

THE point.

Special - This Monday on
Wall Street

Thank You for Your Attention to The
Matter of This War

Mar 22 2026

By:

CIO

THE CIO GROUP



Summary

By Steven Wieting and David Bailin

Wall Street thinks the Iran War will end quickly and the Strait of Hormuz will reopen soon. Wall Street is wrong.

Three weeks into a war launched with weeks of planning, the US is burning through munitions at a rate its industrial base cannot replace. In the first 96 hours alone, 5,197 munitions were expended across 35 weapon types — 14 of them now face critical supply constraints. THAAD interceptors, America's premier missile shield, entered this war 25% depleted from last year's fighting. Iran, meanwhile, is now fighting a different kind of war, one designed to extend its lethal capabilities. Iran's missiles recently destroyed 17% of Qatar's LNG capacity. It maintains enough guerilla capabilities to close the Strait of Hormuz. And its leadership declared this past Friday that any strike on its energy infrastructure will be met with broad retaliation across the Gulf. Iran's strategy is to broaden the war and make it more expensive to the world's economy than America can tolerate.

Over the past 36 hours, President Trump vacillated between "winding down" the war on Friday and threatening to obliterate Iran's power grid on Saturday. Such a shift in strategy may reflect the US military's inability to sustain a naval and air war it can win decisively.

A strike on Iran's energy infrastructure, a ground assault on Kharg Island, or an extended war of attrition each carries consequences that current market valuations do not reflect. As Wall Street opens Monday, the question is not whether the Strait reopens, it is whether the President takes a major gamble on an attack that bears enormous risk.

On this Monday, none of this is priced into markets.

Introduction

President Trump's imposition of a second round of tariffs was expected by investors, but the Iran War was not. Although oil prices had risen approximately 10–15% between January 1st and the initial bombardments by the US and Israel, the ongoing talks between Iran and the United States—held indirectly in Muscat, Oman on February 6th and in Geneva on February 26th—deferred serious consideration of the extraordinary costs of hostilities.

Then, on February 28th at 2:30 AM, the President announced a preemptive action in Iran, to "defend the American people by eliminating imminent threats from the Iranian regime," while urging the Iranian people to "take over" their government. Twenty-four hours later, the most senior Iranian clerical and security leadership was eliminated—including Supreme Leader Ali Khamenei, Iranian Defense Minister Aziz Nasirzadeh, and IRGC Commander Mohammad Pakpour. The President spoke of the war being over soon.

Now, Wall Street is largely focused on the reopening of the Strait of Hormuz as the "green light" for markets to return to and exceed prior highs.



But that singular focus misses a critical shift in Iran's strategy. With the destruction of a major portion of Qatar's natural gas infrastructure, Iran demonstrated an "asymmetric advantage," military speak for its continuing ability to inflict sustained damage on assets essential to the global energy economy.

Prior to the strike, Qatar supplied approximately 20% of global liquefied natural gas (and approximately 25% of global helium). Now, 17% of that LNG capacity is gone; nearly 12.8 million tons per year of LNG production will remain offline for three to five years, with an estimated \$20 billion in lost annual revenue, according to QatarEnergy CEO Saad al-Kaabi.

In spite of thousands of precision munitions and the elimination of large swaths of its Navy, Iran remained economically lethal. The Strait of Hormuz remains closed. No help from America's "friends" was forthcoming.

Iran made it clear on March 19th that any further destruction of its energy infrastructure would result in broad retaliation on assets across the Middle East that had any association with US interests. Iranian Foreign Minister Abbas Araghchi wrote on X: "Our response to Israel's attack on our infrastructure employed a FRACTION of our power. The ONLY reason for restraint was respect for requested de-escalation." The Iranian army subsequently stated that it would target all energy infrastructure associated with the US in the region if Iran's fuel and energy infrastructure were attacked.

On Friday evening, President Trump responded as he might consider an imperfect "off ramp." Perhaps the US might allow time for negotiations to reopen the Strait. "We are getting very close to meeting our objectives as we consider winding down our great Military efforts in the Middle East with respect to the Terrorist Regime of Iran."

Then, Saturday evening, he recanted: "If Iran doesn't FULLY OPEN, WITHOUT THREAT, the Strait of Hormuz, within 48 HOURS from this exact point in time, the United States of America will hit and obliterate their various POWER PLANTS, STARTING WITH THE BIGGEST ONE FIRST! Thank you for your attention to this matter."

What Wall Street Is Missing

Wall Street is missing the point, its "attention to this matter." The matter is whether the US is prepared to sustain a major Middle East war from the sea and air alone.

Strategy, planning, and execution for effective, large-scale military action take time. The US military had just weeks to plan for the Iran War. The buildup began in late January 2026 and was described by mid-February as the largest concentration of American forces in the Middle East since the 2003 invasion of Iraq.

Two carrier strike groups—the USS Abraham Lincoln and USS Gerald R. Ford—converged on the region. F-22 Raptors, F-15E Strike Eagles, B-2 stealth bombers, and large numbers of tanker aircraft were deployed to bases in Israel, Jordan, and the United Kingdom. THAAD and Patriot missile defense batteries were moved forward.



In Washington, DC, Chairman of the Joint Chiefs of Staff General Dan Caine cautioned President Trump that shortfalls in critical munitions and a lack of support from allies would add significant risk to the operation and to US forces. General Caine privately warned that the US stockpile of air defenses was at critical levels due to the June 2025 Twelve-Day War against Iran. Approximately 25% of the US THAAD interceptor stockpile was depleted during those 12 days and was not fully replenished by the time the 2026 war began.

The Foreign Policy Research Institute calculated that in the first 96 hours of the Iran War, the US-Israeli coalition expended approximately 5,197 munitions across 35 types. Of those 35 types, 14 air defense and long-range strike capability systems were identified as critically strained. The munitions-only replacement bill was estimated at \$10–\$16 billion for those four days alone.

Short on Essential Munitions

The munitions resupply problem is structural, not logistical. In fiscal year 2025, the US procured only 11 new THAAD interceptors and is expected to receive just 12 more in FY2026, according to Department of Defense budget estimates. For Tomahawk cruise missiles, the service requested 57 in FY2026, funded entirely through last year's budget reconciliation bill. The US fired more than 100 Tomahawks in the first days of the war.

Critical chokepoints in the US defense industrial base make rapid resupply essentially impossible. High explosives that fill warheads—RDX and HMX—flow through a single facility built during World War II: the Holston Army Ammunition Plant in Kingsport, Tennessee, operated by BAE Systems. The turbofan engines that power most US cruise missiles come from just one plant owned by Williams International in Pontiac, Michigan. In January 2026, the Pentagon and Lockheed Martin announced a plan to quadruple THAAD interceptor production from 96 per year to 400 annually—but that capacity will take years to materialize.

On the question of sustainment, the available evidence suggests the US is not adequately prepared.

The USS Gerald R. Ford Fire

On March 12, 2026, a fire broke out aboard the USS Gerald R. Ford (CVN-78), the US Navy's newest and most expensive warship and a centerpiece of the Iran war campaign while operating in the Red Sea. The fire was not combat-related. Within days, the Ford was pulled from combat operations and sailed to Naval Support Activity Souda Bay in Crete for more than a week of repairs. The carrier's departure removed one of the two strike platforms central to Operation Epic Fury.

The Ford departed Naval Station Norfolk, Virginia, on June 24, 2025, initially bound for Europe. It was subsequently redirected to the Caribbean for Venezuelan operations, then to the Mediterranean, and finally to the Red Sea for the Iran War. Chief of Naval Operations Admiral Daryl Caudle said in January 2026 that he did not want to see the Ford's tour extended, as it was well past its designed operational cycle. "I am a big non-fan of extensions," Caudle stated,



citing the impact on sailors and the wear on the ship. By March 2026, the Ford developed cascading failures that removed it from the fight during a war.

Wartime Wall Street Implications

While the US military assembled an impressive strike force in approximately four weeks and achieved devastating initial tactical results, the Chairman of the Joint Chiefs explicitly warned that munition levels were insufficient and that allies would not participate in joint operations.

The planning was adequate for a short, sharp strike campaign. It does not appear sufficient for a sustained, multi-front war requiring extended naval and air operations. The Pentagon's more than \$200 billion supplemental request, reported by The Washington Post on March 18th, is an implicit acknowledgment that the war was not adequately funded before it started.

Iran's wartime strategy to fight a longer, asymmetric war of attrition will now test American resources. But first, it may cause the President to gamble on a final, decisive strike on Iran's energy infrastructure and/or a Marine-led assault on Kharg Island, Iran's principal oil export terminal in the Persian Gulf, which handles approximately 90% of Iran's crude oil exports.

The implications of these potential actions are not priced into markets.

Specifically, if Iran's ballistic missile delivery systems survive another major attack likely to coincide with the destruction of the country's energy production and distribution capacity, neighboring energy assets may be hit hard. And in the event the US deploys ground forces, the length of time for the Iran war may extend well beyond any present assumption of its likely end. Further, a gamble on a major strike would embolden Iran to punish the West broadly by mining the Strait of Hormuz and undertaking guerrilla tactics to alter the global energy supply chain.

As Wall Street opens this Monday, it should pay more Attention to the Matter of This War.



Contact us for more information

info@ciogroup.com

Stay subscribed

New York

41 Madison Ave, Floor
31, New York, NY

New Jersey

45 W. River Road, Suite 202
Rumson, New Jersey, NJ

Phone

+1 (212) 516-4000