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Drexel GPS Geopolitical Update

Three Weeks In: President Trump Extends 48-hour Deadline-How the U.S.– Iran War Could Stabilize

03/25/26

- The Strait of Hormuz is no longer just a chokepoint; it is now a lever of escalation. President Trump’s 48-hour deadline to reopen it or face strikes on Iran’s civilian energy infrastructure followed by an impromptu five-day extension citing “good conversations,” with Iranian officials has introduced structured uncertainty. Recent reports indicate a U.S. proposed 15-point plan to stop the war has been delivered to Iran.
- It remains unclear who in Iran those talks involved or how functional Iran’s leadership is. The extension paired with continued military positioning suggests an effort to preserve flexibility until additional U.S. military assets are in place.
- In this compressed environment, words move markets. Escalation signals now translate into energy price swings almost immediately, reinforcing that rhetoric is not separate from outcomes—it is part of them.
- Three weeks in, what began as a narrow strike window is now a sustained, multi-domain conflict involving the U.S., Iran, and Israel, with no defined end state.
- With two carrier strike groups in theater and additional U.S. ground forces enroute, the posture has moved well beyond a limited strike scenario. The region is operating under wartime conditions, shifting the focus from whether escalation occurs to how it stabilizes.
- Wars like this rarely end cleanly. They settle into patterns where each actor finds its escalation limits. At the same time, disruption to Gulf energy flows is already feeding through to global markets.
- Viewing the geopolitical situation with a bit of a game theory lens can be useful here: stability emerges when no side benefits from changing course—even if the conflict continues.
- The combination of military pressure, political signaling, and uncertainty makes the path forward less linear and more dependent on how each actor interprets the others’ next move. With that in mind, several possible paths begin to emerge.

Drexel GPS Assessment

Scenario 1: Pressure Without Breaking Point

(The war continues, but stays contained)

This is the version of the conflict where everyone keeps pushing—but no one pushes far enough to break the system.

- **United States**
Continues targeted strikes while avoiding regime-collapse objectives. The deadline extension allows pressure to continue without forcing an immediate escalation decision.
- **Iran**
Responds through proxies and controlled retaliation. The extension creates space—but also uncertainty about U.S. intent.
- **Israel**
Expands operations but remains below the threshold that would trigger full Iranian mobilization.
- **Gulf States**
Support quietly while prioritizing internal stability and energy infrastructure protection.
- **Russia / China**
Engage diplomatically while avoiding direct confrontation.
- **What this looks like in practice**
The conflict settles into a steady rhythm, persistent-but contained.
- **Where the deadline fits**
The extension acts as a pressure valve. It reduces the likelihood of immediate escalation while keeping the broader tension intact.

Scenario 2: Hit Hard, Then Freeze

(A sharper phase of fighting, followed by a pause)

Here, the conflict accelerates before it stabilizes.

- **United States:** Increases strike intensity to degrade Iranian capabilities quickly. The deadline may have been intended as a trigger—its extension delays but does not remove that option.
- **Iran:** Absorbs damage while avoiding actions that would justify regime-ending escalation. Survival becomes the narrative of victory.

- **Israel:** Uses the operational window to push aggressively against Hezbollah and Iranian logistics networks.
- **The Gulf States:** Support quietly but push for rapid stabilization of energy markets.
- **What this looks like in practice:** A short period of intensified conflict followed by a strategic pause. Bear in mind that the length of strategic pauses is not often formed through consensus between adversaries. One side may view it as days while the other measures it in years.
- **Where the deadline fits:** If interpreted as a ruse, the extension could precede escalation rather than prevent it. This is where signaling and action diverge most clearly.

Scenario 3: The Fight Spreads Sideways

(The war expands across the region)

Instead of ending, the conflict spreads.

- **United States:** Expands defensive posture across Iraq, Syria, and the Gulf while conducting selective strikes.
- **Iran:** Activates its full proxy network (e.g., the Houthi's, sleeper cells, etc.), shifting more pressure away from direct confrontation.
- **Israel:** Faces sustained multi-front pressure while maintaining a clear military advantage.
- **The Gulf States:** Experience intermittent infrastructure attacks, increasing reliance on U.S. security support.
- **What this looks like in practice:** A prolonged, geographically diffuse conflict that becomes harder to contain.
- **Where the deadline fits:** The extension may incentivize indirect escalation, further testing limits through proxies rather than direct engagement.

Scenario 4: Lines Get Redrawn

(The war reshapes global alignments)

The conflict extends beyond the region.

- **United States:** Consolidates a regional security framework linking Israel and Gulf partners. The newly formed "Board of Peace" takes on a more prominent security and stabilization role in the region which traditionally has been relegated to the U.N.

- **Iran:** Deepens its integration with Russia and China.
- **Israel / The Gulf States:** Move toward more formal alignment structures.
- **Russia / China:** Use the conflict to expand influence and counter U.S. positioning.
- **What this looks like in practice:** The war becomes part of a broader geopolitical realignment.
- **Where the deadline fits:** Repeated shifts in signaling, from deadlines to extensions—reinforce the perception of a longer-term strategic competition rather than a contained conflict.

Drexel GPS Strategic Takeaways

- The introduction of deadline-driven escalations, followed by tactical extensions, adds a new layer to the current geopolitical environment. It highlights that this conflict is being shaped simultaneously by military operations, political constraints, and signaling strategies.
- Viewing the current geopolitical landscape through a game theory lens, this does not prevent equilibrium formation—it complicates it.
- The most likely outcome remains neither immediate peace nor decisive victory, but the emergence of a stable structure of ongoing conflict.
- Even with a cessation of hostilities, due to long and deep-rooted ideologies combined with the decapitation strikes and targeting by the U.S. Israel, it is unlikely that a true “normalization” of relations between the current Iranian regime and the U.S. can ever occur.
- The 5-day extension delays decisions. It does not remove them.

Drexel GPS will continue to monitor this rapidly developing situation.

Ben Downing

Director

Cyber & Geopolitical Strategy

110 East 42nd Street | New York, NY 10017

o: +1 646 412-1500 | c: +1 646-412-1500

www.drexelhamilton.com



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