ZEROFOX INTELLIGENCE

Flash

Operation Economic Outcast – SITREP #43: September 2, 2026

F-2026-09-02a

Classification: TLP:CLEAR

Criticality: High

Intelligence Requirements: Geopolitics

September 2, 2026

Scope Note

ZeroFox Intelligence is derived from a variety of sources, including—but not limited to—curated open-source accesses, vetted social media, proprietary data sources, and direct access to threat actors and groups through covert communication channels. Information relied upon to complete any report cannot always be independently verified. As such, ZeroFox applies rigorous analytic standards and tradecraft in accordance with best practices and includes caveat language and source citations to clearly identify the veracity of our Intelligence reporting and substantiate our assessments and recommendations. All sources used in this particular Intelligence product were identified prior to 8:00 AM (EDT) on September 2, 2026; per cyber hygiene best practices, caution is advised when clicking on any third-party links.

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| Key Findings

- Operation Economic Outcast (OEO) likely signals a strategic shift from military to economic tactics to secure Iranian concessions and weaken support for the ruling government. However, a shift back to major combat operations is not improbable.
- OEO will likely fail to persuade Iran to abandon its maximalist goals, especially if it is only implemented gradually. OEO is unlikely to coerce Iranian trade partners to sever their economic ties with Iran in the short term.
- Iran will likely respond to U.S. economic pressure with military escalation, with the severity of this response depending on the scope of OEO implementation and the compliance of Iranian trade partners. Iran will likely respond preemptively against perceived threats as well as retaliate against any direct U.S. attacks.
- A prolonged period of occasional escalation by both sides marked by economic pressure to induce concessions is likely for the remainder of 2026.

Latest Details

On August 24, 2026, U.S. Treasury Secretary Scott Bessent announced a new package of sanctions against Iran almost certainly aimed at intensifying pressure on the Iranian economy called Operation Economic Outcast. OEO proposes using secondary sanctions on Iranian trading partners that have helped Iran withstand previous restrictions. Bessent warned that any country conducting economic activity with Iran risked having key companies and financial entities cut off from the global financial system. New sanctions will not be immediate, and countries currently trading with Iran have been given time to halt their activity before being targeted.[1]

- Sanctions were only placed on dozens of small, lesser-known companies and individuals, while Chinese companies and banks that facilitate oil purchases were not included. Bessent conceded that the announcement was a "warning shot."[2]
- Bessent left open the possibility of more forceful action, but what has been announced so far is closer to the sanctions regime Iran has been subjected to for decades. Bessent said that U.S. President Donald Trump would be calling world leaders with specific requests to cease their interactions with the regime and that those leaders will be advised of a timeline in which to end their trade links with Iran or face similar U.S. sanctions.[3]

OEO likely signals a strategic shift from military to economic tactics to secure Iranian concessions and weaken support for the ruling government. However, President Trump was reportedly considering resuming full military operations in July and early August,[4] and the possibility of that resumption remains. Since OEO was announced, there has been renewed fighting, starting with Iran reportedly targeting a Kuwaiti vessel on August 27.[5]

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[1] hXXps://english.alarabiya[.]net/News/middle-east/2026/08/24/us-warns-countries-to-halt-iran-activity-or-face-action
[2] hXXps://www.politico[.]com/news/2026/08/24/bessent-iran-economy-01047365
[3] hXXps://home.treasury[.]gov/news/press-releases/sb0614
[4] hXXps://www.cnn[.]com/2026/08/01/world/live-news/iran-war-trump
[5] hXXps://www.arabnews[.]com/middle-east/kuwaiti-tanker-hit-in-latest-hormuz-shipping-attack-uk-maritime-monitor-2656068

- Because OEO relies on the threat of sanctions, Iran likely preemptively targeted states considering joining the economic coercion campaign. Iranian offensive actions will likely escalate further if OEO begins to impose more material costs.

On August 30, Iran and the United States exchanged fire for the first time since July when U.S. missiles struck a pair of Iranian missile launchers on Lark Island. President Trump stated the launchers were preparing to fire mines into the Strait of Hormuz (SoH), which he previously claimed had been fully de-mined.[6] Iran responded to the attack by launching missiles and drones at U.S. bases in Jordan and the United Arab Emirates (UAE), with no major impact to the bases reported. Iran followed this with an attack on two oil tankers in the SoH on September 1,[7] very likely underscoring its insistence on maintaining at least partial control of maritime shipping in the SoH.

The U.S. Central Command claimed to have carried out new strikes on Iranian Revolutionary Guards Corp (IRGC) targets in Iran later on September 1. Iran's response included another volley of missiles launched toward Jordan.[8] Iran will almost certainly retaliate to U.S. attacks, as its leadership has frequently opposed negotiating under pressure. Similar retaliatory cycles have occurred since the May ceasefire and will likely continue as both sides seek leverage in talks.

Analyst Commentary

OEO is unlikely to coerce Iran's primary trade partners, led by China and the UAE, into severing their economic links immediately. Targeting China, a major refiner that buys Iranian oil, is the most obvious way to weaken Iran economically. However, sanctions impacting China would likely trigger trade retaliation from China, and Foreign Ministry spokesman Lin Jian has already stated that China will not end its trade cooperation with Iran.[9] Given that Presidents Trump and Xi are due to hold a summit on extending their trade truce in late September, heavy sanctions on China were always very unlikely.[10]

[6] hXXps://www.bbc[.]com/news/articles/cx2z72x5z1po
[7] hXXps://www.reuters[.]com/business/energy/two-tankers-carrying-saudi-oil-attacked-strait-hormuz-2026-09-01/
[8] hXXps://www.aljazeera[.]com/news/liveblog/2026/9/2/iran-war-live-us-bombs-iran-tehran-retaliates-on-gulf-neighbours-jordan
[9] hXXps://za.china-embassy[.]gov[.]cn/eng/fyrth/202608/t20260825_12010141.htm
[10] ZeroFox Intelligence Brief: U.S. China Tensions Simmer Ahead of Key Summit, August 21, 2026

- The lack of official measures compelling China specifically likely signals that the United States is avoiding actions that could trigger Chinese retaliation, such as export bans on critical minerals.
- While China has emerged largely unscathed from OEO, the U.S. blockade of Iranian ships departing the SoH has almost certainly significantly impacted China's ability to purchase Iranian oil, thus almost certainly limiting the level of Chinese economic support to Iran. A broader crackdown on Iranian-Chinese trade would likely require targeting Chinese refiners of Iranian oil and the banking networks connecting the trade.

The UAE is Iran's second largest trading partner and responsible for nearly one-third of Iran's imports; it also provides financial services that reportedly help Iran partially circumvent international sanctions.[11] However, the UAE announced it was ending all economic ties with Iran on August 19.[12]

- That announcement was likely prompted by foreknowledge of the United States' new secondary sanctions regime. The UAE is unlikely to implement its August 19 pledge to suspend all trade ties with Iran, as doing so would likely incur Iranian retaliation and damage the UAE's reputation as a regional trade hub for nations across the geopolitical spectrum.

The sole major Iranian trading partner that appears most likely to be leveraged is Iraq. There is a roughly even chance the United States will remove sanctions waivers allowing Iraq to import Iranian liquid natural gas (LNG), a significant source of funds for Iran and electricity for Iraq. Because all of Iraq's oil revenue passes through U.S. banks before being transferred to Iraq, the United States almost certainly has more leverage over Iraq than it does over most other Gulf countries. In the past, this has made Iraq more agreeable to certain U.S. demands, and the government will all but certainly be under significant U.S. pressure to curb trade with Iran. However, Iran-aligned political parties are prominent within Iraq's political system; consequently, there is only a roughly even chance that the United States will be able to successfully convince the country's leaders to curb Iranian trade. If this happens, Iran will almost certainly respond by using its

[11] hXXps://www.al-monitor[.]com/originals/2026/08/whats-behind-uaes-decision-cut-iran-trade-ties
[12] hXXps://www.lemonde[.]fr/en/international/article/2026/08/22/fragile-thaw-between-iran-and-the-uae-shatters-amid-renewed-tensions_6756747_4.html

extensive on-the-ground militias in Iraq to target nearby U.S. military bases and cause wider unrest in the country.

Conclusion

The ongoing U.S. naval blockade of the SoH marks the first time the United States has stopped Iran from selling its oil entirely and comes alongside the worst bombing Iran has experienced in decades. As a result, Iran's inflation level is the highest on record, touching an 84 percent annualized rate in July.[13] This has contributed to a rapid devaluation of the country's currency, with the Iranian rial falling below the two million mark to the U.S. dollar.[14] At the same time, the lack of incoming revenue from oil sales has contributed to a shortage of foreign currency, diminishing the government's ability to conduct international trade.

OEO is still unlikely to persuade Iran to abandon its maximalist political demands, particularly regarding control of the SoH—especially if OEO remains limited in scope. To succeed in either ending the war or getting Iran to relinquish its demands, the United States must quickly coerce Iran by targeting trade allies. However, Iran has weathered sanctions for decades through developing a sanctions-adapted economy that likely precludes rapid economic collapse. This resilience is backed by domestic production of goods, informal trading and currency exchanges that bypass international restrictions, greater societal acceptance of inflation and currency depreciation, and domestic security services capable of suppressing unrest. Therefore, a more immediate end to the conflict will likely necessitate the United States moving closer to Iranian positions regarding SoH passage and assurances against future conflict. Because that similarly remains unlikely, a prolonged period of occasional escalation by both sides marked by economic pressure to induce concessions is more likely for the remainder of 2026.

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[13] hXXps://www.voiceofemirates[.]com/en/business/2026/07/29/irans-annual-inflation-jumps-to-84-and-the-central-bank-provides-details/
[14] hXXps://www.jpost[.]com/middle-east/iran-news/article-907272

Appendix A: Traffic Light Protocol for Information Dissemination

	Red	Amber
WHEN SHOULD IT BE USED?	**Sources may use** TLP:RED when information cannot be effectively acted upon by additional parties and could lead to impacts on a party's privacy, reputation, or operations if misused.	**Sources may use** TLP:AMBER when information requires support to be effectively acted upon but carries risks to privacy, reputation, or operations if shared outside of the organizations involved.
HOW MAY IT BE SHARED?	**Recipients may NOT share** TLP:RED with any parties outside of the specific exchange, meeting, or conversation in which it is originally disclosed.	**Recipients may ONLY share** TLP:AMBER information with members of their own organization and its clients, but only on a need-to-know basis to protect their organization and its clients and prevent further harm. **Note that** TLP:AMBER+STRICT restricts sharing to the organization only.

	Green	Clear
WHEN SHOULD IT BE USED?	**Sources may use** TLP:GREEN when information is useful for the awareness of all participating organizations, as well as with peers within the broader community or sector.	**Sources may use** TLP:CLEAR when information carries minimal or no risk of misuse in accordance with applicable rules and procedures for public release.
HOW MAY IT BE SHARED?	**Recipients may share** TLP:GREEN information with peers and partner organizations within their sector or community but not via publicly accessible channels.	**Recipients may share** TLP:CLEAR information without restriction, subject to copyright controls.

Appendix B: ZeroFox Intelligence Probability Scale

All ZeroFox intelligence products leverage probabilistic assessment language in analytic judgments. Qualitative statements used in these judgments refer to associated probability ranges, which state the likelihood of occurrence of an event or development. Ranges are used to avoid a false impression of accuracy. This scale is a standard that aligns with how readers should interpret such terms.

Almost No Chance	Very Unlikely	Unlikely	Roughly Even Chance	Likely	Very Likely	Almost Certain
1-5%	5-20%	20-45%	45-55%	55-80%	80-95%	95-99%