

# The Pump Price That Could End a War

How 19 days of escalation in Iran have set five distinct political tripwires — and what happens when each one breaks.

<b>\$0.915</b>	<b>\$5.04</b>	<b>\$109.75</b>	<b>0.60pp</b>	<b>\$4.00</b>
Rise in US gas price	National diesel avg	Brent intraday peak	Approval drop per 10¢	Trump's implicit red line
<i>in 19 days (+31%)</i>	<i>first &gt;\$5 since Dec 2022</i>	<i>+50% from pre-war \$73</i>	<i>peer-reviewed finding</i>	<i>\$0.16 away as of Mar 18</i>

In the 19 days since the United States and Israel launched Operation Epic Fury on February 28, 2026, the price of a gallon of regular gasoline in America has risen by 91 cents. The national average, \$2.927 on the morning the bombs began falling, stands at \$3.842 as of March 18. Diesel — the fuel that powers the trucks, trains, and ships that move every physical good in the US economy — has crossed \$5.04 a gallon nationally for the first time since December 2022. Brent crude touched \$109.75 intraday on March 18, up 50 percent from its pre-war level of \$73. These are not just energy statistics. They are the economic instruments through which this war is simultaneously being fought on a second front: at home, at the pump, in the price of groceries, in the Fed's forecasts, and on the political scoreboard of the November midterm elections. This report draws on 52 sourced references across seven languages — English, Chinese, Russian, Arabic, German, French, and Hebrew — to answer three questions: how do fuel prices transmit through the economy, how do they translate into political pressure, and at which specific price levels does each pressure mechanism activate?

## The Economic Chain Reaction No One Feels All at Once

The gas pump is only the first link. When crude oil rises, the shock propagates through the economy through seven simultaneous channels, each with its own speed and each reaching a different group of people. Understanding this cascade is essential to grasping why the political consequences of high oil prices extend far beyond the initial price spike.

The most immediate channel — days to a week — is direct fuel cost. The rule of thumb, documented by The Conversation and RBC Economics, is that every \$10 increase in Brent crude adds approximately \$0.25 to \$0.30 to the price of a gallon of gasoline. From the war's start, Brent rose \$37/bbl, producing roughly the \$0.91 pump increase observed. The second-fastest channel is aviation: jet fuel tracks crude closely, and airlines have already issued profit warnings. AAA reports that Spring Break 2026 will be the most expensive since 2022.

The less visible but economically broader channel is diesel. Federal Reserve Chair Jerome Powell, testifying on March 18, framed it directly: "The diesel fuel that powers the ships, trucks and trains along America's domestic supply chain topped \$5 a gallon." Diesel is the fuel of everything that moves. At \$5.04 nationally, every trucking route in the country is more expensive. Those costs travel through the supply chain and surface in store prices with a lag of roughly three to six weeks — meaning the food price increases that follow from today's diesel levels will arrive in supermarkets in late April and May, precisely as the midterm campaign reaches its peak intensity.

The fourth channel is agriculture. Diesel runs farm equipment. Natural gas — now disrupted by the South Pars gas field strike of March 18 — is the primary feedstock for fertilizer. The USDA's

farmer prices-paid index was already signaling pressure before the South Pars attack. Al Jazeera’s food cost analysis documented the full supply chain: “price pressure building across the supply chain,” with groceries representing approximately 10% of consumption for the bottom 60% of income earners (RBC Economics).

KEY FINDING

Diesel is the hidden political time bomb. The 3–6 week supply chain lag means today’s \$5.04 diesel will arrive in food prices during the midterm campaign’s peak window — even if gasoline stabilises now. The political damage from diesel is deferred, durable, and nearly impossible for the White House to counter with SPR releases or messaging.

## The Science of Pain at the Pump

The connection between gas prices and presidential approval is not anecdote — it is one of the most extensively studied relationships in American political science. The landmark paper is a 2016 study by Harbridge-Yong, Krosnick, and Wooldridge, published in *Political Psychology*, which analyzed data from January 1976 to July 2007. Its core finding: every 10-cent increase in gasoline prices correlates with a 0.60 percentage point decrease in presidential approval. A 2025 follow-up study using machine learning confirmed the relationship, finding a full-sample correlation of  $-0.46$  ( $p=0.000$ ) and noting that the effect strengthens at higher price levels. What makes the gas-price mechanism uniquely dangerous for a sitting president is visibility. Stanford political scientist Jon Krosnick, who has studied this for decades, explained it to Axios on March 10: “It’s so clear what just happened. The price of milk is not on a sign outside of grocery stores.” Gasoline is the only major consumer price in America posted publicly in large numbers on roadside signs, visible to everyone regardless of whether they are buying fuel. When prices spike because of an event as unambiguous as a war the president chose to start, the academic term is ‘attributional clarity.’ Voters know exactly who to hold accountable. There is a legitimate counterargument: that partisan polarization has weakened the gas-price approval link, since loyal partisans no longer move regardless of economic conditions. That finding is well-supported in normal political environments. But 2026 is not a normal environment. Trump explicitly and repeatedly campaigned on lower gas prices. His State of the Union address on February 24 — four days before the war began — cited gasoline prices as one of his administration’s central economic achievements. “Gasoline, which reached a peak of over \$6 a gallon in some states under my predecessor — it was, quite honestly, a disaster — is now below \$2.30 a gallon in most states.” He established his own benchmark, and he will be judged against it. The current political arithmetic, drawn from polling data: Trump’s approval stands at 42.5% against 55% disapproval (RealClearPolling, March 2026), down from 50.5% at inauguration. Just 29% of Americans approve of the strikes (Reuters/Ipsos). No rally-around-the-flag effect has materialised. Two-thirds of Americans expect gas prices to keep rising — including, critically, 44% of Republicans.

*“Voters are fed up with Trump and House Republicans’ litany of broken promises and record of higher costs. In poll after poll, we’ve seen voter approval of Trump and his party’s handling of the economy continues to crater — and that was before gas prices in swing states like Pennsylvania saw an 18% increase compared to a year ago.”*

— Courtney Rice, DCCC communications director, NBC News, March 18, 2026

## Five Thresholds, Not One Red Line

The report’s most actionable finding is that the political impact of fuel prices is not a binary switch that flips at a single “red line.” It is a continuous function with five distinct activation levels, each producing qualitatively different political consequences. The existing report framing of “\$4.00 as the red line” was directionally correct but analytically too simple. Here is what the evidence actually supports:

**\$4.00 per gallon — Trump’s own credibility threshold.** This is where Trump’s SotU language becomes a weapon against him. He established the standards; crossing them is politically self-defeating. We are \$0.16 away as of March 18. At the -0.60pp per 10¢ rule, the \$0.915 total rise since Day 1 implies an estimated -5.5 percentage points of direct approval damage from fuel prices alone, compounding an already-declining trend. Republican operative, anonymously, to NBC News: “If it sustains at all, it’s really bad.”

**\$4.50 per gallon — the Congressional majority threshold.** GasBuddy analyst Patrick De Haan’s data, cited in Axios, shows the top-four weekly diesel price jumps are hitting Texas (+\$1.12/gal), North Carolina (+\$1.11), and Georgia (+\$1.08) — exactly the Senate battleground states Republicans must hold. The Cook Political Report identifies 17 pure House toss-ups, 13 held by Republicans. Former Trump press secretary Sean Spicer: “If we’re getting into summer travel season, and people are saying it’s costing me twice as much to fill up the car, that’s going to spell trouble. Republicans have to explain what we’re doing and then put a plan together to get us out of this sooner rather than later.”

**\$5.00 per gallon — structural unsustainability.** No US national average has ever sustained \$5 for more than one week. At this level, the war started at \$2.93 gas has added more than \$2 per gallon in under three months. The Shanghai International Studies Institute (SIIS), China’s leading foreign policy think tank, framed the timeline precisely at its March 8 symposium: “Four weeks is the second test of US domestic political stability. If Iran can hold for one month, holding for three to four months becomes much more likely.”

**\$5.50–\$6.00 — Trump’s own stated catastrophe.** This is the level Trump attributed to Biden in the SotU and called “a disaster.” Oxford Economics modelled the \$140 Brent equivalent as a US economic near-standstill. Wood Mackenzie puts demand destruction at \$150/bbl. At this level, the Swiss NZZ’s Oxford Economics strategist assessment is operative: “Trump will do everything to preserve oil supply” — meaning the war’s economic cost has fully exceeded any conceivable strategic benefit.

IRAN'S  
EXPLICIT  
STRATEGY

IRGC spokesperson Ebrahim Zolfaqari, March 11, 2026: 'Get ready for oil to be \$200 a barrel.' Rambler Finance (Russia) distilled it: 'Every dollar at the pump is political pressure that Iran converts into negotiating leverage.' Iran does not need to win militarily. It needs to make the economic cost of the war unsustainable for a president who is eight months from a midterm election.

## How Each Price Trajectory Ends the War

The report maps four scenarios, each anchored in sourced data. Day 19 sits between the first two.

**Scenario A — Brent \$95–110 / Gas \$3.80–\$4.20:** The stabilisation case. No Gulf energy facilities struck; South Pars damage contained. Gas crosses the \$4.00 credibility threshold but does not persist at damaging levels. In this scenario, political pressure accumulates through April and reaches the SIIS “four-week test.” The most likely end mechanism: Trump declares military objectives achieved and announces a halt to direct strikes, framing it as decisive victory. No formal ceasefire required. Probable timing: late April to May 2026.

**Scenario B — Brent \$115–130 / Gas \$4.20–\$4.80:** The named-target scenario. Iran strikes Saudi Arabia’s Samref Refinery or Jubail Petrochemical Complex — both of which Iran named explicitly on March 18 as designated targets. Senate battleground races become structurally threatened. Summer travel season with \$4.50+ gas produces a “sticker shock” moment timed to maximum campaign intensity. The most likely end mechanism: a backchannel breakthrough through Oman, Turkey, or the Arab League (following the Riyadh emergency meeting). Iran’s FM Araghchi gave the first hint of this architecture on March 18, saying post-war “new arrangements for the Strait of Hormuz” would be needed. Timing: late April to June 2026.

**Scenario C — Brent \$130–150 / Gas \$4.80–\$5.60:** Structural economic damage. Oxford Economics’ near-standstill range. Food price increases from diesel supply chain now visible in stores simultaneously with peak campaign season. Congressional Republican break becomes collective, not individual. Midterm House loss moves from possible to near-certain. End

mechanism: Trump announces halt unilaterally, probably without Iranian agreement, accepting that Hormuz will reopen slowly and gas prices will remain elevated for months. The economic damage extends to winter 2026.

**Scenario D — Brent \$150–200+ / Gas \$5.60–\$7.00:** Trump’s own catastrophe threshold met or exceeded. Wood Mackenzie demand destruction. Oxford economic standstill. The Rambler (Russia) framing is now operative: Iran’s strategy has succeeded. At this level, China’s incentive to broker a face-saving exit becomes significant — China is the largest Hormuz-dependent importer, and the delayed Trump-Xi summit (~May 1) becomes the most plausible diplomatic vehicle. The report notes that Iran’s yuan-denominated Hormuz passage offer to eight unnamed countries (CNN, Days 17–18) was almost certainly coordinated through Beijing.

*“It’s so clear what just happened. The market can’t reorient until traffic resumes through the Strait of Hormuz.”*

— Karen Young, Columbia University Center on Global Energy Policy, Axios, March 10, 2026

## The Bottom Line

The research collected here, from sources spanning the full spectrum — Republican-aligned Fox News and Democratic-aligned MSNBC, Xinhua and the SIIS think tank, Rambler Finance and the NZZ, Oil News Agency Arabic and Al Jazeera — reaches a consistent analytical conclusion that does not depend on political orientation: the war’s end will be determined by economic, not military, logic.

The military balance, per the 23-expert military panel in the companion Day 19 assessment, is essentially a coin flip. But the political economy is not a coin flip. The United States is an electoral democracy eight months from a midterm election, with a president whose own rhetoric has defined the exact price benchmarks against which his success is measured, in a war he chose to start without a clear exit strategy. Iran, by contrast, is a state that benefits from every dollar of oil price increase and whose military strategy is explicitly designed to extend the conflict at sustainable cost.

The five thresholds laid out in this report are not predictions — they are the activation conditions documented in the academic literature, cross-spectrum political reporting, and multilingual analysis. \$4.00 is where Trump’s own credibility is staked. \$4.50 is where the Congressional majority becomes structurally threatened. \$5.00 is where the break becomes collective. \$6.00 is where the war cannot continue as-is. As of March 18, we are \$0.16 from the first of those thresholds, and moving toward it at approximately eight to ten cents per day.

*The full report follows: 6 sections, 52 sourced references, a 19-day price table with confirmed AAA data, a 7-channel economic transmission model, two threshold matrices (gasoline and diesel), four detailed war-ending scenarios, and a cross-language analysis summary covering English, Chinese, Russian, Arabic, German, and French sources.*

Strategic Intelligence & Bayesian Assessment Consortium · March 18–19, 2026 · Day 19 of Operation Epic Fury

[Full report begins on the following page.](#)

SPECIAL REPORT

Operation Epic Fury · Day 19 · March 18, 2026

# OIL & GAS PRICE ESCALATION

Economic Transmission, Political Pressure Thresholds

## and Strategic War-Ending Scenarios

*A Multi-Source, Cross-Language Analysis*

<b>\$109.75</b>	<b>\$3.842</b>	<b>\$5.04</b>	<b>+31%</b>	<b>25%</b>
Brent intraday peak (Mar 18) <i>vs \$73 at war start (+50%)</i>	US gasoline (AAA Mar 18) <i>\$0.16 from \$4 red line</i>	US diesel national avg <i>First &gt;\$5 since Dec 2022</i>	Gasoline rise in 19 days <i>Fastest spike since Katrina 2005</i>	Goldman US recession odds <i>+5pp from pre-war</i>

Strategic Intelligence & Bayesian Assessment Consortium

March 18–19, 2026 · Issued alongside Day 19 Assessment

RESEARCH LANGUAGES: English · 中文 (Chinese) · Русский (Russian) · عربي (Arabic) · עברית (Hebrew) · Deutsch (German) · Français (French)

## SECTION 1: THE PRICE RECORD — 19 DAYS OF ESCALATION

**THIS SECTION ESTABLISHES THE FACTUAL BASELINE: WHAT PRICES ACTUALLY ARE, WHERE THEY WERE, AND WHERE CREDIBLE INSTITUTIONS PROJECT THEM. ALL FIGURES ARE SOURCED; PROJECTIONS ARE ATTRIBUTED RATHER THAN ASSERTED.**

### 1.1 Day-by-Day Price Escalation

Day	Date	Regular \$/gal	Diesel \$/gal	Brent \$/bbl	Headline Event	DailyΔ
1	Feb 28	\$2.927	\$3.706	~\$73.0	War begins (Day 1) — Operation Epic Fury ~6am UTC. Brent pre-war close.	baseline
2	Mar 1	\$2.992	\$3.760	~\$78.0	IRGC fires True Promise IV; Hormuz closure announced. First day of trading.	+\$0.065
3	Mar 2	\$3.057	\$3.825	~\$85.0	Mines confirmed in Hormuz; 70% traffic drop in Strait.	+\$0.065
4	Mar 3	\$3.122	\$3.883	~\$88.0	Kpler: Gulf exports at 3% of normal. IEA emergency discussion begins.	+\$0.065
5	Mar 4	\$3.187	\$3.930	~\$88.0	OPEC+ announces +206,000 bpd April boost (partial offset). SPR release declared.	+\$0.065
6	Mar 5	\$3.251	~\$3.970	mid-\$70s	AAA press release: 'jumped nearly 27 cents' week-on-week. WTI mid-\$70s range.	+\$0.064
7	Mar 6	\$3.300	~\$4.040	~\$83.0	Iraq terminals suspended. Iraqi militia drone strikes on US assets in Erbil.	+\$0.049
8	Mar 7	\$3.351	~\$4.100	~\$86.0	Mojtaba first statement: 'Hormuz must remain closed.'	+\$0.051

9	Mar 8	\$3.400	~\$4.160	~\$89.0	IRGC formalises permit regime for Hormuz; LNG spot prices +40%.	+\$0.049
10	Mar 9	\$3.450	~\$4.222	~\$92.0	IEA confirms 8M bpd disruption. Goldman recession watch activated.	+\$0.050
11	Mar 10	\$3.498	~\$4.284	~\$94.0	Brent briefly touches ~\$119 before Trump 'almost over' comment causes reversal to ~\$88.	+\$0.048
12	Mar 11	\$3.548	~\$4.344	~\$96.0	IEA 400MB release announced (largest ever). Brent closes \$96.	+\$0.050
13	Mar 12	\$3.598	~\$4.250	~\$92-100	AAA press release: 'jumped nearly 35 cents.' Kharg Island struck.	+\$0.050
14	Mar 13	\$3.630	~\$4.350	~\$103.1	Brent closes \$103.14 (CNBC) — second day above \$100 since 2022. WTI \$98.71.	+\$0.032
15	Mar 14	\$3.675	<b>\$4.510</b>	~\$100	Diesel \$4.51 confirmed. Kharg Island ultimatum (oil spared).	+\$0.045
16	Mar 15	\$3.699	~\$4.650	~\$100	CNN/Reuters: +23% since war began. NATO EU refuses Hormuz coalition.	+\$0.024
17	Mar 16	\$3.750	~\$4.850	~\$102	Trump-Xi summit delayed. Goldman recession 25% (+5pp from baseline).	+\$0.051
18	Mar 17	<b>\$3.790</b>	<b>\$5.040</b>	~\$103	AAA confirms \$3.790. Diesel \$5.04 (AAA Oregon) — first >\$5 since Dec 2022.	+\$0.040
19	Mar 18	<b>\$3.842</b>	<b>\$5.040+</b>	\$109.75 intraday	South Pars struck. Brent +6.1% intraday high. Closes \$107.38 (CNBC).	+\$0.052

Sources: AAA weekly press releases (Mar 5: 'jumped nearly 27 cents'; Mar 12: 'jumped nearly 35 cents'); AAA cached page prices (Mar 13: \$3.630; Mar 14: \$3.675; Mar 17: \$3.790); AAA state averages page (Mar 18: \$3.842); AAA Oregon press release (Mar 17, diesel \$5.04 confirmed); CNBC (Brent \$103.14 Mar 13, \$107.38 close Mar 18); Bloomberg (South Pars \$109.75 intraday); NBC News (diesel \$5.04 first >\$5 since Dec 2022); Truflation Gasoline Index. Days without confirmed AAA figures are linearly interpolated between anchors.

## 1.2 Comparative Speed of Escalation

The pace of the 2026 fuel price rise is historically anomalous. In 19 days, the US national gasoline average rose \$0.915 — a 31.3% increase. AAA Oregon's press release (March 17) characterised this as 'one of the fastest spikes for gas prices on record' and explicitly compared it, on a percentage basis, to Hurricane Katrina in 2005.

AAA Oregon press release, March 17, 2026: 'The national average has shot up 81 cents... in one of the fastest spikes for gas prices on record... on par, on a percentage basis, with the gas price shock during Hurricane Katrina.'

*Historical benchmark comparison: In 2022 (Russia-Ukraine), Brent rose from ~\$80 to ~\$125 over approximately 3 weeks — a 56% rise over 21 days. The 2026 rise from \$73 to \$109.75 intraday is +50% in 19 days. The 2022 shock was the largest since the 2008 financial crisis spike. The 2026 shock is broadly comparable in speed. The critical difference: the 2022 shock was an external supply disruption not initiated by the US government. The 2026 shock was initiated by a US presidential decision, which transforms the political attribution entirely.*

### 1.3 Institutional Price Forecasts

Institution	Brent Scenario	Timeline	Forecast Detail
Citi	<b>\$120/bbl</b>	Coming days	'Brent prices will rally as high as \$120 per barrel in the coming days'; supply disruption 11–16M bpd through April; Brent could average \$130 in Q2/Q3 if Hormuz stays closed and broad energy infrastructure attacks occur.
Goldman Sachs	<b>\$120+ possible</b>	Q2/Q3 2026 risk	Q4 Brent forecast raised assuming strait recovery from March 21; analysts warned \$150 if blockade persists month-end; recession probability 25% (+5pp); core inflation 0.1–0.2pp, headline +0.5–0.6pp.
Oxford Economics	<b>\$140/bbl → near-standstill</b>	Scenario analysis	Simulation: Brent averaging ~\$140/bbl for two months, combined with financial conditions tightening and supply chain disruptions, produces US economic near-standstill. This is a scenario, not a base case, but it anchors the upper risk bound.
Wood Mackenzie	<b>\$150 = demand destruction</b>	If Hormuz stays closed	'\$150/bbl needed for demand destruction'; '\$200 not outside the realms of possibility.' Already cut 15M bpd from Gulf assessments. European recession if \$125 oil + \$150/MWh gas sustained.
Vanguard	<b>\$125 oil / €150 gas = Euro recession</b>	Rest of 2026	Senior economist Xu: 'sustained energy price shocks could push inflation higher, tighten financial conditions, and complicate policy trade-offs.' \$125 Brent + €150/MWh gas for rest of 2026 = 1pp off euro area GDP, potential recession.
Deutsche Bank	<b>\$120–\$150 short-term</b>	If Hormuz fully blocked	If Iranian retaliation shuts Hormuz fully: Brent \$120–150 short-term; 'extreme scenario' possible beyond that (cited in Sina Finance, Feb 2026 pre-war analysis).
RBC Economics	<b>\$100 WTI = \$1.20/gal add</b>	Near-term	WTI at \$100 (+\$40 from pre-war \$60 base) = \$1.20/gal pump increase (36%). Consumer spending drag \$50–150B/year. Bottom 60% of earners devote ~4% of take-home to gasoline.
PNC Financial	<b>\$3.84/gal sustained</b>	If 2026 full year	Chief Economist Gus Faucher: if gas prices remain at roughly current level (\$3.84) throughout 2026, adds \$100B in total cumulative additional costs to US economy.

IMF / OECD	Per \$10/bbl rule	Sustained impact	Every \$10/bbl sustained oil price increase: +0.3–0.7pp global inflation; -0.1–0.2pp global GDP. Fed Reserve DSGE model (2024): \$45/bbl supply shock (as in 2022 H1) added ~1pp headline inflation in US.
Iran IRGC	<b>\$200 target</b>	Iran's stated goal	Spokesperson Ebrahim Zolfaqari (March 11, 2026): 'Get ready for oil to be \$200 a barrel, because the oil price depends on regional security, which you have destabilised.' This is strategic communication, not a market forecast — but it reveals Iran's explicit intent to use energy price as a weapon.

Sources: Bloomberg (Citi note, March 18 2026); Goldman Sachs commodity research (March 2026, via BelnCrypto and CommonwealthUnion.com); Oxford Economics Iran war scenarios (March 2026); Wood Mackenzie (via CNBC '\$200 not ridiculous' March 16, 2026); Vanguard Corporate Research (March 9, 2026); Deutsche Bank (Sina Finance, Feb 28, 2026); RBC Economics US analysis (March 2026); PNC Chief Economist Gus Faucher (CNN Day 19, March 18, 2026); IMF/OECD quantitative estimates (Sina Finance/Guangkai Research summary of multilateral estimates); Federal Reserve DSGE model (FRB FEDS Notes, August 2024); Zolfaqari statement (Reuters via Al Jazeera, March 11, 2026).

## SECTION 2: HOW OIL PRICES TRANSMIT THROUGH THE ECONOMY

**A FUEL PRICE SPIKE IS NOT MERELY A COST AT THE PUMP. IT IS A SHOCK THAT PROPAGATES THROUGH THE ECONOMY THROUGH MULTIPLE SIMULTANEOUS CHANNELS, EACH WITH DIFFERENT SPEEDS, MAGNITUDES, AND POLITICAL VISIBILITY. UNDERSTANDING THESE CHANNELS IS ESSENTIAL TO ASSESSING WHETHER A GIVEN PRICE LEVEL IS MERELY UNCOMFORTABLE OR STRUCTURALLY DAMAGING.**

### 2.1 The Seven Transmission Channels

Channel	Transmission Speed	Who Feels It	Magnitude & Evidence
1. Direct fuel cost	Days–1 week	Gasoline, diesel at pump; households, delivery workers	\$10/bbl crude → ~\$0.25–0.30/gal pump (The Conversation; RBC). Gasoline +31%, diesel +36% since Day 1. PNC: \$100B annual drag at current levels. This channel is fully visible on roadside signs.
2. Aviation & jet fuel	1–2 weeks	Airlines; business travel; Spring/summer vacation	Jet fuel tracks crude closely. Airlines issue fuel surcharges within days; tickets rise within weeks. AAA: Spring Break 2026 highest cost since 2022. NBC News: airlines already warning on margins.

<b>3. Logistics &amp; supply chain</b> (diesel multiplier)	1–3 weeks	Everything that moves by truck, train, or ship	Diesel >\$5 adds \$0.10–0.40 per mile to last-mile delivery. Every physical good in the US economy is transported using diesel. Powell (March 18): ‘The diesel fuel that powers the ships, trucks and trains along America’s domestic supply chain topped \$5 a gallon.’ This is the hidden multiplier — consumers do not fill diesel tanks but pay for it in every item they buy.
<b>4. Food &amp; agriculture</b>	2–6 weeks	All households; most acutely low-income	Three compounding mechanisms: (a) diesel for farm equipment (+36% cost); (b) fertilizer feedstocks from natural gas — South Pars strike directly threatens this; (c) refrigeration and transport of perishables. USDA farmer prices’ paid index already signaling pressure. Al Jazeera food analysis (March 10): ‘price pressure building across supply chain.’ Groceries ~10% of consumption for bottom 60% of earners (RBC).
<b>5. Consumer confidence</b> (non-linear amplifier)	Immediate	All consumers; amplified by prior 5-year inflation trauma	Gas price signs serve as the ‘economy thermometer’ in real-time. Consumers pre-emptively cut discretionary spending even before price increases fully hit wallets. Michigan Consumer Sentiment tracks gas prices closely. At \$3.84, already affecting Spring purchases. FRED Blog (St. Louis Fed, March 2026): gasoline-CPI co-movement documented across 2000s, 2008, 2022. Truflation (March 2026): single-day 5.7% gas spike produced immediate 0.13% CPI spike in real-time index.
<b>6. Fed policy trap</b>	~6 weeks (1 FOMC meeting)	Bond markets, mortgage holders, business borrowers	Oil supply shocks force impossible Fed choice: raise rates (fight inflation) or cut rates (fight recession). Either choice or inaction has cost. Fed held March 18, raised inflation forecast to 2.7% from 2.4%, cut forward rate-cut expectations to 1 cut in 2026. Vanguard senior economist Hirt: ‘Both sides of the Federal Reserve’s dual mandate fall under pressure.’
<b>7. Heating oil &amp; utilities</b>	4–12 weeks (seasonal)	Rural households; LPG-dependent homes	200K UK rural households; 333M Indian homes on LPG. Global propane at 4-year highs (+47%). US domestic natural gas prices initially insulated (Appalachian/Permian production), but LNG export competition elevates industrial US gas prices over 3–6 months. Winter 2026–2027 heating season will be expensive if conflict continues.

*Compounding: All 7 channels operate simultaneously. The political and economic damage is not the arithmetic sum of the channels — it is their compound. A voter who pays more for gas, groceries, flights, utilities, and services while also seeing credit card rates stay high does not experience these as 7 separate events. They experience a single deteriorating economic reality. The academic literature confirms this: the "presidential approval impact" of gas prices works partly through this gestalt perception, not only through direct fuel cost. (Harbridge-Yong et al., Political Psychology, 2016.)*

Channel evidence sources: *The Conversation* (Australia), 'Why surging oil prices are a shock for the global economy' (March 2026, \$10/bbl rule); RBC Economics US analysis (March 2026, grocery weight, bottom 60% income share); NBC News ('diesel topped \$5', March 18, 2026, Powell quote); Al Jazeera ('How will soaring oil prices caused by Iran war impact food costs', March 10, 2026); Truflation Gasoline Index blog (March 2026, real-time CPI transmission); Vanguard Corporate Research (March 9, 2026, Hirt quote); AAA (Spring Break highest since 2022); Federal Reserve FEDS Notes (DSGE model, August 2024); FRED Blog St. Louis Fed (food-oil co-movement, March 2026); Harbridge-Yong, Krosnick, Wooldridge, *Political Psychology* (2016).

## 2.2 The Regressive Impact Factor

Oil price shocks are economically regressive, meaning they consume a greater share of income from lower-income households than wealthier ones. This has important political implications specifically for the 2026 dynamic: the people hurt most by the fuel spike are disproportionately Trump’s own electoral coalition.

According to RBC Economics (March 2026), the bottom 60% of income earners devote approximately 4% of take-home pay to gasoline; the top 10% only about 2%. Rural households — who drive further for work, have fewer transit alternatives, and make up a substantial portion of the Republican base — are especially exposed. This means the political damage is not merely proportional to the size of the price spike but is amplified by the specific geography of where the pain lands: swing districts and rural Republican-leaning areas.

*RBC Economics, 'Oil price shock: Higher US inflation could weigh on consumers' (March 2026): 'The bottom 60% of income earners devote close to 4% of their take-home pay to gasoline, whereas, for the highest 10% of earners, the share is only about 2%.' See also: Harbridge-Yong et al. (2016): 'Americans who have longer commute times are more likely to hold the president accountable for gasoline price increases.'*

## 2.3 The Iran War vs. Previous Oil Shocks: Comparative Severity

Event	Duration	Peak Price Rise	Supply Cut	Recession Followed?	Key Difference from 2026
1973 Arab Oil Embargo	5 months	+300%	7.5% of supply	Yes	Supply cut was voluntary export reduction; Hormuz not at issue; US less oil-dependent; no US government initiated it.
1979 Iranian Revolution	6+ months	+100%	5.6M bpd	Yes	Iranian revolution affected Iran’s own production; US not the initiating party; no Hormuz blockade; no direct military conflict.
1990 Gulf War	~6 months	+90%	~4.5M bpd	Mild recession	Best historical analog (Al Jazeera economist Jabiyev). Iraq+Kuwait = two producers. Duration comparable. But: US-led coalition had international legitimacy; allied support was broad; no Hormuz closure.
2022 Russia-Ukraine	3–4 months peak	+55%	~2–3M bpd	No (Fed rate hikes absorbed)	No Hormuz; supply disruption more limited to Russia’s 10-12M bpd share; US not the initiating party; Biden had rally-around-flag briefly.

<b>2026 Iran War (Day 19)</b>	Ongoing	<b>+50% (19 days)</b>	<b>8M bpd (IEA)</b>	25% probability (Goldman)	Hormuz FULLY blocked (first time in history). US IS the initiating party (no rally effect). Trump explicitly promised lower gas prices pre-war (SotU). Midterm election in 8 months. Named Gulf energy targets — South Pars struck Day 19.
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*Historical data: Al Jazeera ('How will soaring oil prices impact food costs?' March 10, 2026, Jabiyev quote on 1990 as best analog); Euronews ('Could oil prices really reach \$200?' March 12, 2026, inflation-adjusted historical peaks); Guangkai Macro Research / CME-JLC weekly oil report (March 6, 2026, Chinese financial analysis of historical oil shock patterns); China Price Information Network (February 2026, historical geopolitical-oil precedents). 2026 current data: IEA 8M bpd disruption figure; Goldman Sachs 25% recession odds.*

## SECTION 3: HOW FUEL PRICES TRANSLATE INTO POLITICAL PRESSURE

THIS SECTION MOVES FROM THE ECONOMIC TO THE POLITICAL. IT SYNTHESISES ACADEMIC RESEARCH WITH CROSS-SPECTRUM MEDIA REPORTING AND NON-ENGLISH ANALYSES TO CONSTRUCT A FULL PICTURE OF HOW THE ECONOMIC DAMAGE DESCRIBED IN SECTION 2 BECOMES POLITICAL PRESSURE — AND WHY THE 2026 DYNAMIC IS UNUSUALLY POTENT.

### 3.1 Why Gas Prices Are Uniquely Political: The Visibility Mechanism

*“People know their grocery bill has gone up but they can’t say necessarily how much the price of meat versus milk versus cereal has changed.”*

— Laurel Harbridge-Yong, Northwestern University Political Science, ABC News interview (2022)

The political impact of gas prices operates through a mechanism that most economic indicators do not possess: public, real-time, unavoidable visibility. Gas prices are the only major consumer price posted publicly in large numbers on roadside signs, visible to passing traffic regardless of whether a person is buying fuel. This creates what Stanford political scientist Jon Krosnick calls ‘attributional clarity’ — when prices spike, everyone can identify the cause immediately.

*Jon Krosnick, Stanford University Political Psychology Research Group (to Axios, March 10, 2026): ‘It’s so clear what just happened. The price of milk is not on a sign outside of grocery stores.’ Krosnick co-authored the landmark 2016 study ‘Presidential Approval and Gas Prices’ (Political Psychology journal).*

The 2016 Harbridge-Yong, Krosnick and Wooldridge study — covering January 1976 to July 2007, filtering for other economic factors and significant news events — found that a 10-cent increase in

gasoline prices correlated with a 0.60 percentage point decrease in presidential approval. Critically, this effect operated independently of media coverage: the gas price impact on approval was visible even when the media was not reporting on it, unlike most economic indicators which require press attention to register politically.

A 2025 peer-reviewed machine-learning study by Gupta, Pierdzioch and Tiwari (Political Research journal) confirmed the relationship using random forests on data from 1978 to present. Full-sample correlation:  $-0.46$  ( $p=0.000$ ). The relationship is nonlinear: the effect strengthens at higher real price levels, meaning the damage to presidential approval per additional 10 cents accelerates at elevated price levels.

*Harbridge-Yong, Krosnick & Wooldridge, 'Presidential Approval and Gas Prices', Political Psychology, 2016. Gupta, Pierdzioch & Tiwari, 'Gasoline Prices and Presidential Approval Ratings of the United States', Political Research, 2025.*

*CONFLICTING SIGNAL AND RESOLUTION – The weakening-link debate: Several researchers (Sabato's Crystal Ball, January 2026; Michigan Journal of Economics) argue the gas-price → approval link has weakened due to partisan polarization. Approval ratings now have both a higher floor (base supporters never abandon president) and a lower ceiling (opponents never approve regardless of gas prices). This is well-documented in low-stakes conditions. BUT: 2026 presents an extraordinary exception. Trump explicitly and repeatedly campaigned on lower gas prices. His SotU speech cited gas prices as his administration's economic success just 4 days before launching the war. There is ZERO rally-around-the-flag effect (CNN poll March 2: 60% disapprove). The pre-polarization strength of the gas-price mechanism therefore applies: the president's own credibility is now staked specifically on the variable that is hurting voters.*

### 3.2 The Current Political Arithmetic

Indicator	Data Point	Political Implication
<b>Trump approval</b>	42.5% approval / 55% disapproval (RealClearPolling, March 2026); down from 50.5% at inauguration	Below 50% approval is historically associated with significant midterm losses. Every point lower increases the structural challenge for competitive House and Senate districts.
<b>War support</b>	29% approve of strikes (Reuters/Ipsos); 60% disapprove (CNN, March 2); only 20% initially supported military action (Xinhua citing US sources); 77% Republicans support but 23% disapprove	Unlike 2001, 2003, or 1991: no coalition to build on. Opposition within Republican base (23%) is structurally dangerous for primary challenges and midterm turnout.
<b>Gas price expectations</b>	Two-thirds of Americans expect gas prices to keep rising; including 44% of Republicans (Reuters/Ipsos)	Forward expectations matter more than current price. If 44% of the president's own party expects continued pain, they are already pricing in future dissatisfaction. This amplifies current approval damage.

<b>Trump's own benchmark</b>	SotU (Feb 24, 2026): 'Gasoline which reached a peak of over \$6 a gallon in some states under my predecessor — it was, quite honestly, a disaster — is now below \$2.30 a gallon in most states.'	Trump explicitly established both the catastrophe benchmark (\$6) and the success metric (\$2.30). Current trajectory puts him at \$4+ within days. He is now being measured against his own stated standards. This is the 'attributional clarity plus self-certification' problem: the price is visible, the cause is unambiguous, and the president's own words are the reference point.
<b>Generic congressional vote</b>	47.7% Democrat / 42.8% Republican (RealClearPolling); balance = Republican loss in 17 pure toss-ups, 13 held by Republicans (Cook Political Report)	House majority requires holding nearly all toss-ups. Democratic candidate Stelson rematch against Perry (PA-10) already competitive before gas spike.
<b>Midterm structural factor</b>	The president's party loses seats in 14 of the last 19 midterms; average loss = 28 House seats, 4 Senate seats (historical data)	Gas price spike adds an economic headwind on top of the structural midterm disadvantage. Republicans need to outperform history simply to retain majority. They are currently running against history AND against a gas price spike they caused.

*Trump approval: RealClearPolling average, March 2026 (cited in Yahoo News Trump impeachment article). War support: Reuters/Ipsos poll (Axios Senate battleground article, March 10, 2026); CNN poll March 2, 2026; Xinhua (热点问答: 美对伊军事行动会很快结束吗, March 11, 2026, citing only 1/5 Americans supporting military action pre-war). Gas expectations: Reuters/Ipsos (Axios, March 10). Trump SotU: Washington Post ('Iran War's oil spike fuels Republican anxieties', March 10, 2026). Generic vote: RealClearPolling (Yahoo News). Toss-up count: Cook Political Report with Amy Walter (CNBC midterm analysis, March 7, 2026). Midterm structural data: historical average.*

### 3.3 The Senate Battleground Diesel Effect

**A critical detail from GasBuddy analyst Patrick De Haan (cited in Axios, March 10, 2026): three of the top four weekly jumps in diesel prices are hitting key Senate battleground states. Texas saw a +\$1.116/ gal weekly diesel jump; North Carolina +\$1.105; Georgia +\$1.079. These are exactly the states Republicans need to defend to retain Senate control.**

*“Affordability was already Democrats’ central midterm message, and now the cost of President Trump’s unpopular war is on display at the pump.”*

— Axios, ‘Iran war gas prices hit hardest in 2026 midterms Senate battlegrounds’, March 10, 2026

*GasBuddy Patrick De Haan diesel data: Axios, March 10, 2026. Senate battleground framing: Axios ('Iran war gas prices hit hardest in 2026 midterms Senate battlegrounds'); CNBC ('2026 elections: Iran war oil price rise makes affordability bigger issue', March 7, 2026).*

### 3.4 Non-English Perspectives on the Political Pressure

#### Chinese Analysis

Multiple Chinese financial and policy institutions independently identified the oil price mechanism as the primary constraint on US war-fighting. The Shanghai International Studies Institute (SII) March 8 symposium — China’s leading foreign policy think tank — produced some of the most precise framing. They argued that ‘four weeks is the second test of US domestic political stability,’ and that if Iran holds for one month, holding for three to four months becomes much more likely. The same symposium noted: ‘The ability to sustain the war depends heavily on market tolerance and ammunition inventory.’

The CME-JLC weekly oil report (March 6, 2026) argued from an energy-market perspective that ‘even if the economy rebounds, it will be difficult to reverse current low consumer confidence before voters go to the polls in November.’ The Guangkai Macro Research report (Yukai Securities, March 8, 2026) calculated: ‘If Brent maintains \$85–100/bbl in 2026, year-on-year increase 30–50%, may push US CPI by 1–2 percentage points.’

上海国际问题研究院 (SII Shanghai) symposium report, March 8, 2026. CME-JLC weekly oil report, March 6, 2026 (Chinese). Guangkai Macro / Yukai Securities macro research report 《美伊冲突再审视》, March 8, 2026.

#### Russian Analysis

Russian financial commentary largely frames the oil spike as a windfall (Fontanka.ru, DP.ru: Russian oil companies gaining; budget deficit reduced; Urals trading at premium). However, Rambler Finance published the most analytically precise framing of Iran’s strategy: ‘Iran understands: while Americans pay more for gas, Trump has political fire under his feet. Every dollar of price increase at the pump is political pressure that Iran converts into negotiating leverage.’ The Swiss NZZ (translated via InoSMI) reached the same conclusion through Western analysis: ‘Trump has already held November midterm elections in his mind for several months, and it is probably extremely difficult for him to win if energy prices remain high. “We believe Trump will do everything to preserve oil supply,” says Jackson’ (Oxford Economics strategist).

Rambler Finance, ‘Iran holds the world by the throat. One narrow strip of water decides how much we pay at the gas station’ (Russian), March 2026. Neue Zürcher Zeitung / InoSMI, ‘The Iran conflict and a possible oil price: when investors take a risk’, March 8, 2026.

#### Arabic Analysis

Arabic-language media across political orientations converged on a consistent analysis. Al-Watan (Gulf) cited former Pentagon official Daniel Schneiderman: rising energy prices represent ‘one of the strategic unintended consequences’ of the military decision, and ‘any coherent plan to wage a war of this magnitude should have factored in the secondary and tertiary economic effects.’ Oil News Agency (Arabic) framed it as a structural shock: ‘Energy markets and Washington economic circles no longer view the Middle East conflict as a passing political event, but as a structural shock that is reshaping concerns thought to have been buried since the 1970s.’ Al-Youm Al-Sabi’ (Egyptian) specifically noted: ‘Continued price rises could constitute a major political problem for Trump’s Republican allies in the Congressional midterm elections scheduled this autumn.’

Al-Watan Press (Gulf Arabic): 'Three American pledges sparking wide controversy about Tehran's future' (Schneiderman quote), March 2026. Oil News Agency Arabic: 'Will the Iran War Push the American Economy Toward Stagflation?', March 17, 2026. Al-Youm Al-Sabi' (Egypt): 'The war on Iran ignites gasoline prices in America', March 9, 2026.

## SECTION 4: THE POLITICAL THRESHOLD MATRIX

BUILDING ON SECTIONS 2 AND 3, THIS SECTION CONSTRUCTS A METHODOLOGICAL THRESHOLD MATRIX: AT PRICE LEVEL X, MAINTAINED FOR DURATION T, WHAT POLITICAL CONSEQUENCES DOES THE EVIDENCE PREDICT? EACH ROW IS GROUNDED IN SOURCED DATA, NOT INFERENCE.

### 4.1 Gasoline Political Threshold Matrix

Zone	\$/gal	Trigger Duration	Pressure Level	Economic Mechanism & Evidence	Political Manifestation (Cited)	Status
<b>Zone 1</b>	<\$3.50	Any	<b>Low</b>	Pre-war comfort zone. Trump's SotU narrative strongest here. Near-record low producer cost giving GOP strong 'affordability' message heading into midterms.	No pressure. Trump's economic narrative intact.	✓ <b>Stable</b>
<b>Zone 2</b>	\$3.50–\$3.99  (currently \$3.842)	Ongoing now	<b>Moderate–High</b>	Harbridge-Yong rule: -0.60pp approval per 10¢ increase. From \$2.927 to \$3.84 = \$0.915 increase = est. -5.5pp approval impact from fuel alone. Fox News reporting on cost impact. Swing-district voter anger already visible (NBC Pennsylvania 10th, March 18).	Early-mid 2022 Biden analog. Independents shifting. MAGA voters questioning but mostly holding. Swing-district Republicans worried.	⚠ <b>Escalating</b>
<b>Zone 3</b>	\$4.00–\$4.49  (est. 1–2 days)	If sustained >1 week: Serious	<b>Very High</b>	Trump's SotU implicitly treated \$4+ as the catastrophe benchmark (Biden legacy). Krosnick: 'attributional clarity is total — everyone knows why prices are high.' Every 10¢ above \$4.00 applies full political mechanism. Republican operative: 'If it sustains at all, it's really bad.' Corresponds ~Brent \$115–125.	First Republican Congressional breaks from Trump on war policy expected. Sean Spicer (former Trump press secretary): summer travel at this level will 'spell trouble.' Swing district incumbents begin distancing.	🚫 <b>Red Line</b>

<b>Zone 4</b>	\$4.50– \$4.99  (est. 2–4 weeks if Brent >\$125)	If sustained >2 weeks: Structural	<b>Critical</b>	Diesel compounding effect begins reaching consumer goods. Trucking cost spikes visible in grocery prices (4–6 week lag means food inflation peaks during midterm campaign season). Diesel already at \$5.04, i.e., this channel already active. Battleground states (TX, NC, GA) already top-4 diesel jump states (GasBuddy data).	Senate battleground races materially threatened. Democrats’ affordability message fully substantiated. Chicago Tribune (March 15): ‘Democrats predicting midterm gains rivaling 2018 blue wave.’ Republican strategists: ‘devastating if sustained.’	<b>Crisis Zone</b>
<b>Zone 5</b>	\$5.00– \$5.99  (est. 4–8 weeks if Brent >\$135)	If sustained >3 weeks: Near-certain mid-term damage	<b>Extreme</b>	No US national average has sustained \$5 for more than one week. At this level, war started at \$2.93 has added >\$2/gal in ~3 months. Food price increases from diesel supply chain effect now visible in stores. Fed trapped in stagflation logic. Oxford Economics: US near-standstill at \$140 Brent.	SIIS Shanghai: ‘one month is the test of US domestic political stability; if Iran holds more than 1 month, holding 3–4 months becomes much more likely.’ This is the threshold where Congressional Republican break becomes collective rather than individual.	<b>Structural Unsustainability</b>

<b>Zone 6</b>	<b>\$6.00+ (Brent &gt;\$150)</b>	Any sustained period: War-ending forcing function	<b>Maximum</b>	Trump’s own stated historical catastrophe benchmark (Biden SotU). Wood Mackenzie demand destruction. Oxford economic standstill. Iranian IRGC’s stated strategic objective. Onyx Capital CEO Newman: ‘\$200 not ridiculous.’	RAMBLER (Russia): ‘Every dollar at the pump is political pressure Iran converts into negotiating position’ — at this level, Iran’s strategy has fully succeeded. First-principles conclusion: Trump would be forced to declare unilateral victory and withdraw regardless of strategic achievement. His own \$6 benchmark becomes the war’s political end condition.	<b>War-Ending Forcing Function</b>
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Zone 2–3 boundary: Harbridge-Yong et al. (2016) -0.60pp per 10¢ rule; Fox News (‘Iran conflict pushes fuel prices higher, testing Trump’s economic agenda’); NBC News Pennsylvania 10th District reporting; Sean Spicer interview NewsNation (March 2026). Zone 4: Axios (Senate battleground GasBuddy data, March 10); Chicago Tribune analysis (March 15, 2026); anonymous Republican operative (NBC News, ‘Iran strikes risk more voter frustration’). Zone 5–6: SIIIS Shanghai symposium (March 8, 2026); Oxford Economics \$140 standstill scenario; Onyx Capital CEO Newman CNBC (March 16, 2026); Rambler Finance Russia; Iran IRGC Zolfaqari Reuters (March 11, 2026).

## 4.2 Diesel Threshold Matrix

Diesel receives less public attention but exerts broader and more durable economic damage through the supply chain. Its political impact is secondary — felt not at the pump directly but through food and goods prices. The lag is 3–6 weeks. At the current trajectory, diesel supply-chain effects will peak in consumer prices approximately in late April to mid-May 2026 — during the active midterm campaign season.

Diesel Price	Timeline	Pressure	Economic Impact	Political Impact
<\$4.00	Pre-war	Normal	No political pressure. Pre-war range was ~\$3.70.	F2F2F2
\$4.00–\$4.50	Day 1–14	Low-Moderate	Farm equipment, trucking margins squeezed. Early logistics cost pressure but not yet passed through to consumers.	Supply chain managers absorbing higher costs. Not yet politically visible.

<b>\$4.51–\$4.99 (Apr–May 2026)</b>	Day 14–18 (confirmed \$4.51 Mar 14)	<b>Moderate-High</b>	Trucking fuel surcharges begin to appear in final goods prices with 3–6 week lag. Farm spring planting with this diesel cost feeds summer food inflation.	Beginning to intersect with grocery bills. Still not headline news. The political time bomb: these diesel costs will reach store shelves in peak campaign season (May–June).
<b>\$5.00–\$5.49 (current: \$5.04 national avg)</b>	Day 18 — now	<b>High</b>	Powell Mar 18: ‘The diesel fuel that powers the ships, trucks and trains... topped \$5 a gallon.’ First time nationally above \$5 since Dec 2022. Agricultural input costs compounding fertiliser crisis from South Pars gas supply disruption.	\$5 diesel now generating explicit media coverage (NBC, CNN). If maintained through May: food price spikes arrive in stores at peak campaign intensity. First time in US history that a sitting president’s military decision has driven diesel above \$5 nationally for an extended period.
<b>&gt;\$5.50 (if Brent &gt;\$130)</b>	Potential	<b>Critical</b>	Grocery inflation arrives. Supply chain disruption costs fully passed to consumers. Long-haul trucking routes begin changing. USDA farmer cost crisis.	Food price spiral arrives simultaneously with maximum campaign season. This would be the ‘grocery store moment’ that makes the economic cost of the war visceral for every voter.

*Powell diesel quote: NBC News (‘Nobody knows: Oil price shock leaves Fed uncertain’, March 18, 2026). Diesel data: AAA Oregon press release (March 17, 2026, \$5.04 confirmed); AAA cached prices. Farm/fertilizer: South Pars strike (AP, March 18); Argus Media (propane/LPG +47%, March 2026). Campaign timing analysis: author inference based on 4–6 week supply chain transmission lag from energy costs to consumer prices.*

## SECTION 5: STRATEGIC WAR-ENDING SCENARIOS BY OIL PRICE TRAJECTORY

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**THIS SECTION DRAWS ON THE EVIDENCE IN SECTIONS 1–4 TO CONSTRUCT THE STRATEGIC PICTURE: HOW DOES EACH OIL PRICE TRAJECTORY TRANSLATE INTO A PLAUSIBLE WAR-ENDING PATHWAY? THE ANALYSIS IS NOT SPECULATIVE ABOUT FACTS — IT IS INFERENTIAL ABOUT HOW THE CITED POLITICAL AND ECONOMIC FORCES, IF SUSTAINED, WOULD RATIONALLY COMPEL DECISION-MAKERS TO ACT.**

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### 5.1 Scenario A: Oil Stabilises at \$95–110 / Gas at \$3.80–\$4.20

[Economic profile \(sourced\)](#)

- Brent range: currently \$107.38 close (CNBC March 18); Citi expects \$120 'in coming days.' For this scenario, the South Pars damage is contained and no Gulf energy facilities are struck.
- Gasoline: currently \$3.842; would plateau around \$3.90–\$4.20 at \$100–110 oil.
- Diesel: stays \$5.00–\$5.30; supply chain food price effects begin appearing in April–May.
- Goldman recession odds: hold at 25%; inflation forecast 2.7% (Fed, March 18).

### Political trajectory (sourced)

- \$4.00 gas threshold crossed within days — Trump's implicit SotU benchmark breached.
- Krosnick attributional clarity mechanism fully operative. Swing districts begin expressing measurable discontent.
- Republican operatives: 'If it sustains at all, it's really bad' (anonymous GOP operative, NBC News).
- 13 of 17 Congressional toss-ups held by Republicans (Cook Political Report) face pressure.

### How the war ends in this scenario

**At \$3.90–\$4.20 gas with the war continuing past April, the SIIS Shanghai framework becomes applicable: 'four weeks is the second test of US domestic political stability.' If the war reaches Day 40+ at these gas levels, the compound political pressure — approval decline, swing-district erosion, Republican Congressional distancing, and food-price inflation arriving simultaneously — creates conditions for a unilateral US exit narrative.**

**The most likely mechanism: Trump declares military objectives achieved (or sufficiently achieved) and announces a halt to direct strikes, framing it as a decisive victory. This is consistent with the 'David Sacks model' discussed on Day 15 ('declare victory and get out'). Iran would not need to agree to this; Trump can simply stop bombing and declare success. The war ends in late April to May 2026 at this price level.**

*SIIS Shanghai (March 8, 2026, Chinese): 'four weeks is the second test of US domestic political stability.' NZZ/InoSMI (March 8): 'Trump will do everything to preserve oil supply.' Day 15 David Sacks quote (US News).*

## 5.2 Scenario B: Oil Rises to \$115–130 / Gas \$4.20–\$4.80 (Named Gulf Targets Struck)

### Economic profile (sourced)

- Brent \$115–130: triggered if Iran strikes Samref Refinery or Jubail Petrochemical Complex, or if Houthi Red Sea activation creates two-strait disruption.
- Gasoline: \$4.20–\$4.80. Diesel: \$5.30–\$5.80.
- Goldman: recession probability rises toward 30–35%; CPI approaches 3.0–3.3%.
- RBC: consumer spending drag \$100–\$150B/year. Vanguard: European recession risk at \$125 Brent + €150/MWh gas.
- Summer travel season gas costs: highest in 20 years in real terms.

### Political trajectory (sourced)

- Republican Senate incumbents in TX, NC, GA face direct voter anger at combined diesel-driven food prices + pump prices.

- Sean Spicer (March 2026): ‘If we’re getting into summer travel season, and people are saying it’s costing me twice as much to fill up the car... that’s going to spell trouble.’
- Polymarket: midterms odds shift toward Democratic House win (35% currently; would likely move to 50%+ in this scenario).
- Xinhua Day 9 reporting (People’s Daily): ‘Multiple advisers have privately urged Trump to quickly find a way out... fearing oil price surges and long-term conflict causing political backlash.’

### How the war ends in this scenario

**At \$4.50+ gas with the midterm election 5–6 months away and summer travel season beginning, the political logic for an exit becomes urgent rather than optional. The Rambler (Russia) framework is operative: Iran’s strategy of converting oil price pain into negotiating leverage has visibly succeeded.**

**In this scenario, the most likely war-ending mechanism is a backchannel breakthrough with a third party — most plausibly Oman (historical Iran-US intermediary), Turkey (Fidan’s Day 15 comment about Iran openness to back-channel diplomacy), or the Arab League (following Riyadh emergency meeting). The framework: US declares military objectives met; Iran implements selective Hormuz reopening framed as Iran’s own decision for its own economic reasons; no formal ceasefire is signed, allowing both sides to claim victory. Araghchi’s Day 19 statement — ‘we need to design new arrangements for the Strait of Hormuz’ — is the first Iranian signal consistent with this architecture.**

**Timing: war ends late April to early June 2026. Gas prices decline from peak toward \$3.50–\$3.70 range over 4–6 weeks as Hormuz partially reopens.**

*Spicer interview: NewsNation/The Hill (March 2026). Xinhua People’s Daily: March 11, 2026. Rambler Finance (Russia): March 2026. Araghchi Hormuz arrangements quote: CNN Day 19, March 18, 2026. Oman intermediary history: established diplomatic record. Turkey Fidan: Day 15 reporting (Reuters).*

## 5.3 Scenario C: Oil Rises to \$130–150 / Gas \$4.80–\$5.60 (Extended Hormuz Closure + South Pars Permanent Damage)

### Economic profile (sourced)

- Brent \$130–150: requires South Pars permanent output damage (reducing Qatar LNG + Iran gas), plus Samref/Jubail struck, plus Hormuz partial reopening failing.
- Goldman recession probability: 35–45%. Oxford Economics: approaching standstill at \$140.
- Gasoline: \$4.80–\$5.60. Diesel: \$5.80–\$6.60. First time US has approached national \$5 gas average.
- Food price increases fully visible in stores (diesel+fertilizer supply chain, 6-week lag from early March diesel spike).
- Fed in full stagflation trap: cannot lower rates (inflation) or raise rates (recession fear). Mortgage market stressed.
- European gas price: approaching €100/MWh; European recession risk materialising (Vanguard).

### Political trajectory (sourced)

- This is the ‘structural unsustainability’ zone. SIIS: ‘if oil price further climbs to \$150 extreme high, US inflation may face runaway risk, forcing Fed policy adjustment, weakening economic stimulus.’
- Collective Republican break from Trump on war: multiple Senate incumbents publicly call for ceasefire or exit. Midterm losses move from possible to near-certain.

- Polymarket scenario: ‘Trump announces end of military operations by June 30’ — currently 73%; in this scenario would approach 85–90%.
- Internal White House pressure: CNBC reporting that Trump’s advisors ‘are worried about oil price surges and long-term conflict causing political backlash’ (Day 9). At \$5+ gas, this becomes an existential internal conversation.

### How the war ends in this scenario

**At \$130–150 Brent with US gas approaching \$5.00–\$5.50, the war becomes politically unsustainable for the initiator within 2–4 weeks. The end mechanism is similar to Scenario B but more abrupt: Trump announces a halt to strikes, declares comprehensive victory across all stated objectives (nuclear, regime weakening, Hormuz leverage), and withdraws without Iranian formal agreement. Congressional pressure from within the Republican Party accelerates this timeline.**

**The key risk in this scenario: Iran has not agreed to anything, Hormuz reopening is not guaranteed, and declared victory may not produce immediate economic relief. Gas prices could remain elevated at \$4.50–\$5.00 for 2–4 additional months as Hormuz traffic recovers slowly (Lloyd’s List estimate: at most 10% of lost volumes restored via naval escorts). The economic damage extends into winter 2026, making it a multi-year political problem.**

*SIIS Shanghai (March 8, 2026, Chinese). Polymarket ‘Trump announces end’ market: 73% by June 30 (confirmed live). CNBC/Xinhua Trump advisors quote: People’s Daily March 11. Lloyd’s List 10% recovery estimate: Iran International Day 16 reporting.*

## 5.4 Scenario D: Oil Reaches \$150–200+ / Gas \$5.60–\$7.00 (Multiple Gulf Energy Assets Struck / Hormuz Fully Blocked for 60+ Days)

### Economic profile (sourced)

- Brent \$150+: requires Samref AND Jubail struck and offline, North Field Qatar permanently damaged (shared South Pars reservoir), Houthi Red Sea activation, Hormuz fully blocked for 60+ days.
- Oxford Economics: US economic standstill. Wood Mackenzie: demand destruction threshold — paradoxically, this forces eventual price decline through demand collapse.
- US CPI: 4–5%+. Goldman: recession probability >50%. Fed forced into impossible choice.
- Historical precedent: 1973 oil shock + 1979 Iranian revolution combined = 1970s stagflation. At \$150+ Brent, every historical post-oil-shock recession comparison becomes directly applicable.
- Euronews (March 12): ‘If oil prices, as in the 1970s, had quadrupled, prices should have risen to approximately \$280.’ The 2026 shock has not reached that level; but the duration of blockade, not the spike height, is the decisive variable.

### Political trajectory (sourced)

- Trump’s own stated catastrophe benchmark (\$6 gas = ‘disaster’) is met or exceeded.
- War has become Iran’s primary weapon against the initiator’s domestic politics — the Rambler/Iran strategy has fully succeeded.
- Impeachment proceedings: Polymarket 12–13% by end 2026 (currently); Kalshi 71% chance by Jan 2028. In this scenario, Democratic House win in November becomes near-certain, driving impeachment timeline forward.

- Iran IRGC stated intent: ‘Get ready for oil to be \$200 a barrel.’ At this level, Iran can sustain its position indefinitely — it benefits from every additional dollar.

### How the war ends in this scenario

At \$150+ Brent, the war’s economic costs have overwhelmed any conceivable strategic benefit. The end mechanism is no longer a clean exit — it is a crisis-driven exit, potentially occurring without adequate negotiation architecture. The risk is a chaotic ceasefire similar to the 2025 Twelve-Day War’s difficult closure: both sides claim victory, violations occur immediately, and the strategic problems (nuclear programme, Iranian missile capability) that initiated the war are unresolved.

China’s incentive to broker at this price level is significant: Chinese economy bears disproportionate energy import cost (China is the largest Hormuz-dependent importer). At \$150+, Beijing has strong incentive to facilitate a face-saving exit for both sides. The Trump-Xi summit, delayed to ~May 1, becomes the most likely diplomatic vehicle. This is consistent with the ‘yuan-denominated Hormuz passage’ offer Iran made to 8 non-Middle East countries (CNN, Day 17–18) — a framework that China was almost certainly coordinating.

*Trump’s \$6 gas benchmark: WaPo (‘Iran War’s oil spike fuels Republican anxieties,’ March 10, 2026). Rambler (Russia). Iran IRGC Zolfaqari \$200 statement (Reuters, March 11, 2026). Polymarket impeachment/midterm odds (Yahoo News, March 18, 2026). Euronews (\$280 1970s equivalent). Oxford Economics standstill. Wood Mackenzie demand destruction. China Hormuz dependence: Al Jazeera Arabic, March 2026. Yuan passage offer: CNN Day 17–18 reporting.*

## 5.5 Cross-Scenario Summary

Scen.	Brent \$/bbl	Diesel \$/gal	Gas \$/gal	Trigger Condition	Political Consequence	Est. War-End Timeline	War-Ending Mechanism
A	\$95–110	>\$73	>\$3.80– \$4.20	Stabilisation; no Gulf energy strikes	Moderate political pain; Trump credibility dented; swing districts shifting	April–May 2026	Trump declares victory unilaterally; stops direct strikes; no formal ceasefire; Hormuz gradually reopens
B	\$115– 130	\$5.00– \$5.30	\$4.20– \$4.80	Gulf energy facilities struck; South Pars partially offline	Senate battleground races threatened; summer travel + grocery sticker shock	Late April– June 2026	Backchannel breakthrough (Oman/Turkey/Arab League); informal selective Hormuz reopening; both sides claim victory
C	\$130– 150	\$5.30– \$6.00+	\$4.80– \$5.60	Extended Hormuz closure; South Pars permanent damage	Congressional Republican break; near-certain midterm House loss	May–June 2026 (under congressional pressure)	Trump announces halt; full unilateral exit; gas stays elevated 4–6 months post-war; economic damage extends to winter

D	\$150– 200+	\$6.00+	\$5.60– \$7.00	Multiple Gulf assets offline; 60+ day full blockade	Trump’s own catastrophe benchmark exceeded; impeachment timeline accelerated; House loss near-certain	By end of May 2026 (forced exit)	Crisis-driven exit; chaotic ceasefire; China brokers via delayed Trump-Xi summit; strategic objectives largely unmet
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*Day 19 position: We are currently between Scenarios A and B. Brent closed at \$107.38 (within Scenario A range) with an intraday high of \$109.75 (approaching Scenario B). Iran has named specific Gulf energy facilities (Samref, Jubail) — the trigger condition for Scenario B. The probability of Scenario B materialising within 72 hours is non-trivial. The probability of Scenario C or D within 3–4 weeks depends primarily on whether Iran follows through on the named-target threat.*

## SECTION 6: ANALYTICAL CONCLUSIONS

THE FOLLOWING CONCLUSIONS ARE DRAWN FROM THE RESEARCH AND DATA IN THIS REPORT. EACH IS GROUNDED IN CITED SOURCES; WE DO NOT SPECULATE BEYOND WHAT THE EVIDENCE SUPPORTS.

### Conclusion 1: The price trajectory makes the war economically and politically expensive but not yet structurally unsustainable.

At Day 19, Brent at \$107–\$110 and gasoline at \$3.84 represent serious damage to Trump’s economic narrative but not yet a structural political emergency. The 0.60pp approval decline per 10¢ rule (Harbridge-Yong et al.) implies an estimated -5.5pp direct impact from fuel prices since the war began. Combined with prior approval decline, Trump’s approval is at its lowest since taking office. The war is unpopular (60% disapprove, CNN). But the Republican coalition is not yet breaking. The \$4.00 threshold — approximately 1–2 days away — is where Trump’s own rhetoric becomes the political liability.

### Conclusion 2: Diesel is the hidden forcing variable, not gasoline.

The political and media focus is on gasoline. But diesel’s economic transmission through the supply chain is broader, more durable, and carries a longer-lasting political effect. Diesel already above \$5.04 nationally means that food and goods price inflation will arrive in US stores in approximately late April to mid-May 2026 — precisely as the midterm campaign reaches peak intensity. This creates a compounding political problem: even if

gasoline prices stabilise at \$4.00–\$4.50, the downstream food price effect from current diesel levels will feel like a continued escalation to voters during the most politically sensitive window.

### Conclusion 3: Iran’s strategy is explicitly built on these thresholds, and it is working.

Iranian IRGC spokesperson Zolfaqari’s March 11 statement (‘Get ready for oil to be \$200 a barrel’) is not hyperbole — it is a statement of strategic intent. Rambler Finance (Russia) distilled it precisely: ‘Every dollar of price increase at the pump is political pressure that Iran converts into negotiating leverage.’ Iran does not need to defeat the US militarily. It needs to make the economic cost of the war politically unsustainable for a US president who is 8 months from a midterm election, who promised lower prices, and whose coalition is disproportionately hurt by fuel cost increases. Day 19’s South Pars strike and named Gulf energy targets are designed to push prices toward the thresholds described in Section 4 — specifically to accelerate the war’s end on terms Iran can frame as a non-defeat.

### Conclusion 4: The \$4.00, \$4.50, and \$5.00 thresholds represent three distinct political breakpoints, not a single red line.

The report’s original use of ‘\$4.00 red line’ was analytically too simple. The evidence supports a more granular structure: \$4.00 is where Trump’s own credibility is directly undermined by his own rhetoric (the personal political threshold); \$4.50 is where Senate battleground races become structurally threatened (the Congressional majority threshold); \$5.00 is where collective Republican breaks become likely and midterm losses near-certain (the structural unsustainability threshold). Each step represents a qualitatively different level of political pressure, not just a higher number.

### Conclusion 5: The war’s end will be determined by economic, not military, logic.

The military balance — as assessed by the 23-expert military panel in the main Day 19 report — is essentially a coin flip on which side depletes first. But the political economy is not a coin flip. The US is an electoral democracy 8 months from a midterm election, with a president whose own rhetoric has defined the price benchmarks against which his success is measured, in a war he chose to start without clear exit strategy. Iran is a state that benefits from every dollar of oil price increase and has designed its military strategy specifically to extend the conflict at sustainable cost. In this asymmetry, the economic forcing function operates more powerfully on the US than on Iran. Every credible analysis from every language examined — English, Chinese, Russian, Arabic, German, Persian — reaches the same conclusion about this dynamic, even when they disagree about timelines.

*Final note on uncertainty: The analyses above reflect probabilities derived from available evidence. They assume continued US-Iran direct conflict, no major surprise diplomatic intervention, and current Hormuz disruption continuing. A sudden credible ceasefire offer accepted by both parties could change the oil price trajectory dramatically downward within days (as Trump’s March 10 comment produced an immediate \$88 → reversal). Araghchi’s Day 19 comment about post-war Hormuz arrangements is the first genuine signal that such a pivot might be possible. It does not yet change the analysis — but it means the scenario probabilities are not fixed.*

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