



Publishing
Intelligence
Consultancy

JUNE 27th, 2025

WEEKEND READING ENERGY MARKETS CEO BRIEFING NOTE

*“The Never-Ending Week
in GeoPolitics: Why Iran-Israel
Conflict Remains a Ticking
Time Bomb?”*

WEEKEND READING**ENERGY MARKETS CEO BRIEFING NOTE – June 27th**

The Never-Ending Week in GeoPolitics: Why Iran-Israel Conflict Remains a Ticking Time Bomb?

In the rapid churn of global geopolitics, a week indeed feels like an eternity, especially when the stakes are as high as they are in the volatile Middle East. The recent ceasefire between Israel and Iran, though branded by former President Trump as the swift conclusion to a brief yet intense conflict, appears to be less a sustainable peace and more a temporary strategic pause with no involvement of the United Nations Security Council. Beneath the surface of this fragile truce lurk unresolved issues and simmering hostilities, threatening to reignite conflict at any moment, and with each passing day, the stakes escalate, underscoring the urgency of comprehensive diplomatic action.

By Sean Evers, Managing Partner, Gulf Intelligence

An Uneasy Calm: Tactical Ceasefire or Lasting Peace?

This precarious state of affairs arises from the stark reality that neither side has achieved its full strategic objectives, and there is no sign of the United Nations having any role in curating a lasting peace as the world body has done on previous occasions.

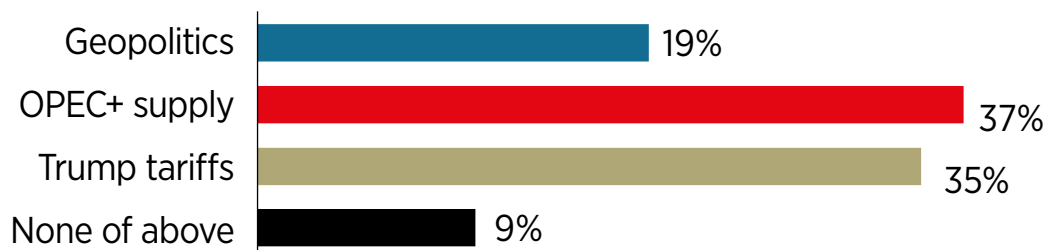
Israel's targeted strikes on Iranian nuclear and military facilities have undeniably reaffirmed its military dominance in the region, achieving significant tactical victories. Nevertheless, broader strategic objectives such as curbing Iran's regional influence, establishing enduring security dominance, and reshaping regional alliances remain unmet. Consequently, Israel remains strategically positioned and ready to act decisively should conditions warrant further military interventions.

Simultaneously, Iran's nuclear ambitions continue to overshadow regional stability. The precise state of Iran's highly enriched uranium reserves remains uncertain, representing a critical unresolved concern from the recent conflict. Should Israel suspect continued or concealed Iranian nuclear activities, particularly involving enriched uranium potentially weaponized or stored clandestinely, military action becomes not merely plausible but virtually inevitable.

This unresolved nuclear dilemma aligns with growing internal instability within Iran. Increasing domestic dissatisfaction directed toward the Islamic Revolutionary Guard Corps (IRGC) and Iran's clerical leadership exacerbates the country's political volatility. Historical patterns suggest that internal pressures often drive the Iranian regime toward external aggression as a strategy to distract and divert attention. Such internal dynamics significantly increase the likelihood of future confrontations with Israel and broader regional instability.



What will be the main driver of oil prices in H2 '25?



Geopolitical Complexities and Regional Alliances

The broader geopolitical landscape surrounding the Israel-Iran conflict adds multiple layers of complexity to the already volatile regional dynamics. Recent tactical maneuvers by the United States have temporarily stabilized immediate tensions, yet these actions have failed to address the fundamental strategic challenges underpinning the crisis. President Trump's limited military approach has provided him with immediate, tangible victories, allowing him to claim success without deeply entangling the United States in prolonged regional conflicts. However, these unresolved strategic issues—particularly Iran's nuclear ambitions and its aggressive regional policies—remain a constant threat, ensuring future flashpoints remain a looming inevitability.

The shifting roles of China and Russia further complicate the geopolitical situation. China's recent diplomatic efforts to mediate between Iran and Gulf nations mark a significant shift in its Middle Eastern strategy. However, China's relationship with Iran remains predominantly transactional, centered primarily on energy supplies rather than deeper strategic alliances. This pragmatic, somewhat cautious posture leaves Iran strategically vulnerable, potentially incentivizing Tehran to pursue risky, destabilizing actions if it feels cornered or inadequately supported by Beijing.

Russia similarly finds itself in a delicate strategic balancing act. The recent conflict diminished Iran's strategic value as a critical geopolitical corridor connecting Russian and Chinese interests, potentially undermining Moscow's broader regional strategies. Nonetheless, Russia continues its cautious engagement, balancing its commitments and seeking to maintain regional influence without direct confrontation with other global powers. This delicate balance reinforces the tenuousness of regional stability, creating conditions ripe for further escalation if geopolitical dynamics shift unpredictably.

Moreover, regional proxy wars remain active, perpetuating indirect hostilities. Despite the temporary cessation of direct conflict between Israel and Iran, Iranian-supported proxies across Lebanon, Syria, Yemen, and Iraq continue operations unabated. These proxy engagements represent persistent channels through which smaller conflicts can rapidly escalate into larger, more direct confrontations, keeping regional tensions consistently elevated.

Economic and Diplomatic Dimensions: Risks and Opportunities

From a global economic perspective, the stability of oil markets hinges critically on uninterrupted supplies from the Middle East. The recent Israel-Iran conflict briefly introduced volatility, demonstrating how swiftly geopolitical risk premiums can influence global markets. Currently, oil market stability relies heavily on sustained regional peace and consistent energy exports. Any renewed conflict threatening Iranian infrastructure or exports could rapidly disrupt this balance, inducing significant global economic shocks.

Additionally, the critical Strait of Hormuz continues to symbolize a major geopolitical vulnerability. Despite emerging alternative infrastructures aimed at reducing reliance on this chokepoint, the Strait remains crucial for global energy security. Any aggressive action by Iran targeting this strategic maritime route would immediately escalate tensions, posing severe threats to global economic stability and energy markets.



Furthermore, evolving dynamics within the U.S.-China-Iran triangular relationship add another dimension of uncertainty. Trump's recent tacit approval allowing Iranian oil exports to China represents a strategic recalibration, aiming for temporary market stability and regional calm. However, this ambiguous policy stance could inadvertently embolden Iran, creating conditions ripe for potential geopolitical miscalculations and renewed hostilities.

The unresolved Palestinian issue continues to exacerbate regional tensions, particularly in Gaza and the West Bank, where Israel's aggressive actions generate deep regional resentment. Iran's historical support for Palestinian factions further integrates this longstanding conflict into the broader Iran-Israel tensions, ensuring ongoing violence and hostility remain persistent flashpoints capable of igniting broader regional confrontations.

Despite the prevailing volatility, opportunities for diplomatic engagement remain viable and urgently necessary. Meaningful diplomatic initiatives addressing fundamental strategic disagreements represent perhaps the only realistic pathway to sustainable peace. Without credible international dialogue and effective diplomatic solutions, the current temporary calm remains fragile, perpetually at risk of collapse.

In Conclusion

while the recent ceasefire between Israel and Iran has temporarily calmed immediate tensions, it fails to resolve deeper, fundamental strategic challenges. Nuclear ambitions, regional proxy wars, internal Iranian instability, and complex geopolitical alliances involving global powers all persist as significant threats. Addressing these core issues through sustained diplomatic engagement remains essential for lasting regional stability. Without such decisive action, the Middle East risks continual cycles of conflict, with the current peace merely representing a brief and fragile interlude in an enduring regional crisis. Indeed, a week is undeniably a long time in politics—long enough to shift alliances, redraw strategic calculations, and potentially reignite conflicts if underlying tensions remain unresolved.

The geopolitical landscape further complicates prospects for sustained peace. While recent U.S. tactical maneuvers have momentarily stabilized the situation, President Trump's administration did not resolve any underlying strategic issues. His limited military engagement approach allowed him to claim quick victories without entangling the U.S. in deeper conflict, but the core tensions surrounding Iran's nuclear program and its regional activities persist, ensuring future flashpoints remain likely. ■



Publishing
Intelligence
Consultancy