

MONTH ONE

ASYMMETRIES OF WAR

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the one-page report

The US-Israel war on Iran has been prosecuted largely from the air. It is, crudely put, **a war of projectiles and interceptors**. Both are vital and finite in the short-term, and thus the war's course is determined by available stocks of Iranian ballistic missiles and launchers versus the interceptive capabilities of Israel and its Gulf allies. The conflict has affirmed the tremendous utility of cheap Iranian Shahed drones – though these form only a partial counterweight to the advanced fighter jets and multi-domain dominance (electronic, intelligence) of the US and Israel.

The war's scope and potential for escalation are truly novel. With fifteen West Asian states directly implicated in hostilities, **the risk of entrenched regional conflagration is real**. Having failed to oust the Islamic Republic or degrade its ballistic capabilities, Washington and Tel Aviv now weigh the cost of further escalation. Given the former's deployment of thousands of rapid-deploy marines to the region, and the latter's possession of a nuclear arsenal, anything from ground invasion of Iran's oil shipment facilities to atomic warfare cannot be ruled out. ■

DE-ESCALATION UNLIKELY

The diplomatic environment remains precarious, with **off-ramps dwindling**. The US and Israel maintain their fifteen-point ultimatum demanding the irreversible dismantling of Iran's military capabilities, primarily ballistic and nuclear.

Regionally, **diplomatic infrastructure is fracturing**, with Lebanon expelling Iran's ambassador in a historic rift. Although the White House claims agreement on de-escalation between parties, Tehran continues to deny any breakthrough, retaining its remaining missile arsenal in secure bunkers.

Undoubtedly, diplomatic developments now rest on today's "Sunday Summit" in Islamabad. Pakistan has stepped forward to lead diplomatic efforts, hosting Saudi Arabia, Türkiye and Egypt to discuss de-escalation. Trump's **6 April deadline looms as a critical threshold** for renewed US strikes on Iranian energy infrastructure. Given reports of a possible American ground operation at Kharg Island, the war is at a crossroads: either strong diplomatic strides or a more violent military phase. ■



SHOCKS BEYOND ENERGY

Given the risk of shipping through the Strait of Hormuz, East and Southeast Asian markets are reeling from the **interrupted flow of upstream and downstream petrochemical products** sourced from the Persian Gulf. Semiconductor production chains are facing a **helium shortage** since there are few alternatives to Qatari supply for Asian producers. Fertilizer production also faces supply pressures in key Asian and African markets. Combined with the increased cost of freight due to diesel and gasoline price volatility, agricultural sectors in India, the Philippines, and elsewhere will require state support to weather the **rising costs of food production** so costs are not passed on to precarious consumers. The impacts of surging gas prices on net-importers of food and fuel will be significant, especially in vulnerable Asian and African markets. ■