The US-Iran War

Energy, Nuclear Weapons, and Multi-Stakeholder Strategic Competition

An Interest–Motivation–Behavior Framework Analysis

Summary: A Classic Strategic Stalemate

This US-Iran war presents a classic strategic stalemate. But what truly merits attention is that it is not a regional conflict that can be treated in isolation. The closure of the Strait of Hormuz, the disruption of energy supply chains, and upward pressure on oil prices and inflation demonstrate that today's energy, trade, financial, and industrial systems are deeply intertwined.

- Both sides' core motivations form irreconcilable structural contradictions. Iran's action logic points toward economic recovery; the US-Israeli action logic points toward preventing that recovery. Both sides consider their positions non-negotiable bottom lines.
- For the United States, internal pressure centers on inflation, fiscal burden, and political pressure from midterm elections.
- However, the US macroeconomy remains robust. ISM PMI at 52.6 indicates continued expansion. This resilience paradoxically provides greater capacity to absorb a prolonged stalemate.
- As the primary bearers of energy shock, Japan, Korea, and Europe are likely to become important external forces shaping the negotiation process.
- What this war truly reveals is not the end of globalization, but the fact that globalization has penetrated to the foundational structures of national security and economic operation.

Foreword

In 2026, the war between the United States and Iran has once again thrust Middle Eastern geopolitical conflict into the global spotlight. The closure of the Strait of Hormuz, the disruption of energy supply chains, and the interlinked rise of oil prices and inflation have rapidly transformed this regional war into a systemic event with far-reaching implications for the global economy and security architecture.

If we focus only on the daily cycle of airstrikes, sanctions, negotiations, and oil price fluctuations, we risk being led by the news itself. But war is never an isolated act: behind it lie interests, motivations, and a logic of action that serves these objectives. This article applies an "Interest–Motivation–Behavior" framework to deconstruct the structure of this war: why each party fights, how they act, and where events may be heading.

CURRENT WAR LANDSCAPE

Stalemate

Military balance of power, structural interest conflicts with no room for retreat, and mutual transparency of motivations

KEY FIGURES

Hormuz share of global oil trade	**approx. 21%**
US CPI, April (year over year)	**3.8%**
US PPI, highest since 2022	**6%**
ISM PMI	**52.6**

FRAMEWORK

Interests are the fundamental drivers

Motivations are the action plans formed around those interests

Behaviors are the real-world manifestation of those motivations

PARTICIPANTS

Direct

United States · Israel · Iran · Lebanon

Indirect

China · OPEC + UAE · Japan-Korea / Europe · Russia

ANALYST

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Analytical Framework: "Interest–Motivation–Behavior"

The logic of any war can be examined along three layers: interests are the fundamental drivers; motivations are the action plans formed around those interests; and behaviors are the real-world manifestation of those motivations.

Logically, the three are transmitted in one direction: interests determine motivations, and motivations drive behaviors. But in practice, analysis often works in reverse: by observing behaviors that have already occurred, we can infer the underlying motivations and true interests at stake, and then use these inferences to anticipate future actions. This aligns with the logic of "temple calculation" (miào suàn) in Sun Tzu's The Art of War.

Interests: Core Interest Analysis of Key Participants

Direct Participants

Core interests are typically the primary driver behind a nation's decision to go to war. In this regard, the core interests of the United States and Israel are primarily focused on preserving their regional dominance in the Middle East, maintaining military superiority, and protecting the existing oil-based economic system.

Exhibit 1. Direct Participants: Core Interests

Non-negotiable bottom-line demands

Country	Core Interests
United States	Middle East regional dominance; Dollar-oil pricing system; Middle East denuclearization
Iran	Regime survival & sovereign independence; Post-war economic reconstruction capacity; Strategic value of the Strait of Hormuz
Israel	Military superiority in the Middle East; Regional denuclearization; Elimination of existential ideological threats
Lebanon	State level: Full territorial sovereignty; LAF as sole legitimate armed force; Economic recovery Hezbollah: Preservation of armed capability; Veto power over national policy

Interpretation: United States and Israel

From the perspective of the US and Israel, an Iranian nuclear capability would directly threaten the military architecture they have built for their Middle Eastern allies, while simultaneously driving regional states toward independent armament, thereby eroding their military dependence on the US-Israeli security umbrella. At the same time, Iran's long-running shadow oil market has repeatedly disrupted the Western-led energy trading order, undermining the authority of the dollar-oil pricing system.

Although the US and Israel are highly aligned on these objectives, their starting points differ: Israel, situated within Iranian missile range, treats the nuclear threat as an existential national security issue; the United States approaches it more from the perspective of global economic order, focusing on the long-term erosion of its pricing mechanisms by shadow markets.

Interpretation: Iran and Lebanon

On the Iranian side, the most fundamental interest is regime survival and the preservation of national sovereignty. However, Iran clearly recognizes that sovereignty cannot be sustained through military defense alone. If the post-war economy cannot be adequately rebuilt, the country will remain dependent on external aid, rendering the notion of "autonomy" meaningless. Post-war economic reconstruction is therefore not a secondary issue, but a precondition for Iran to achieve genuine sovereign independence.

It is precisely this understanding that has activated the strategic value of the Strait of Hormuz. Iran treats the strait's control and its shadow oil market as core leverage in negotiations with the West: not to blockade shipping indefinitely, but to exchange this leverage for the resources needed for post-war reconstruction.

The Lebanese government and Hezbollah represent two diametrically opposed trajectories within the same country. Hezbollah's operations are deeply dependent on Iranian financial and military support. Should Iran suffer a major blow, this lifeline will be weakened or severed, indirectly determining the balance of power within Lebanon.

Motivations: Strategic Motivations of Key Participants

Direct Participants

At the motivational level, the interest-based opposition between the US-Israel and Iran-Hezbollah blocs has directly translated into strategic confrontation.

Exhibit 2. Direct Participants: Motivations & Strategy

Action logic derived from core interests

Country	Motivations & Strategy
United States	Military strikes on nuclear facilities + long-term agreement framework Sanctions & naval blockade to dismantle shadow economy Leverage war outcomes to reshape Middle East alliance structure
Iran	Use strait control as leverage for post-war reconstruction space Seek unfreezing of overseas assets to fund economic recovery Retain nuclear development option as long-term bargaining chip
Israel	Coordinate with US strikes + supplement with independent intel surveillance Sustained investment in nuclear issue as national security priority Seek window for hostile regime change
Lebanon	State level: Political restructuring + attract external funding for economic recovery; Seek international support for Hezbollah disarmament Hezbollah: Maintain Iran front externally to prove strategic value; Obstruct reform internally to delay disarmament pressure

The United States' motivations center on applying long-term, multi-track pressure on Iran across military, economic, and diplomatic dimensions. Israel's motivations are more narrowly focused, favoring targeted, long-term control over Iran with stronger tactical specificity.

For Iran, economic recovery is the most fundamental motivational driver. When the core motivation is concentrated on economic recovery, all other motivations (military deterrence, nuclear options, proxy networks) serve this primary objective rather than existing independently.

Both sides' core motivations form irreconcilable structural contradictions. Iran's action logic points toward economic recovery; the US-Israeli action logic points toward preventing that recovery. Both sides consider their positions non-negotiable bottom lines.

Interests: Core Interest Analysis of Indirect Participants

Most indirect participants share a single core demand: the restoration of energy supply chain stability and the security of energy import channels. The Strait of Hormuz, as the chokepoint for approximately 21% of global oil trade, directly connects to the economic lifelines of all these nations.

Exhibit 3. Indirect Participants: Core Interests

Bottom-line demands amid the energy crisis

Country / Group	Core Interests
China	Energy supply chain stability; Middle East diplomatic balance; Post-war economic expansion
OPEC + UAE	Energy export security; OPEC coordination mechanism survival; Minimize war spillover risk
Japan-Korea / Europe	Minimize energy shock; Diversify supply sources
Russia	Shadow energy market survival; Maximize energy crisis revenues; Tie down Western strategic attention

China's interest lies not only in "avoiding losses during the crisis" but in "making gains after it." Russia's interest can be summarized as: maximize energy revenues in the short term, preserve Iran as a strategic asset in the long term.

Motivations: Strategic Motivations of Indirect Participants

During the wartime phase, most indirect participants prioritize maintaining energy supply chain stability. In the post-war phase, motivations shift from crisis management to structural adjustment, with increasing strategic differentiation among countries.

Exhibit 4. Indirect Participants: Motivations & Strategy

Action logic derived from core interests

Country / Group	Motivations & Strategy
China	Wartime: Diplomatic mediation to stabilize strait situation Post-war: Enter ME reconstruction via infrastructure, energy cooperation & BRI
OPEC + UAE	Wartime: Coordinate with regional security forces to protect shipping lanes Post-war: Drive OPEC institutional reform & regional security restructuring
Japan-Korea / Europe	Wartime: Find alternative import channels + release strategic reserves Post-war: Accelerate energy diversification, reduce ME pathway dependence
Russia	Wartime: Leverage high oil prices to expand fiscal revenues for Russia-Ukraine war Post-war: Prevent Iran from being fully compressed to preserve shadow market system

Current War Landscape: Stalemate

Based on available information and the preceding analysis, this Middle Eastern war has entered a state of stalemate satisfying three conditions: military balance of power, structural interest conflicts with no room for retreat, and mutual transparency of motivations.

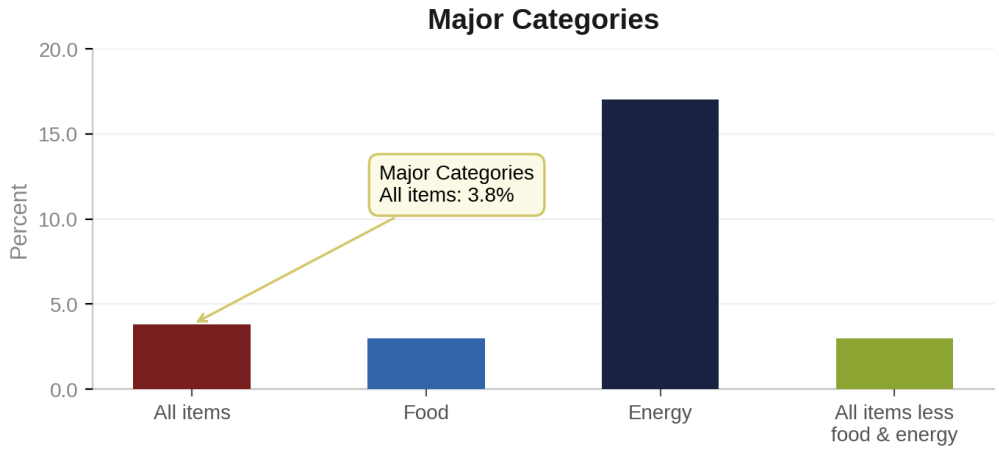
The US-Israeli advantage on the battlefield has not materialized as overwhelmingly as expected; Iran and Hezbollah have demonstrated resilience beyond public anticipation. Both sides' core demands have no remaining room for retreat, and both understand each other's bottom lines clearly.

US Internal Factors

For the United States, internal pressure centers on inflation, fiscal burden, and political pressure from midterm elections. April CPI registered 3.8% year-over-year; PPI reached 6%, the highest since 2022.

Exhibit 5. 12-month percentage change, Consumer Price Index

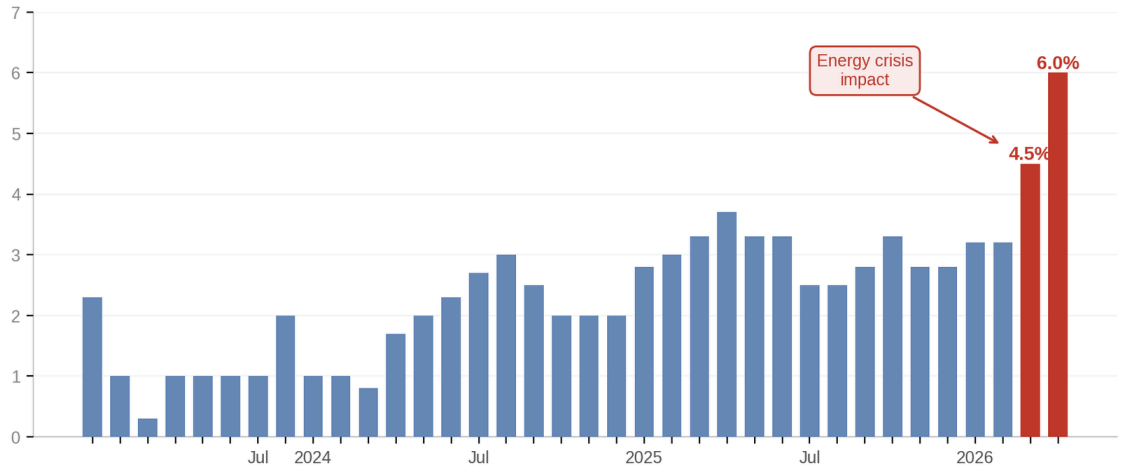
Selected categories, April 2026, not seasonally adjusted



Source: U.S. Bureau of Labor Statistics

However, the US macroeconomy remains robust. ISM PMI at 52.6 indicates continued expansion. This resilience paradoxically provides greater capacity to absorb a prolonged stalemate.

Exhibit 6. United States Producer Prices Change (%)



Source: tradingeconomics.com | U.S. Bureau of Labor Statistics

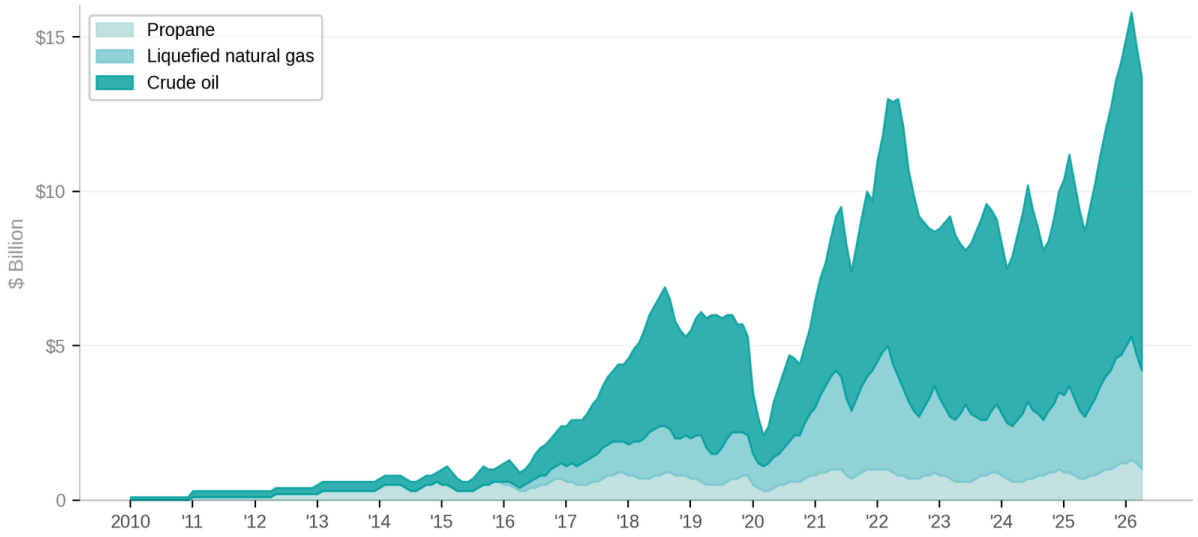
External Factors

When a stalemate cannot be broken by internal factors, external factors become critically important. In this US-Iran war, the numerous external and indirect participants make external factors an indispensable variable.

Japan, Korea, and Europe: Energy Supply Pressure

As the primary bearers of energy shock, Japan, Korea, and Europe are likely to become important external forces shaping the negotiation process. US energy export capacity has partially alleviated supply pressure, but this is a crisis buffer, not a long-term solution.

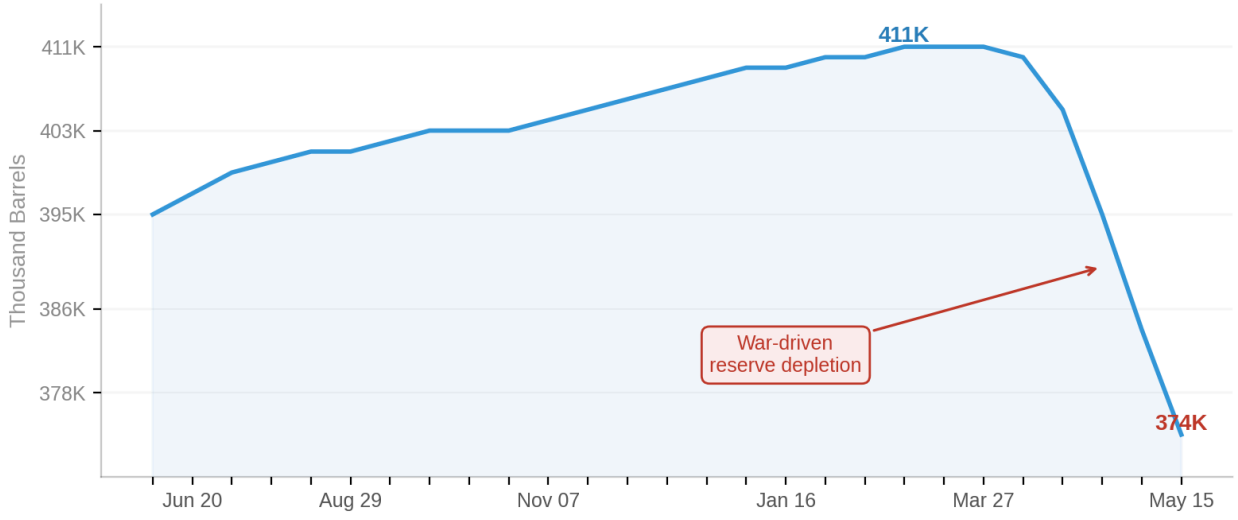
Exhibit 7. Value of U.S. Exports, Monthly



Source: U.S. Census Bureau

Strategic petroleum reserves cannot be depleted indefinitely; once the energy shock persists too long, declining inventories, rising import costs, and inflationary rebound will collectively compress policy space.

Exhibit 8. Strategic Petroleum Reserve: Crude Oil Stocks (United States)



Source: U.S. Energy Information Administration

Conclusion

This US-Iran war presents a classic strategic stalemate. But what truly merits attention is that it is not a regional conflict that can be treated in isolation. The closure of the Strait of Hormuz, the disruption of energy supply chains, and upward pressure on oil prices and inflation demonstrate that today's energy, trade, financial, and industrial systems are deeply intertwined.

What this war truly reveals is not the end of globalization, but the fact that globalization has penetrated to the foundational structures of national security and economic operation. Countries may confront each other politically, impose trade restrictions, and de-risk their industrial chains, but they can hardly escape the constraints of the same energy, shipping, financial, and production networks.

In the torrent of rapidly changing information, the ability to identify interests beneath the surface, to reverse-engineer motivations from behavior, and to understand each party's truly non-negotiable bottom lines will be an essential skill for every investor, researcher, and analyst to cultivate.

DISCLOSURES

This report was prepared by Sonny Xi for informational purposes only and does not constitute investment advice or a recommendation to buy or sell any security.

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Sonny Xi is an independent investment researcher covering equities and macro, with a focus on rates and geopolitics. His work pairs bottom-up company valuation, such as the three-scenario DCF framework used in his equity reports, with top-down macro analysis.

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SELECTED RESEARCH

- Meta Platforms, Inc. (META): equity research report, October 2026
- CME Group Inc. (CME): equity research report, October 2026
- Amazon.com, Inc. (AMZN): equity research report, October 2026
- The Ensign Group (ENSG): sell recommendation
- H2 2026 Macro Outlook
- VAR macro forecasting model
- Constructing a Portfolio for a Five Percent Return Objective

ANALYST CERTIFICATION

The views expressed in this report accurately reflect the personal views of the analyst about the subjects covered in this report. This report is independent research and was not commissioned or paid for by any company or third party.