

DAILY BRIEFING

The Dispatch

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MAIN STORY: INDIRECT US-IRAN TALKS IN DOHA CONCLUDE WITH 'POSITIVE PROGRESS' ON THE CEASEFIRE MEMORANDUM

- **The talks and their contested format.** Two days of indirect technical talks in Doha closed Wednesday, with Qatari and Pakistani mediators shuttling separately between the US and Iranian teams and Qatar's foreign ministry calling the outcome "positive progress" on implementing the Islamabad memorandum of understanding signed June 17, building on the Lake Lucerne framework. Steve Witkoff and Jared Kushner, who arrived Tuesday, met Emir Tamim bin Hamad Al-Thani and Prime Minister Sheikh Mohammed bin Abdulrahman but stayed out of the room, and Iran's delegation, led by deputy foreign minister Kazem Gharibabadi, met only the mediators. Tehran insists no direct meeting with Washington occurred "at any level," contradicting Trump's claim that Iran had requested the session, and casts the exercise as implementing the deal rather than negotiating a new one. The next round is set for after the funeral processions for former supreme leader Ali Khamenei.
- **The frozen funds.** Gharibabadi said part of the initial \$6 billion in restricted Iranian assets (oil revenue moved from South Korea into blocked Qatari accounts since 2023) would buy "needed goods," reviewed with Qatari officials including the central bank. Control of the money is disputed. Trump maintains the funds may purchase only US products, which parliament speaker and lead negotiator Mohammad Bagher Qalibaf flatly rejected, saying "America falsely claims our unfrozen assets will buy their agriculture." Qatar stressed that no funds have yet been transferred and that any release hinges on negotiating progress. The two sides reached agreement in principle on a first tranche of roughly \$3 billion, while Qalibaf separately pressed for \$12 billion as an opening step. The release mechanism and timing remain unset.
- **A breach-reporting channel, but no path to a final deal.** The three sides agreed to open an "urgent communication channel" to formally document and review violations of the memorandum, and an understanding was reached to keep the region quiet over the coming week to let implementation advance. The talks centered on two issues, the release of the frozen assets and the flow of shipping through the Strait of Hormuz. There was no sign of movement toward the lasting peace the 60-day track is meant to produce, and the interim accord still lacks a final agreement on Iran's nuclear program.
- **Tehran's warnings.** Foreign ministry spokesman Esmail Baqaei said any US violation would draw "an immediate and decisive response," would constitute a breach of Article 1 of the memorandum, and if repeated would make continuing the process difficult. Foreign minister Abbas Araqchi, responding to Israeli Defense Minister Israel Katz's threat against supreme leader Mo-

jtaba Khamenei, posted that "POTUS has committed the U.S. to muzzling its pets in Tel Aviv. If they ignore their master, Iran will school them." Qalibaf said Tehran will not open final-agreement talks until the memorandum's provisions, chiefly the ceasefire declaration and the lifting of the blockade, are implemented, and that Iran is "ready for war" if Washington fails to honor them.

- **The mediation.** Emir Tamim, hosting Witkoff and Kushner at Lussail, pressed "the importance of consolidating the ceasefire in Lebanon" and affirmed Qatar's continued partnership with Pakistan across the negotiating tracks, while the envoys reaffirmed Washington's commitment to reaching a comprehensive agreement with Iran. Egypt joined the effort, with foreign minister Badr Abdelatty and the Qatari premier agreeing by phone to build on the memorandum's momentum toward more durable arrangements and to guarantee freedom of navigation consistent with international law.
- **Washington war-gamed a return to strikes.** Trump weighed resuming full-scale strikes on Iran in recent days, holding repeated conversations with Defense Secretary Pete Hegseth and Joint Chiefs Chairman General Dan Caine about abandoning the talks and "finishing the job," before opting to stay with diplomacy. He told aides that renewed large-scale strikes could derail negotiations and cut the odds of ultimately dismantling Iran's nuclear program. Both sides paused their attacks Monday after four days of crossfire across the Persian Gulf. In public Trump stayed upbeat, calling the Doha meetings "very good" and saying denuclearization was "moving along well."
- **Vance and Rubio diverge on the file.** Vice President JD Vance dismissed Iran's denial of direct talks as "a Persian negotiating tactic," called Tehran's public posture "fascinating and frustrating," and credited the US strikes with setting Iran's nuclear program back decades. He has repeatedly faulted Israel's operations against Hezbollah in Lebanon for angering Tehran and complicating the negotiations, and says Trump shares that frustration. Secretary of State Marco Rubio, a possible 2028 rival, has stayed supportive of Israel, held his tongue on Lebanon, and took the lead on the framework there.

STRATEGIC ASSESSMENT

The Doha round bought time and built process without producing a settlement, leaving the memorandum intact but unconsummated. Both capitals are hedging in public, Tehran threatening war and reserving the right to retaliate for any violation while Trump war-games a return to strikes, a sign neither trusts the interim accord to hold on its own. The deal's survival now turns on money and restraint, specifically whether any of the \$6 billion actually moves to Tehran (Qatar confirms none has) and whether the Gulf crossfire pause survives the coming week. Israeli conduct in Lebanon and the unresolved Hormuz question remain the likeliest triggers to unravel it, a fault line the Vance-Rubio split mirrors inside the administration. The next observable is concrete: a post-funeral round that actually convenes and a first fund transfer that clears would show the process is real, while their absence would confirm it as a holding pattern.

IRAN

- Iranian state television abruptly halted the live broadcast of an interview with Mohammad Bagher Ghalibaf, Tehran's chief negotiator with Washington, midway through its Tuesday airing, drawing a public rebuke from the parliamentary media centre. The recording had reached the Islamic

Republic of Iran Broadcasting (IRIB) more than two hours before airtime, and the segments pulled covered UN nuclear-watchdog inspections, Iran's frozen assets, and a \$300 billion reconstruction credit. IRIB claimed it had split the interview in two and would run the second half the following night. The censoring feeds a widening hardliner revolt against the memorandum with Washington, with conservative lawmakers and state-TV figures attacking its terms, one presenter last month calling for Tehran's Mehrabad Airport to be closed to the negotiating team.

- Iran is determined to secure international recognition of its control over the Strait of Hormuz and its right to levy transit fees on ships entering or leaving the Gulf, prepared to enforce that claim by force if necessary. Under the 60-day interim terms Tehran agreed to let vessels pass without charge, but reads the wording as preserving its authority over which ships transit and by which route, and it could resume charging as early as mid-August. Its negotiators will not move to any other area of dispute until control of the waterway is formally settled. Iranian forces fired on four ships over the weekend. Ghalibaf announced a separate arrangement with Oman, which shares the strait's territorial waters, on Hormuz "services," while asserting continued Iranian sovereignty over the passage.
- Mohammad Reza Bahonar of the Expediency Discernment Council put the war's economic cost at roughly \$200 billion, setting Iran's development back by that much on top of pre-existing strain. He noted inflation had run near 1,000 percent over the past eight years and said the damage has pushed many middle-class households into lower-income brackets, with some workers' salaries no longer lasting past mid-month.
- Iran's Assembly of Experts, the 88-member clerical body that selects and oversees the Supreme Leader, issued a 10-point statement declaring the killing of Donald Trump and Benjamin Netanyahu a religious duty to be carried out under any circumstances, casting it as revenge for the death of Supreme Leader Ali Khamenei. "It is the duty of anyone bound by his obligations who can reach these criminals to send them to hell," the clerics wrote, branding the two the "criminal American president" and the "evil prime minister of the Zionist entity." A hardline Tehran daily ran a front page showing Trump's face in a rifle scope under the headline "Revenge is certain." The clerics dismissed the ongoing ceasefire talks as a stalling tactic.
- Israeli Defense Ministry Director-General Amir Baram, at the Herzliya Conference, pressed for a new US-Israel security memorandum built on "hard interests and shared values" and a broader alliance stretching from India through the UAE to Greece and Cyprus, pairing Israeli technology and operational experience with Gulf financial power into a new security-economic front. He warned Iran could accelerate its military buildup and argued Israel needs a new regional architecture, first with Washington and then others, while stressing such partnerships would widen Israel's room to maneuver rather than replace the US relationship. The pitch extends his framing of a US-Israel divergence over the Iran file, Tehran an existential threat for Israel but only a chronic regional challenge for a Washington fixated on China and the Indo-Pacific, a gap that has left Netanyahu, who has backed the alliance concept for years, with markedly less sway over Trump's Iran diplomacy than he wielded against the 2015 nuclear accord.

C O R E G R O U P

ISRAEL

- Defense Minister Israel Katz declared Israeli forces will remain in the self-declared security zones in Lebanon, Syria and Gaza "indefinitely," with no withdrawal timeline, and will not pull back until

Hezbollah is disarmed across Lebanon, warning Iran would be struck "with full force" if it attacked Israel over its Lebanon operations. Netanyahu, visiting troops inside southern Lebanon, vowed the army would stay as long as Hezbollah "remains a threat," said Israel has built a wide buffer zone along the entire northern border, and asserted Iran had tried to make an Israeli withdrawal from Lebanon part of its negotiations with Washington, but that "will not happen." Under the framework, Israel postponed its planned pullback from the pilot towns of Zawtar and Frun, saying no move would come without further coordination and setting no new timetable. Netanyahu called Israel "stronger than ever" and his campaign against Iran and its proxies one that "never ends," pledged that "Iran will not have nuclear weapons" while he is premier, and declined to rule out establishing settlements in Gaza.

- President Isaac Herzog, addressing a joint session of the Romanian parliament, thanked Trump and Secretary of State Marco Rubio for sponsoring the Israel-Lebanon framework, calling it a "major breakthrough" and a possible cornerstone for future peace, and urged the EU and the wider international community to back it and support Lebanon's stability and economy alongside Israel's security.
- Israel marked 1,000 days since the October 7 attacks with memorials and protests nationwide. The Tekuma Administration reported 92% of Gaza-border residents have returned, joined by 5,000 newcomers to reach a population of 65,000 (above the pre-attack 62,000), with two of the four still-displaced communities due back by the end of August and Kibbutz Nir Oz not until 2027. At the memorial for the fallen of the 2006 Lebanon war, Katz said October 7 proved Israel must not wait for threats to reach its door, claimed Israel had twice struck Iran in "proactive preemptive attacks," and said the IDF would strike "a third time if necessary." Opposition figure Avigdor Liberman vowed the next government's first act would be a state commission of inquiry into the October 7 failure.
- Former army chief Gadi Eisenkot formally launched his campaign to unseat Netanyahu, four months before planned elections, declaring that "the 'October 7' government" must end its role in history. Polling put his Yashar party at 22 of 120 seats, just behind Likud's 24. Eisenkot accused Netanyahu of fabricating Iran's nuclear threat to frighten the public, rejecting the premier's claim that he "entered Iran twice" to stop atomic bombs "already in their hands" and asserting "Iran had no nuclear bombs whatsoever." At the Herzliya Conference, Eisenkot, Yair Lapid and Naftali Bennett faulted Netanyahu's conduct of the Gaza, Lebanon and Iran wars and his deference to Trump, yet none challenged the wars in principle. The Central Elections Committee chairman ordered a Netanyahu video pulled from official and personal political accounts pending a ruling, after a petition alleged it used public resources for prohibited propaganda. Former deputy Supreme Court president Hanan Melcer warned that AI, anonymous online activity and foreign interference put election integrity at risk but called the danger preventable. The Knesset passed in first reading, 63 to 53 with Netanyahu voting in favor, a Basic Law enshrining Torah study that critics say entrenches draft exemptions for yeshiva students amid an acute IDF manpower shortage, advanced after haredi parties threatened to boycott coalition votes.
- Three separate attacks across Israel within one hour on Wednesday morning killed three people. In Netanya, a mentally unstable assailant in his 20s known to police stabbed Rabbi Amos Guetta, 75, to death inside a yeshiva, then fled before being arrested. A bus driver was shot dead in Shefa-Amr and a young man near Yagur. Israeli police shot and killed Sami Ahmed Jasous, in his 20s, in Lod after an alleged attempted stabbing, the sixth Palestinian citizen of Israel killed by police since January. The killings landed amid a homicide surge in Arab communities, where a crime figure was killed in a daytime car bombing in Haifa, after a record 252 Arab citizens were killed in 2025, 80% of all homicides, with National Security Minister Itamar Ben-Gvir blamed for

failing to disarm gangs.

- Nitzan Alon, the former head of the IDF's Hostages and Missing Persons Command, said the Gaza war could have ended at least a year earlier and that more captives might have come back alive. He said prolonging the war cost soldiers' lives, up to around 40 hostages taken alive who died in captivity (some by Israel's own fire), and "immense costs in blood and money that were not necessary," and said Netanyahu had repeatedly rejected earlier deals he pushed for. He rejected Finance Minister Bezalel Smotrich's claim to credit for the hostages' return, noting Smotrich had voted down ceasefire deals.
- Israel advanced its move to formally recognize the WWI-era mass killing of up to 1.5 million Armenians by the Ottoman Empire as a genocide, a cabinet-approved step that still needs parliamentary approval and tracks the deterioration of Israel-Turkey ties. Foreign Minister Gideon Saar, who brought the decision, cited an institutionalized Turkish campaign of denial. Ankara called the move a bid to cover Israel's own conduct, pointing to the ICJ genocide case over Gaza and the ICC arrest warrants against Netanyahu.
- Defense Minister Katz imposed sanctions on 37 cryptocurrency wallets tied to the Islamic Revolutionary Guard Corps, holding roughly NIS 24 million and used over several years to funnel tens of millions of dollars to Iranian proxies including Hezbollah. "Every dollar that is kept from the IRGC is a dollar that will not reach Hezbollah, Hamas, the Houthis," Katz said, framing the step as a financial front against Iran's proxy network that follows the US "shadow banking" crackdown.
- Israeli troops pushing into the town of Abdin in southern Syria met resistance from residents, who blocked roads with rocks as young men threw stones at the patrol. Troops fired warning shots at walls and between the protesters before shelling the village with artillery, and though no one was hurt, most residents fled and were afraid to return. Abdin sits beside a UN-patrolled buffer zone now held by Israeli forces, whose repeated incursions since the post-October 2023 shift to a more aggressive posture have at times spiraled into deadly clashes.

LEBANON

- Lebanon's Health Ministry raised the cumulative toll from Israel's campaign since 2 March to 4,297 killed and 12,196 wounded, 19 more deaths than the prior day as rescue teams recovered bodies from areas Israel had sealed off. As of 29 June, 52,243 displaced people, over half of them women and girls, remained in 479 collective shelters, down 7,500 people and 46 sites since 25 June as limited returns resumed in South and Nabatieh governorates, though wrecked housing and a fragile security picture cap them. The 2026 Lebanon Flash Appeal remains 37 percent funded, roughly \$237 million of the \$639.9 million required. On the ground, even as diplomacy over the framework agreement continued, Israeli forces detonated homes overnight in Beit Yahoun, Hadatha, and al-Tiri, bulldozed roads and uprooted trees from Hamoul and Naqoura to Aita al-Shaab, shelled Beit Yahoun's outskirts, and machine-gunned the Kounine-to-Bint Jbeil road. They fired on a civilian vehicle in Ibl al-Saqi without casualties, hit a parked car in Nabatieh al-Fawqa by drone, dropped stun grenades on Yater, and carried out fresh bombings near Rshaf and Ainata. Troops also set up checkpoints along the border zone, the Israeli-declared Yellow Line, and the Litani River.
- President Joseph Aoun defended the framework agreement as preserving Lebanon's rights "both judicially and on the ground," insisting "we did not surrender, nor did we compromise" and that

Lebanon negotiates as a sovereign state. He dismissed as “unfounded” rumors he intends to sack Army Commander Rodolphe Haykal and the security-agency chiefs, called their roles vital, and commended Speaker Nabih Berri for helping avert civil strife, stressing that attacks on the military are “strictly forbidden.” Prime Minister Nawaf Salam, framing the accord not as a peace treaty but a “guiding framework” for negotiations, said its implementation should produce an Israeli withdrawal and the safe return of the displaced, held the line on the state’s monopoly on arms while ruling out confrontation with Hezbollah, refused to yield “to blackmail or threats of civil war,” and warned that striking the army would be “a second fitna.” Foreign Minister Youssef Rajji called the state’s negotiating track the sole and exclusive path to a full Israeli withdrawal, warning that parallel or alternative frameworks would only fragment and weaken Lebanon’s position. Alarmed by Israel’s delay of the first phase and its gate-building inside occupied territory, Lebanese officials opened intensive contacts with Washington to lock in the agreed withdrawals, with CENTCOM’s Brad Cooper having set the ground rules for the pilot zones Israel is to vacate and an aide staying behind to track implementation. A separate fault line is Article 13, which binds both sides to cease “hostile or adverse actions” and which victims’ families and legal experts warn could shield Israel from accountability, its undefined language potentially blocking Lebanese recourse to the UN, the ICC, or fact-finding bodies over war crimes.

- Speaker Nabih Berri vowed that he and a large parliamentary bloc will fight the framework agreement, warning that any attempt to pass it through constitutional institutions will collide with him and a large number of MPs, and telling Salam to “back out of the agreement” when the premier called to thank him for keeping people off the streets. Berri, who cast the accord as worse than the aborted 1983 May 17 Agreement with Israel, accused its drafters of seeking to ignite discord, said he is applying pressure to prevent an explosion, and cautioned that any move against the army or its commander would not go unanswered. Hezbollah MP Ibrahim Moussawi assailed the leadership for “a bottomless depth of depravity and baseness,” branding the framework “an agreement of humiliation, shame, subservience and surrender” that is null and void because it violates the constitution and the National Pact, and crediting Iran’s regional equation for the ceasefire and Israel’s withdrawal.
- The US military will take a direct role policing both the Lebanese and Israeli armies, putting American troops on the ground in both countries to “call balls and strikes” and give US political leadership the standing to press either side to honor its commitments. CENTCOM chief Admiral Brad Cooper stays out of direct oversight, but CENTCOM officers would refer any violations to the Trump administration to act on. Separately, IDF Chief of Staff Eyal Zamir met US Marine Forces Central Command commander Lt. Gen. Joseph Clearfield to advance the coordination machinery for deploying the Lebanese Army into new areas of the south, clearing Hezbollah, and enabling partial Israeli withdrawals. Clearfield, the lead US coordinator with both militaries before the 2026 war and backed by some 30 officers, is returning to that role. Zamir pressed that conflict-reduction and withdrawal steps be kept wholly separate from any Iranian influence.
- The Terrorist Financing Targeting Center, grouping all six Gulf Cooperation Council states (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the UAE) with the United States, imposed joint sanctions on five entities and 16 individuals that form key components of Hezbollah’s financial infrastructure. The targets include the group’s main financial arms, Al-Qard Al-Hassan (AQAH) and Bayt al-Mal, and their senior leaders, all previously designated by Washington, in an action aimed at cutting Hezbollah’s access to the international financial system.
- Jeffrey Feltman, US ambassador to Lebanon from 2004 to 2008, called President Trump’s proposal for Syria to take over the fight against Hezbollah from Israel “preposterous” and a mark of “real ignorance” of the logistical and historical complications of Syrian involvement in Lebanon,

adding that Trump's repetition of the idea showed it was not a throwaway line. He judged that it puts Syrian President Ahmad al-Sharaa in an awkward spot but doubted Sharaa would "fall into what would be a trap," and wondered aloud whether Israel had floated it to test him.

SYRIA

- Interim President Ahmad al-Sharaa named the final 70 legislators to the 210-member People's Assembly on Wednesday, completing the first parliament of the post-Assad era. The other 140 seats were filled through regional electoral colleges over the past eight months, and Sharaa directly appoints one-third of the chamber, which holds limited power under the presidential system he established after ousting Bashar al-Assad in 2024. Electoral committee head Mohammed Taha al-Ahmad set the first session for Monday, when members are sworn in and the presidential council elected. Sharaa's appointees included 15 women, raising female membership to about 22 (roughly 11 percent, matching the previous parliament's proportion). The October first-round vote excluded Druze-controlled Sweida and Kurdish-held northeast Syria, the northeast voted in May after government forces seized the area in early-year clashes, and no date is set for Sweida, though Sharaa named two representatives for the Druze province. The formation is a test of his pledges on political inclusion, with only a handful of minority members elected in October and the chamber still expected to tilt toward the government.
- Syria's international reintegration advanced on three fronts. Kuwait Airways will resume direct Damascus-Kuwait City service on July 15, its first on the route in 14 years, days after Kuwait's Jazeera Airways landed 148 passengers at Aleppo International. At least 12 airlines have restored routes to Damascus and Aleppo since Assad's December 2024 fall, and Syrian Airlines opens a Damascus-Amsterdam link Thursday, the first Syrian flight to a European city other than Moscow since the war. In Damascus, the Syria Britain Business Council convened its first meeting since its London launch late last year, with a three-member UK parliamentary delegation led by Labour MP Alan Gemmell taking up counterterrorism, transitional justice, political inclusion, and refugees. Delegates voiced optimism on economic recovery but stressed that educated diaspora Syrians must return to rebuild, with 1.5 million refugees already back and 4.5 million still abroad against a World Bank reconstruction estimate of \$216 billion. Turkish Ambassador Nuh Yilmaz said Ankara and Damascus are moving toward a comprehensive strategic partnership across political, economic, and security tracks since the Turkish embassy reopened, with Turkish construction firms ready to enter the market once international sanctions lift and Syria comes off the state-sponsors-of-terrorism list.

PALESTINE

- Gaza passed 1,000 days of war on Tuesday, with more than 2 million Palestinians still largely displaced amid the ruins and the enclave's fate unresolved as reconstruction and disarmament steps under the ceasefire stay frozen. The Health Ministry counted 1,053 Palestinians killed since the truce took effect on October 10, including over 350 women and children, against a cumulative 73,066 dead since October 2023. Strikes continue almost daily, among the recent dead national-team goalkeeper Saleem Al-Ashqar, one of more than 1,000 Palestinian athletes killed since October 2023. The UN human rights office verified 196 Palestinians killed near Israeli deployment

lines between October 10 and April, 18 of them women and 43 children, many struck while moving through zones lacking clear demarcation on the ground, and logged some 360 newly displaced and over 150 structures hit as Israeli-controlled areas expand. The health system is buckling, 18 government and charity hospitals fully out of service and a daily shortfall of blood units and lab reagents, while roughly 300 patients have died awaiting medical evacuation and only 1,977 have been evacuated since the ceasefire against a queue that could take years to clear.

- UN Secretary-General Antonio Guterres warned the UN Relief and Works Agency (UNRWA) faces a \$100 million shortfall despite austerity cuts, leaving it unable to meet obligations to some 2.6 million people even after member states renewed its mandate for six months, and cast the cash crunch as a threat to regional stability. Against that, Trump's Board of Peace declared UNRWA "has no place" in Gaza's future and vowed to end "perpetual aid dependency," while Israel's CO-GAT launched a pilot moving security screening of Gaza residents returning from Egypt via Rafah to the Kerem Shalom crossing, now handled by the Defense Ministry's Land Crossings Authority. IDF and Shin Bet forces killed Hamas platoon commander Adel Jihad Mohammad Asfour, tied to sniper and explosive attacks and to recent efforts to rebuild Hamas's military capabilities.
- Hamas welcomed the start of the international force's deployment, spokesman Hazem Qassem saying he hopes it begins separating Palestinians from the Israeli army and halting its violations, after the Board of Peace announced the first tactical vehicles reached "Endurance," a logistics hub in southern Israel near the Kerem Shalom crossing that will stage the International Stabilisation Force (ISF) before it moves into Gaza. Netanyahu acknowledged Israel has not ended Hamas's civilian rule but insisted it eventually will, and kept the "voluntary migration" plan (now rebranded the "Free Movement Plan" to blunt international criticism) under active consideration, with Defense Minister Katz repeating it will be carried out "at the appropriate time." In Cairo, Hamas delivered a response that mediators rate as having slim odds, insisting on full salaries for all its former-government employees and refusing to fold tunnels and weapons infrastructure into any disarmament, keeping the two sides far apart. Israel's defense establishment flagged a parallel threat, at least 28 drones smuggled into Gaza in recent months via the Egyptian border or from Israel itself, most reaching Hamas, which is drawing on Hezbollah's increasingly effective explosive-drone tactics in Lebanon.
- Israeli raids and settler attacks intensified across the occupied West Bank, with Palestinian factions counting 19 operations in two days spanning Hebron, Nablus, and Bethlehem. Hebron Mayor Youssef Al-Jaabari charged that Israeli authorities are working to alter the features of the Ibrahimi Mosque and the city's Islamic and historic sites. In occupied East Jerusalem, groups of settlers entered the Al-Aqsa compound under police escort and performed Talmudic rituals, which Palestinians read as another step in the drive to Judaize the city.
- The United States signed an agreement allocating land for a permanent embassy in Jerusalem, a 99-year lease for a symbolic one dollar on the Allenby Compound in the south of the city, inked by Foreign Minister Gideon Saar, Ambassador Mike Huckabee, and Construction Minister Haim Katz. The move deepens the US recognition of Jerusalem as Israel's capital begun in 2017 and hardens the Israeli claim over the city against Palestinian demands for East Jerusalem as the capital of a future state, a step Saar cast as "another clear message to our enemies" of the US-Israel bond.

KEY REGIONAL EVENTS

Iraq

- Prime Minister Ali al-Zaidi's government holds September 30 as the deadline for pro-Iran armed factions to surrender their weapons, its spokesman reaffirming the cutoff ahead of al-Zaidi's coming visit to Washington, which is pressing Baghdad to enforce the disarmament. Several of the targeted groups struck US facilities in Iraq during the late-February war triggered by the Israeli-American strikes on Iran.
- Foreign Minister Fuad Hussein and Gulf Cooperation Council Secretary-General Jasem Mohamed Albudaiwi met in Baghdad to advance closer Iraq-Gulf ties, both backing expanded cooperation under the new government. Hussein said Baghdad seeks balanced relations with the Gulf Arab states after years of regional strain, and Albudaiwi congratulated Iraq on forming its government.
- An Iraqi anti-corruption court ordered the recovery of 19 billion dinars (about \$14.5 million) tied to a fraud case at state-owned Iraqi Airways, the latest seizure in al-Zaidi's anti-graft campaign, the central pillar of his government since he took office in early May. The drive escalated sharply on June 28, when the Counter Terrorism Service raided homes in Baghdad's fortified Green Zone and detained 47 politicians, lawmakers and senior officials after lifting their immunity, an operation al-Zaidi dubbed the "dawn offensive" and called only the "first phase," vowing that "no corrupt person has immunity." Muqtada al-Sadr endorsed the campaign and the Coordination Framework backed its continuation, though debate has opened over financial settlements that would let suspects avoid prosecution by returning stolen funds, and critics charge the effort is political theater aimed partly at courting Washington while leaving entrenched pro-Iran networks untouched. The sweep has since spread from the capital into central and southern provinces.

Saudi Arabia

- Saudi Arabia and the United States are locked in one of their most serious disputes in years after Riyadh temporarily blocked a major American military operation during the Iran war, refusing to let US forces use Saudi bases and airspace. More than 100 US military aircraft had begun taking off from bases and warships across the region for the operation to reopen the Strait of Hormuz when Riyadh withheld access, prompting the Trump administration to threaten suspending deliveries of critical missile-defense interceptors unless the kingdom reversed course. The rift may push Washington to reduce its military footprint in Saudi Arabia.

UAE

- The UAE reopened travel to Lebanon for its nationals as of Monday, lifting the wartime ban it imposed on April 30 across Lebanon, Iran and Iraq. Prime Minister Nawaf Salam welcomed the step as proof of "renewed confidence" in Lebanon, and Foreign Minister Youssef Raggi cast it as recognition of a state that has regained control of its own political and security decisions. Tehran-Dubai flights resumed the same day for the first time since the war, though the Emirati ban on travel to Iran stayed in place.

Egypt

- Egypt reached a staff-level agreement with the IMF that would unlock about \$1.64 billion, covering the seventh review of its Extended Fund Facility and the second review under the Resilience and Sustainability Facility (RSF), pending Executive Board approval.

Jordan

- The World Bank approved a \$700 million loan to help Jordan convert macroeconomic stability into stronger private investment and job creation, backing reforms on access to finance and the green and digital transition. Jordan posted 2.8 percent real GDP growth in 2025 and secured its first sovereign credit-rating upgrade in over two decades in 2024, reaffirmed in 2025.

Yemen

- Anti-Houthi tribal mobilization in al-Jawf's Khab wa al-Shaaf district has reached 8,000 fighters, with tribal forces setting up roadblocks to stop trucks and travelers tied to Houthi-aligned tribes and turning back tribesmen from Amran, as tribal leader Sheikh Hamad bin Rashid warns the standoff risks civil war. The Houthis answered with their largest nationwide mobilization since the October 2023 Gaza war, staging armed rallies and pledges of fighters and funding across a dozen governorates including Saada and Sanaa in response to Abdul Malik al-Houthi's call for heightened readiness, with Deputy Information Minister Ahmed al-Shami declaring "the battle is coming." Residents across the north are watching for whether al-Houthi will deliver a speech as tensions climb.
- Saudi Arabia is preparing a renewed political push in southern Yemen by returning Major General Ahmed al-Maysari to Aden after years away. Al-Maysari, a former deputy prime minister and interior minister who now heads the Preparatory Committee for the Southern General People's Congress, led government forces against UAE-backed Southern Transitional Council fighters in the August 2019 battle for Aden and became one of the UAE's fiercest Yemeni critics, so his return sharpens the Saudi-UAE rivalry over control of the south.
- Yemen's warring sides moved toward their first UN-mediated prisoner exchange, signing an agreement in Amman covering nearly 1,700 detainees after more than three months of talks brokered by UN envoy Hans Grundberg, the ICRC, Saudi Arabia, Oman and Jordan. Both the internationally recognized government and the Houthis reaffirmed support for advancing the detainee file to a UN team, with at least 1,600 prisoners set for release in one of the largest confidence-building steps in years.
- Maritime insecurity around the Bab al-Mandab is intensifying on two fronts. Pirates, most likely Puntland-based Somali networks, mounted a fourth failed hijack attempt in waters south of Yemen between the Gulf of Aden and the Arabian Sea, one of three attacks in roughly 24 hours in which armed skiffs closed to within meters of a commercial vessel and opened fire before its security team drove them off, raising concern that the tempo, and possible coordination with the Houthis, is meant to pressure shipping through the strait. On counter-smuggling, Yemen's Joint Forces, led by the 17th Giants Brigade under Brigadier General Majed Omar Saif al-Subaihi, captured a Houthi-linked vessel from the Horn of Africa and detained three smugglers near the strait, one of a run of interdictions that also turned up a boat out of Bandar Abbas, Iran, carrying tons of copper wire for Houthi drone and missile production and a Chinese dual-use industrial workstation, extending the third documented seizure of Houthi-bound military and dual-use cargo in under a year.

KEY INTERNATIONAL EVENTS

- Combined Russian and Ukrainian military casualties in the war have passed 2 million: 400,000 to 450,000 Russian troops killed since the February 2022 invasion out of 1.4 million total Russian casualties, against 125,000 to 150,000 Ukrainian dead and up to 625,000 total Ukrainian casualties. Russia has lost the military initiative, ceding roughly 400 square kilometers of held territory in April and May alone, while Ukraine's AI-enabled long-range drone and missile campaign against Russian military and economic targets intensifies. Ukrainian forces struck the major Ufa refinery, one of Russia's largest lubricant producers over 1,000 kilometers from the front, for the second time in a week, along with a missile-component plant in the Penza region, a near-daily campaign that has forced fuel rationing across many Russian regions. Russia's own strike tempo eased in June, 5,749 drones and 180 missiles down 29 and 15 percent from May, but fresh barrages killed at least eight civilians and wounded 35, five dead in Dnipro and three in a Zaporizhzhia minibus, and a later overnight assault on Kyiv killed five more and set a central hotel ablaze.
- A cholera outbreak in Sudan has killed 120 people with 1,102 suspected cases since May, the third wave in three years amid a healthcare system decimated by the war between the army and the Rapid Support Forces, with the rainy season set to surge case counts as millions lack clean water. The UN Human Rights Council will hold an urgent session in Geneva on el-Obeid, North Kordofan, where roughly 500,000 civilians face large-scale atrocities under siege-like conditions, drone strikes, and fuel and water shortages, on a request from Germany, Ireland, the Netherlands, Norway, and the United Kingdom, who will submit a draft resolution.
- The death toll from Venezuela's June 24 twin quakes, magnitude 7.2 and 7.5, has climbed to 2,295 with more than 11,000 injured and over 68,000 reported missing, and the government declared seven days of national mourning. Rescue teams from seven countries worked around the clock in Catia La Mar. An Israeli humanitarian delegation of 28, led by envoy Yoed Magen and Home Front Command chief of staff Brigadier General Elad Edri, arrived to assess building integrity and hospital usability rather than conduct rescue, the first senior Israeli-Venezuelan contact since Caracas severed ties in 2009.
- More than 100,000 people have been killed across all sides in Myanmar's civil war since the February 2021 military coup that ousted Aung San Suu Kyi, with 100,114 conflict-related fatalities logged, making it the deadliest active conflict in Asia.
- The UN General Assembly approved a four-year trial of new budget rules to ease the recurring cash crisis, letting the body return unspent assessed contributions to member states only once those funds are received in cash rather than refunding money that never arrived. The change saves an estimated \$1.5 billion over the next 12 months and is aimed at protecting operations, particularly peacekeeping.
- Germany is weighing recalling the minesweeper Fulda and the supply ship Mosel, now anchored in Djibouti, after Iran firmly rejected a French proposal to cooperate on clearing mines in the Strait of Hormuz, leaving Defence Minister Boris Pistorius no realistic prospect of a minesweeping operation. A decision comes this summer rather than holding the ships through autumn on the chance the mission materializes.
- France warned companies that doing business in Israeli settlements in the occupied West Bank, East Jerusalem, and the Golan Heights exposes them to legal, economic, and reputational risk and possible responsibility for international-law violations, citing UN Security Council resolutions and

the 2024 ICJ advisory opinion. Firms could be listed in the OHCHR database of entities involved in settlement activity.

MARKETS

- Strait of Hormuz traffic held steady through the reopening, with 34 verified crossings logged on 30 June, volumes split evenly by direction, and a net crude balance near 1.4 million barrels per day. Route visibility stayed fragmented across Iranian, Omani, IMO and undeclared tracks, and 49 regional maritime incidents now on the books mark the corridor as operational continuity rather than a settled return to normal routing. A foreign container ship ran aground in shallow water after leaving Iran's approved transit route, an early friction point in the reopened waterway.
- The oil market swung to a near-term supply overhang within roughly two weeks of the June 17 memorandum, as Middle East transit and production resumed faster than forecast and the deal freed loaded tankers that had been stranded. The barrels are landing into weak demand, with China slashing imports and higher US and Russian exports plus strategic releases deepening the glut, so physical crude demand stays lackluster until China returns as a buyer. Prices could firm again once the backlog clears, estimated at about two weeks if transit levels hold, after which mine-clearing in the strait and the pace of Gulf producers raising output set direction. The UN cautioned that reopening brings uneven relief: benchmark crude across Europe, North America, the Middle East and Russia has already eased from its war-peak highs, but grain and oilseed freight costs remain well above pre-escalation levels, leaving the poorest economies a longer and costlier recovery.
- The war's oil shock is rippling into national data. South Korea's consumer inflation rose to 3.2 percent year-on-year in June, its highest in two and a half years and the sharpest jump since December 2023, led by petroleum products as higher global crude prices and a weak won lifted import costs, with the Bank of Korea holding its policy rate at 2.50 percent. The IMF cut Israel's 2026 growth estimate to 3.5 percent from 4.8 percent, citing elevated regional tensions with Iran, Hezbollah and Hamas, and flagged a temporary inflation rise on higher energy prices and supply constraints even as the shekel touched a three-decade high against the dollar. Israel's economy contracted an annualized 3.8 percent in the first quarter after 2.9 percent growth in 2025, with the Fund projecting a rebound to 4.4 percent in 2027.

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