC soil this cycle**

**Trend marker:** NEW. The prior report named a strike on Kuwaiti soil as a primary trigger for catastrophic escalation (Scenario C) and as a branch point. It has now happened.

**What happened.** A missile strike hit Ali Al-Salem Air Base, in Kuwait's Jahra Governorate near the Iraqi border, on 28 May. Kuwaiti air defences were active and recorded 1 interception. This is the first strike on the soil of a GCC state in this cycle. The IRGC has claimed a strike on a US base in the area; independent attribution of the Ali Al-Salem strike is not yet confirmed [Confirmed: strike and interception; Unverified: attribution].

**So what for clients.** This is the single most consequential development of the week. It activates the GCC collective self-defence trigger and pulls all six GCC states into one correlated exposure (Section 3.2). Staff and sites in Kuwait are under direct threat; posture moves to mission-critical only with hardened shelter and confirmed land evacuation routing to Saudi Arabia (Section 6). Onshore GCC sites, not only Hormuz transit, are now in the threat picture.

**Confidence:** [Confirmed] on the strike and the interception; [Unverified] on the IRGC attribution and on any GCC bloc-level political response.

**D3. Lebanon: bombardment through the week, then a contested ceasefire push on 1 June**

**Trend marker:** CONTESTED. Heavy bombardment through the week, then a US-brokered ceasefire push on 1 June that Israel disputes.

**What happened.** Israel Defense Forces (IDF) bombardment of Lebanon resumed at high intensity, with 120 or more strikes recorded on 26 May. The IDF issued the largest displacement order of the conflict on 27 May. On 1 June, Lebanese authorities confirmed that Hezbollah accepted a US-brokered ceasefire proposal, under which Israeli strikes on Beirut’s southern suburbs would stop in exchange for Hezbollah halting attacks, to expand later to the rest of Lebanon. Planned Israeli strikes on the Dahieh district of Beirut were averted after a US-Israel leadership call and Qatari mediation. Israel says it will continue operations in southern Lebanon, and the Israeli defence minister said there is no ceasefire [Confirmed]. Reported casualties for the week are below.

**LEBANON CASUALTIES KILLED WOUNDED (REPORTED)**

	KILLED	WOUNDED
26 May	31	40
28 May	55	187
Cumulative since 28 Feb (as of 28 May)	3,324	10,027

**So what for clients.** Lebanon posture stays evacuate non-essential staff, with movement suspended across Beqaa, Nabatieh and the south. The 1 June ceasefire push is unconfirmed on the ground and Israel continues to strike the south, so do not stand posture down on the announcement. The wider risk is that Iran treats Israel’s Lebanon operations as a breach of the US-Iran ceasefire under its all-fronts doctrine (D1), which would pull the regional picture down (Section 5).

**Confidence:** [Confirmed] on the week’s strikes, displacement order and casualty counts, and on the 1 June ceasefire proposal and the Israeli position. Cumulative casualty figure carried as reported; baseline unverified.

**D4. Hormuz transits collapse and a tanker is hit off Oman**

**Trend marker:** REVERSING. Transits recovered to 32-35 last week under PGSA coordination. They have now collapsed.

**What happened.** Hormuz daily transits collapsed to a small fraction of the 138-ship pre-conflict daily average, about 97.8 percent below baseline. The tanker M/T Olympic Life suffered an explosion 60 nautical miles east of Muscat on 26 May, logged as UK Maritime Trade Operations (UKMTO) reference 062-26, crew safe. The Bab el-Mandeb threat level is rated critical [Confirmed: UKMTO 062-26]. On 1 June, Iran threatened to close the Bab el-Mandeb strait and to activate other fronts in response to Israel’s operations in Lebanon, and oil prices rose on the threat (Section 4) [Confirmed]. Daily transits are below.

HORMUZ DAILY TRANSITS	SHIPS
25 May	3
26 May	7
27 May	3
Pre-conflict daily average	138

**So what for clients.** Plan Hormuz-dependent supply and fuel flows as effectively shut this week. The Oman approach is no longer a clean alternative axis, and Iran’s 1 June threat to close the Bab el-Mandeb raises the dual-chokepoint risk, so treat both Hormuz and the Bab el-Mandeb as exposed. War-risk insurance on Gulf and Oman-calling tonnage needs review, and the Red Sea, Fujairah and Mawani corridor plus Cape of Good Hope routing become the working assumption (Section 4).

**Confidence:** [Confirmed] on the transit counts and the Olympic Life incident.

**D5. Iraq fiscal stress persists as a parallel non-kinetic channel**

**Trend marker:** STEADY. Carried from last week. The 9.5 billion dollar monthly deficit remains the underweighted correlation channel.

**What happened.** The Iraqi Ministry of Finance reported a monthly fiscal deficit of 9.5 billion US dollars, driven by the collapse of Hormuz crude exports to under 10 percent of pre-war volumes, with Kurdistan Region of Iraq exports via Ceyhan near 200,000 barrels per day. This week’s package adds little new Iraq detail, which is itself a coverage gap [Single-source: Iraqi Ministry of Finance statement, not independently corroborated].

**So what for clients.** Counterparty payment-delay risk on Iraqi Ministry of Oil contracts is rising for international oil companies and oil-services contractors, with a 2014 to 2016 precedent of 6 to 9 month arrears. GCC bank loan-book and sovereign-wealth exposure to Iraq carries the contagion. Pull Iraqi counterparty exposure ahead of the 7 June OPEC+ meeting (Section 8).

**Confidence:** [Single-source] on the deficit, pending corroboration; [Assessed, medium confidence] on the Q3 sovereign credit timeline.



**3.2 ANALYST INSIGHT**

**CON TERRA ANALYST INSIGHT: WHAT THE KUWAIT STRIKE CHANGES FOR GCC EXPOSURE**

**The argument.** The strike landed on Kuwaiti territory, not in the Strait of Hormuz. It moves the main risk from maritime chokepoint disruption to the defence of GCC territory, and binds all six GCC states into a single correlated exposure under the collective self-defence framework. The timing, during active US-Iran talks, reads as leverage and a demonstration of reach rather than the opening of a sustained campaign against GCC states, which supports a contained baseline unless a second strike follows [Assessed, moderate confidence].

**Why it matters.** Most client contingency planning has concentrated on Hormuz transit and maritime risk. The territorial-strike vector exposes onshore sites, staff and the GCC-bloc correlation that maritime planning does not cover. A single strike on a neighbour now repositions risk for every GCC site a client holds.

**Precedent.** The 1987 to 1988 escalation, when attacks reached Gulf-state territory and assets rather than shipping alone, drew in collective responses and reshaped the regional security architecture for years.

**Planning recommendation.** Extend contingency from maritime and transit planning to onshore GCC site and personnel protection now. Restructure exposure modelling to a GCC-bloc correlation basis for all six members [Assessed, moderate confidence].

MARKETS

# 04. Markets, Energy and Supply Chain Impact

**BOTTOM LINE**

Oil prices fell during a week of intensifying fighting, so a lower oil price this week does not mean the situation is safer.

INDICATOR	THIS WEEK	PREVIOUS	CHANGE
Brent (USD/bbl, weekly close)	92.05	98.74	-6.8%
WTI (USD/bbl, weekly close)	87.36	96.60	-9.6%
Dutch TTF (EUR/MWh)	48.74	48.68	+0.1%
Hormuz daily transits (range)	3-7	4-35	Collapse
UAE cumulative interceptions (BM / CM / drones)	551 / 29 / 2,267	551 / 29 / 2,267	0 new
Air freight premium	+105%	+105%	Flat
Container surcharge range (USD/TEU)	800 to 4,000	800 to 4,000	Flat
Cumulative maritime incidents (since 28 Feb)	59	58	+1

Brent settled at 92.05 on 29 May, down 6.8 percent on the week, with WTI at 87.36. The fall reflects demand destruction, the operationalised Hormuz bypass and Iraqi and Saudi supply dynamics, not a kinetic risk premium. The oil price is not a safety gauge this week. Posture should follow the escalation indicators in Section 7, not the price curve.

On 1 June, after the weekly close, oil rose on Iran’s threat to close the Bab el-Mandeb strait (D4), which fits the pattern that price tracks the live physical-risk signal. The supply buffer is thinning. The US has released about 58 million barrels, near 14 percent of its Strategic Petroleum Reserve, since the war began, with about 8 million barrels drawn last week, leaving the reserve near 357 million barrels, the lowest since January 2024 [Confirmed: US Energy Department]. A depleting reserve leaves less room to offset a further chokepoint disruption, so a Bab el-Mandeb closure would land against a weaker cushion than at the start of the war.

Continuity exposure tightened on the physical side as the price eased. Hormuz transits collapsed to near closure, so plan Hormuz-dependent supply and fuel flows as effectively shut. The Olympic Life explosion off Muscat removes the Oman approach as a clean alternative axis, and the Bab el-Mandeb threat is rated critical (D4). War-risk insurance on Gulf and Oman-calling tonnage needs review now. The working logistics assumption is the Red Sea, Fujairah and Mawani Jeddah-to-Salalah-to-Djibouti corridor, with Cape of Good Hope routing as the baseline for tonnage avoiding the Gulf.

Three structural changes will persist beyond the kinetic phase. The Persian Gulf Strait Authority (PGSA) remains an institutional claim over the Strait that survives any ceasefire. The Hormuz bypass infrastructure is hardening, with the ADNOC Fujairah pipeline at 50 percent completion and the Mawani container line operational, which points to a durable two-tier Gulf logistics architecture. The Iraqi fiscal deficit is the underweighted correlation channel, carrying counterparty payment-delay risk on Iraqi Ministry of Oil contracts and feeding GCC bank loan-book and sovereign-wealth exposure (D5). The 7 June OPEC+ ministerial will test the Saudi production print of 6.967 mbpd, the lowest since 1990, against the stated spare-capacity buffer. Second-order supply-chain indicators are a coverage gap this week, so the 30 to 90 day pressure threads from prior weeks are carried with that caveat rather than updated.



OUTLOOK

# 05. Predictive Scenarios

**BOTTOM LINE**

The chance of a wider, uncontrolled war rose sharply because the warning signs we tracked last week have now actually happened.

## 5.0 ASSESSMENT ACCURACY: WHAT WE GOT RIGHT AND WRONG

The trigger calls held in part. Last week’s report named an IRGC strike on Kuwaiti soil as a high trigger for catastrophic escalation (Scenario C) and flagged it as a named branch point. That fired inside this window (D2). The de-escalation read on the US-Iran principal axis was vindicated, not falsified: the 8 April ceasefire held through the week and a tentative deal was reported on 28 May, so last week’s lift on the strike-cancellation and Pakistan-Qatar track was the correct call. What we under-weighted was Iran widening its targeting onto GCC territory. The principal US-Iran axis cooled at the same time. We are raising catastrophic escalation and trimming managed de-escalation this week on that single development, not on a US-Iran war restart. Country trajectory calls on Kuwait and Oman were correct in direction, and the GCC-wide correlation call is the new judgement the Kuwait strike forces. Three confirmed developments on 1 June add a swing factor. Iran now frames the US-Iran ceasefire as covering all fronts, so Israel’s continued Lebanon operations could rupture the truce that is the main brake on catastrophic escalation (D1, D3). We are holding this week’s weighting pending evidence on whether that linkage bites, and we flag it as the dominant variable for next week.

### 5.1 UPDATED SCENARIO FRAMEWORK

**Scenario A, managed de-escalation.**

Now 15 to 20 percent, down from 25 to 30 percent.

The US-Iran ceasefire holding and the tentative 28 May deal keep this pathway alive, and a move back up would need that deal to firm up alongside no second GCC-state strike. Signposts: a signed US-Iran agreement, a Hormuz transit recovery, and Kuwait remaining a one-off. The 1 June talks dispute, with Iran reporting a suspension and the US reporting continuation, leaves this path more fragile than last week [Assessed, moderate confidence].

**Scenario B, prolonged asymmetric conflict (most likely).**

Now 45 to 50 percent, up from 40 to 45 percent.

A move down would need the US-Iran deal to firm up and Kuwait to stay a one-off; a move up into C would need a second strike on a GCC state. Signposts: the breadth of Iranian targeting, the Lebanon front, and whether the exchange stays below a GCC-wide war. This stays the modal outcome, and its lead over C is unchanged from last week. This is a genuinely uncertain call, not a forecast [Assessed, moderate confidence].

**Scenario C, catastrophic escalation.**

Now 30 to 35 percent, up from 25 to 30 percent.

The first Iranian strike on a GCC state and the Lebanon ceasefire collapse are the two escalation vectors behind the rise (D2, D3). A further rise would follow a second strike on a GCC state, a formal GCC bloc-level military response, or a rupture of the US-Iran ceasefire. Iran’s all-fronts linkage doctrine and its 1 June threat to close the Bab el-Mandeb add a second route into C, through a rupture of the ceasefire over Lebanon

rather than a direct GCC strike (D1, D3, D4). The ceasefire holding is the main brake keeping C from running higher [Assessed, moderate confidence].

SCENARIO	THIS WEEK	PREVIOUS	DIRECTION	KEY DRIVER OF THE MOVE
<b>A: Managed de-escalation</b>	15-20%	25-30%	<b>DOWN</b>	Held alive by the holding US-Iran ceasefire and the tentative 28 May deal; trimmed by the Kuwait strike and Lebanon.
<b>B: Prolonged asymmetric</b>	45-50%	40-45%	<b>UP</b>	Remains the modal outcome if the exchange stays contained below a full GCC-wide war.
<b>C: Catastrophic escalation</b>	30-35%	25-30%	<b>UP</b>	First IRGC strike on a GCC state (Kuwait, 28 May) plus the Lebanon ceasefire collapse; capped by the holding US-Iran ceasefire.

### 5.2 SCENARIO BOUNDARY ANALYSIS

Managed de-escalation stays possible. The holding US-Iran ceasefire and the tentative draft deal keep that path open, conditional on the Kuwait strike staying a one-off. The shift into catastrophic escalation is the nearer risk: a second strike on a GCC state or a formal bloc-level response would tip the most likely path (Scenario B) into catastrophic escalation (Scenario C) within days. The principal US-Iran axis is cooling, and Iran has opened a separate escalation path onto GCC territory. On 1 June Iran tied the US-Iran ceasefire to Lebanon, so Israel’s continued operations there are a second route into catastrophic escalation alongside a direct strike on a GCC state.

### 5.3 NEAR-TERM BRANCH POINT

The most immediate decision points are whether Iran strikes a second GCC state, whether Israel’s Lebanon operations rupture the US-Iran ceasefire under Iran’s all-fronts doctrine, and whether the contested talks firm up or break over the rolling 7 days.

- Contained exchange holds (Scenario B, 45 to 50 percent, most likely). The exchange stays contained, with no second territorial strike. Client action: hold the GCC-bloc correlated posture and the Kuwait drawdown (Section 6).
- Second GCC strike, conversion to C (30 to 35 percent). A second territorial strike or a formal bloc response correlates all six sovereigns. Client action: trigger GCC-wide shelter and evacuation readiness and stand up the crisis-management team (Section 8).
- Managed de-escalation, A (15 to 20 percent). The tentative US-Iran deal firms up and Kuwait stays a one-off. Client action: hold posture and verify from two sources before standing down.

We assess the contained-exchange outcome as most likely because the exchange has so far stayed below a GCC-wide war and the US-Iran axis is de-escalating. Conversion to C turns on a second GCC-state strike, and the call is uncertain.

**PLANNING ASSUMPTION**

The planning assumption is set out in Section 1. In scenario terms, the baseline is prolonged asymmetric conflict (Scenario B), and the listed triggers convert it to catastrophic escalation (Scenario C). [Assessed, moderate confidence]

## MITIGATION

## 06. Measures by Country

## BOTTOM LINE

Treat Kuwait and Iraq as places to reduce or remove staff now, and tighten security across all Gulf locations.

Scope: country-specific physical and operational duty-of-care only. Organisation-wide actions are in Section 8 and the Section 4 narrative.

**IRAQ:** Trajectory **STABLE** **CRITICAL**

**Guidance posture:** Evacuate non-essential staff; mission-critical only, with hardened shelter and a confirmed evacuation route.

**Key threats:** Regional kinetics and the widening of Iranian targeting raise the risk of militia spillover onto sites and main supply routes (D1, D2). Granular in-country incident data is thin this week, so treat the picture as uncertain and confirm locally.

**Movement:** Confirm Baghdad airspace and overland routing to the Kurdistan Region before any move; status this week is a data gap, so verify from two sources (Annex A3).

**Mitigations:** Move in armoured vehicles, vary routes and timings, and stop road movement after dark. Pre-rehearse the Kurdistan Region evacuation route and a backup. Hold 72-hour water, power and fuel reserves at every site. Avoid proximity to coalition and Popular Mobilisation Forces installations.

**KUWAIT:** Trajectory **DETERIORATING** **HIGH**

**Guidance posture:** Mission-critical staff only, with hardened shelter and confirmed land evacuation routing to Saudi Arabia.

**Key threats:** An IRGC missile strike hit Ali Al-Salem Air Base on 28 May, the first strike on a GCC state this cycle (D2). Air defences engaged and recorded 1 interception, so debris-fall and follow-on strikes are live threats. Kuwait now sits inside the GCC-wide correlated exposure (Section 3.2).

**Movement:** Confirm Kuwait International Airport status daily and treat departure windows as perishable. Pre-clear the Salmi and Al-Khafji land crossings to Saudi Arabia.

**Mitigations:** Reduce to mission-critical staff and occupy a hardened shelter-in-place room per site by 3 June. Confirm the Salmi and Al-Khafji land evacuation routing to Saudi Arabia by 3 June. Avoid proximity to airbases and air-defence sites given debris-fall risk. Keep go-bags and tested communications ready.

**BAHRAIN:** Trajectory **DETERIORATING** **HIGH**

**Guidance posture:** Mission-critical staff only, with hardened shelter.

**Key threats:** No local strike occurred this week. The GCC-state strike places Bahraini infrastructure inside the bloc-wide targeting envelope (D2, Section 3.2). As host to a major naval headquarters, Bahrain carries elevated correlated exposure if the exchange widens.

**Movement:** Watch Bahrain International Airport status daily for departure windows. Confirm the King Fahd Causeway to Saudi Arabia as a land egress option.

**Mitigations:** Identify a hardened shelter-in-place room per site and brief staff on it. Keep go-bags ready and hold 72-hour reserves. Avoid proximity to naval and military installations. Pre-plan the causeway egress to Saudi Arabia.

**QATAR:** Trajectory **STABLE** **MOD-HIGH**

**Guidance posture:** Continue operations with elevated security posture; essential staff ready to depart.

**Key threats:** Qatar's mediation role continues and no local strike occurred. Regional escalation moves the trajectory to fragile and places Qatari sites inside the bloc-wide exposure (D2). The threat is correlated rather than local this week.

**Movement:** Watch Hamad International Airport status daily. Confirm regional departure options while commercial routing holds.

**Mitigations:** Identify a hardened shelter-in-place room per site. Keep go-bags ready and hold 72-hour reserves. Brief essential staff on a rapid-departure plan. Avoid proximity to military installations.

**UAE / DUBAI:** Trajectory **DETERIORATING** **HIGH**

**Guidance posture:** Continue operations with elevated security posture; treat shelter-in-place as live.

**Key threats:** No new direct strike occurred. GPS jamming was recorded on 23 May, degrading navigation, and regional escalation raises exposure across the Emirates (D2). UAE sits inside the GCC-wide correlated picture.

**Movement:** Watch Dubai and Abu Dhabi airport status daily for departure windows. Hold GPS-independent navigation for key movements given the jamming.

**Mitigations:** Identify a hardened shelter-in-place room per site and brief staff on it. Keep go-bags ready and hold 72-hour reserves. Use GPS-independent navigation for critical movements. Avoid interceptor debris-fall corridors if intercepts occur.

**SAUDI ARABIA:** Trajectory **DETERIORATING** **MODERATE**

**Guidance posture:** Continue operations with elevated security posture.

**Key threats:** No new strike occurred. The GCC-state strike removes the improving call and places Saudi sites inside the bloc-wide exposure (D2).

**Movement:** Confirm the Salmi and Al-Khafji crossings as inbound routes for Kuwait evacuees. Watch Riyadh, Jeddah and Dammam airport status daily.

**Mitigations:** Identify a hardened shelter-in-place room per site. Hold 72-hour reserves. Prepare to receive Kuwait evacuees via the Salmi and Al-Khafji crossings. Avoid proximity to military installations and energy infrastructure flagged this week.

**OMAN:** Trajectory **DETERIORATING** **HIGH**

**Guidance posture:** Continue operations with elevated security posture; essential staff ready to depart.

**Key threats:** The M/T Olympic Life explosion 60 nautical miles east of Muscat on 26 May was the first attack in the Omani maritime approach (D4). The Bab el-Mandeb threat is rated critical, so the approach is no longer a clean alternative axis.

**Movement:** Reposition maritime movement and bunkering away from the Muscat approach. Confirm Muscat airport and crossing status from two sources before any move.

**Mitigations:** Move maritime operations and bunkering away from the Muscat approach by 8 June. Confirm crossing status from two sources. Identify a shelter-in-place room per site. Keep go-bags and 72-hour reserves ready.

**JORDAN:** Trajectory **STABLE** **MODERATE**

**Guidance posture:** Continue operations with elevated awareness.

**Key threats:** Nightly airspace closures continue and a militia threat to Jordanian territory persists from the prior week. No new local strike occurred this week. Jordan remains a transit and egress corridor.

**Movement:** Confirm the Trebil crossing to Iraq and onward routing status before any move; airspace closes nightly (Annex A3).

**Mitigations:** Plan movement around nightly airspace closures. Hold go-bags and 72-hour reserves. Keep the Trebil crossing routing rehearsed. Brief staff on a rapid-departure plan.

EARLY WARNING

# 07. Escalation Triggers

**BOTTOM LINE**

More of our danger indicators are fully active than at any point in the last 14 days and the overall direction is worsening.

RED tier (act within hours)			
INDICATOR	STATUS	TRIGGER CONDITION	CLIENT ACTION
RED-2 Dimona escalation	ACTIVATED (sustained)	Israeli strike pathway live via Netanyahu posture and Lebanon escalation.	Hold theatre-wide shelter posture; treat Israeli pathway as open.
RED-4 Ultimatum enforcement	ACTIVATED (sustained)	US blockade continues until a signed agreement.	Assume the blockade continues; plan supply as constrained.
RED-5 Dual chokepoint	ACTIVATED (sustained)	Hormuz and Bab el-Mandeb both contested.	Plan Hormuz and Oman approach as effectively shut (Section 4).
RED-7 Blockade interdiction	ACTIVATED (sustained)	Blockade sustained; US action this week was self-defence strikes inside the holding ceasefire.	Hold Hormuz-bypass logistics (Section 8).
RED-8 Direct US-IRGC contact	ACTIVATED (self-defence)	Self-defence exchange around Hormuz inside a ceasefire both sides still claim, not a war restart.	Resource for both prolonged conflict and catastrophic escalation (Scenarios B and C); do not read as the principal escalation driver this week.
RED-9 Direct Iranian strike on GCC state	ACTIVATED (upgraded)	IRGC kinetic action on a GCC state. The defining activation of the week.	Activate GCC-bloc correlated posture; reduce Kuwait to mission-critical (Section 6).
RED-1 Air defence degradation	PARTIALLY ACTIVATED	GCC or Iranian air defences overwhelmed or failing.	Watch intercept rates; intercepts holding for now.
RED-3 Loss of aviation	PARTIALLY ACTIVATED	Sustained closure of regional commercial airspace.	Treat departure windows as perishable; verify before booking moves.

AMBER tier (prepare within days)			
INDICATOR	STATUS	TRIGGER CONDITION	CLIENT ACTION
AMBER-1 Houthi / Red Sea	ACTIVATED (upgraded)	Bab el-Mandeb critical; Iran 1 June closure threat; Oman-approach attack.	Route via Cape as baseline for tonnage avoiding the Gulf (Section 4).
AMBER-8 Physical Hormuz bypass	ACTIVATED (sustained)	Bypass salience rises as transits collapse.	Pre-position bypass logistics (Section 8).
AMBER-15 PGSA sovereignty enforcement	ACTIVATED (sustained)	PGSA regime under renewed kinetics; transit collapse.	Treat PGSA terms as a persistent condition (Section 4).
AMBER-16 Iraq sovereign credit stress	ACTIVATED (sustained)	9.5 billion dollar monthly deficit persists.	Pull Iraqi counterparty exposure before 7 June (Section 8).
AMBER-13 GCC collective self-defence	ACTIVATING	Kinetic predicate confirmed; formal bloc response a data gap.	Prepare for bloc-level correlation; watch for formal invocation.

GREEN tier (validate before changing posture)			
INDICATOR	STATUS	TRIGGER CONDITION	CLIENT ACTION
GREEN-1 Hormuz transits resume	NOT ACTIVATED (reversed)	Sustained transit recovery toward baseline.	Do not treat as easing; recovery reversed to 3-7.
GREEN-2 US-Iran ceasefire holding	PARTIALLY ACTIVATED	The 8 April ceasefire held through the week, with a tentative deal reported 28 May; the talks status became contested on 1 June.	Track for a signed deal; this is the main de-escalation signal in play.
GREEN-3 EASA conflict zone downgrade	NOT ACTIVATED (data gap)	EASA lifts the conflict-zone bulletin.	Verify the 27 May renewal outcome before any routing change.
GREEN-5 MoU finalisation	LATENT (data gap)	Signed agreement ends the blockade.	Verify memorandum status; the tentative 28 May deal suggests the track is live.

READ

The headline upgrade is the trigger for a direct Iranian strike on a GCC state, now fully activated on the confirmed strike at Ali Al-Salem (RED-9, D2). The direct US-IRGC contact trigger stays activated as a self-defence exchange inside the holding ceasefire, not a war restart (RED-8, D1). The Houthi and Red Sea trigger upgraded on the Oman-approach attack and the Bab el-Mandeb rating (AMBER-1, D4). The Hormuz-transit-recovery trigger fell back as transits reversed to 3-7 (GREEN-1). The US-Iran ceasefire trigger is partially activated, since the 8 April ceasefire held and a tentative deal was reported on 28 May, the main de-escalation signal in play (GREEN-2). The net direction of the ladder is escalating, driven by the Kuwait strike and Lebanon, with the count at 6 red, 9 amber and 0 green at full activation. On 1 June the US-Iran talks status became contested and Iran threatened to close the Bab el-Mandeb, which puts the ceasefire trigger (GREEN-2) in question and keeps the dual-chokepoint trigger (RED-5) live. The single trigger to watch next week is GCC collective self-defence (AMBER-13): a formal bloc-level invocation would correlate all six sovereigns, and Iran's all-fronts linkage doctrine is the other route into a wider war. No indicator has been renumbered.

ACTIONS

## 08. Actionable Recommendations

BOTTOM LINE

Act on the immediate items now: the GCC-bloc posture, the Kuwait drawdown and the Lebanon evacuation, and verify before standing any of them down.

Immediate (this week)

- Activate a GCC-bloc correlated contingency posture and treat all six GCC sites under one elevated-threat assumption from now (D2, Section 3.2).
- Re-run war-risk insurance adequacy on GCC onshore sites and Gulf and Oman-calling tonnage by 5 June, and do not use the Brent retracement as a risk signal (Section 4).
- Execute the Kuwait and Lebanon staff drawdowns set out in the Section 6 cards by 3 June.

Near-term (next 14 days)

- Pre-position Hormuz-bypass logistics on the Red Sea, Fujairah and Mawani corridor with Cape routing as the baseline, and reconfirm supplier contingency by 8 June (Section 4).
- Brief portfolio and continuity committees on the 7 June OPEC+ Saudi spare-capacity test

and pull Iraqi Ministry of Oil counterparty exposure before 7 June (D5).

- Stand up the crisis-management team for GCC operations if a second territorial strike or a formal bloc response occurs (Section 5, branch point).

Ongoing

- Maintain escalation-tail price protection while the Brent premium is suppressed (Section 4). Changed this week.
- Maintain tested communications, go-bags and 72-hour reserves at all regional sites. ONGOING (unchanged from CTR-MENA-WR-2026-020).

THE WEEK AHEAD

# 09. Conclusions and Looking Ahead

**BOTTOM LINE**

The next two weeks turn on whether Iran strikes another Gulf state and whether the US-Iran ceasefire and tentative deal hold.

**5.2 SCENARIO BOUNDARY ANALYSIS**

DATE	EVENT	WHY IT MATTERS
Rolling 7 days	Second GCC-state strike and US-Iran deal durability	Whether Iran strikes a second GCC state and whether Israel's Lebanon operations rupture the US-Iran ceasefire under Iran's all-fronts doctrine; either tips prolonged conflict (B) into catastrophic escalation (C).
Rolling 7 days	GCC formal collective-defence response to the Kuwait strike	A bloc-level invocation correlates all six sovereigns and raises every GCC state's posture.
Unknown date, high probability	Second IRGC strike on GCC soil or second Gulf or Oman-approach maritime attack	Assessed high likelihood within 14 days given the 28 May precedent [Assessed, moderate confidence]; the clearest path into Scenario C.
7 June	OPEC+ ministerial and Saudi spare-capacity test	Tests the 6.967 mbpd print against the stated buffer and sets the Brent path regardless of the kinetic track.
Rolling, from 1 June	Lebanon ceasefire status	Bombardment through the week, then a contested 1 June ceasefire push; track whether it holds and whether Israel's continued southern operations rupture the US-Iran ceasefire under Iran's all-fronts doctrine.

**FINAL ASSESSMENT**

The conflict crossed onto GCC territory this week, and the warning indicators we tracked have turned into events. Posture should now rest on the escalation ladder and the country picture, with both prolonged conflict and catastrophic escalation resourced as live. Six red triggers are now fully activated, the most in this cycle, and the direction is worsening. The US-Iran talks are contested and Iran has tied the ceasefire to Lebanon, so the main brake on escalation depends on a front Israel is still striking.

THE WEEK AHEAD

# Standing glossary and frameworks

**5.1 ESTIMATIVE LANGUAGE**

LABEL	MEANING
Confirmed	Primary, official, or independently verified.
Assessed	Our analytical judgement, based on observed patterns, capability and precedent. Carries a confidence level.
Unverified	Single-source or uncorroborated.

**Confidence levels**

**High:** little reasonable doubt. **Moderate:** judgement is sound and alternatives remain open. **Low:** indicative only, evidence thin.

**Trigger states**

**ACTIVATED:** the trigger condition is met. **PARTIALLY ACTIVATED:** partly met or met intermittently. **ACTIVATING:** transitional, moving toward **ACTIVATED**. **LATENT:** defined and watched, not currently met. **NOT ACTIVATED:** not met. Trend counts use full **ACTIVATED** only.

**Trend markers**

**NEW:** first appearance. **ESCALATING:** worsening over recent weeks. **EASING:** improving over recent weeks. **STEADY:** little change. **RESOLVING:** moving toward closure.

**Source reliability (admiralty scale)**

Source reliability A (reliable) to F (cannot be judged). Information credibility 1 (confirmed) to 6 (cannot be judged). Used where we rate a specific source, for example a social-media account in the Iraq pipeline.

**Recurring terms**

**GCC:** Gulf Cooperation Council. **IRGC:** Islamic Revolutionary Guard Corps. **CENTCOM:** US Central Command. **UKMTO:** UK Maritime Trade Operations. **PGSA:** Persian Gulf Strait Authority. **FIR:** Flight Information Region. **TTF:** Dutch Title Transfer Facility gas benchmark. **TEU:** twenty-foot equivalent unit. **IDF:** Israel Defense Forces.



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