ZEROFOX INTELLIGENCE

Flash

Ceasefire Collapse Likely Temporary – SITREP #42: July 15, 2026

F-2026-07-15a

Classification: TLP:CLEAR
Criticality: High
Intelligence Requirements: Geopolitics

July 15, 2026

Scope Note

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| Key Findings

- The ceasefire between the United States and Iran has effectively collapsed, with both sides re-instating mutual blockades of the Strait of Hormuz (SoH) and resuming intense targeting mirroring that seen at the start of the war.

- The drop in oil prices to pre-war levels over the last month likely contributed to the resumption in Iranian hostilities. Deteriorating economic conditions are therefore likely to coerce the United States to return to negotiations, while further military damage to Iran is likely to do the same. Even with a return to negotiations and a halt in the airstrikes, broader uncertainty is very unlikely to end; the most likely scenario in the near term is a version of the ceasefire that breaks down periodically.

- An expansion of U.S. targeting to include Iranian civilian critical infrastructure, which was largely spared during the initial hostilities, is likely an indication that the U.S. calculus has shifted and the Trump administration is prepared for a more prolonged conflict.

- Iran is likely to leverage its ability to elevate economic costs, through both blockades of the SoH and attacks on Gulf assets as it did before. Maintaining leverage over the key Middle Eastern industries that utilize the SoH is almost certainly part of Iran's strategy to end the conflict on terms it finds acceptable.

Latest Details

Since ZeroFox's last report in July 10,[1] Iran and the United States have escalated their attacks, approaching levels seen at the start of the war. The U.S. military has conducted hundreds of attacks around the SoH, targeting Iranian coastal and naval sites—almost certainly to limit Iran's ability to attack ships in the strait.Iran has launched coordinated drone and missile barrages at Gulf states hosting U.S. bases and continues to target commercial vessels in the SoH.[2][3]

On July 14, Iran hit at least three commercial vessels in the SoH,[4] demonstrating its military capabilities remain intact in spite of U.S. strikes. In addition to closing the SoH, Iran's Islamic Revolutionary Guard Corps (IRGC) threatened to close "all other export corridors that benefit the US and its allies"[5] (a likely reference to pipelines that bypass Hormuz) as well as the Red Sea, where Houthi rebels have a recent history of attacking commercial shipping.

- Iran will very likely maintain the ability to strike ships in the SoH via small attack boats, mines, unmanned sea and aerial drones, and missiles over the medium term. This will very likely prevent shipping from returning to normal volumes, as the risk tolerance of shipowners will likely deter them from using the strait. Even if Iran's capabilities are diminished considerably, unless the conflict is solved

[1] ZeroFox Flash Report: Ceasefire Unravels – SITREP #41: July 10, 2026
[2] hXXps://www.centcom[.]mil/MEDIA/PUBLIC-RELEASES/Article/4541002/centcom-completes-another-wave-of-strikes-against-iran/
[3] hXXps://www.centcom[.]mil/MEDIA/PUBLIC-RELEASES/Article/4544409/us-forces-complete-new-strikes-on-iranian-military-targets/
[4] hXXps://understandingwar[.]org/research/middle-east/iran-update-special-report-july-14-2026/
[5] hXXps://www.reuters[.]com/world/middle-east/iran-threatens-block-more-vital-seaways-trump-orders-renewed-iran-blockade-2026-07-15/

diplomatically, Iran can very likely maintain low levels of interference that cause outsized economic impacts.

- It remains unclear if the Houthis are willing to join Iran's war effort. Iran's IRGC-affiliated Mahan Airlines recently resumed regular flights between Tehran and Yemen's Houthi-controlled capital[6], indicating coordination between the two is likely increasing. However, the Houthis have so far chosen to largely stay out of the conflict, despite threatening several times to target commercial shipping in the Red Sea. Iran is very likely using the Red Sea threat to force concessions from the United States, calculating that the U.S. military would likely be unwilling or unable to protect two different major waterways.

The U.S. military has also reinstated its blockade of the SoH as of 4:00 PM EDT on July 14, 2026.[7]

- The new blockade very likely seeks to put pressure on Iran by restricting its income. Since signing the Memorandum of Understanding (MOU) in mid-June, Iran has profited from SoH traffic in two major ways. First, loosened sanctions on Iran's oil have made it easier to sell abroad, allowing Iran to capitalize on globally inflated prices. Second, Iran has reportedly implemented transit fees up to USD 2 million for select commercial vessels seeking to pass through the SoH.

- The U.S. blockade likely seeks to restrict both forms of income by interdicting vessels suspected of carrying Iranian oil or paying Iranian transit fees. If effective, this would curb revenue for Iran's economy, which is almost certainly heavily damaged from years of sanctions and degraded from the current conflict.

Techniques

With the ceasefire effectively over, Iran will likely utilize the same techniques it employed during the war's opening stages from late February to May, primarily targeting

[6] hXXps://understandingwar[.]org/research/middle-east/iran-update-special-report-july-14-2026/
[7] hXXps://www.centcom[.]mil/MEDIA/PUBLIC-RELEASES/Article/4542098/us-forces-to-resume-naval-blockade-against-iran/

commercial shipping in the SoH, as well as Gulf states and U.S. and allied assets across the region.

- Iran will likely target Gulf states primarily and seek to exert ceasefire pressure by causing energy price shocks that impact consumers globally.[8] Iran's attacks on Gulf energy installations and civilian targets are likely intended to pressure the United States by disrupting the Gulf region's energy, tourism, and financial services hubs.[9]

- Iran is very unlikely to relinquish its control over the SoH voluntarily, as it likely views the threat of closing off the vital energy supply chain as key to avoiding future targeting by either the United States or Israel.

Enduring Iranian attacks will likely increase ceasefire pressure by worsening ongoing economic disruptions. Iran's ability to threaten energy operations in the region is almost certainly key to its strategy to end the war on its terms, and Iranian authorities will likely utilize this leverage as the conflict escalates.

Economic Coercion

Throughout the initial stages of the conflict, the United States repeatedly demonstrated its preoccupation with deteriorating economic conditions.

- On March 25, U.S. President Donald Trump abruptly postponed threatened strikes against Iranian energy infrastructure and power plants for five days, pending the outcome of talks with Iran. Leading economic indicators such as oil prices and global stock markets improved, very likely based on Trump's statement postponing the strikes, which were widely interpreted as an acknowledgement that he was looking to end the war.[10]

- A similar market reversal took place on March 9 when President Trump signaled a potential end to the conflict with Iran, which was significantly different from his tone days earlier. International economic indicators, led by global oil prices, had

[8] ZeroFox Flash Report: Military Strikes on Iran – SITREP #15: March 9, 2026
[9] ZeroFox Flash Report: U.S. Military Strikes on Iran – SITREP #5: March 3, 2026
[10] ZeroFox Flash Report: Military Strikes on Iran – SITREP #28: March 25, 2026

reacted negatively to the prospect of escalation without a timeline to end hostilities but reversed course over the indications that the conflict would be finite.[11]

Leading up to the latest hostilities, global oil prices had returned to pre-war levels, and global stock markets had largely recouped their losses. Since hostilities this past week effectively halted commercial transits through the SoH, oil prices spiked 11-12 percent between July 11–15,[12] and stocks and bonds have slumped. There is a roughly even chance that the relative lack of economic pressure contributed to the U.S. willingness to resume hostilities. With economic indicators now trending negative again, the Trump administration is likely to encourage negotiations.

- Even with a return to negotiations and a halt in the strikes, broader uncertainty is very unlikely to end. The most likely near-term scenario is a version of the ceasefire that breaks down periodically.

Damage to Iran's Military and Economy Balanced Against Coercion Gains

Iran faces a similar dilemma in its capacity to withstand U.S. airstrikes. Iran's economy remains highly vulnerable to a resumption of conflict, and the Iranian government is likely concerned about a resurgence of the domestic protests it suppressed earlier this year.[13]

Operation Epic Fury very likely destroyed much of Iran's conventional military infrastructure, further degraded its nuclear weapons program, and weakened its regional proxy network.

While Iran has demonstrated an ability to impose high economic costs on its adversaries, renewed war risks long-term consequences that include further degradation of its political and military establishment and economic damage that is likely to fuel renewed social unrest. Therefore, Iran will likely aim to balance occasionally threatening the global economy with not inviting renewed conflict.

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[11] ZeroFox Flash Report: Military Strikes on Iran – SITREP #28: March 25, 2026
[12] hXXps://oilprice[.]com/Latest-Energy-News/World-News/Oil-Prices-Have-Jumped-12-Since-Friday-as-War-Risks-Return.html
[13] ZeroFox Intelligence Brief: Iran Protests leading to Likely U.S. Response, January 14, 2026

- There is a risk of Iran overplaying its hand. Although unlikely, Iran's approach could provoke renewed conflict with the United States and Israel. Given the fragility of Iran's economy and the persistent risk of social unrest, there is a roughly even chance that Iran is unable to withstand the pressures of a new long-term military engagement.

In a July 14 interview, President Trump said the United States will continue targeting Iran until it reopens the SoH and will likely expand the conflict to hit power plants and bridges next week.[14] While President Trump made a similar threat back in March without following through, escalating the conflict to include Iranian critical infrastructure would likely indicate his readiness to accept the economic consequences of a prolonged and expanded conflict.

- Targeting Iran's critical infrastructure would almost certainly incentivize Iran to increase the economic costs for the United States, likely leading to redoubled Iranian efforts to target Gulf energy infrastructure and production facilities. The result would all but certainly be further increases in oil prices and inflation in the global economy.

Conclusion

The effective collapse of the U.S.–Iran ceasefire raises questions about what is next for the war, the global economy, and the wider Middle East. As the conflict persists, Iran will almost certainly revert to the coercive playbook it employed in the opening stages of the war. By demonstrating that it can endanger or close the SoH at will, Iran very likely seeks to make any renewed U.S. or Israeli military operation prohibitively costly, viewing the threat of choking off a vital global energy supply chain as key to avoiding future targeting. Iran's renewed targeting of Gulf states and their critical infrastructure follows the same logic. By disrupting the region's energy, financial, and commercial hubs, Iran raises the economic costs borne by the United States and its Gulf allies—the same pressure that likely drew them to the negotiating table initially.

[14] hXXps://www.bbc[.]com/news/articles/cy0608wy8pro

While it is clear Iran will leverage its ability to elevate economic costs to shape the conflict on its terms and to deter long-term escalation, U.S. policy is less clear. The U.S. will likely avoid escalating as economic conditions deteriorate. However, there is also a slim chance the U.S. views talks as meaningless and decides to escalate the conflict anew, hoping to further degrade Iran's capabilities and make the country more amenable to negotiations.

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%