Major war escalation looms if Iran peace process fails

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BY REUTERS

US President Donald Trump vowed to retain military assets in the Middle East until a peace deal with Iran is reached and warned of a major escalation in fighting if it failed to comply, as oil prices rose on concerns over supply and restrictions in the Strait of Hormuz.

Trump said in a social media post that US ships, aircraft and personnel with additional ammunition and weaponry would remain in place to destroy, if necessary, "a substantially degraded enemy", but expressed confidence that a lasting deal would be agreed and followed.

"If for any reason it is not, which is highly unlikely, then the 'shootin' starts,' bigger, and better, and stronger than anyone has ever seen before," Trump said, adding that contrary to "fake rhetoric", Iran had agreed not to pursue nuclear weapons and to reopen the Strait of Hormuz.

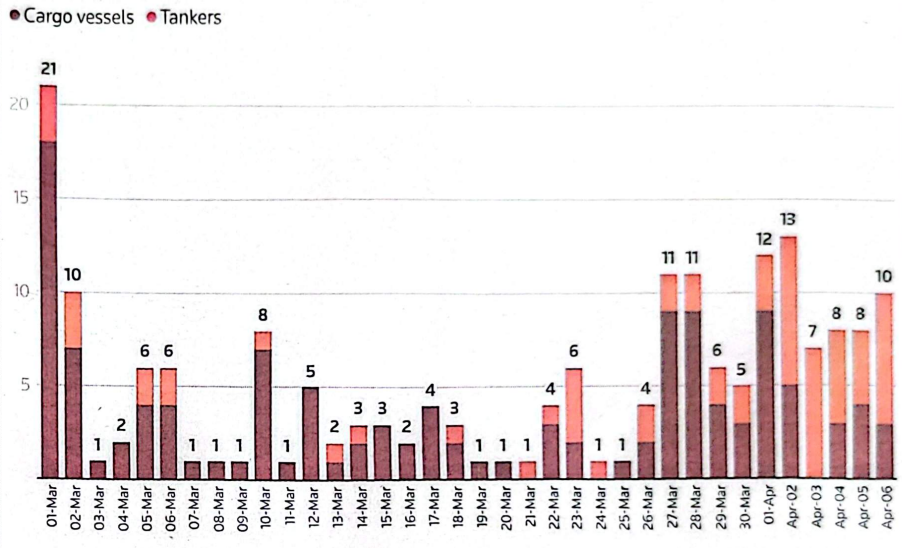
"In the meantime our great military is loading up and resting, looking forward, actually, to its next Conquest. AMERICA IS BACK!"

Though both the US and Iran declared victory in a five-week-old war that has killed thousands, their core disputes remained unresolved, with each side sticking to competing demands for a deal that could shape the Middle East for generations.

Trump's latest post followed the largest coordinated strike of the war by Israel on Wednesday that killed more than 250 people in Lebanon, prompting a warning from Iran's lead negotiator that Israel's ramping up its parallel war and Washington's insistence on Tehran abandoning its nuclear ambitions could jeopardise talks to forge a permanent peace deal.

War with Iran disrupts ship traffic through the Strait of Hormuz

Down from a historical average of about 138 vessels a day



Note: Figures represent vessels actively transmitting AIS signal.

Source: Joint Maritime Information Center (JMIC), S&P

'Talks unreasonable amid Israeli strikes'

"In such a situation, a bilateral ceasefire or negotiations were unreasonable," Iran's parliament speaker Mohammed Bager Qalibaf, said in a statement on Wednesday.

Oil prices climbed on Thursday with investors concerned about the fragility of the truce and elevated geopolitical risks over Middle East supply, with doubts that restrictions in the Strait of Hormuz would soon ease.

Brent crude futures were up $1.96, or 2.07 percent, at $96.71 a barrel at 0325 GMT, while US West Texas Intermediate crude rose $2.6, or 2.75 percent, to $97.01 a barrel, a day after both benchmarks had fallen sharply on the ceasefire announcement.

Brent crude and West Texas Intermediate remain far above the $70.75 and $65 a barrel before the joint US-Israel onslaught began.

Israel's blitz of air strikes on Wednesday raised questions about regional truce efforts, with conflicting messages on the scope of the ceasefire and sharply contrasting agendas for peace talks set to start on Saturday in Pakistan.

The US and Israel say Lebanon is not included in the agreement, while Iranian President Masoud Pezeshkian has said a halt in hostilities in Lebanon was an essential condition of Tehran's deal with Washington.

The Iran-backed Hezbollah said it fired rockets early on Thursday at the small kibbutz of Manara, citing what it described as Israel's ceasefire violations, warning of more until there was a halt in "Israeli-American aggression".

Pakistan's foreign ministry condemned the Israeli operations on Thursday, which it said "undermine international efforts to establish peace and stability".

French President Emmanuel Macron earlier said Lebanon "must be fully covered" by the ceasefire.

Iran's delegation for the talks was due to arrive in Islamabad on Thursday night.

"Despite scepticism of Iranian public opinion due to repeated ceasefire violations by Israeli regime ... Iranian delegation arrives tonight in Islamabad for serious talks based on 10 points proposed by Iran," Ambassador Reza Amiri Moghadam said in a post on X on Thursday.

Navigation must be free

There was scant sign that the Strait of Hormuz was open in any meaningful way since the truce agreement, with Iran still asserting its control over the vital artery, a conduit for a fifth of the world's oil and liquefied natural gas supply, and demanding tolls for safe passage.

Tehran's newly demonstrated ability to cut off Gulf energy supplies through its grip on the strait, despite decades of massive US military investment in the region, shows how the conflict has already altered power dynamics in the Gulf.

Iran's Revolutionary Guards navy posted a map on Thursday showing alternative shipping routes in the Strait of Hormuz to help ships avoid naval mines, the semi-official Iranian news agency ISNA said.

British Foreign Secretary Yvette Cooper said on Thursday that shipping through the Strait of Hormuz, must be toll-free, countering a push by Iran to control a channel long treated as an international waterway.

"The fundamental freedoms of the seas must not be unilaterally withdrawn or sold off to individual bidders. Nor can there be any place for tolls on an international waterway," Cooper said in an annual foreign policy speech in London.

"Freedom of navigation means navigation must be free."

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