

DAILY BRIEFING

The Dispatch

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MAIN STORY: KHAMENEI FUNERAL DRAWS MASS MOURNING IN TEHRAN

- Hundreds of thousands of mourners filled Tehran's Imam Khomeini Grand Mosalla on July 5 for funeral prayers over Ali Khamenei, killed alongside much of his family in the February 28 strike that opened the war. The 97-year-old cleric Jafar Sobhani led the prayer over Khamenei's coffin, displayed under glass beside those of his daughter, son-in-law, daughter-in-law and 14-month-old granddaughter. Authorities closed Tehran's airspace and project 15 to 20 million participants across Iran and Iraq before the July 9 burial at Mashhad's Imam Reza shrine, with processions moving through Tehran and Qom and onward to Najaf and Karbala, where several Iraqi provinces suspended official work for the transit. It is the first mass civilian gathering the state has permitted since the killing, and the turnout doubles as a loyalty test for a theocracy six months removed from crushing nationwide protests.
- President Donald Trump declared a week-long hold on US operations for the mourning period, casting it as a humanitarian gesture in his July 4 Mount Rushmore address and saying neither side would shoot during the proceedings, with the indirect talks paused until the ceremonies end. He noted that Iran's entire leadership was gathered in one place and that one shot would take them all out, "but we are not going to do that because then we would have nobody to negotiate with." He said he was surprised to see Iranians crying at the funeral and suggested "maybe it's fake tears," drawing a retort from Iran's embassy in Armenia that he has "neither civilisation, nor history, nor honour." Trump paired the pause with the claim that Tehran is pressing every available channel toward a political agreement with Washington.
- The ceasefire cover let the regime place its surviving leadership on open display for the first time since Israel spent the war using public appearances to track and kill senior figures. President Masoud Pezeshkian, parliament speaker and chief negotiator Mohammad Bagher Ghalibaf, IRGC commander Gen. Ahmad Vahidi and Quds Force chief Esmail Qaani attended the prayer, alongside Khamenei's sons Masoud, Meysam and Mostafa. Officials paired the display with a warning to the United States and Israel against any military action during the funeral window.
- Supreme Leader Mojtaba Khamenei stayed away. Iranian security officials rejected his request to attend the July 9 burial and personally recite the funeral prayer over his father, assessing that a public appearance would expose him to Israeli assassination or let Israel trace him back to his hiding place. He has not been seen since the February 28 strike, which injured him and killed his wife and son along with his father. Mourners carried his portrait beside Khamenei's, but his invisibility more than four months into his tenure keeps alive the questions over his whereabouts

and who exercises day-to-day authority in Tehran.

- Vengeance framing saturated the ceremonies even as the negotiation track holds. Ghalibaf, who on July 2 urged a turnout that would make “the nation’s call for vengeance ring in the ears of the whole world,” got his crowds, and Ghalibaf adviser Mehdi Mohammadi vowed that Iranians have no task for the rest of their lives but preparing the moment of revenge against Khamenei’s killers. The poet Mohammad Rasouli became the first funeral emcee to call directly for Trump’s death, asking the crowd why “the most bastard man in the world” is still alive, to cheers and chants of “Death to America” and “Death to Israel.” Posters, graffiti and a red banner along the route called for killing Trump and Israeli Prime Minister Benjamin Netanyahu.
- The axis of resistance sent senior delegations to Tehran. Hezbollah’s, headed by former minister Mohammed Fneish and including families of killed and wounded members, and Hamas’s, led by political bureau chief Mohammed Darwish with bureau member Bassem Naim, both met Foreign Minister Abbas Araghchi. Islamic Jihad leader Ziyad al-Nakhalah and senior Houthi official Dhaif Allah al-Shami also attended, making this the network’s most concentrated public gathering in Tehran since an Israeli operation killed Hamas political chief Ismail Haniyeh there in July 2024.

STRATEGIC ASSESSMENT

The mourning week is functioning as a bounded truce that serves both capitals. Washington banks goodwill for the endgame of the talks while Tehran converts grief into proof that the theocracy can still fill the streets on command, and the vengeance theater gives the IRGC base a pressure valve that has so far cost the interim arrangement nothing. Mojtaba’s enforced absence is the most telling data point of the week: a supreme leader barred by his own security apparatus from praying over his father signals the leadership judges Israeli tracking and targeting capability inside Iran to be fully intact. The next observable is July 9 in Mashhad, where an appearance by Mojtaba would mark the first deliberate loosening of that threat assessment, while another absence extends the question of who actually governs. Just as significant is whether the paused indirect talks resume immediately once the window closes, since prompt resumption would confirm the revenge rhetoric as managed catharsis rather than a shift in Tehran’s negotiating intent.

IRAN

- The deadliest single strike of the US-Israeli war on Iran hit a primary school in Minab on the morning of February 28, the war’s opening day, killing more than 100 children. More than 120 days later the Pentagon has released no findings and Washington has not formally accepted responsibility, even though the US military possessed evidence almost immediately that the school site had been struck. Pentagon silence and Tehran’s politicization of the bombing have kept a full accounting from emerging.
- US and Iranian negotiators met separately with Qatari and Pakistani mediators in Doha on July 1, made positive progress, and agreed to reconvene once the funeral rites for Khamenei end. Steve Witkoff and Jared Kushner led the US side and Kazem Gharibabadi Iran’s delegation, working to convert the memorandum into a permanent end to the war. Trump called the meetings “very good” and said Iran’s denuclearization “is moving along well.” The next round convenes July 11 in Pakistan and takes up sanctions removal, the release of Iran’s frozen assets, and the nuclear file,

with Ghalibaf and Araghchi expected to lead the Iranian delegation once mourning concludes July 9. Differences over the Strait of Hormuz and Lebanon remain the principal obstacles. A foreign container ship ran aground in the strait on July 1 on a route Iran had not approved, an incident Tehran cast as proof of its claim to control transit routes.

- Pezeshkian personally warned the new supreme leader, Mojtaba Khamenei, that the economy had reached the point of collapse, with oil exports crushed under the US naval blockade and vital sectors near failure, and signaled he would resign if Iran refused the deal then under negotiation. Senior leadership figures had concluded that continuing the war threatened the survival of the system itself, a crisis the funeral's public projection of unity was designed to mask.
- State television cut short a recorded interview with Ghalibaf mid-broadcast on June 30 despite receiving it more than two hours before airtime, drawing a formal protest from the parliament's media center. The excised portions covered UN nuclear-watchdog inspections, Iran's frozen assets, and a 300-billion-dollar reconstruction credit, the very substance hardliners contest in the deal. The broadcaster said the second half would air the following night. The episode extends a pattern of hardline institutional resistance to the negotiating team, including a state TV presenter's call last month to close Tehran's Mehrabad Airport to keep the negotiators from traveling.
- Iran rejected the British-French offer to deploy the wider Multinational Military Mission, backed by more than 40 contributing nations, to protect navigation in the Strait of Hormuz. Gharibabadi, fresh from leading the Doha delegation, said July 4 that the strait "is not a stage for extra-regional powers to display military force," that its security rests with the littoral states, and that "those who create crises will bear responsibility for the consequences of their adventurism." The rejection answered a Macron-Starmer joint statement announcing that Oman has agreed to work with both powers to keep its territorial waters safe for navigation. France is withdrawing the carrier Charles de Gaulle to Toulon after nearly two months on station (positioned since mid-May within two to three days' sail of the strait), while keeping mine-countermeasure vessels and their escorts deployed as commercial traffic recovers under the fragile ceasefire. Russian Security Council deputy chairman Dmitry Medvedev, returning from the funeral in Tehran, called Iran's ability to shut Hormuz the equivalent of a nuclear weapon, said Tehran could also disrupt Bab el-Mandeb in the event of a wider regional conflict, and described the US strikes on Iran as unprovoked.
- Tehran hardened the outlines of its post-deal transit regime for Hormuz. Ambassador to China Abdolreza Rahmani Fazli told the World Peace Forum in Beijing on July 4 that Iran "will definitely charge service fees" for passage, a concept Washington rejects, under new arrangements coordinated with Oman covering security of passage, supervision of vessels, and environmental costs. He promised "special treatment" for states that stood by Iran during the war and explicit facilitation for China, leaving unsettled what replaces the deal's 60-day free-transit window. The Khatam al-Anbiya joint command meanwhile renewed its warning on July 2 that tankers deviating from Iran's approved routes face an "immediate and forceful response," this time provoked by a CENTCOM meeting in Bahrain that committed regional leaders to the free flow of commerce through the strait.
- Ghalibaf renewed his call for every Lebanese component to implement the memorandum's Lebanon clause, this time framing it as what "prevents civil strife," and Araghchi said Iran is working to end the war in Lebanon and end the occupation under the memorandum's first article.
- Iran's new leadership hierarchy under Mojtaba Khamenei is younger, more hardline, and in tighter control of the state's levers than its predecessor. Nearly every figure now in senior office spent formative years in the security services or in military units responsible for suppressing domestic protests and arming proxy militias, rising through the IRGC's elite organizations, among them Mo-

hammad Bagher Zolghadr, a former IRGC commander now secretary of the Supreme National Security Council. Having withstood months of strikes by two of the world's most powerful militaries, the leadership has emerged emboldened, pressing an execution campaign against domestic critics and political opponents while consolidating its hold over Hormuz.

ISRAEL

- Israel's intelligence agencies refused a request from Prime Minister Benjamin Netanyahu's office to endorse the government's claim that Iran's nuclear program had been completely destroyed. In the hours after the June 2025 12-day war ended, the office pressed security, intelligence, and military officials to issue an assessment reinforcing Trump's declaration that US strikes had destroyed Iran's nuclear facilities, a claim Netanyahu extended by announcing that two existential threats, the nuclear program and the ballistic-missile arsenal, had been eliminated. Intelligence officials declined, assessing the damage as significant but incomplete, and Israeli scientists rejected an initial draft they described as heavily distorted.
- Trump said Netanyahu could visit the White House as early as next week, advancing the meeting the two agreed to in Friday's call. Trump said Saturday that Netanyahu requested the meeting, floated timing after his return from the July 7-8 NATO summit in Ankara, and remarked that the Israeli premier "knows who the boss is," while an Israeli official put the following week as the likelier window. The visit would be Netanyahu's seventh since Trump returned to office and his first since the US-Israeli war with Iran began. It comes with tensions in public view, Trump having criticized Netanyahu over continued Israeli strikes in Lebanon that threaten the negotiated track with Iran, though he brushed aside talk of a rupture.
- Israel ruled out withdrawing its forces from Lebanon, Syria, and Gaza, with Defense Minister Israel Katz stating that troops will remain in what Israel designates security zones on all three fronts indefinitely, until security objectives are met. The position, staked out days after the signing of the framework agreement with Lebanon, keeps any pullout from south Lebanon conditioned on Hezbollah's disarmament, and Katz warned that Israel would respond "with full force" to any Iranian attack linked to its Lebanon operations. The posture extended to the West Bank, where authorities approved plans for 13 new settlements on Thursday, a move Palestinian officials assess will deepen settlement expansion and further cut occupied East Jerusalem off from its Palestinian surroundings.
- Elbit Systems plans to hire 2,000 additional workers worldwide by year-end, bringing its 2026 intake to 4,000 after 2,000 hires in the first half. CEO Bezalel Machlis tied the expansion to longer conflicts and munitions consumption demanding industrial readiness at unprecedented production rates, and the company is scaling up local manufacturing, including at its Ramat Beka site, to raise munitions output and cut dependence on foreign suppliers. Machlis called European demand an enormous opportunity as governments push for defense-production independence in autonomy, munitions, communications, and AI.
- Wiaam Faisal, 17, shot dead in Haifa's Ein Hayam neighborhood, became the 150th person murdered in Israel's Arab community in 2026. Jonathan Khouri, 18, died in the same shooting and a third man remains in serious condition. The toll compares with 128 at the same point last year and 230 for all of 2024, putting 2026 on track as one of the sector's most violent years.
- The Israeli military's investigation into the "Jericho Wall" intelligence document concluded that

the failure ahead of Hamas's October 7, 2023 attack stemmed from years of misreading available intelligence rather than a lack of it. Investigation head Maj. Gen. (res.) Roni Numa said intelligence dating to 2016 outlined Hamas plans to breach the Gaza barrier, yet the military and intelligence establishment held to the conviction that Hamas was deterred. "We failed to realize that we did not understand Hamas," he said.

- National Security Minister Itamar Ben-Gvir will not attend the UN Chiefs of Police Summit in New York on Tuesday and Wednesday. The Hind Rajab Foundation, which filed a complaint with the US Justice Department over his prison policies and appealed alongside the Center for Constitutional Rights to New York Attorney-General Letitia James for an investigation, claims its legal pressure forced the cancellation. Ben-Gvir's office has not confirmed the reason for the withdrawal.

LEBANON

- Social Affairs Minister Haneen El Sayed toured Nabatieh and Tyre and announced a second round of cash assistance starting next week for 130,000 displaced and steadfast families under the SRSN program, 29,000 of them in Nabatieh governorate, as the government drafts a return, recovery and reconstruction plan on Prime Minister Nawaf Salam's instruction covering repair grants for lightly and moderately damaged homes, rental support for families unable to return immediately, and temporary shelter. Returns since the June 21 ceasefire have reached 646,107 nationwide, about 400,000 of them to the south, with roughly 500,000 people still displaced, many blocked by destroyed or inaccessible homes. El Sayed called the ceasefire fragile and said state finances cannot carry reconstruction, so Beirut will appeal to international donors. The government has asked UNESCO to list Tyre's archaeological sites as world heritage in danger, army units fully reopened the Khardali-Nabatieh road and partially restored the Burj Rahal-Tyre bridge, and in Nabatieh ambulance, civil defense, scout, and municipal crews launched a mass rubble-clearance campaign to reopen streets as the scale of destruction continues to surface in Sahmar and Yohmor.
- A Serbian UNIFIL peacekeeper died in a Beirut hospital after a mortar attack Thursday on his base near Marjayoun that injured two other peacekeepers. UNIFIL did not attribute the attack and called deliberate strikes on peacekeepers grave violations of international humanitarian law and Resolution 1701 that may amount to war crimes, and UN Secretary-General Antonio Guterres demanded prompt investigation and prosecution of those responsible. The death brings to seven the UN peacekeepers killed in Lebanon since March 2, after three Indonesians died in March and a French soldier in April.
- France, working with Italy, is preparing to deploy international coalition forces in south Lebanon once UNIFIL's mission ends. The deployment would come at Lebanon's request, in support of the Lebanese Army, and with American backing.
- Israeli forces killed an armed Hezbollah operative Saturday in the Majdal Zoun area of the Israeli-controlled security zone, where reservists of the 551st Brigade spotted and pursued him and a helicopter fired five missiles in a sweep on the village outskirts. A separate strike on Mansouri wounded one person amid artillery shelling elsewhere in the south. On Thursday an airstrike killed a Hezbollah operative who emerged from underground infrastructure in the Ali al-Taher heights above Nabatieh, and the army pledged continued operations there to keep fighters from surfacing or moving on the heights. Israel says it has uncovered several Hezbollah underground com-

plexes in the south, networks built over decades to withstand airstrikes and comprising galleries, weapons depots, drone-manufacturing facilities, and launch positions.

- The framework-agreement battle is settling into managed polarization rather than rupture. Samir Geagea, Sami Gemayel, President Joseph Aoun, and Prime Minister Nawaf Salam back the deal, Jebran Bassil voices reservations while warning against dismissing it outright, Hezbollah chief Naim Qassem calls it null and void, and Speaker Nabih Berri, who insists the deal “will not pass as it is,” presses for amendments through a settlement while declining to build a coalition to bring it down, a coalition Walid Jumblat also refuses to join. Aoun, who on Thursday urged reserving judgment until the negotiations conclude and vowed not to yield “a single inch” of territory, escalated Friday by accusing Hezbollah, without naming it, of being accustomed to a foreign tutelage that “controls us, decides on our behalf, and negotiates over us,” and drew red lines against inciting strife or toppling the government through the street. Israel and Hezbollah are both playing for time: Netanyahu is slow-walking the Lebanese Army’s deployment into the two pilot zones (Froun and Ghandouriyeh in Bint Jbeil, Zawtar al-Gharbiyeh in Nabatieh) that CENTCOM commander Admiral Brad Cooper visited Beirut to prepare with Aoun and army commander Rodolphe Haykal, and Israeli threats are mounting against the Ali al-Taher hill overlooking Nabatieh. Israel’s ambassador to Washington Yechiel Leiter, extending his earlier claims about the security zone, said the Lebanese Army has moved aside Shiite troops and officers unwilling to confront Hezbollah (25 to 30 percent of the force is Shiite, of whom 30 to 50 percent sympathize with the group) and argued that willingness, not capability, was the obstacle now easing as Iran and Hezbollah degrade and with Assad gone. UK Deputy National Security Adviser Barbara Woodward closed a two-day Beirut visit (July 1 to 2) with Berri, Salam, Tarek Mitri, and Haykal, calling the framework central to Israeli withdrawal, Hezbollah’s disarmament, and full Lebanese Army deployment, backed by continued British training, equipment, and border-security support.
- Withdrawal terms now in play put a list of 2,300 names as the price of an Israeli pullout, alongside some 5,000 US personnel to be stationed in south Lebanon.
- Speaker Nabih Berri, after his first meeting with Syrian Foreign Minister Asaad Shaibani, called ties with Damascus unavoidable, saying “Lebanon cannot cooperate with Israel, and if it refuses to deal with Syria, the Lebanese will be left with no choice but the sea,” and insisted the coming phase be peer-to-peer on mutual respect for sovereignty and non-interference. The cabinet approved, and Salam signed with Shaibani, the agreement establishing the Joint Lebanese-Syrian High Committee to develop economic partnerships and security agreements spanning political, financial, trade, legal, transport, energy, infrastructure, and social files.
- The dispute over the new waste fees remains unresolved between applying and suspending them, and who bears the bill stays contested.

SYRIA

- The Military Criminal Court in Damascus opened public trials on July 1 over the July 2025 violence in Sweida, the worst internal clashes since the fall of the Assad government, in which Bedouin fighters, Druze militias and government security forces left civilians dead alongside kidnappings and property destruction in the Druze-majority province. Hatem al-Naasan, head of the national investigation committee, announced the proceedings Friday and said military prosecutors have begun referring defendants to an investigative judge, with accountability applying

to anyone proven responsible regardless of rank, position or affiliation. Committee spokesman Ammar Izz al-Din said dozens of defendants from all sides face proceedings, with the total open because investigations continue, and that accountability “will reach whoever ignited the strife and whoever incited it”. A second public session is set for July 13. Reception in Sweida is split between those who read lawful accountability as a step toward settling the province’s crisis and those who doubt Damascus’s seriousness about convicting the accused.

- Quneitra Governor Ghassan al-Sayyed Ahmad told a visiting delegation of the UN Independent International Commission of Inquiry on Syria on July 4 that Israeli incursions into villages along the ceasefire line violate the 1974 Disengagement Agreement and aim to pressure residents into self-displacement through raids, arrests, land bulldozing and blocking farmers and herders from their fields. The delegation visited al-Hamidiyah, Umm al-Adham and Jabata al-Khashab to document the recurring violations and their toll on agriculture and livestock, the governorate’s economic mainstays. The incursions’ staging points run from Tell al-Qithar to the Raqqad Valley, the most active launch axis for Israeli pushes into the Quneitra countryside.
- France is moving to rebuild its diminished Middle East role through Syria’s reopening economy, its chosen re-entry point into regional influence.

PALESTINE

- Gaza’s war has settled into a lethal ceasefire with no path out 1,000 days after the October 7, 2023 Hamas attack. Gaza’s Health Ministry recorded seven Palestinians killed and nine bodies recovered from rubble over the past 48 hours, among them Mohammed Najib Ashour, killed by a drone strike at the Asqoula junction in Gaza City’s Zeitoun neighborhood, and two men found near Israeli deployment lines in Beit Lahia days after going missing. Civil defense teams working with the International Committee of the Red Cross pulled six more bodies from the collapsed al-Masa building in the Sabra district on the seventh day of recovery operations there, while demolition and artillery fire continued east of Khan Younis, concentrated on al-Qarara and Bani Suhaila, including five demolition operations in one day. The ceasefire-period toll since October 10, 2025 stands at 1,066 dead and 3,445 wounded, against a cumulative 73,090 killed since the war began. A July 1 UN Humanitarian Country Team report warned that the repeated expansion of Israeli-controlled zones (Israel holds over half the strip and aims for 70 percent) is compressing 2.1 million residents into ever-smaller areas, blurring the civilian-military distinction and choking aid through movement restrictions and crossing delays, with medicine shortages driving roughly 9,300 contagious skin-disease cases in two weeks. Hamas disarmament and reconstruction remain stalled. The Israeli military assesses Hamas is at its weakest point ever and no longer treats Gaza as a primary front, ranking Iran, Lebanon, and the West Bank ahead of it while keeping operational plans ready to resume the war, and with Washington and Tehran negotiating their deal, Gaza’s file has slipped from international attention.
- The Palestinian presidency demanded immediate international protection for Palestinians in the West Bank after settler attacks Friday and Saturday injured residents. Spokesman Nabil Abu Rudeineh described organized terrorism by settler gangs against villages around Jenin, Nablus, Jerusalem, and Hebron, citing assaults on homes and residents, burned agricultural land, uprooted olive trees, and seized water sources, all carried out under direct Israeli army protection. He called on the international community, the US administration specifically, to compel Israel to comply with international law and UN resolutions, held the Israeli government responsible for the

deterioration, tied the settler campaign to the Gaza war's aim of liquidating the Palestinian national project, and warned the situation is heading toward an explosion that cannot be controlled.

- The International Stabilization Force (ISF), the multinational force slated to manage security in Gaza, has begun receiving military equipment for the disarmament mission: dozens of vehicles, some armored, moved into the strip within 24 hours and were handed to American ISF personnel from the force's Kiryat Gat headquarters, preparation for the ISF to assume security responsibility in parts of Gaza. The IDF's Southern Command is simultaneously preparing for the possibility that renewed war is required to disarm Hamas, which still rules the roughly 30 percent of the territory outside Israeli control and refuses to give up its weapons, while Washington advances the stabilization track over Israeli objections. Inside the strip, former members of the Israeli-backed militias described recruitment through promises of salaries, jobs, and humanitarian aid, night guard duty followed by transfer to "mission forces" operating in direct support of Israeli military tasks, and torture and intimidation used against members who tried to leave.
- Israel's Religious Freedom Data Center documented 83 attacks on Christians across 76 incidents from April through June, 68 of them in Jerusalem (46 in the Old City). Spitting accounted for 47 incidents, 56 percent of the total, increasingly carried out openly in daylight and at times deliberately demonstrative.
- Israel confirmed the authenticity of a photo showing a Gaza detainee blindfolded, stripped to his underwear, and bound face-down to a cot with a wooden rod tied from his foot to his neck, acknowledged the treatment "does not align" with its military's values, and opened an inquiry, but has not named the man or disclosed where he is held. Two Gaza mothers, Rana Abu Nassar and Joudeh Al-Ghoul, each identify the man as her own missing son, and the military's silence leaves both families without an answer.

KEY REGIONAL EVENTS

Yemen

- The Saudi-Houthi standoff hardened on both fronts as the Houthi mobilization campaign entered day 81. Armed tribal gatherings, public rallies, and government institutions across northern Yemen (Al Hudaydah in four districts including Jabal Ras and Al Durayhimi, plus Al Jawf, Sanaa, Ibb, Raymah, Al Mahwit, and Al Bayda) answered Abdulmalik al-Houthi's call to raise readiness for the battle to "end the aggression and siege," while the rival anti-Houthi tribal encampment at Matrah al-Karamah in Al Jawf kept drawing reinforcements from Shabwah, Hadramawt, and Ma'rib at a slower pace and remains far smaller. From Tehran, where he attended the funeral ceremonies, Houthi Endowments Authority chairman Abdulmaged al-Houthi declared "war is happening," said Sanaa-Tehran flights will continue over Saudi objections, threatened strikes on Saudi interests if the blockade persists, claimed the movement now fields greater military capability than in the war's earlier years, and added that "Saudi Arabia will know the response at the appropriate time." Coalition spokesman Major General Turki al-Maliki, a day after Houthi spokesman Yahya Saree threatened Saudi airports and vital interests, pledged a response of "unprecedented determination and force" to any attempt to target the kingdom or violate Yemeni sovereignty, and warned that the Houthi military posture exposes the ports of Hodeidah, Ras Isa, and as-Salif, Sanaa airport, and power stations to potential targeting. A Saudi Beech King Air 260 flying repeated surveillance orbits near King Khalid Air Base at Khamis Mushait signaled active ISR posturing on the south-

ern front. The escalation runs into a gap in the memorandum: its 14-point text does not address Tehran's support for regional armed groups, and with Washington unlikely to attach Houthi-related conditions to a final text, the movement stands to emerge emboldened, even as the UN assesses the deal creates momentum to revive Yemen's stalled peace process.

- The Central State Security Agency detained suspects in Aden in connection with the car-bomb assassination of Al Arabiya correspondent Mohammed Aydha in Mukalla, Hadramawt. Aydha had previously been the target of a large-scale Houthi arrest operation in Sanaa in 2018.

Turkey

- President Recep Tayyip Erdogan, speaking in Istanbul alongside Pakistani Prime Minister Shehbaz Sharif, warned that Israel must not be allowed to "dynamite" the US-Iran deal and that no Middle East settlement lacking regional backing can last, declaring that the "war-addicted Israeli government must not be allowed to drown our geography in the smell of gunpowder and blood again." The warning extends an escalating Ankara-Tel Aviv standoff in which Foreign Minister Hakan Fidan called Israel a reckless clique and an unbearable burden on humanity and affirmed Turkey's readiness for confrontation, while Israel accused Ankara of genocide incitement and deployed recognition of the Armenian genocide as a pressure lever. Erdogan paired the message with deepening Pakistan ties, setting a \$5 billion bilateral trade target and expanded cooperation in energy, transport, critical minerals, information technology, and defense.

Iraq

- Cabinet formation moved into portfolio vetting: blocs short of their electoral entitlement formed internal committees to fill the vacant ministries, with Nouri al-Maliki's State of Law coalition weighing six interior ministry candidates, among them former minister Abdul Amir al-Shammari and Lieutenant General Qasim Atta, whose candidacy faces local and regional vetoes despite continued pressure to advance it. Higher education also falls to State of Law's share, youth and sports goes to the Hikma movement, and labor to the Sadiquon bloc, with roughly 90 percent of the cabinet expected settled before the prime minister's mid-July visit to Washington.
- The second phase of the Sawlat al-Fajr anti-corruption campaign is pursuing officials' assets abroad: luxury residential compounds in the United States, Europe, and Turkey purchased with funds diverted from the state, traced to directors in the health, oil, and electricity ministries. The anti-corruption committee supervised by the prime minister has formally contacted the host countries to recover the properties through legal channels and holds a new list of suspects that includes well-known figures and others with influence inside state institutions.

Egypt

- Foreign Minister Badr Abdelatty said Cairo expects 1.5 billion euros (\$1.72 billion) from the European Union within days, the first of two remaining tranches of the 5 billion euro macro-financial support package, with the final tranche expected by early autumn. The EU has disbursed 2 billion euros of the package to date, and a separate IMF staff-level agreement stands to unlock a further \$1.64 billion pending board approval.

Saudi Arabia

- The entertainment sector is consolidating into a structural engine of the non-oil economy: it drew more than 89 million visitors in 2025 across 1,690 events involving 6,778 companies, feeding a national tourism strategy that has already passed the 100 million visitor mark and targets 150 million by 2030, with measurable gains in jobs and non-oil GDP growth under Vision 2030.

Jordan

- Amman Chamber of Industry exports rose 9.5 percent in the first half of 2026 to JD3.8 billion from JD3.47 billion a year earlier, with growth across nearly every industrial sector (packaging and paper led at 44.2 percent while only leather-garments and engineering-IT declined) and India, the United States, Saudi Arabia, and Iraq remaining the largest markets alongside new footholds in Africa, Europe, and non-Arab Asia.

KEY INTERNATIONAL EVENTS

- NATO leaders convene in Ankara this week with alliance cohesion hinging on managing Trump. Secretary-General Mark Rutte, who last month pitched the White House a chart labeled "The Trump Trillion" showing \$1.2 trillion in European and Canadian defense spending since 2017, faces a president still aggrieved that allies refused to join the war on Iran he launched alongside Israel without consulting them. Trump's attacks on Giorgia Meloni (he questioned Italy's reliability as a wartime ally and claimed she had groveled for his attention) have pushed European leaders to close ranks around her and to coordinate as a bloc on defense, tariffs, and foreign policy, blunting his preferred country-by-country pressure. Outgoing UK Prime Minister Keir Starmer, who steps down next month, arrives carrying the record £300 billion (\$397 billion) four-year defense investment plan he announced this week.
- Ukraine rejected Russia's claim, delivered to Putin on Friday, that Kostyantynivka has fallen. Zelensky called the announcement "just another Russian lie" and said Putin would have no problem meeting him there if the city were under Russian control, while the Ukrainian General Staff said 19th Corps units are holding designated positions inside the city and on its outskirts. Moscow dismissed the denial, saying its forces are clearing remaining pockets of resistance and establishing combat positions, offered a six-hour ceasefire around the city on Monday to hand over the bodies of Ukrainian soldiers with a reply demanded by noon Sunday, and separately announced the capture of five more villages, four in Kharkiv region and one in Donetsk. Peskov said the standing invitation for Zelensky to meet Putin in Moscow remains open.
- Zelensky and Trump held a phone call on July 4 that Zelensky described as very good, covering the frontline situation and diplomatic efforts. Zelensky said there is "a real prospect to put an end to this war" with American resolve decisive, and the two agreed to continue the discussions at the NATO summit in Ankara. Kremlin foreign-policy aide Yuri Ushakov said Trump has offered Putin help in finding a solution to the war.
- The Sudanese army captured a key Rapid Support Forces logistical hub in West Darfur, putting its forces within reach of Geneina. The EU's special representative for the Horn of Africa, Annette Weber, called Saudi Arabia "absolutely key" to ending the war as it enters its fourth year, noting Jeddah was the last venue that brought both parties into substantive negotiation, as UN

human rights chief Volker Turk issued a red alert warning that intensified fighting in North Kordofan could produce a mass atrocity in Al-Obeid on the scale of last year's El-Fasher. Authorities meanwhile began restricting the in-city role of the military's main battlefield ally, the joint force of Juba Peace Agreement armed movements, after a June 24 counter-narcotics raid in Port Sudan left two suspects dead and two officers wounded.

- Trump defended earning around \$1.2 billion from his family's cryptocurrency ventures last year, saying everybody profits and that blind trusts manage his money, as he prepared to take his first flight on the new Air Force One gifted by Qatar. The crypto activities are the main driver of his fortune's near tripling from \$2.3 billion to \$6.5 billion between 2024 and 2026.
- Three pre-dawn firebomb attacks using crude camping-gas devices targeted residences of Greece's governing New Democracy party members in Thessaloniki, hospitalizing five people including a parliamentary candidate with burns and her mother in intensive care.

MARKETS

- Ukrainian drones struck the port oil terminal in St. Petersburg's Kirovsky district, with air defenses downing 72 drones across the city and surrounding region, the latest of more than 50 strikes on Russian refineries, depots and terminals since late March that have tipped Russia into a summer fuel crisis. Rationing is in force in many regions, queues at filling stations run for hours, prices are rising, and authorities in Crimea have suspended gasoline sales to civilians. Putin, who has brushed off the shortages as "not critical" and temporary, holds that line even as the campaign against export-earning oil infrastructure reaches Russia's second city for the second time since June.
- Iraq's cabinet approved the Basra Oil Company signing a heads of agreement and a non-disclosure agreement with a consortium of Chevron and Capital TI of the United States and Qatar's UCC to study strategic oil export pipeline projects, a move toward diversifying export routes beyond the Gulf. Loading at the Basra oil terminal meanwhile runs on schedule, with the supertanker Barbados Prosperity docking to take on 2 million barrels of crude as the second tanker in 24 hours after Kuwait Prosperity, and two more inbound through Hormuz.
- The dollar extended its decline in Iraqi markets, closing the week's opening session at 153,700 dinars per \$100 in Baghdad's Kifah and Harithiya exchanges and in Erbil, down from 154,250 earlier in the day.