

Drexel GPS: Geopolitical Update
72 Hours After the Attack: Israel at War with Hamas
10/10/23

Saturday's attacks by Hamas in Israel offer a vivid reminder of terrorism's unique ability to pivot and drive geopolitical agendas while simultaneously disrupting status quos far from the point of origin.

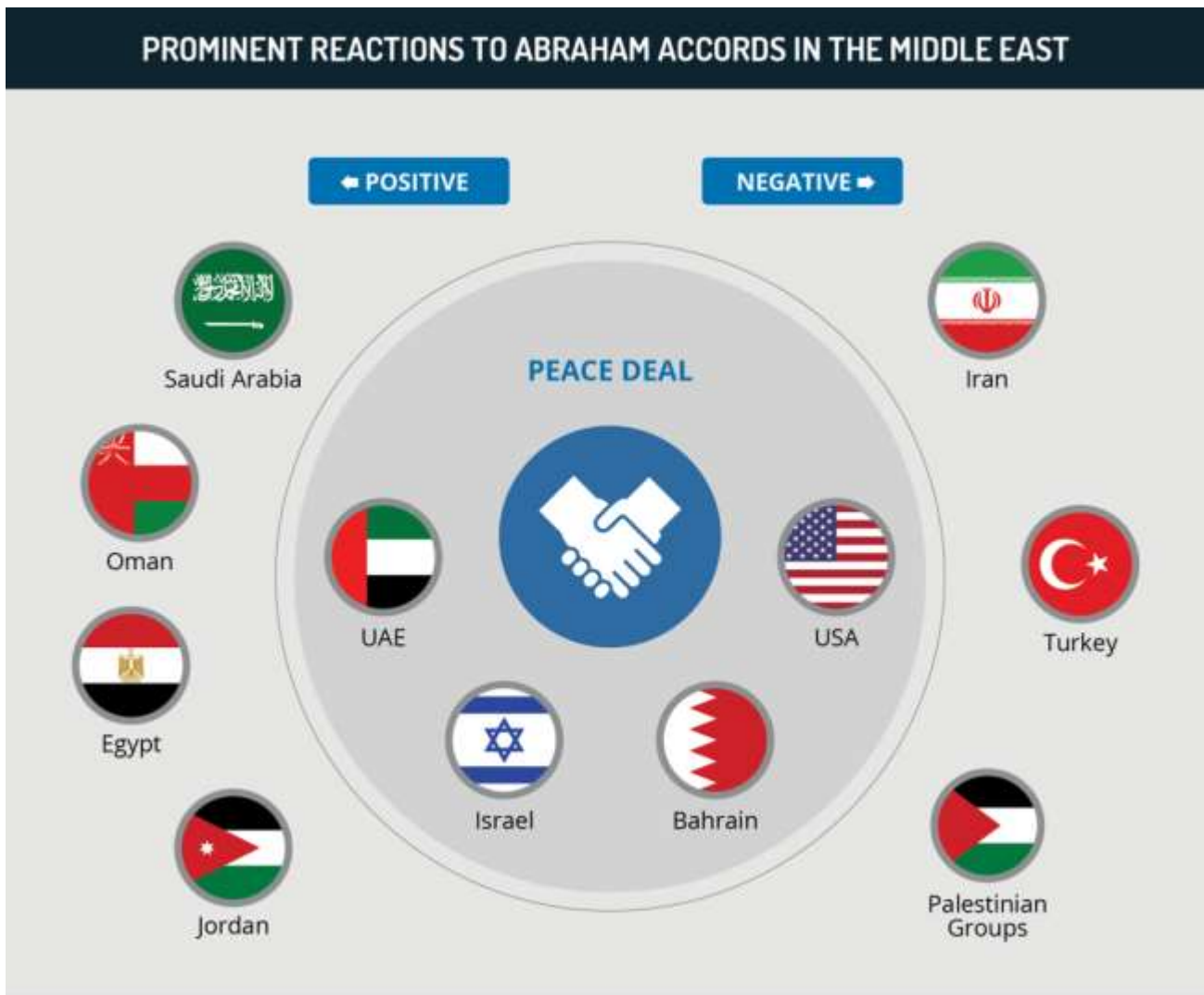
Many questions remain to be answered in the aftermath of the attack. At the top of the list is the massive Israeli intelligence and military (and, to some degree, U.S. intelligence) failures which did not detect the attack. Israel is now operating under a full declaration of war against Hamas with a full-scale military operation into Gaza intended to permanently destroy Hamas and its ability to conduct operations. The questions about intelligence lapses will have to be addressed in due course.

This edition of Drexel GPS provides context on some of the key regional policy factors that likely influenced this attack, as well as the correlation the current events in the Middle East could have on areas geographically separated yet still connected through the intricate geopolitical matrix.

Drexel GPS Assessment:

- Since 2020, the [Abraham Accords](#) have fabricated what would be a historic framework for the normalization of relations between Israel and an increasing number of countries in the Middle East and Africa.
- The timing of the attacks on Israel by Hamas suggests they were in part correlated with attempts by regional actors such as Iran - widely viewed as one of the principal detractors of the Abraham Accords - to derail the ongoing progress being made towards improved diplomatic relations between Israel and many Muslim countries in the Arabian Gulf and North Africa.
- To date, there is no concrete intelligence directly linking Iran to Saturday's attack by Hamas. However, given the extent of civilian casualties, the currently available amount of circumstantial evidence and intelligence may prove enough for Israel to hold Iran accountable and take military action against the regime in the future.

- Israel may hold Iran culpable to some degree due to its historical support for Hamas along with its rhetoric. However, outside of undisputable new intel directly linking Iran to Saturday's attack, Israel will likely maintain its short-term focus of kinetic military operations on Gaza, destroying Hamas, and preparing for the possibility of a new combat front opening with Hezbollah in Lebanon.
- Iran has denied involvement with the attack; however, regional analysis of the situation suggests otherwise. The Iranian regime would feel isolated in the region with a full ratification of the Abraham Accords. The list of those with formalized agreements in place includes Bahrain and Oman. Most notably prior to Saturday's attack, Saudi Arabia was widely rumored to be in advanced talks to join that list.



Potential impact of Expanded Israeli/Hamas War on the EU & Ukraine

- Oil prices spiked 3.5% over the weekend, and that was without any actual interruption of supply. An expansion of the conflict in the Middle East, especially one which results in oil supply being disrupted, would trigger additional price increases and a global ripple effect. The resulting prices would cause a particularly acute sense of economic distress in most EU countries supporting Ukraine as they are highly sensitive to energy prices due to the lack of domestic production.
- Political support in EU coalition countries is waning as the significantly high monetary and military backing to Ukraine is meeting the reality of a slowing global economy against the backdrop of an effective stalemate on the battlefield with Russia.
- With no definitive victory on the horizon, Ukrainian rhetoric describing a long-anticipated counteroffensive that achieves a complete reclamation of territory is falling on increasingly deaf ears globally.
- One key factor (outside of direct U.S. support) that helped Ukraine maintain solidarity with the EU coalition was a relatively mild winter last year, which reduced the demand for heating/energy during what is normally a high-demand season.
- Should the current conflict in the Middle East escalate and widen its scope to involve OPEC-member countries, the resulting price spike for energy could cause enough of the energy price-sensitive EU/NATO coalition governments to move towards forcing Zelensky to negotiate a cease-fire deal with Russia.
- Given the current situation on the battlefield, it is likely that any such brokered deal would result in Ukraine with control of less territory than it had prior to the Russian invasion in February 2022.

Drexel Hamilton will continue to monitor these situations.

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