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NATIONAL SECURITY INTELLIGENCE REPORT FOR BUSINESS

ANALYST SECURITY NOTE

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Report Title	**Operation Epic Fury: Day 119 Update — The Islamabad Memorandum Signed, Hormuz Partially Reopening, Oil Collapsing Toward Pre-War Levels, and the Long Normalization Ahead**
Report Number	EOTISEC-2026-047
Date of Report	June 26, 2026
Classification	SENSITIVE BUSINESS
Originator	EOTISEC Analytical Division
Prior Report	EOTISEC-2026-043 (June 4, 2026)
Subject	Day 119 assessment: Trump and Iran's President Pezeshkian signed the Islamabad Memorandum of Understanding on June 17 at Versailles and Tehran respectively, establishing a 60-day framework for Hormuz reopening and nuclear talks. The U.S. naval blockade has been lifted. Iran has partially reopened the Strait but major Western carriers remain on Cape of Good Hope routing, war risk insurance is 8x pre-crisis, and the central channel remains mined. Brent crude has fallen from $97 to approximately $74, approaching pre-war levels. Geneva talks were abruptly cancelled June 19. An unidentified projectile struck a cargo ship off Oman June 25. Physical normalization is weeks to months away for shipping and four to six months away for critical industrial inputs including helium.
Customer Sector	General Industry (Energy; Critical Manufacturing; Chemical; Automotive; Food and Agriculture; Transportation; Financial Services; Retail and Consumer Goods; Aerospace and Defense; Healthcare; Information Technology)
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Operation Epic Fury entered its 119th day on June 26, 2026. The war has crossed its most consequential threshold: a memorandum of understanding was signed. The Hormuz blockade has been nominally lifted. Oil prices have fallen nearly 40 percent from their conflict peak to approximately $74 per barrel, approaching pre-war levels. But signed is not the same as settled, and open is not the same as safe. Major carriers are not transiting. The central channel remains mined. Geneva talks were cancelled before they started. An unknown projectile struck a cargo ship in the Gulf of Oman on June 25. The Islamabad Memorandum is a 60-day clock, not a peace agreement. This report assesses what the MOU actually delivers for business, where the normalization timeline stands, and what the next 60 days determine.

SECTION 1: SCOPE AND PURPOSE

This report is the fifth published EOTISEC business impact assessment of the 2026 Iran conflict. It updates EOTISEC-2026-043 (June 4, Day 96) and covers the 22-day period from June 4 through June 26, 2026. The prior report identified the 14-point MOU draft as the first genuine path to Hormuz normalization, with the binary outcome of signature or collapse still unresolved. This report covers what happened: the MOU was signed on June 17 at Versailles by Trump and in Tehran by Pezeshkian. Pakistan's PM Shehbaz Sharif announced the deal June 14. The U.S. naval blockade was lifted. Iran partially reopened the Strait. Oil collapsed toward pre-war levels. Then Geneva talks were abruptly cancelled, the IRGC declared the Strait closed again on June 21 (contradicted within hours by Iran's foreign ministry), an Iranian cargo ship was struck off Oman on June 25, and the MOU's 60-day negotiation clock is now running against a backdrop of continued Lebanon fighting, unsettled nuclear terms, and a Strait that is open in law but not yet safe in practice.

This report is a business impact assessment. The audience is senior executives, boards, risk officers, supply chain leaders, and legal counsel. Adversary activity is referenced only where it produces direct business continuity or financial exposure.

SECTION 2: KEY JUDGMENTS

Judgment 1: The Islamabad Memorandum Is Signed and in Force but Delivers Only a Framework, Not a Resolution (NEW)

We assess that the Islamabad Memorandum, signed June 17 by Trump at Versailles and by Pezeshkian in Tehran, is a genuine diplomatic achievement that materially changes the conflict's trajectory while leaving its most consequential issues unresolved. The MOU's confirmed provisions include: a 60-day ceasefire extension; Strait of Hormuz reopening to commercial shipping toll-free for 60 days; U.S. naval blockade lifted immediately upon signing; Iran removes mines from the Strait within 30 days; 60-day nuclear negotiations window; U.S. waives Iran oil export sanctions for 60 days; Iran caps uranium enrichment at 3.67 percent with IAEA snap inspections. What the MOU does not include is equally important: no accord on Iran's ballistic missile program, no provisions addressing Iran's proxy network in Lebanon, Iraq, Yemen, or Syria, and no permanent settlement on Strait sovereignty or the fee regime Iran announced through its foreign ministry spokesperson even as the MOU ink was drying.

Iran's foreign ministry confirmed the MOU but stated immediately that Iran will finalize a new regime to manage the waterway with Oman and will charge fees for services. This directly contradicts Trump's pledge that the Strait will be permanently toll-free. Both statements cannot simultaneously be true, and the 60-day negotiation window is where this contradiction will either be resolved or produce MOU failure. IAEA head Rafael Grossi stated before signing that any agreement without robust inspection provisions is an illusion of an agreement. The MOU provides for inspections but does not resolve Iran's existing highly enriched uranium stockpile, which will be the central issue in the 60-day nuclear talks.

Confidence: High. MOU signing is confirmed by Al Jazeera, Britannica, PBS, Wikipedia's Islamabad Memorandum article, and White House confirmation. MOU terms are confirmed by multiple wire services and the CSIS analysis by Tobias Schneider and Jon Alterman. Iran's fee announcement is confirmed by Al Jazeera. IAEA head Grossi's statement is confirmed by the House of Commons Library briefing from June 2.

Business Impact: SIGNIFICANT and bifurcated. The MOU creates a 60-day window that is the best planning framework business has had since February 28. Within that window, businesses can act on shipping normalization, hedging, and supply chain restructuring with greater confidence than at any prior point. But the MOU does not guarantee that window extends to 120 days or becomes permanent. Planning beyond the 60-day window requires explicit scenario modeling for both successful extension and MOU failure.

Judgment 2: Oil Has Priced in Near-Full Resolution but Physical Normalization Will Lag by Weeks to Months (NEW)

We assess that oil markets have moved faster than the physical reality of Hormuz normalization justifies, and that the gap between price and physical reality creates both opportunity and risk for business planners. Brent crude fell from approximately $97 at the Day 96 cutoff to $78.24 on June 17 when the MOU was announced, its lowest level since March 3, three days after the war began. As of June 25, Brent is trading at approximately $74, down nearly 40 percent from its conflict peak above $120 and approximately 5 percent above pre-war levels near $70. The World Bank projects Brent averaging $86 for 2026 and $70 for 2027, with the 2027 figure implying full normalization. The market is pricing in the best-case scenario for normalization, and in the words of Vandana Hari of Vanda Insights, it is front-running the prospective reopening and not adequately factoring in potential hiccups from logistics to renewed geopolitical tensions.

The physical reality as of June 26 is: 25 commercial transits on Day 1 post-signing (two-month high, per AXSMarine), primarily Chinese-affiliated tonnage; three Iranian supertankers carrying 3.8 million barrels of crude exited; three Saudi supertankers carrying 6 million barrels exited June 19; a tanker transiting Hormuz was struck by an unidentified projectile off the Omani coast on June 25, causing several ships to reverse course; Maersk, MSC, CMA CGM, and Hapag-Lloyd all remain on Cape of Good Hope routing as of this date; war risk insurance is still approximately 8 times pre-crisis levels; the central channel of the Strait remains mined; and 500 or more vessels are queued to exit the Gulf. INTERTANKO managing director Tim Wilkins stated directly: without clarity on mine clearance and safety protocols, ships will be unsure whether to transit and the cautious approach will prevail.

Confidence: High. Oil price data from Trading Economics with CME confirmation. AXSMarine transit count confirmed via Hormuz Strait Monitor and Al Jazeera. Western carrier posture from carrier public statements. War risk insurance level from Discovery Alert analysis. Mine presence from Islamabad Memorandum Wikipedia article noting Iran committed to 30-day clearance. June 25 projectile strike from Trading Economics citing UKMTO report.

Business Impact: CRITICAL for planning accuracy. The gap between current Brent price and current physical reality is a planning trap. Companies that treat $74 Brent as confirmation that supply chains have normalized will be wrong. Companies that lock in energy hedges assuming $74 holds could be exposed if the June 25 incident or renewed political friction drives a spike. The correct posture is to treat oil pricing as a sentiment indicator and physical shipping resumption as the operational indicator, and those two indicators are currently disconnected by approximately six to eight weeks of lag.

Judgment 3: Geneva Talks Cancelled, MOU Stability Is Not Confirmed (REVISED)

We assess that the MOU's 60-day clock is running against an unstable backdrop that was made visible within 48 hours of signing. The Geneva talks at Bürgenstock, planned for June 19 as the first formal negotiating session under the MOU framework, were abruptly cancelled by Switzerland's foreign ministry. VP Vance cancelled his travel citing unresolved logistical issues. Renewed Israeli strikes in southern Beirut on June 7, days after a Lebanon ceasefire, prompted Iran to launch ballistic missiles toward Israel, the first direct Iran-Israel exchange since the April ceasefire. A second Israeli strike wave on June 14 prompted Iran to prepare a retaliatory response before the United States intervened to prevent it, with a U.S. official stating intervention was needed so that an MOU could move forward, a statement that reveals how close the MOU came to collapsing before it was signed. On June 21, the IRGC declared the Strait closed citing Israeli Lebanon actions, then Iran's foreign ministry contradicted the IRGC within hours, with VP Vance stating on Fox News the straits really are open. The June 25 projectile strike on a cargo ship off Oman introduced new physical risk into the corridor.

LINCHPIN ASSUMPTION: This analysis assumes that Israel does not conduct major offensive strikes in Lebanon during the 60-day MOU window that Iran characterizes as a material ceasefire violation requiring Strait re-closure. Israel's stated position is that it will continue to act against Hezbollah regardless of U.S.-Iran diplomacy. The gap between that position and Iran's Lebanon-linked conditions for MOU compliance is the primary risk factor for MOU failure. If this assumption fails, the Strait could close again within weeks and oil would spike sharply above current levels.

Alternative Hypothesis: A scenario in which the 60-day window produces a successful framework agreement on nuclear terms and Strait management is possible. Iran's domestic economic collapse, with food inflation above 100 percent, rial plunging, and over a million jobs lost, creates a rational Iranian incentive to reach a deal that includes meaningful sanctions relief and the $12 billion in frozen assets Iranian media has reported (though U.S. officials deny this amount). We assess this scenario as possible but not the most likely outcome within the 60-day window, given the historical pattern of this negotiating channel, the Geneva cancellation, the IRGC's contradiction of its own foreign ministry, and the unresolved Lebanon variable.

Business Impact: SIGNIFICANT for duration planning. The 60-day clock expires approximately August 17. Companies planning supply chain or financial decisions that depend on MOU-framework conditions persisting beyond that date should treat August 17 as a hard planning boundary until a follow-on agreement is confirmed.

Judgment 4: The Physical Normalization Timeline Is 60 to 180 Days for Shipping, Longer for Industrial Inputs (REVISED)

We assess that even under the most optimistic MOU-holds scenario, the physical normalization of Hormuz-dependent supply chains will take 60 to 180 days for shipping and materially longer for specific industrial inputs. This is the most important single judgment for business planning because it establishes that oil price normalization and supply chain normalization are on different timelines, and the supply chain timeline cannot be compressed by diplomatic agreement alone.

For shipping: INTERTANKO has stated a realistic return to normal shipping patterns is weeks, if not months away. Discovery Alert analysis identifies three constraints that prevent rapid normalization: shipping congestion within the Gulf requires a queuing process for 500-plus waiting vessels; port scheduling at receiving terminals requires advance coordination that cannot be compressed; and Asian refiners who secured alternative crude sources during the closure hold term contracts with non-Gulf producers that are not immediately unwound. War risk insurance will return only gradually as underwriters observe safe incident-free transits over a monitoring period. The International Transport Workers' Federation secretary-general stated the June 17 signing is at best the beginning of a normalisation process. SEMI's four to six month estimate for helium supply normalization even after Strait opening remains the authoritative figure for that input.

For the seven industrial inputs identified in EOTISEC-2026-030: crude oil price normalization is occurring on the fastest timeline, reflecting financial market speed. Physical LNG normalization requires Ras Laffan partial capacity restoration, which QatarEnergy estimates at three to five years for full repair but partial capacity could resume sooner given the ceasefire. Helium: four to six months minimum per SEMI even under full Strait access. Automotive aluminum from ALBA and Emirates Global Aluminium: dependent on infrastructure repair timelines not yet publicly confirmed. Fertilizer and urea: fastest normalization path, as price relief arrives with first mine-cleared transits. Sulfuric acid and MEG: supply recovers as LNG processing and petrochemical plant restarts proceed.

Confidence: High for shipping normalization timeline per multiple independent sourcing. High for helium per SEMI. Moderate for LNG and aluminum, where repair timelines depend on infrastructure assessments not yet publicly available.

Business Impact: CRITICAL for procurement and supply chain. The practical implication is a dual-timeline environment for the rest of 2026: oil prices tracking toward $70 to $82 while physical supply chain costs remain elevated for specific inputs. Companies that plan procurement against oil price alone will systematically underestimate costs in helium, automotive aluminum, and LNG-dependent inputs through at minimum Q4 2026.

Judgment 5: Fuel Cost Transmission Into the Consumer Economy Is Now Reversing But the Contracted Floor Will Not Clear Until 2027 (REVISED)

We assess that the wave-three consumer price transmission identified in prior reports has reached its peak and is beginning to reverse as oil prices fall, but the institutional cost floor locked in through freight surcharges, contracted holiday inventory, and logistics agreements will not clear until Q1 2027 at the earliest regardless of oil price. This is the judgment that matters most for retail, consumer goods, and logistics executives making 2026 guidance decisions.

What is reversing: pump prices are falling with Brent. Gas prices nationally peaked above $4.50 and will decline toward $3.50 to $3.80 as Brent approaches $70 to $75. Jet fuel costs are declining, benefiting airlines. Freight spot market rates are falling as Cape of Good Hope rerouting pressure eases. What is not reversing: the USPS 8 percent fuel surcharge runs contractually through January 2027. Amazon's 3.5 percent surcharge is in effect. Holiday inventory contracts signed in late April at elevated petrochemical costs are locked. The apparel and footwear orders for Q4 shelves were contracted at elevated prices. Capital Economics, in a pre-MOU short-war scenario, projected Brent falling back toward $65 by year-end, which would represent a significant relief for input costs in Q4, but contracted commitments made between March and May at conflict-peak prices will still produce elevated Q3 and Q4 consumer goods prices.

Confidence: High. USPS surcharge terms are public. Amazon surcharge is confirmed. Capital Economics projection is from Thomson Reuters Institute citing. Holiday inventory contracting timing is from AAFA and CBS News sourcing from prior reports.

Business Impact: SIGNIFICANT for retail and consumer goods. Consumer goods executives should differentiate between spot cost relief, which is arriving now, and contracted cost relief, which arrives in 2027. Investors and analysts will notice the disconnect between falling oil prices and sustained elevated consumer goods prices in Q3 and Q4 earnings. Companies should communicate this timing gap proactively rather than waiting for analysts to raise it on earnings calls.

Judgment 6: Cushing Stockpiles at Operational Minimum and SPR Significantly Depleted Create Asymmetric Upside Price Risk (NEW)

We assess that the combination of Cushing, Oklahoma crude stockpiles at approximately 19 million barrels, well below operational minimums, and the Strategic Petroleum Reserve drawn down 58 million barrels, or 14 percent, creates meaningful asymmetric upside price risk if the MOU fails or if the June 25 incident type recurs and delays Hormuz normalization. This risk is not currently reflected in Brent at $74, which prices the optimistic normalization scenario. Under a scenario where the MOU breaks down and Iran re-closes the Strait, the starting conditions for the market response are materially worse than they were on February 28: lower strategic reserves, lower Cushing stocks, and Asian refiners with Cape of Good Hope supply commitments that cannot be instantly redirected back to Gulf sources.

Iraq's threat to leave OPEC unless its production quota is increased, confirmed by Trading Economics on June 25, reflects a second-order consequence of the conflict: OPEC's internal cohesion is under pressure from member states whose export revenues collapsed during the Hormuz closure. If OPEC fractures on quota discipline during the normalization period, additional supply could enter the market faster than current projections, creating downward price pressure that benefits consumers but creates revenue uncertainty for producers. This is an analytically novel risk not present in earlier reports.

Confidence: Moderate. Cushing figure from Trading Economics (June 25 reporting). SPR figure from CNN (confirmed in prior reports). Iraq OPEC threat from Trading Economics June 25. The asymmetric risk analysis is inferential from these confirmed figures.

Business Impact: MODERATE under base case; SIGNIFICANT under MOU-failure scenario. CFOs and treasury functions with energy hedging decisions should be aware that the $74 entry point for long-dated hedges against a normalization scenario carries embedded asymmetric upside risk if the MOU fails. This does not mean avoiding hedges; it means sizing them to preserve flexibility.

SECTION 3: SITUATION AND BACKGROUND

This section covers June 4 through June 26, 2026. For prior background see EOTISEC-2026-012, EOTISEC-2026-019, EOTISEC-2026-030, and EOTISEC-2026-043.

June 4 through June 11 was a period of continued MOU negotiation through Pakistani and Qatari mediators. Key gaps on frozen Iranian assets, Hormuz reopening protocols, and nuclear program management during the ceasefire period were narrowed in Tehran talks between Iranian officials and Qatari mediators on June 11, coordinated with the United States. Trump met with French President Macron and other G7 leaders at the G7 summit in France from June 15 to 17, with European allies pledging naval assets for Strait security coordination as part of the deal framework.

On June 7, the IDF struck southern Beirut, days after the latest Lebanon ceasefire. Iran launched waves of ballistic missiles toward Israel in response, the first direct Iran-Israel exchange since the April ceasefire. The exchange threatened to collapse the MOU negotiations before they concluded. On June 14, renewed IDF strikes in the Beirut area prompted Iran to prepare another retaliatory response, which U.S. intervention prevented. Pakistan's PM Sharif announced on June 12 that the

U.S. and Iran had agreed on final MOU text. On June 14, JD Vance announced that representatives of both governments had digitally signed the MOU the previous day. On June 17, Trump signed the memorandum at the Palace of Versailles during a dinner with Macron, pausing before signing and saying this was not easy. Pezeshkian signed in Tehran the same day. Iranian Supreme Leader Mojtaba Khamenei issued a written endorsement with stated misgivings.

The MOU was to be formally signed at the Bürgenstock Resort in Switzerland on June 19. Both sides agreed to sign earlier, on June 17, at Versailles and Tehran respectively, making the Geneva ceremony redundant. Switzerland's foreign ministry announced on June 19 that the Geneva talks would not proceed as planned. Vance cancelled travel citing unresolved logistical issues. Brent crude rose 0.9 percent to $80.57 on June 19 after the Geneva cancellation despite an earlier slide. On June 21, the IRGC military command declared the Strait of Hormuz closed to all vessel traffic, citing Israeli Lebanon strikes as a blatant breach of the MOU. Within hours, Iran's foreign ministry contradicted the IRGC, telling Tasnim that shipping was operating normally. Vance told Fox News: the straits really are open. CENTCOM reported commercial ship traffic increased on June 20. Trump simultaneously issued a threat to invade Iran if they close the Strait, using language described by multiple outlets as menacing toward Iranian negotiators in Switzerland.

On June 22, Trump announced a renewed ceasefire between Israel and Hezbollah, facilitated by the U.S., Qatar, and Iran, attempting to address the Lebanon clause that has threatened the MOU since signing. Iran's counter-demand includes U.S. recognition of Iranian sovereignty over the Strait of Hormuz and compensation for war damages; the nuclear program is not mentioned. Trump responded publicly: TOTALLY UNACCEPTABLE. Iran: We will never bow. Brent rose nearly 5 percent to above $105 on that exchange before retreating. On June 25, a cargo ship was struck by an unknown projectile off the Omani coast, reported by UKMTO. Brent rose 2 percent to $74.70. Several commercial ships reversed course. Saudi Arabian tankers were heading toward Ras Tanura to restart Gulf exports for the first time since March. U.S. oil stockpiles at Cushing are at approximately 19 million barrels, below operational minimums. As of June 26, Brent trades at approximately $74, on track for a third consecutive weekly decline, approaching pre-war levels near $70.

SECTION 4: ANALYSIS

What the MOU Actually Delivers and What It Does Not

The Islamabad Memorandum is the most consequential diplomatic document in the conflict, and it is routinely being overstated in both directions. It is not peace; it is a 60-day negotiating framework. It is also not nothing; it contains confirmed, verified, specific commitments that change the planning environment in material ways.

What is confirmed and operative: the U.S. naval blockade has ended. Iran's oil exports are sanctioned-waived for 60 days, restoring a revenue stream worth billions of dollars per month to the Iranian government. The Strait is legally open for commercial transit under the MOU for 60 days. Iran has committed to remove mines within 30 days of signing, which means the mine clearance deadline is approximately July 17. These are real, current, operational facts that supply chain planners can build against.

What is not confirmed and not operative: a permanent Hormuz settlement. The fee regime Iran's foreign ministry announced the day of signing directly contradicts the toll-free provision. Whether Iranian authorities enforce no tolls during the 60-day period or begin collecting fees through the Oman-managed protocol they referenced is unresolved. Nuclear terms for a permanent deal. The 60-day talks will focus on Iran's HEU stockpile, enrichment limits, and inspection access; none of these are settled. Iran's proxy network and ballistic missiles are not in the MOU at all. And the Lebanon variable remains live, with Trump brokering a new Israel-Hezbollah ceasefire on June 22 while simultaneously threatening to invade Iran if the Strait closes again.

The analytical question business executives need to answer is: what is the probability that the 60-day clock produces a follow-on agreement versus produces MOU expiration and possible re-escalation? Based on the observable pattern through June 26, we assess the probability of a successful 60-day extension or permanent framework as possible but not the most likely outcome within the window. The base case is an extended negotiation that produces a further short-term extension with the fundamental nuclear and Hormuz sovereignty disagreements deferred again.

Oil Prices and the Dual-Timeline Challenge

The collapse of Brent from $97 at the Day 96 cutoff to $74 today is the most rapid and sustained oil price decline since the early weeks of the conflict when prices were rising. The market is pricing in a return to pre-war supply conditions faster than the physical infrastructure can support. This creates the dual-timeline challenge identified in Key Judgment 4: oil prices suggesting one cost environment while physical supply chain conditions support another.

PVM Oil Associates analyst Tamas Varga's statement that the 60-day truce is an unambiguously welcome step in the right direction while acknowledging the recent sell-off may prove unsustainable in the short term is the most analytically precise public characterization of current market conditions. Axi market analyst Tiago Lacerda's range of $75 to $82 for Brent near-term is plausible under the base case scenario, with downward pressure from normalized Gulf flows and upward pressure from the June 25 incident type recurrence risk and Lebanon fragility.

For procurement and supply chain functions, the actionable implication is straightforward: use falling oil prices to renegotiate energy and logistics contracts where possible, while maintaining awareness that the underlying physical conditions, including mine-cleared Hormuz transits by major Western carriers and normalized insurance, will lag price signals by six to eight weeks minimum. Companies that wait for physical conditions to fully confirm before renegotiating will forfeit the negotiating leverage that falling prices create.

The Seven-Commodity Update: What Normalizes and When

The seven critical industrial inputs identified in EOTISEC-2026-030 are on different normalization timelines. Understanding these differences is essential to avoiding the planning error of treating MOU signing as supply chain normalization.

Crude oil and refined products: fastest normalization. Brent at $74 reflects aggressive forward pricing of Gulf supply restoration. Physical import normalization for Asian refiners depends on term contract flexibility. U.S. Cushing stocks at operational minimum and SPR at 86 percent of pre-war capacity create an asymmetric risk if normalization stalls.

LNG: Ras Laffan sustained a 17 to 20 percent production capacity reduction from Iranian strikes, with QatarEnergy estimating three to five years for full repair. Partial capacity resumption could occur faster if less-damaged trains are prioritized. European gas storage at 30 percent heading into summer refill season remains a structural vulnerability for winter 2026 to 2027. A prolonged normalization on LNG keeps European industrial energy costs elevated even as oil prices fall.

Helium: four to six months minimum per SEMI from date of full Strait access, not from date of MOU signing. South Korean chipmaker inventory was approaching exhaustion in June. The mine clearance 30-day deadline means Strait access for helium tankers cannot be confirmed before approximately July 17 at the earliest. Full helium supply normalization is therefore projected no earlier than November to January 2026 to 2027.

Automotive-grade aluminum from ALBA and Emirates Global Aluminium: infrastructure repair progress has not been publicly confirmed. The Toyota, Nissan, BMW, and Hyundai supply chain impact identified in prior reports remains active until confirmed otherwise.

Fertilizer and urea: fastest partial normalization after oil, because price relief arrives with first unimpeded Strait transits. The spring planting season effect on fall harvest yields is locked in regardless; that downstream food price impact arrives in late summer and autumn independent of current price movements.

Sulfuric acid and MEG: normalization paced by petrochemical plant restart timelines as Gulf LNG comes back online. Weeks to months.

Business Impact Analysis by Sector: June 26 Update

Energy: Brent at $74, approaching pre-war levels. SPR at 86 percent capacity. Cushing at operational minimum. U.S. producers benefiting from record export volumes as Gulf producers ramp back. The normalization creates a revenue headwind for U.S. producers who benefited from $100-plus prices. Downstream consumers see direct cost relief. The asymmetric upside risk from Cushing depletion warrants monitoring.

Critical Manufacturing: European manufacturing PMI showed contraction through June. The LNG situation means European chemical and steel sectors face continued elevated energy costs even as oil falls. BASF price increases may begin to ease but the feedstock normalization lags oil by months. U.S. manufacturers face the dual-timeline challenge: input costs falling unevenly across commodity categories.

Automotive: ALBA and Emirates Global Aluminium infrastructure repair status unconfirmed. Toyota, Nissan, BMW, and Hyundai aluminum shortage still active until confirmed otherwise. The helium normalization timeline means automotive electronics supply remains constrained through late 2026.

Chemical: LNG feedstock normalization is the primary driver. European chemical sector relief will lag oil price decline by weeks to months as LNG processing restarts proceed. The three to five year Ras Laffan full repair timeline means structural elevated LNG costs persist through the decade even under successful MOU extension.

Food and Agriculture: Fertilizer price relief is beginning to arrive with Strait partial opening. But the spring planting season effect is locked in for fall 2026 harvest. Food price impacts from the Iran war will arrive in grocery data in late summer and autumn regardless of current normalization. The World Food Programme's warning about food crisis conditions in developing economies remains current.

Information Technology and Semiconductors: Helium normalization is the critical path. Four to six months minimum from confirmed full Strait access. Mine clearance deadline is July 17. Full normalization no earlier than November to January. Companies with semiconductor supply chain exposure should confirm current supplier contingency posture now.

Healthcare: MRI scanner helium exposure is in the same November to January window. Hospital systems that activated contingency protocols should maintain them until supply position is confirmed restored.

Transportation and Aviation: Jet fuel cost relief is underway as Brent falls. USPS 8 percent surcharge through January 2027 is contractually locked regardless of oil price. Amazon 3.5 percent surcharge in effect. Major carriers not yet transiting Hormuz; Cape of Good Hope routing costs remain operative. War risk insurance at 8x pre-crisis levels will decline as safe transits accumulate but will not normalize in weeks. Companies should monitor carrier announcements on Hormuz re-entry as leading indicators.

Financial Services: U.S. oil sanction waiver for 60 days creates a new compliance environment for Iranian oil transactions that requires specific broker and legal review. OFAC has confirmed the 60-day waiver but the permanent sanctions architecture remains unchanged and will re-impose if the MOU framework fails. Financial institutions with Iranian-adjacent exposures should review their 60-day waiver posture explicitly.

Retail and Consumer Goods: Wave-three consumer price peak is passing as oil falls. But contracted holiday inventory costs at elevated petrochemical prices will produce Q3 and Q4 consumer goods price increases that run ahead of input cost relief. The narrative gap between falling oil prices and sustained consumer prices will require proactive investor communication.

Defense Industrial Base: War costs approaching $45 to $50 billion estimated based on prior $387 million per day burn rate through Day 119. Pentagon procurement demand remains elevated under the MOU framework as forces remain in the region and prepared to resume operations. The MOU's 60-day clock maintains operational readiness requirements that sustain defense procurement pressure.

DECISION SUPPORT

The following actions are time-sensitive under the current MOU framework. The 60-day clock creates specific deadlines that did not exist in prior reports.

1. Supply chain and procurement: Mine clearance is committed by July 17. Use that date as the confirmed planning boundary for when Strait physical access can be assumed and begin renegotiating Gulf-sourced commodity contracts on a post-July-17 delivery basis where feasible. Do not renegotiate before mine clearance is confirmed; vessels will not risk it and contractual commitments on delivery timing will be unenforceable.
2. Energy and logistics: Use the current Brent decline to $74 to renegotiate energy and logistics contracts where terms allow, particularly freight contracts that were renegotiated upward at $104 to $107 levels. The negotiating leverage created by falling prices is temporary and will diminish as supply normalizes. Act within the next 30 days before the pricing environment tightens.
3. CFO and treasury: The 60-day MOU window expires approximately August 17. Any financial planning decision with a time horizon that crosses that date requires explicit scenario modeling for both MOU extension and MOU failure. Hedging positions established at $74 carry asymmetric upside risk if the MOU fails; size accordingly. The Cushing operational minimum and SPR depletion mean the failure scenario produces a sharper price spike than February 28 starting conditions would have.
4. Semiconductor, healthcare, and aerospace: Helium normalization is four to six months from confirmed full Strait access. The mine clearance deadline is July 17. Even under perfect execution, full helium supply normalization is not before November to January. Maintain all helium contingency protocols through Q4 2026 regardless of MOU status.
5. Legal and contracts: The 60-day oil sanctions waiver is operative. Review all contracts with Iranian oil purchase or adjacent payment dimensions to confirm compliance posture under the waiver and to identify re-exposure risk at waiver expiration on approximately August 17 if the MOU framework fails. OFAC sanctions are waived but not eliminated; they re-impose automatically on waiver expiration.

6. Retail and consumer goods: Boards and investor relations teams should prepare communication on the timing gap between falling oil prices and sustained Q3 and Q4 consumer goods prices. The market will notice that prices remain elevated as Brent falls. Companies that explain the contracted cost floor proactively avoid being reactive to analyst questions on earnings calls in August and October.
7. Risk and insurance: Engage marine insurance brokers now on conditions for war risk premium reduction and timeline for Western carrier re-entry into Hormuz routing. The carriers' decision to resume Hormuz routing is the leading indicator for supply chain normalization speed and the most useful single data point to monitor for the next 30 days.

This report updates EOTISEC-2026-043 (June 4, 2026). The MOU signing is the most consequential development since the conflict began and changes the analytical framework from crisis management to normalization monitoring. All six key judgments are new or substantially revised. The core tension of this report, signed is not the same as settled, and open is not the same as safe, is the organizing principle for all sector-level assessments through at minimum August 17, 2026.

SECTION 5: INFORMATION GAPS AND COLLECTION REQUIREMENTS

1. Whether the IRGC or Iranian foreign ministry controls actual Strait transit decisions. The June 21 IRGC closure declaration, contradicted within hours by Iran's foreign ministry, reveals a command ambiguity that is analytically significant. If IRGC commanders can unilaterally close the Strait contrary to Foreign Ministry positions and MOU commitments, the 60-day framework is more fragile than its text suggests. Monitor for further contradictions between IRGC and Foreign Ministry statements on Strait access.
2. Mine clearance progress and timeline. Iran committed to 30-day clearance by approximately July 17. Whether Iran has the physical capability and the operational will to execute clearance on that timeline is unknown. The Islamabad Memorandum Wikipedia article notes Iran had previously lost track of some mines it planted. Actual clearance progress will only be confirmed by safe transit patterns over time, not by Iranian declarations.
3. Whether Western major carriers resume Hormuz routing and when. Maersk, MSC, CMA CGM, and Hapag-Lloyd routing decisions are the single most useful leading indicator for supply chain normalization speed. Monitor carrier public announcements, which have historically preceded physical routing changes by two to three weeks.
4. Ras Laffan restoration partial capacity timeline. QatarEnergy has stated three to five years for full repair but has not confirmed partial capacity resumption timelines by individual LNG train. Partial resumption affects LNG prices for European and Asian importers on a different timeline than full resumption. Monitor QatarEnergy operational announcements.
5. Geneva/Bürgenstock talks rescheduling. The June 19 cancellation left the 60-day nuclear negotiation track without a confirmed venue or date. Whether talks reschedule before July or later materially affects the probability of a successful nuclear framework within the 60-day window. Monitor Swiss foreign ministry and Pakistan's foreign minister statements.
6. June 25 cargo ship projectile strike attribution. UKMTO reported the strike. CENTCOM has not confirmed the attacker. If attributed to IRGC or affiliated groups, the incident creates an MOU compliance question. If attributed to another actor (Houthi, other), it changes the risk calculus for transiting vessels and carriers without implying Iranian MOU violation. Monitor UKMTO and CENTCOM updates.

SECTION 6: SOURCE SUMMARY STATEMENT

Sources for this update span June 4 through June 26, 2026. Primary sources for new material in this report include: Wikipedia Islamabad Memorandum article (updated June 26, 2026); Wikipedia 2026 Iran War Ceasefire (updated June 26); Wikipedia 2026 Strait of Hormuz Crisis (updated June 26); Britannica 2026 Iran War (updated June 25); PBS News June 14, 2026 MOU announcement; Al Jazeera MOU signing report June 17; Al Jazeera oil price June 17 slide analysis; Al Jazeera oil prices June 19 Lebanon fighting report; CNBC oil prices June 19 Geneva cancellation report; CSIS State of Play analysis by Tobias Schneider and Jon Alterman (June 2026); Hormuz Strait Monitor crisis timeline (updated June 24); Discovery Alert Strait of Hormuz reopening analysis (June 2026); Trading Economics Brent crude oil price and news June 25 to 26, 2026; Seraph Iran war supply chain shock analysis (May 2026); GIS Reports Iran war critical supplies analysis (June 2026); House of Commons Library US-Iran ceasefire and nuclear talks briefing (June 2, 2026); Wikipedia Economic Impact of the 2026 Iran War (updated June 2026); Wikipedia 2026 Iran War Fuel Crisis (updated June 2026); Thomson Reuters Institute quarter-by-quarter cost analysis (April 20, 2026); World Bank commodity markets outlook blog (May 8, 2026).

Overall source quality is high for the MOU signing and terms, confirmed by primary sources across wire services, government confirmations, and the Islamabad Memorandum Wikipedia article with extensive citation. The Hormuz Strait Monitor provides the most granular day-by-day transit data and IRGC statement tracking. The CSIS analysis by Schneider and Alterman is the most analytically rigorous treatment of MOU terms and their significance. Trading Economics provides current Brent pricing with commodity news synthesis. The Seraph and Discovery Alert supply chain normalization analyses are commercial research with named expert sourcing.

Potential for bias: Trump's public statements on MOU status, Hormuz conditions, and Iran negotiations have repeatedly been contradicted by observable events throughout the conflict. His June 21 threat to invade Iran while Iran's IRGC declared the Strait closed, followed by VP Vance's reassurance that the straits really are open, is the most recent example. All Trump statements are cited as political positioning with observable facts as the primary analytical input. Iranian IRGC statements are treated as operational intent signals but weighed against Foreign Ministry contradictions where both exist simultaneously.

Most important source gaps: confirmed June 25 projectile strike attribution from UKMTO or CENTCOM; carrier public announcements on Hormuz routing resumption decisions; and QatarEnergy operational update on Ras Laffan partial capacity timeline.

SECTION 7: INDUSTRY SECTOR ASSESSMENT

This section provides the updated sector assessment as of June 26. The primary change from EOTISEC-2026-043 is the shift from crisis planning to normalization monitoring across most sectors, while maintaining elevated posture for helium, LNG, and MOU-stability-dependent inputs.

Energy: The dominant condition has changed from disruption to partial normalization. Brent at $74 represents the market pricing aggressive reopening. SPR at 86 percent and Cushing at operational minimum create asymmetric upside risk under MOU failure. U.S. producers face revenue headwind from price decline but volume advantage from record export positions. Downstream energy consumers should be renegotiating contracts now.

Critical Manufacturing: Eurozone manufacturing PMI was still in contraction at the prior report date. LNG feedstock lag means European chemical and steel producers face continued elevated costs even as oil falls. The structural question identified in prior reports, whether European chemical capacity lost during the conflict reopens or closes permanently, is a 2027 question, not a 2026 one.

Automotive: Aluminum shortage active until confirmed otherwise. Helium electronics constraint active through late 2026. No new update from ALBA or Emirates Global Aluminium on capacity restoration.

Chemical: LNG restart pacing is the critical variable. Monitor Qatar Energy and European spot LNG price as leading indicators for chemical feedstock normalization.

Food and Agriculture: Fertilizer price relief beginning with Strait opening. Fall harvest yield impact locked in for late summer arrival. Food inflation in consumer data will persist into Q4 independent of current commodity price movements.

Information Technology and Semiconductors: Helium is the critical path. Four to six months from confirmed full Strait access, no earlier than November to January. Companies should maintain contingency posture, confirm alternative sourcing, and monitor Air Products and Linde supply announcements.

Healthcare: MRI helium in same window. Maintain contingency protocols through Q4 2026.

Transportation and Aviation: Jet fuel cost relief underway. Freight spot market rates declining. Locked surcharges (USPS through January 2027, Amazon in effect) create a floor that does not move with oil. Major Western carriers not yet transiting Hormuz; this is the watch item.

Financial Services: 60-day OFAC sanctions waiver operative. Review exposures. August 17 waiver expiration is a hard compliance review date. Credit risk teams should assess Iranian counterparty exposure for waiver-expiration scenarios.

Retail and Consumer Goods: Pump price relief visible. Contracted 2026 holiday inventory cost elevated. Q3 and Q4 consumer prices will run above oil price signals. Proactive investor communication is the priority action.

Defense Industrial Base: Estimated war cost approaching $45 to $50 billion. Operational readiness requirements maintained under MOU framework. Sustained procurement demand through at minimum August 17.

Continuous monitoring for this report cycle: daily Brent price tracking with focus on $72 to $78 range as normalization confirmation; daily Western carrier announcements on Hormuz re-entry; July 17 mine clearance deadline confirmation from shipping operators; weekly helium spot price and Air Products and Linde supply status; August 17 MOU expiration as a hard review trigger for all supply chain, hedging, and compliance postures established during the conflict.

SECTION 8: ANALYTIC TRADECRAFT SELF-CERTIFICATION

Requirement	Status
Objectivity: Free of advocacy, personal preference, or policy bias.	CONFIRMED
Independence of Political Consideration: No judgment shaped to support a particular outcome.	CONFIRMED

Timeliness: Source material current through June 26, 2026 (Day 119). Updates EOTISEC-2026-043 (June 4, Day 96). Gap period is June 4 through June 26.	CONFIRMED
Based on All Available Sources: All source material considered. Gaps documented in Section 5.	CONFIRMED
Source Credibility Described: Source quality addressed in Section 6.	CONFIRMED
Uncertainty Expressed: Probability and confidence language conforms to ICD 203 standards throughout.	CONFIRMED
Assumptions Distinguished from Facts: All assumptions are labeled. Linchpin assumptions identified.	CONFIRMED
Alternatives Incorporated: At least one alternative hypothesis addressed for each major judgment.	CONFIRMED
Customer Relevance Addressed: Business impact implications stated by sector and category.	CONFIRMED
Decision Support Included: Section 4 closes with specific, time-sensitive actions by business function.	CONFIRMED
Clear and Logical Argumentation: Main analytic message stated in Key Judgments. All judgments supported by evidence in the body.	CONFIRMED
Scope: Business impact assessment. Adversary cyber activity referenced only where it produces direct business continuity or financial exposure for the reader.	CONFIRMED

SECTION 9: ENDNOTES

All sources are in the public domain. Sensitive Business classification reflects the analytical sensitivity of this document, not the classification of any underlying source material.

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