

Comprehensive Strategic Intelligence Assessment
DAY 13 REPORT • MARCH 12, 2026

13 Days of War	\$92-101 Brent Crude (volatile)	8 US KIA	1,400+ Iran KIA (civilians)	14+ Countries Struck	MINES Hormuz New Threat
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Prepared by the Strategic Intelligence & Bayesian Assessment Consortium
Incorporating 15-Expert Panel Predictions • 23-Expert Military Assessment • Polymarket Mispricing Analysis
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SECTION 1: EXECUTIVE SUMMARY

Operation Epic Fury has entered its thirteenth day. Day 12-13 introduced three qualitative escalations that shift the modal scenario toward Catastrophe for the first time in this conflict: (1) confirmed CIA intelligence that Iran has begun mining the Strait of Hormuz; (2) a false US government announcement of a Navy tanker escort — retracted within 30 minutes; (3) the IEA announcing a record 400M barrel emergency oil release — which nonetheless failed to move markets lower, as oil prices rose after the announcement. The economic clock, already the dominant attrition variable, is now outrunning both military clocks simultaneously.

Top-Line Findings

- **MINES IN HORMUZ (GAME-CHANGER):** CNN reports, citing US intelligence, that Iran has laid several dozen mines in or near the Strait of Hormuz with the potential capability to lay hundreds more. If confirmed and expanded, this transforms the reopening timeline from days to weeks-months even after a ceasefire. Minesweeping in an active conflict zone is a specialized, time-intensive operation. Iran's mine inventory is estimated at 6,000+ naval mines.
- **THE WRIGHT TANKER HOAX:** Energy Secretary Chris Wright posted — then deleted within 30 minutes — a false claim that the US Navy had escorted a tanker through Hormuz. White House: 'I can confirm the US Navy has NOT escorted a tanker or vessel at this time.' Oil fell 17% on the false post. IRGC immediately rebutted: 'None of the US warships have dared approach even the Sea of Oman.' This signals cabinet-level desperation to manage markets through messaging.
- **IEA RECORD 400M BARREL RELEASE — MARKETS UNIMPRESSED:** The IEA reversed its March 10 'no action' stance and announced unanimously the largest emergency oil release in its history — 400 million barrels from 32 member states, more than double the 2022 Ukraine release. G7 leaders held a videoconference; Macron called it '20 days of Hormuz volume.' But oil prices ROSE after the announcement. Markets are pricing the release as structurally insufficient without Hormuz reopening. Birol himself said: 'The most important thing is the resumption of transit through the Strait of Hormuz.'
- **CATASTROPHE NOW RIVALS QUAGMIRE:** For the first time in 13 days, Bayesian estimates assign roughly equal probability to Catastrophe (38-42%) and Quagmire (38-42%). Combined probability of the two worst scenarios exceeds 80%.
- **US GAS AT \$3.54/GALLON — RED LINE \$0.46 AWAY:** AAA confirmed \$3.54/gallon on March 10, up \$0.54 from pre-war. Analyst Tom Kloza (OPIS): 'If the strait remains closed next week, we're looking at diesel \$4.50-5.00 and gasoline \$4.00 in a lot of places.' Political red line is approximately 7-10 days away at current trajectory.

- **GHALIBAF 'BREAKS THE CYCLE':** Iran's Parliament Speaker explicitly rejected the 12-Day War pattern of 'war-negotiation-ceasefire-then war again,' stating Iran 'will break this cycle.' This eliminates the ceasefire-then-resumption formula the US may have hoped to exploit.
- **MOJTABA CONFIRMED WOUNDED — NOT SEEN PUBLICLY:** CNN confirmed (citing a source) Mojtaba suffered a fractured foot and minor injuries on Day 1 strikes. He has issued no public statement since his March 8 appointment. Iran state TV referred to him as 'janbaz' (wounded by the enemy). IRGC is operationally in command.
- **IRGC DECLARES FORMAL HORMUZ PERMIT REGIME:** IRGC navy commander Tangsiri: 'Any vessel intending to pass must get permission from Iran.' Three ships were hit by projectiles on March 11. The permit system formalizes Iran's blockade as a selective instrument — potentially granted to China/Russia while denied to Western shipping.
- **53% OF AMERICANS OPPOSE WAR — GAS AT \$3.57:** AAA confirmed \$3.57/gallon on March 11, up \$0.57 (+19%) from pre-war. \$4.00 political red line is now approximately \$0.43 away — 6-9 days at current trajectory. Quinnipiac: 53% oppose, 60% of independents oppose.
- **US ASKS ISRAEL TO HALT ENERGY STRIKES:** First time Trump administration has sought to constrain Israeli targeting. Axios reports Washington messaged the IDF to stop attacking Iranian oil infrastructure (citing post-war cooperation, humanitarian, and escalation concerns).
- **TRUMP-XI SUMMIT: 19 DAYS REMAINING:** China, Russia and France have all contacted Tehran about ceasefire. Summit remains the single most important off-ramp window.

Bayesian Scenario Probabilities — Day 13 Update

Scenario	Day 1	Day 7	Day 10	Day 13	Primary Driver
Quagmire / Prolonged Attrition	52.3%	~46%	42-46%	38-42%	IRGC cohesion; drone shift preserves fighting capacity; Mojtaba confirmed
Catastrophe / Escalation	16.6%	~27%	35-38%	38-42%	MINES in Hormuz; IEA release markets-unimpressed; Wright hoax; Wave 37 Khoramshahr-4
Stalemate / Off-Ramp	21.9%	~18%	10-13%	13-17%	US Israel energy-strike restraint; China contacts; Witkoff Israel visit planned
Quick Win / Regime Change	9.2%	~11%	3-5%	2-4%	Araghchi rejects all talks; Wave 37 launched under active bombing

***CRITICAL THRESHOLD:** For the first time in 13 days of conflict, Catastrophe has reached parity with Quagmire as the modal scenario. Combined probability of these two worst scenarios now exceeds 80%. Off-Ramp ticks up marginally (+3-4pp) on new diplomatic signals — insufficient to change the strategic picture but real.*

SECTION 2: DAY 12-13 KEY NEW DEVELOPMENTS

2.1 Mines in the Strait of Hormuz — The Conflict's Most Significant Escalation

CNN reported on March 10, citing people familiar with US intelligence, that a few dozen mines have been laid in or near the Strait of Hormuz, and that Iranian forces could potentially lay hundreds more. Trump immediately demanded removal: 'If for any reason mines were placed, and they are not removed forthwith, the Military consequences to Iran will be at a level never seen before.' CENTCOM confirmed destroying 16 inactive Iranian mine-laying vessels near the Strait.

Why Mines Are a Game-Changer:

- Mines transform the blockade from threat-based to physics-based. A threat-based blockade can be resolved by a ceasefire announcement + 24-48 hours for tankers to resume transiting. A mined Strait requires active minesweeping operations — a specialized, time-intensive military task requiring days to weeks in peacetime and weeks to months in an active conflict zone.
- Iran's mine inventory is estimated at 6,000+ naval mines of multiple types (limpet/moored/bottom mines). Even if Iran stops laying mines immediately, the question of what has already been deployed creates indefinite insurance/navigation risk.
- Insurance implications: Lloyd's and P&I underwriters will not reinstate Hormuz coverage without mine-free certification from a recognized naval authority or a guaranteed military escort program. Neither currently exists. This means even post-ceasefire, oil traders cannot assume immediate Strait reopening — adding a structural 2-4 week risk premium to any diplomatic resolution.
- Historical precedent: In 1988, the USS Samuel B. Roberts was severely damaged by an Iranian mine during the Tanker War. The US destroyed half of Iran's naval forces in Operation Praying Mantis. The current scenario has far more at stake geopolitically, economically, and militarily.
- Strategic logic: Mines are cheap (tens of thousands of dollars each), durable, and impose enormous costs on adversary exit strategies. Once laid, they transfer leverage to Iran in any ceasefire negotiation — Iran can offer to provide mine charts or assist clearance as a concession without making any political or nuclear concessions.

2.2 The Wright Tanker Hoax — Cabinet-Level Information Disorder

Time (ET)	Event	Market Impact
1:02 PM	Energy Sec. Wright posts: 'The US Navy successfully escorted an oil tanker through the Strait of Hormuz to ensure oil remains flowing to global markets'	Oil falls ~17%; equity markets rally; Dow recovers ~600 pts
~1:30 PM	Wright's post deleted with no explanation	Oil partially reverses; markets confused
Press brief	WH Press Sec Leavitt: 'The US Navy has NOT escorted a tanker or vessel at this time'	Oil net down ~9% from morning high
Simultaneous	IRGC: 'None of the US warships have dared approach even the Sea of Oman, the Persian Gulf or the Strait of Hormuz during the war. Pure falsehood.'	Iran frames as deliberate market manipulation attempt

Analytical significance: When a cabinet secretary fabricates a military operational achievement to move oil markets, the administration has shifted from managing events to managing narratives. The IRGC's immediate rebuttal was credible because it was verifiable. Bob McNally (Rapidan Energy): 'The market is betting on Trump's exit intent, not on actual barrel flows. That's a fragile foundation.' Future administration announcements about Hormuz will be doubted by markets regardless of accuracy.

2.3 IEA Record 400M Barrel Release — Historic Action, Markets Unimpressed

- On March 11 (Day 13), IEA Executive Director Fatih Birol announced all 32 IEA member countries unanimously agreed to release a record 400 million barrels of oil — the largest emergency release in IEA history, more than double the 182.7M barrel release after Russia's Ukraine invasion. G7 leaders held a videoconference chaired by Macron; Germany, Austria and Japan confirmed compliance immediately.
- This reverses the 'no action' outcome of March 10. The trigger was G7 energy ministers meeting in Paris plus intensifying market pressure, after Brent peaked near \$120 and export volumes dropped to less than 10% of pre-war levels.
- CRITICAL: Market reaction was negative — oil prices ROSE after the announcement. WTI briefly dipped then climbed back above \$88/barrel. JPMorgan: 'Policy measures may have limited impact on oil prices unless safe passage through the Strait of Hormuz is assured.' Macquarie: 'Oil will continue to trade like a meme stock until the solution is peace.'
- Birol explicitly conceded: 'The most important thing for a return to stable flows of oil and gas is the resumption of transit through the Strait of Hormuz.' The IEA chief acknowledged the release cannot substitute for Hormuz reopening. Physical limit: IEA max drawdown is 6-7M bpd vs Hormuz blockage of 20M bpd — addressing only 30-35% of the disruption, with a 13+ day delivery lag.
- Macron's framing: The 400M barrel release equals '20 days of Hormuz export volume' — but 20 days only at the blocked strait rate, not a sustained fix. US SPR currently holds ~415M barrels (capacity 714M); Trump administration had pledged to refill, not draw down.

2.4 Mojtaba Khamenei — Confirmed Wounded, Silent Since Appointment

- CNN reported (March 11, citing source familiar with the situation): Mojtaba Khamenei suffered a fractured foot and other minor injuries in the first wave of US-Israeli strikes on February 28. He has not been seen publicly nor issued any written statement since being named Supreme Leader on March 8.
- Iran's state TV referred to him as 'janbaz' — meaning 'wounded by the enemy' — during what it calls the 'Ramadan war.' When asked, Hegseth declined to comment, saying only: 'The new leader of Iran, he would be wise to heed the words of our president... to not pursue nuclear weapons.'
- Bayesian significance: Mojtaba's physical absence from the public stage reinforces the IRGC's de facto operational command. His injury creates two competing effects: (a) increases martyrdom narrative domestically (wounded-but-leading); (b) raises uncertainty about his decision-making capacity in a high-stakes crisis. Net: no change to our leadership continuity assessment — IRGC is operationally in control regardless.

2.5 IRGC Declares Formal Hormuz Permit System — Three Ships Hit Day 13

- IRGC navy commander Alireza Tangsiri posted on X: 'Any vessel intending to pass [through the Strait of Hormuz] must get permission from Iran.' This is the first formal declaration of a permit regime — transforming Iran's de facto blockade into an explicit legal instrument of war.
- On March 11, IRGC fired on and stopped two vessels: (1) the Express Rome (Liberia-flagged, Israeli-owned) and (2) Mayuree Naree (Thai-flagged bulk carrier), both after 'ignoring warnings.' Three crew members on the Mayuree Naree remain unaccounted for. UK Maritime Trade Operations confirmed at least three ships hit by projectiles in the region on March 11.
- Strategic significance: The permit system formalizes Iran's leverage. Iran can now grant passage selectively (to China, Russia, neutral states) while denying it to others. This creates a two-tier Hormuz that is more legally and diplomatically complex to challenge than a blanket blockade. Insurance underwriters cannot offer coverage for a strait with an adversarial permit regime — the practical closure effect is the same.
- Iran's explicit strategy — quoted by Fortune (March 11): 'Just look at the state of the global economy and energy markets — it has been very painful for them.' Iran is publicly acknowledging oil disruption as its primary strategic weapon.

2.6 Additional Day 13 Developments

- Iran launched its 37th wave of Operation True Promise 4, firing 'super-heavy Khoramshahr-4 missiles' in a multi-layered barrage lasting 3+ hours, targeting Tel Aviv, Haifa, West Jerusalem, Erbil/Iraq, Manama and Al Udeid.

- The Khoramshahr-4 (Kheibar) is Iran's largest domestically-produced ballistic missile: range ~2,000km, payload 1,500-2,000kg, road-mobile from surviving TELs. Its deployment at scale signals a strategic shift to high-value, high-payload strikes as lower-tier inventory depletes.
- CENTCOM/IDF claim: Iran's Navy described as 'at the bottom of the Persian Gulf.' 30+ ships sunk or destroyed. Iranian Air Force described as 'no more.' These claims, if accurate, represent historic military destruction but have not eliminated Iran's retaliatory capacity.
- Key diagnostic: Daily ballistic rate holds stable at ~35/day — the single most important number to watch for underground missile city access.

2.8 US Asks Israel to Halt Energy Infrastructure Strikes

First time Trump administration has sought to constrain Israeli targeting. Per Axios (three sources), Washington sent the message to a senior Israeli official and IDF Chief of Staff Eyal Zamir. Three stated reasons:

- Post-war cooperation model: Trump envisions a 'Venezuela scenario' — regime survives but cooperates with US demands. Destroying oil infrastructure makes post-war compliance incentives harder.
- Humanitarian risk: WHO warned of toxic 'black rain' over Tehran from oil depot fires. International pressure on civilian casualties mounting (school strike probe; Schumer demands independent investigation).
- Escalation risk: Iran's energy strikes on Gulf neighbors are partly retaliatory responses to Israeli infrastructure targeting.

Analytical note: This signal is simultaneously an Off-Ramp indicator and a US-Israel fracture indicator. Israel's compliance or non-compliance will be the key test of whether the alliance's strategic objectives remain aligned.

2.9 Ghalibaf's 'Break the Cycle' Statement

Ghalibaf (March 10): "Certainly we are not seeking a ceasefire. We believe that the aggressor must be punished and taught a lesson that will deter them from attacking Iran again. The Zionist regime sees its shameful existence in the continuation of the cycle of war-negotiation-ceasefire and then war again to consolidate its dominance. We will break this cycle."

This statement directly and explicitly rejects the mechanism by which the 12-Day War of June 2025 ended. Ghalibaf is not just rejecting the current ceasefire — he is rejecting the structural pattern of temporary pauses that allow US/Israel to rearm and reposition. Combined with Araghchi's 'we must continue fighting for the sake of our people' (NBC Meet the Press) and the IRGC's 'Iran will determine when the war ends,' this represents cross-institutional Iranian consensus against any near-term off-ramp.

2.10 Additional Day 13 Developments

Development	Source	Strategic Significance
Ukraine anti-drone teams deployed to Qatar, UAE, Saudi Arabia	Zelenskyy, Mar 11	Units with experience countering Iranian-style drones now operating inside GCC states. Signals NATO-GCC operational cooperation depth.
Citi evacuates Dubai office; PwC closes offices in SA, Qatar, UAE, Kuwait	Al Jazeera, Mar 11	Major financial institution evacuation. Signals long-duration risk pricing by corporations, not just insurers.

Iran gloats: 'Just look at the state of the global economy — very painful for them'	Fortune, Mar 11	Iran explicitly confirming economic pressure as primary strategic weapon. Aligns with 'oil disruption = ceasefire pressure' doctrine.
EU new sanctions: 19 Iranian regime officials/entities	Kallas, Mar 11	Incremental diplomatic pressure. Limited near-term operational impact but signals EU institutional alignment with US/Israel.
Witkoff: Russia told Trump it has NOT shared intelligence with Iran during war	NBC/Witkoff, Mar 11	Significant if true. Contradicts CNN's March 10 report of Russian satellite imagery sharing. Diplomatic credibility test for Putin's 'unwavering support' claim.
Quinnipiac poll: 53% oppose war; 60% independents oppose	Quinnipiac, Mar 9	Lowest initial war approval in modern US history. Political pressure on Trump accelerates.
US gasoline: \$3.57/gallon (AAA, Mar 11)	NBC, Mar 11	Up \$0.57 (+19%) since war began. \$4.00 political red line now ~\$0.43 away — approximately 6-9 days at current trajectory.

SECTION 3: FOUR-CLOCK ATTRITION FRAMEWORK — DAY 13

The Three-Clock model has been upgraded to four clocks following the mines intelligence. Clock 4 (Mines Clearance) is now the binding constraint on any rapid diplomatic resolution.

Clock 1 — Iran's Launch Capacity

- Daily ballistic rate: ~35/day stable. Khoramshahr-4 deployment signals quality-over-quantity strategic shift.
- TEL attrition: ~70%+ by IDF/US estimates. Surface TELs at ~30% of war entry capacity.
- Drone-primary strategy: Iran preserving remaining ballistic missiles for high-value strikes; flooding with Shahed-136 variants to exhaust lower-tier interceptors.
- IRGC morale: No confirmed desertion; Wave 37 launched under active bombing; mass pro-Mojtaba rally in Tehran (Mar 9) = regime cohesion STRONG.
- Assessment: STRESSED but FUNCTIONAL. Underground missile cities partially operational; high-value assets concealed.

Clock 2 — US/Israel Interceptors

System	War Entry Est.	Prod/Yr	Status	Day 13 Assessment
THAAD	380-430	96	STRESSED	Jordan radar destroyed; SK Patriot redeployment ongoing; coverage gaps
SM-3 (Navy)	~330	30-50	STRESSED	Gulf warships vulnerable; cannot replace fast; Hormuz proximity limits maneuver
Patriot PAC-3	~25% of req.	~450	CRITICAL	Was already depleted pre-war; most constrained system in theater
Arrow 3 (Israel)	Classified	Classified	ADEQUATE	Good vs. ballistic; Khoramshahr-4 high-payload tests limits

Iron Dome (Israel)	~2,000+	~1,500	ADEQUATE	Designed for rockets; overwhelmed at high-saturation drone/ballistic mix
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Clock 3 — Economic & Political Patience (DOMINANT)

Variable	Current	Status	Key Threshold
US gasoline (AAA)	\$3.54/gal	AMBER	\$4.00/gal political red line; ~6-9 days at current trajectory
Brent crude	\$87-92 (easing, IEA effect)	RED	Above \$105: recession risk; IEA release dampens but cannot fix Hormuz closure
War approval	47% support (Quinnipiac)	RED	53% oppose; 60% independents oppose; lowest initial approval in modern history
SPR backstop	ACTIVATED (400M bbl, Day 13)	RED	IEA released record 400M bbl but oil ROSE — markets price release as insufficient without Hormuz reopening
Midterm elections	8 months (Nov 2026)	AMBER	Senate battleground states (AZ, NV, WI, PA, MI, GA, NC, OH) above avg gas prices
Op. cost	~\$891M/day	AMBER	No AUMF; deficit hawks uncomfortable; Massie-Khanna war powers resolution

Clock 4 — Mines Clearance (NEW — NOW BINDING)

- Even in a best-case ceasefire scenario, the Strait of Hormuz cannot reopen rapidly if mines are present.
- US minesweeping timeline in active conflict zone: 2-6 weeks minimum assuming specialized MCM vessel availability, ceasefire permitting clearance, and Iranian cooperation on mine charts or mine-free zone declaration.
- Insurance prerequisite: Lloyd's and P&I underwriters require official mine-free certification or guaranteed military escort before reinstating Hormuz coverage. Neither currently exists.
- Strategic implication: Any ceasefire timeline must now budget 2-6 additional weeks for Hormuz reopening beyond the political agreement itself. Oil risk premium persists for weeks post-ceasefire.
- Iran's leverage: Mine charts are a concession Iran can offer in negotiations without making nuclear or political concessions. This improves Iran's bargaining position in any ceasefire framework.

SECTION 4: EXPERT PANEL — DAY 12-13 STATEMENT UPDATES

Neil Atkinson [Former IEA Head of Oil] — March 9 CNBC

"The effective closure of the Strait of Hormuz is something energy markets have never seen before. Unless something changes very soon we are in a potentially game-changing and unprecedented energy crisis."

Significance: This is the IEA's institutional voice — from the former head of oil markets at the agency that just declined to release reserves. His 'never seen before' framing directly repudiates pre-war conventional wisdom. Notably, the IEA's subsequent 400M barrel release announcement — the largest in IEA history — failed to bring prices down, vindicating his assessment that the fundamental problem is Hormuz access, not inventory.

Bob McNally [Rapidan Energy] — March 10 CNBC

"The market is still struggling to process the scale of the disruption. Traders assumed for decades that no country would be allowed to shut the Strait. The fact that it has happened at all is completely calamitous and unexpected. For now, markets appear to be betting the situation cannot last long... the market is betting on Trump's exit intent, not actual barrel flows."

Significance: McNally articulates the core fragility in the current price structure: optimism about Trump exit intent is priced in, not supply fundamentals. If ceasefire optimism collapses, the price reversion to \$119+ will be faster than the prior decline.

Tom Kloza [OPIS/Gulf Oil Retail] — March 9 Axios

"If the strait remains closed next week, we're looking at diesel prices between \$4.50 and \$5 and we're looking at gasoline probably at \$4 in a lot of places."

Significance: Kloza is the US retail fuel analyst of record. His \$4.00 threshold validates our political red-line model. The diesel forecast (\$4.50-5.00) is in some ways more economically damaging — diesel drives trucking, agriculture, manufacturing, and construction with broader inflationary pass-through.

Karen Young [Columbia Center on Global Energy Policy] — March 10 Axios

"The market can't reorient until traffic resumes through the Strait of Hormuz. Oil is the invisible cost inside nearly everything Americans buy — it ships the goods, makes the plastics, feeds the fertilizer and fuels the flights."

Significance: Young is articulating second-order effects beyond retail gasoline. One-third of global fertilizer trade passes through Hormuz — affecting food prices 6-12 months downstream. The full inflationary cascade from Hormuz closure peaks AFTER any potential ceasefire.

Ghalibaf [Iran Parliament Speaker] — March 10 X/Twitter

"Certainly we are not seeking a ceasefire... We will break this cycle [of war-negotiation-ceasefire-then war again]."

Significance: Directly rejects the 12-Day War template. Ghalibaf is stating Iran will not accept a ceasefire that preserves US/Israel ability to resume strikes. This is the clearest signal yet that Iran's negotiating floor has risen, not fallen, under Mojtaba.

António Costa [European Council President] — March 10, Brussels

"So far, there is only one winner in this war — Russia."

Significance: EU institutional voice making explicit the Russian sanctions paradox our Day 12 analysis quantified. Russia earns windfall revenues at higher prices with fewer restrictions while providing Iran targeting intelligence. Costa's framing increases EU pressure on Trump for both Russian restraint and ceasefire acceleration.

Lloyd Blankfein [Former Goldman Sachs CEO] — March 10 Fortune

"It's so impossible to live with. This Iran war won't last long."

Significance: Wall Street institutional consensus on Clock 3 forcing an exit. However, this conflates US domestic pressure with Iranian willingness to negotiate — the two are not the same variable. Blankfein prices in US exit intent; he does not price in Ghalibaf breaking the cycle.

Speaker Johnson [US House] — March 10, Florida

"Operation in Iran is by design limited in scope and mission. The mission is being achieved. It's nearly completed. Rising gas prices are a temporary blip that will come down in a couple of weeks."

Significance: Johnson's 'nearly completed' claim contradicts Hegseth's 'most intense day' and 'accelerating not decelerating' claims made simultaneously. This intra-administration messaging contradiction is itself a market signal.

SECTION 5: ENERGY & ECONOMIC ASSESSMENT — DAY 13

5.1 Oil Price Trajectory with Mines Premium

Date/Event	Brent	WTI	Key Driver
Pre-war	\$73	\$71	Normal conditions
Day 9 (Mar 8)	\$92.69	\$91	Hormuz blockade confirmed; Qatar LNG halted; Iraq -70%
Day 10 (Mar 9) high	\$113	\$119 intraday	Physical supply contraction; \$100 breached; Iraq/Kuwait shutdowns
Day 11 (Mar 10) — Wright hoax	\$94 settle	\$85-91	Trump 'very complete'; Wright false escort post drives -17% then partial recovery
Day 13 (Mar 12) — IEA announce	\$87-92	\$84-88	IEA 400M barrel release announced — oil ROSE after, then eased. Markets price release as insufficient without Hormuz reopening

Risk scenario (mines + 3wks Hormuz)	\$130+	\$125+	Allianz recession trigger; Oxford Economics >5-week scenario; global GDP impact
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5.2 US Political Price Clock

Indicator	Reading	Political Significance
US gasoline (AAA, Mar 10)	\$3.54/gallon	Up \$0.57 (+19%) in 13 days. 2022 Ukraine peak: \$5.02/gallon. Cost Democrats the House.
Days to \$4.00 at current rate	~7-10 days	\$4.00 is the threshold Trump's political advisers watch. Above this, polling shifts measurably.
Senate battleground exposure	8 states above avg	AZ, NV, WI, PA, MI, GA, NC, OH: Republican incumbents vulnerable Nov 2026
Diesel (at Hormuz closure wk2)	\$4.50-\$5.00	Kloza (OPIS) forecast. Diesel hits trucking/agriculture/construction — broader inflationary pass-through than gasoline

SECTION 6: DIPLOMATIC ASSESSMENT — 19 DAYS TO TRUMP-XI SUMMIT

6.1 Why Off-Ramp Ticks UP Despite Hardline Signals

The hardline signals (Ghalibaf, Araghchi, IRGC) are fully documented above. Off-Ramp increases from 10-13% to 13-17% because three Day 12 developments create real — if modest — diplomatic plumbing:

- US asks Israel to halt energy strikes: This is a 'Venezuela scenario' signal — implicit US acknowledgment that regime survival combined with post-war cooperation is an acceptable outcome. This is the minimum formula for a Chinese-brokered pause.
- Witkoff + Kushner planning Israel visit: Purpose stated as 'Iran coordination.' Active diplomatic thinking about an exit formula is now underway in the US administration.
- Iran confirms ceasefire contacts: Deputy FM Gharibabadi confirmed China, Russia and France have contacted Tehran. This is the first official Iranian acknowledgment of parallel diplomatic tracks, even while publicly rejecting all terms.

6.2 Minimum Viable Off-Ramp Formula

The formula that has the highest probability of emerging before March 31: A Chinese-brokered 'humanitarian pause' framed as 'conditions for resuming diplomatic talks' (not as ceasefire or surrender).

- Trump's framing: 'Iran's military and nuclear capacity destroyed. We are pausing kinetic operations to allow humanitarian relief and diplomatic talks mediated by China. We reserve the right to resume.'
- Mojtaba's framing: 'Iran forced the enemy to pause through the strength of our resistance. We accept a temporary halt in strikes as precondition for talks in which Iran's rights are recognized.'

- Xi's framing: 'China's diplomatic leadership preserved regional stability. This demonstrates China's role as responsible global stakeholder.' Summit success narrative intact.
- Hormuz component: Mines provide Iran leverage to offer clearance assistance as a confidence-building measure without nuclear concessions. This is actually the most operationally plausible piece.
- Probability: 13-17% (up from 10-13%). Low but non-trivial. Primary constraint: Trump's 'unconditional surrender' rhetoric makes any public framework look like capitulation unless carefully worded by Chinese intermediaries.

SECTION 7: PREDICTION MARKET ANALYSIS — DAY 13 UPDATE

Market	Poly Price	Bayes Est.	CI [lo,hi]	Edge	Conviction
Mojtaba as leader Dec 31	~55%	68-72%	[55%,80%]	LONG +13-17 pts	VERY HIGH — confirmed; IRGC pledged; Tehran rally; explicit threats increase concealment incentive
Regime fall before 2027	~30%	12-15%	[8%,20%]	SHORT +15-18 pts	VERY HIGH — NIC; IRGC cohesion; Wave 37 launched under active bombing
Ceasefire by March 31	~32%	10-14%	[5%,20%]	SHORT +18-22 pts	VERY HIGH — Ghalibaf breaks cycle; mines in Hormuz; no back-channel; 19 days
Regime fall by March 31	~14%	4-6%	[1%,10%]	SHORT +8-10pts	VERY HIGH — Mojtaba confirmed; armed forces intact; IRGC pledged
Ceasefire by June 30	~55%	38-46%	[28%,56%]	SHORT +9-17pts	MODERATE — longer window; economic pressure genuine; CI overlaps market at upper bound
US ground forces in Iran before 2027	~12%	8-14%	[4%,20%]	SKIP	Within CI — uranium seizure option floated but not authorized

PRIORITY UPGRADE: Ceasefire by March 31 SHORT moves to VERY HIGH conviction. Ghalibaf's 'break the cycle' statement + mines intelligence are the two most significant new disconfirmations of the ceasefire scenario. The ~32% market price implies ~1-in-3 probability of all of the following happening in 19 days: back-channel initiation, framework agreement, public signaling, and ceasefire holding. Our estimate of 10-14% reflects the genuine but low probability that China's summit leverage forces a rapid formula. Edge: +18-22 points on the SHORT.

SECTION 8: KEY UNCERTAINTIES — DAY 13 RANKINGS

#	Uncertainty	Modal Assumption	Scenario Impact	Resolution Indicator
1	MINES: Extent of Hormuz mining + clearance timeline	Few dozen; weeks minimum to clear	Catastrophe +15pp if field expands to hundreds; Off-Ramp -8pp regardless (structural delay)	US Navy MCM deployment; Iranian mine chart disclosure; CENTCOM statements
2	Actual THAAD/SM-3 inventory vs. attrition rate	Stressed but not exhausted	Catastrophe +12pp if any system enters critical depletion	SK redeployment timeline; CSIS/Heritage modeling; Congressional testimony
3	Trump-Xi summit scope — ceasefire framework vs. trade-only	Summit proceeds; China offers face-saving formula	Off-Ramp +10pp if ceasefire framework; -5pp if narrowed to trade	Witkoff Israel visit outcome; Wang Yi statements; Mar 31 prep signals
4	US gasoline crossing \$4.00 threshold	\$3.57 now; ~6-9 days at current trajectory	Off-Ramp +8pp if Trump shows political flexibility; Republican Senate pressure mounts	AAA daily survey; Trump approval; Republican Senate floor statements
5	NATO Turkey — third Iranian missile with casualties	2 missiles intercepted; Erdogan NOT invoking Article 4	Catastrophe +15-20pp if Article 4 invoked; most underpriced tail risk	Erdogan statements; NATO FM communique; US-Turkey consultations
6	Houthi entry into war (Red Sea)	Restrained; constrained by 2025 Israeli strikes on leadership	Catastrophe +10pp if Houthis resume commercial/Israel strikes	Red Sea attack rates; ACLED Yemen hub
7	Israel compliance with US request to halt energy strikes	Request sent; compliance unconfirmed	Off-Ramp +5pp if Israel complies + Iran reduces Gulf strikes; Catastrophe +8pp if Iran retaliates with intensified energy targeting	IDF targeting announcements; Iranian IRGC Wave count; UAE/ Saudi infrastructure
8	Underground missile city accessible TEL count	~35/day consistent with ~70% TEL attrition	Quagmire/Catastrophe +12pp if rate rises above 80/day (underground access confirmed)	Daily ballistic count; if sustained above 80/day into Day 15+, reassess
9	CM-302 anti-ship missile delivery from China to Iran	Deal reportedly in progress; delivery status unknown	Catastrophe +8pp if US carrier or major warship hit by Chinese-supplied missile	US carrier posture; naval engagement rules changes; CENTCOM statements
10	Mojtaba public address — content and intent signal	Silent; no public address since confirmation	Any flexibility → Off-Ramp +5pp. Nuclear intent → Catastrophe +6pp	IRGC security posture; absence patterns; state media hints

SECTION 9: LEADING INDICATORS TO WATCH — DAY 13

Indicator	Current Signal	Bayesian Threshold
Mines in Hormuz: scale & clearance	Few dozen confirmed (CNN)	50+ mines confirmed → Catastrophe +10pp. Iran mine chart disclosure + MCM start → Off-Ramp +8pp.
US gasoline (AAA daily)	\$3.57/gal (Mar 11)	Above \$4.00 → political red line; Trump approval below 43% → Off-Ramp +8pp.
Daily Iran ballistic missile rate	~35/day stable	Above 80/day → underground confirmed → Quagmire/Catastrophe +8pp. Below 15 → TEL attrition decisive.
Brent crude	\$92-101 (volatile)	Above \$115 → G7 forced SPR release; triggers policy shift. Below \$85 → ceasefire optimism priced; fragile.
Witkoff Israel visit — Iran content	Planned for next week	Witkoff mentions Iran ceasefire formula post-visit → Off-Ramp +10pp. Visit narrows to Gaza only → no change.
Houthi attack rate (Red Sea)	Restrained since Oct 2025	First Houthi ballistic strike on Israel or US carrier → Catastrophe +8pp. Continued restraint → no change.
Turkey NATO status	2 missiles in airspace; NO Article 4	Third missile + casualties → Article 4 forced → Catastrophe +15-20pp. Most underpriced tail.
Ruwais/Saudi Aramco production	Ruwais halted (precaution)	Ruwais permanent damage → global petrochemical crisis + \$15-25 additional oil premium.

SECTION 10: STRATEGIC CONCLUSIONS — DAY 13

10.1 The Catastrophe Threshold — First Time Parity

The single most important analytical finding of this update: Catastrophe has reached parity with Quagmire as the modal scenario for the first time in 13 days of conflict. The five driving forces:

- Mines in Hormuz: Transforms blockade from threat-based to physics-based. Even a ceasefire tomorrow cannot reopen the Strait in days.
- IEA 400M barrel release announced: Historic action but markets unimpressed — oil ROSE after announcement. Birol himself said Hormuz reopening is the only real fix. SPR ceiling partially restored but insufficient.
- Wright hoax + information disorder: Cabinet-level messaging failures destroy market credibility for future US Hormuz announcements.
- Ghalibaf breaks the cycle: Eliminates the 12-Day War pattern. Iran will not accept a ceasefire that preserves US/Israel ability to resume strikes.
- Wave 37 Khoramshahr-4: Iran's military capacity degraded but not eliminated; shift to high-payload missiles signals strategic adaptation, not desperation.

10.2 The Off-Ramp Paradox — How It Ticks UP

Off-Ramp increases from 10-13% to 13-17% despite all the hardline signals above. The mechanism: Off-Ramp now requires a US acknowledgment of regime-survival (not regime-change) brokered by China as face-saving for Trump at the March 31 summit. The diplomatic plumbing for this formula now exists: US asked Israel to halt energy strikes (Venezuela model signal), Witkoff is visiting Israel with an Iran agenda, China has contacted Tehran, Iran's Deputy FM confirmed these contacts.

The minimum viable formula: Trump declares victory on military terms, China brokers a 'humanitarian pause,' Mojtaba issues no formal surrender but back-channel agrees to monitored ceasefire framed as 'preconditions for talks.' Both leaders claim domestic victory narratives. Strait gradually reopens as mines are cleared under international supervision. Probability: 13-17%.

10.3 The Single Most Actionable Variable

Watch US retail gasoline. Trump's political behavior is most strongly predicted by pump prices and their trajectory relative to \$4.00. At \$3.54 today, the red line is \$0.46 away — approximately 7-10 days at current trajectory. When Trump crosses \$4.00 and his approval rating shows Republican Senate seats at risk, the probability of a sudden Mar-a-Lago call to Xi — bypassing staff, offering a face-saving formula — increases sharply. This is the mechanism by which Clock 3 terminates the war: not diplomacy, not military victory, but domestic economic pain forcing Trump's hand.

END OF REPORT

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Sources: Al Jazeera, ACLED, NBC News, CNBC, Reuters, EIA STEO, IEA, Quinnipiac, AAA, Kpler, Axios, NPR, Times of Israel, Euronews, Fortune, Wikipedia 2026 Iran War (live), Britannica, Polymarket, Rapidan Energy, Flashpoint, CFR Global Conflict Tracker, House of Commons Library, Congress.gov CRS, OilPrice.com