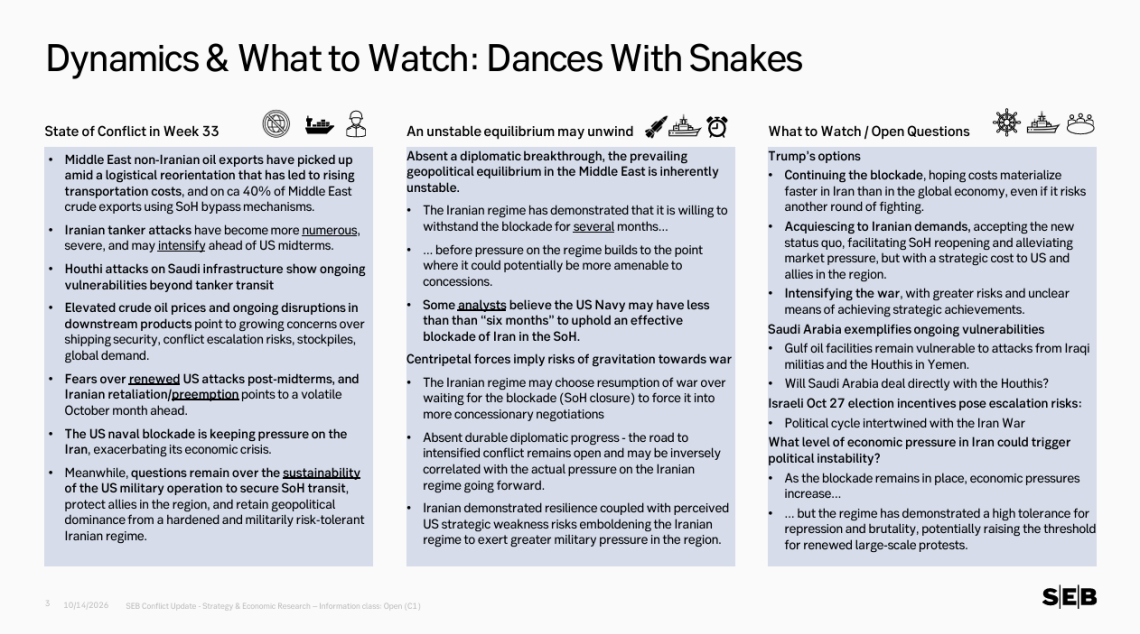
Conflict Update

14 October 2026

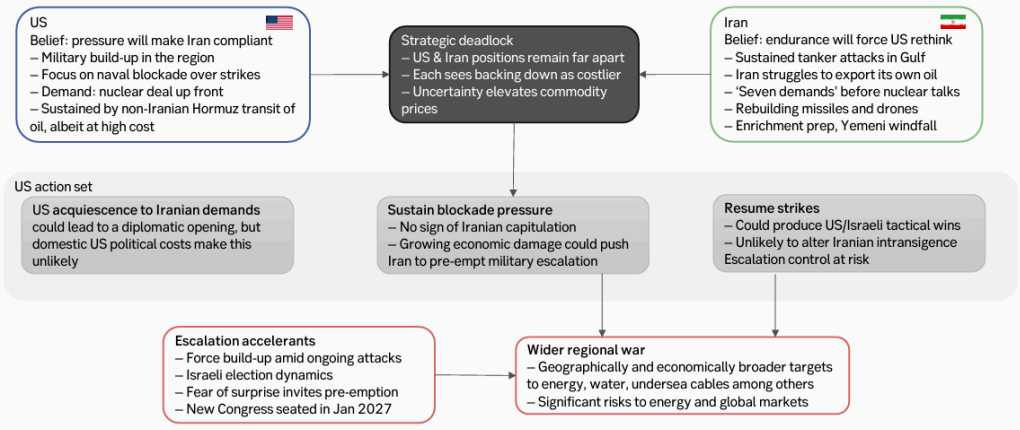
Iran War Chartpack Week 33: Dances With Snakes

Key points

- War & Politics
  - Conflict Dynamics and What to Watch
  - Goals and strategies in the 2026 Iran War
  - What Do Prediction Markets Say?
  - Conflict Scenarios
- Yemen – Dances With Snakes
- Chartpack
  - Market overview
  - Commodities
  - Supply Chains
  - Equities
  - FX
  - Credit risk
- Appendix



Iran War Escalation Window



SEB

Scenarios: The Iran War in Three Months

Description: Right-hand table gauges different scenarios in three months time and their estimated associated Brent oil prices. The weighted average of these scenario price estimates are then compared with the three-month Brent oil futures price.

For more details see "Iran's Survival Calculus, Institutional Entrenchment and the Limits of Decapitation," SEB Geopolitical Update, Mar 1, 2026, https://shorturl.at/ZXktv

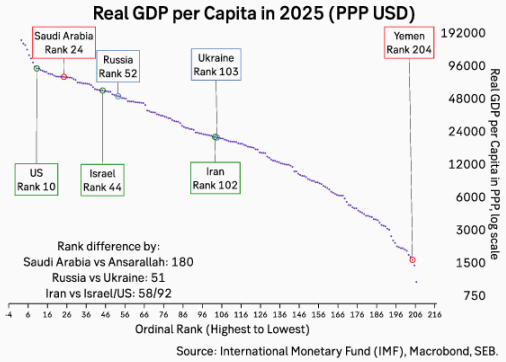
Iran War Scenario Outcomes and Futures-Implied Brent oil price in 3 months

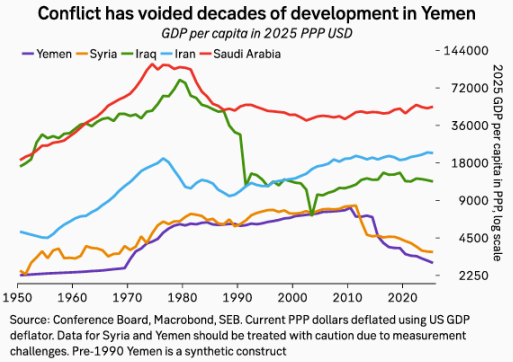
	Scenario prevailing in 3 months	Strait of Hormuz future	Iran acquires of nuclear weapons	Regime change in Iran?*	Continued disruption of energy infrastructure	Market outcomes	Oil price USD/b**	Estimated probability
Iran overcome	1 US and Israel jointly overwhelm Iran	Rapid return to normal levels	No	Unlikely	No	*Positive despite initial increase in volatility; conflict risk premia dissipates in oil markets; stong recovery in regional equity markets*	50-60	0.05
						Probability that Iran capitulates		0.05
Negotiations	2 Negotiations amid continued energy disruption	Large/ moderate disruption	Possible	No	Yes	*Pressure on energy markets intensity, supply chain disruption and demand destruction take a toll on market outcomes*	75-95	0.2
	3 Negotiations amid energy normalization	Limited disruption	Possible	No	No	*Positive, as the energy disruptions and bilateral Iran-US talks are compartmentalized*	80-90	0.2
						Probability of negotiations		0.4
Continuation	4 Low-intense / unfinished conflict	Significant disruption	Yes	No	Threat of future strikes remain	*Conflict risk premia remain in oil markets, uncertainty keeps regional stocks subdued, and elevated risk of future conflict*	80-100	0.2
	5 Regime destabilization	Limited/ moderate disruption	No	Possible	Limited by regime degradation	*Conflict risk premia remain in oil markets, uncertainty keeps global and regional stocks subdued*	90-100	0.05
	6 Renewed conflict	Large disruption	Yes	Unlikely	Yes	*Large sustained disruption of energy and shipping markets*	100-150	0.3
						Probability of prolonged conflict		0.55
	Scenario-implied probabilities		0.70	0.14	0.55	Brent oil in 3m: scenario-weighted implied vs latest market price (USD/b)***	Implied: 97.0	Current: 100.6

Source: SEB. * Regime change here is assessed in the short run. Any scenario could potentially lead to changes in the regime in the longer term.** These scenario-based oil prices indicate where the oil price is at the point of realization of a scenario and does not necessarily capture short-term volatility. ***The probabilistic Brent oil price is a weighted average of the mid-range oil price under the different scenarios and does not constitute a forecast. SEB's oil price forecasts are available at https://research.sebgroup.com/macro-ficc

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Saudi Arabia and Yemen are economic worlds apart





15 14/10/2026 SEB Conflict Update - Strategy & Economic Research – Information class: Open (C1)

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