

US–Israel vs Iran Conflict – Day 20

01 Current situation

The US–Israel military campaign against Iran – launched on 28 February 2026 – has entered its 20th day with no ceasefire on the horizon. What began as a targeted strike campaign aimed at permanently denying Iran nuclear capability has evolved into a multi-domain conflict now threatening the global energy system. Day 20 is defined by three compounding developments that have fundamentally reset the strategic landscape.

The Larijani Assassination – The Ceasefire Architecture Decapitated

On 17 March, Israeli airstrikes killed Ali Larijani, Secretary of Iran's Supreme National Security Council, alongside Basij commander Gholamreza Soleimani and intelligence minister Esmaeil Khatib – three senior officials eliminated within 24 hours. Larijani's death is the single most consequential event of the conflict for diplomatic resolution. He was Iran's primary back-channel interlocutor with the Trump administration, the architect of Iran's pre-war nuclear negotiating posture, and the de facto operational leader of the Iranian state since Supreme Leader Khamenei was killed on Day 1. His removal eliminates the pragmatist pole of Iranian leadership at the precise moment the private diplomatic architecture was most advanced. Analysts at the Quincy Institute assess that Israel deliberately 'killed off any potential off-ramps that Trump may be looking for.' The ceasefire scenario now lacks its human anchor.

The South Pars Strike – Energy War Phase Begins

On 18 March, Israel struck Iran's South Pars natural gas field – the world's largest – with US coordination. Iran immediately retaliated by striking Qatar's Ras Laffan LNG complex ('extensive damage'), Kuwaiti refineries, and a Saudi export terminal. European natural gas prices surged 30%. Brent crude hit \$118/barrel. Qatar expelled senior Iranian officials and shot down two Iranian Su-24 bombers – the first nation to shoot down Iranian aircraft in the conflict. Saudi Arabia is now threatening military retaliation for the energy infrastructure strikes. The conflict has opened a new domain – an Energy War – with escalation dynamics that are partially independent of the main military-diplomatic track.

The Attrition Deepens

With Larijani gone and the energy war open, Iran shows no signs of the private flexibility that characterised the back-channel period. Iran has now struck targets in nine countries, deployed cluster warhead missiles against Tel Aviv (killing two in Ramat Gan), conducted naval strikes in the Caspian Sea, and launched a ground incursion into Lebanon through its proxies. Iran's Foreign Minister Araghchi has been explicit: 'We are not seeking a ceasefire because we do not want this



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scenario repeated again.' US domestic political fractures are mounting – senior counterterrorism official Joe Kent resigned stating 'we started this war due to pressure from Israel and its powerful American lobby' – but congressional efforts to restrain Trump's war powers have failed twice. The Pentagon's official 4–6 week timeline (from Day 16) places the resolution window at mid-to-late April. Mojtaba Khamenei, Iran's new Supreme Leader, has not made a single public appearance in 20 days.

CRITICAL INTELLIGENCE GAP

The identity and authority of Iran's ceasefire interlocutor is now the single most important unresolved question of the conflict. Without a publicly identifiable Iranian signatory, the diplomatic architecture built over 20 days – CIA back-channel, Oman mediation, Hormuz partial opening – cannot produce a deal. The emergence of a replacement pragmatist figure (Pezeshkian, a Larijani associate, or an IRGC channel) is the primary catalyst for the ceasefire scenario.

02 Economic & Energy Impact

The conflict has produced the largest energy supply shock since the 1970s Arab oil embargo, with Brent crude up approximately 50% from pre-conflict levels. The South Pars strike on Day 18 added a new supply shock layer that drove a temporary spike to \$118/barrel. The Strait of Hormuz – through which 20% of the world's oil transits – remains effectively closed to US and Israeli-aligned shipping. Qatar's Ras Laffan LNG complex, the world's largest, is reporting extensive damage. The following dashboard tracks the key market and economic indicators as of Day 20.

MARKET / ASSET	D20 READING	CHANGE	DRIVER / IMPLICATION
Brent Crude Oil	\$115–118/bbl	↑ ~50% since Day 1	South Pars strike; Hormuz blockade; Gulf infra attacks
US Retail Gasoline	\$3.54–3.80/gal	↑ 86¢ since conflict	Approaching \$4/gal political red line for Trump
European Natural Gas	+30% Day 19	Multi-year high	Ras Laffan LNG 'extensive damage'; 20% global LNG at risk
Qatar LNG (Ras Laffan)	Extensive damage	Halted production	World's largest LNG producer offline – global supply shock
Aluminium (ALBA)	-20% capacity	Controlled shutdown	Exports blocked via Hormuz; pricing impact already felt
Strait of Hormuz	~80% blockaded	3rd week of closure	20% of global oil; selective passage for non-US/IL ships
Saudi Ras Tanura Refinery	Fire / disrupted	Debris from intercept	Largest Saudi domestic refinery; further attacks threatened
AWS UAE Data Centres	3 struck	Structural damage	Global cloud infra now a conflict target; enterprise risk
US War Cost	\$50–66bn projected	\$22bn at Day 14	Pentagon 4–6 week extension adds est. \$29–44bn more



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INVESTMENT IMPLICATION

Energy sector: long positions in non-Gulf producers (US shale, North Sea, West African), LNG alternatives (US Gulf Coast, Australian), and shipping (non-Hormuz routes) benefit from the supply disruption premium. Defensive positioning in global logistics, cloud infrastructure, and Gulf-exposed financial institutions is warranted. The \$4/gallon US gas price threshold is the key domestic political forcing function on the Trump administration's timeline – if crossed durably, the ceasefire probability rises as domestic economic pain accelerates Trump's 'felt it in my bones' decision moment.

03 SCENARIO ANALYSIS

Five scenarios have been tracked across 11 assessment revisions since Day 5. The following analysis presents each scenario's current probability, key supporting factors, and the trigger events that would confirm or negate the scenario. Probabilities are assessed by our Directorate of Strategic Analysis and updated every 48 hours.

01 Negotiated Ceasefire / Managed De-escalation		18%
ASSESSMENT	KEY SUPPORTING FACTORS	WATCH FOR
<p>Probability has fallen from its series high of 40% (Day 14) to 18% – its lowest since Day 8. The Larijani assassination has removed the primary interlocutor of the private diplomatic architecture. The CIA back-channel, Oman mediation, and the Hormuz partial opening signal (only closed to US/Israeli ships) remain structurally intact. The April resolution window per the Pentagon's 4–6 week timeline is still operative, but requires a new Iranian ceasefire signatory to emerge.</p>	<ul style="list-style-type: none"> → CIA back-channel remains active – survives Larijani killing → Hormuz partial opening – pathway for third-country reopening exists → Nuclear material confirmed destroyed – Trump's primary stated objective achieved → Pentagon April 13–27 resolution window still operative → Oman FM publicly urging ceasefire; Saudi emergency summit in Riyadh 	<ul style="list-style-type: none"> ◆ New Iranian interlocutor emerges with authority to sign ◆ Qatar/Oman ceasefire framework document circulated ◆ Trump publicly guarantees halt to energy strikes ◆ Lebanon ceasefire deal creates diplomatic momentum ◆ Brent crosses \$4/gal US pump price sustainably



02 Prolonged Attrition – DOMINANT SCENARIO ★		40%
ASSESSMENT	KEY SUPPORTING FACTORS	WATCH FOR
<p>Prolonged attrition consolidates at 40% – the highest since Day 7 – and is the dominant single scenario. The conflict has entered a self-reinforcing cycle: each escalation (Larijani killing → cluster missile retaliation → South Pars → Ras Laffan) reduces the ceasefire probability and deepens the attrition trajectory. The energy war domain has its own escalation dynamics, partially independent of the military-diplomatic track, making a sudden ceasefire less likely even as diplomatic architecture matures.</p>	<ul style="list-style-type: none"> → Pentagon's 4–6 week official timeline – institutional planning signal → Araghchi: 'Not seeking ceasefire... do not want this repeated' (18 Mar) → IDF: 'thousands of targets remaining, 3+ more weeks minimum' → IRGC hardliners dominant; pragmatist pole (Larijani) eliminated → Iran has struck 9 countries – operational expansion, not contraction → Lebanon ground incursion (91st Division) – new front opened 	<ul style="list-style-type: none"> ◆ Saudi Arabia executes military retaliation for energy strikes ◆ Iran fires further cluster warhead barrages at Israeli cities ◆ No Iranian interlocutor emerges within 2 weeks ◆ Mojtaba confirmed dead or incapacitated – succession crisis 2.0 ◆ Houthis re-enter conflict – Red Sea second front activated

03 Regime Stabilisation Under Mojtaba / IRGC-Backed Rule		10%
ASSESSMENT	KEY SUPPORTING FACTORS	WATCH FOR
<p>Declining to 10% as the systematic decapitation campaign depletes Iran's institutional leadership depth. Three senior officials eliminated in 24 hours (Larijani, Khatib, Soleimani) following earlier Day 1 kills of Khamenei Sr., the IRGC chief, and the Defence Minister. The IRGC's triple-redundancy command structure maintains offensive operations, but the question of whether a stable, publicly functional leadership can reconstitute is increasingly uncertain. Mojtaba Khamenei's written statement (18 Mar) is the only attribution – no visual confirmation in 20 days.</p>	<ul style="list-style-type: none"> → IRGC triple-redundancy command – operations continue regardless of leadership status → Araghchi and Pezeshkian publicly functional – political institutions intact → Mojtaba written statement (18 Mar) signals nominal authority continues → IRGC new leader Vahidi (appointed 1 Mar) – security apparatus continuity 	<ul style="list-style-type: none"> ◆ Mojtaba Khamenei visual confirmation – alive and functional vs. incapacitated ◆ Pezeshkian assumes expanded public-facing authority ◆ IRGC publicly assumes state leadership – military junta scenario ◆ Second succession crisis triggered – no constitutional mechanism for replacement



04 Regional Escalation / Wider War		27%
ASSESSMENT	KEY SUPPORTING FACTORS	WATCH FOR
<p>Rising to its series high at 27%, driven by the South Pars energy war, Qatar's military engagement (Su-24 shootdown), Saudi Arabia's military threats, and Iran's confirmed strikes in nine countries. The conflict's geographic scope is expanding across multiple vectors simultaneously. The threshold event for this scenario locking in: Saudi Arabia executing a military retaliatory strike, or a formal NATO Article 5 invocation following incidents at Incirlik or another NATO base.</p>	<ul style="list-style-type: none"> → South Pars energy war draws Qatar, Saudi, Kuwait into active conflict zone → Qatar shot down 2 Iranian Su-24 bombers – first military engagement by Gulf state → Saudi Arabia threatening military retaliation for energy facility strikes → Iran confirmed strikes in 9 countries including West Bank and Caspian Sea → IDF Lebanon ground incursion with 91st Division – second front ground operations → 3rd NATO kinetic incident at Incirlik – Article 5 structural proximity 	<ul style="list-style-type: none"> ◆ Saudi Arabia executes military strike against Iranian targets ◆ UAE or Kuwait formally enters conflict militarily ◆ NATO Article 5 formally invoked at Incirlik or European base ◆ Houthis activate Red Sea front – Bab el-Mandeb closed ◆ Brent sustainably above \$130 – global recession risk materialises

05 Nuclear / Radiological Event		4%
ASSESSMENT	KEY SUPPORTING FACTORS	WATCH FOR
<p>Stable at the 4% floor – the lowest near-term nuclear risk of the series. Araghchi confirmed Iran's approximately 440kg of 60%-enriched uranium stockpile is 'under rubble of destroyed facilities, with no plan to recover' it. IAEA has confirmed no radiological release through Day 20. The near-term threat is assessed minimal. The medium-term reconstitution risk (post-ceasefire NPT withdrawal + rebuilt programme) is real but a 3–5 year horizon. DNI Gabbard's Senate testimony introduced an internal US intelligence contradiction: Iran's nuclear programme was 'obliterated' yet Tehran 'maintains the intention to rebuild.'</p>	<ul style="list-style-type: none"> → 440kg enriched uranium 'under rubble, no plan to recover' – primary stockpile destroyed → IAEA: no radiological release confirmed through Day 20 → DNI: Iran made 'no clear efforts to restart' since June 2025 strikes → Trump: nuclear deal 'no longer needed' – primary objective assessed achieved 	<ul style="list-style-type: none"> ◆ IAEA physical verification that stockpile is destroyed, not dispersed ◆ Post-ceasefire NPT withdrawal formal legislation vote in Iran parliament ◆ IRGC attempts to reconstruct enrichment capability at undisclosed sites ◆ Mojtaba's removal of anti-nuclear fatwa creates theological permission for weapons



04 Probability Matrix – Full Trajectory D5 To D20

The matrix below tracks probability evolution across all eleven assessment revisions from Day 5 through today (Day 20). The amber column marks Day 18 (first energy war revision); the red column marks today's reading. The trajectory reveals three distinct phases: Phase 1 (D5–D8) escalation–dominant; Phase 2 (D10–D14) ceasefire–building, peaking at 40%; Phase 3 (D16–D20) attrition–dominant reversal driven by the Larijani assassination and the South Pars energy war.

SCENARIO	D5	D6	D7	D8	D10	D12a	D12b	D14	D16	D18	D20	NET D18→D20
1. Ceasefire	28%	20%	12%	8%	18%	28%	32%	40%	28%	20%	18%	▼ -2%
2. Attrition ★	25%	22%	26%	23%	24%	30%	25%	20%	32%	38%	40%	▲ +2%
3. Regime Stab.	18%	15%	22%	30%	25%	18%	18%	14%	14%	10%	10%	→ 0pp
4. Reg. Escalation	15%	26%	21%	22%	18%	14%	15%	16%	20%	26%	27%	▲ +1%
5. Nuclear	4%	4%	5%	6%	6%	6%	5%	5%	4%	4%	4%	→ 0pp

05 Bottom Line Assessment

PRINCIPAL ASSESSMENT – DAY 20

The conflict has entered its most dangerous and structurally complex phase. Three compounding developments define the Day 20 landscape:

1. The Ceasefire Architecture Has Been Decapitated. Larijani's assassination removes the one figure the international community could negotiate with. No replacement pragmatist has publicly emerged. The diplomatic infrastructure – CIA back-channel, Oman mediation, Hormuz partial opening – is intact but leaderless.
2. The Energy War Is Now Self-Sustaining. South Pars → Ras Laffan → Saudi refineries → Kuwait drones represents a new escalation cycle that runs on its own logic. Brent at \$115–118 and European gas up 30% are now structural, not temporary, until a ceasefire or exhaustion forces a halt.
3. Israel's Objective Diverges From Trump's. The Quincy Institute's assessment – that Israel is actively eliminating the ceasefire off-ramps Trump is looking for – is now the operative analytical frame. Trump's domestic political pressure (gas prices, Joe Kent resignation, NATO criticism, delayed China trip) is mounting, but Israel's campaign logic points toward continued escalation.

Resolution window: mid-to-late April per Pentagon timeline. Dominant trajectory: prolonged attrition at 40%. The April window holds – but narrowing. The primary catalyst for acceleration: a new Iranian interlocutor emerges, or US domestic economic pain forces Trump's 'gut decision' moment.



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Priority Watch Items for Clients – Next 10 Days

P	INDICATOR	MARKET / INVESTMENT SIGNAL
P1	New Iranian ceasefire interlocutor emerges publicly	<i>BULLISH signal: oil -10 to -15%, equities rally, EM risk-on. Absence beyond April 1 raises attrition probability to 45%+.</i>
P1	Saudi Arabia executes military strike on Iranian target	<i>BEARISH: Brent +\$20 immediately; Global equity selloff; global recession risk materialises; S4 lock-in.</i>
P1	South Pars energy ceasefire – Trump guarantees halt to gas strikes	<i>Oil -8 to -12% on announcement; LNG spread compression; Global equities recover.</i>
P1	Mojtaba Khamenei visual confirmation	<i>IF ALIVE: ceasefire architecture partially restored; oil -5%. IF DEAD: succession crisis; escalation premium +\$10-15/bbl.</i>
P2	First country formally commits to Hormuz coalition (NATO SG Rutte discussions)	<i>Gradual oil softening -3 to -5%; signals eventual Hormuz reopening timeline.</i>
P2	Lebanon ceasefire deal (Dermer/France track)	<i>Diplomatic de-escalation signal; reduces Hezbollah activation risk; equity risk sentiment improves.</i>
P2	US gas price crosses \$4.00/gallon average	<i>Trump's domestic political breaking point; ceasefire probability rises; accelerates 'gut decision' moment.</i>
P3	Houthis re-enter conflict – Red Sea/Bab el-Mandeb	<i>Second supply shock layer; shipping rates +40%; S4 dominant; Brent \$130+ scenario activated.</i>

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