



Daily



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MAX - MENA Region Daily Summary - August 2, 2026

Highlights of the Day

- **MENA:** President Trump calls off strikes on Iran subject to deal on August 2; reflects preference for diplomacy, escalation risks to persist
- **Israel & Palestinian Territories:** IDF arrests over 200 suspects in West Bank, per July 31 announcement; reflects crackdown amid tensions
- **Turkey & Iraq:** Ankara signs interim pipeline agreement with Baghdad on August 1; comprehensive deal to require sustained talks
- **UAE:** ADNOC announces changes to crude pricing methodology on July 31; marks setback in ambitions, to improve buyer confidence

Notable Events

MENA: President Trump calls off strikes on Iran subject to deal on August 2; reflects preference for diplomacy, escalation risks to persist

Current Situation – US President Donald Trump announced that the move came at the request of several regional countries, including Iran, and is contingent on Tehran “rapidly” making a deal. He claims progress in talks, including the “total opening of the Strait of Hormuz and an end to Iran’s nuclear threat.” Riyadh confirmed that during an August 1 call with President Trump, Saudi Crown Prince Mohammed bin Salman (MbS) emphasized the importance of dialogue to avoid escalation.

Assessments & Forecast – The statement follows [telling signs](#) of a looming expanded US strike campaign against Iranian energy infrastructure. As such, the move points to an American desire to continue seeking de-escalation, mirroring Washington’s cancellation of an expanded strike campaign on [May 19](#) at the request of regional stakeholders. The failure of that pause to produce a durable agreement, coupled with persistent gaps between US and Iranian positions regarding the Strait of Hormuz and Iran’s nuclear program, suggests that the latest suspension is unlikely to resolve hostilities, but rather further embolden Tehran and diminish President Trump’s reputation. The US, Israel, and Iran will continue to be in an elevated state of alert and readiness, and the risk of escalation will persist.

Source: [President Donald Trump](#)

Egypt: IMF approves 1.8 billion USD disbursement for Cairo, per July 31 reports; signals continued confidence despite privatization lags

Current Situation – The International Monetary Fund (IMF) completed the seventh review of the Extended Fund Facility (EFF) arrangement, making 1.5 billion USD immediately available to Egypt, in addition to 272 million USD under the Resilience and Sustainability Facility (RSF) arrangement. The IMF credited Egypt’s exchange rate flexibility, energy price reforms, and curbs on state spending for helping the economy withstand spillover from the regional conflict. It also noted insufficient progress in boosting privatization and reducing the state’s role in the economy.

Assessments & Forecast – The approval underscores the IMF’s confidence in Egypt’s macroeconomic stabilization efforts and will provide near-term financing, support investor confidence, and foreign exchange liquidity. While the IMF’s assessments suggest that Cairo’s recent reforms improved the country’s resilience to external shocks, the Egyptian government’s sizable footprint in its national economy and the lack of structural reforms will remain a hurdle to future disbursements. Additionally, a renewed escalation in the region, which could entail the Yemen-based Houthis’ resumption of maritime attacks in the Red Sea, is liable to erode Suez Canal revenues again, thereby offsetting the improvements that underpinned the IMF’s positive assessments.

Source: [Bloomberg](#)

Israel & Palestinian Territories: IDF arrests over 200 suspects in West Bank, per July 31 announcement; reflects crackdown amid tensions

Current Situation – The Israel Defense Forces (IDF) stated that the suspects, arrested over the past week, were involved in inciting terrorism, smuggling Palestinians into Israeli territory, and dealing arms. One allegedly planned an imminent terror attack, while another was involved in manufacturing explosive devices. Meanwhile, Palestinian media reported that Israeli Defense Minister Israel Katz ordered the continued closure of the Jenin, Tulkarm, and Nur Shams Palestinian Refugee Camps till September 30.

Assessments & Forecast – The bolstering of IDF deployments in the West Bank following a lethal confrontation in Tell on [July 24](#) facilitated the intensified counter-militancy activity. The large number of arrests points to a pre-emptive effort by Israel's security apparatus to detain individuals who may participate in further violence in the West Bank. This is further demonstrated by the continued closure of Palestinian Refugee Camps in the northern West Bank, which have been longstanding militancy hotspots, marking a continuation of the approach initiated under the [Iron Wall counter-militancy campaign](#) since January 2025. Nonetheless, the IDF's posture and the expansion in Israeli settlements in the northern West Bank will sustain the risk of localized confrontations and retaliatory militant activity.

Source: [IDF](#)

Libya: EU opens maritime coordination center in Benghazi, per August 1 reports; indicates closer ties to LNA

Current Situation – The EU Ambassador to Libya announced the establishment of a Maritime Rescue Coordination Center (MRCC) in Benghazi under Operation IRINI with funding from Italy and Malta. The MRCC is mandated to strengthen Libya's capacity to conduct search and rescue operations at sea "in line with international standards and human rights."

Assessments & Forecast – The EU has increased its engagement with the eastern Libya-based Libyan National Army (LNA) in recent months, particularly on irregular migration. Given Italy and Malta's funding of the initiative despite their geographic proximity to western Libya, the MRCC is likely intended to reduce the centrality of the EU's existing Joint Rescue Coordination Center (JRCC) mechanism with the western Libya-based Government of National Unity (GNU). This possibility is reinforced by [recent decisions by humanitarian organizations](#) to avoid cooperating with the JRCC over concerns regarding its operational competence and adherence to human rights standards. The facility will likely strengthen the LNA's institutional role in maritime migration management and enhance its de facto legitimacy despite the LNA's lack of formal EU recognition. Further details regarding its mandate will likely emerge in the coming months.

Source: [Libya Observer](#)

Palestinian Territories & Israel: IDF reportedly kills ten in strikes in Gaza on August 1-2; BoP roadmap implementation to face challenges

Current Situation – Reports indicate that overnight Israel Defense Forces (IDF) airstrikes targeted residential buildings in Gaza City, Deir al-Balah, and Khan Younis, killing at least nine people, including two children and a woman. The IDF announced that it has killed at least two Hamas militants in strikes during the weekend.

Assessments & Forecast – These strikes come immediately after the July 30 announcement of the US-led Board of Peace (BoP)-Hamas framework [agreement](#), which outlines a roadmap toward perceived disarmament. The strikes show Israel’s resolve in maintaining military pressure on Hamas during negotiations, rather than treating the agreement as sufficient grounds to suspend assassination operations. Israeli concerns are likely to center on the roadmap’s “naive” fundamentals that include the storing of Hamas’s heavy weaponry within the Gaza Strip, and the apparent concession in which Hamas operatives would be able to carry “personal weapons.” This further bolsters Israel’s skepticism regarding Hamas’s disarmament. Furthermore, Hamas continues to condition implementation on Israeli withdrawal, while Israel maintains that no meaningful withdrawal will occur before complete disarmament. Under these circumstances, additional Israeli strikes targeting militants will be likely, broadly solidifying escalatory trajectories rather than the diplomatic track.

Source: [WAFA](#)

Syria: ISF conducts major anti-IS operation in Deir Ezzor on August 1; counter-militancy campaign in al-Bukamal district liable to intensify

Current Situation – The Internal Security Forces (ISF) announced that security forces dismantled an Islamic State (IS) cell responsible for several attacks in the al-Bukamal district’s Baghouz and al-Shafaa and seized weapons and suicide vests. Security forces raided several hideouts, encountering armed resistance from the cell members. The ISF arrested two operatives, including the cell’s leader, while another member was killed before he could detonate his suicide belt.

Assessments & Forecast – This reflects authorities’ objective to intensify counter-militancy efforts to [dismantle armed IS cells](#) amid a nationwide surge in [IS-perpetrated attacks](#). It also follows reported clashes between security forces and IS operatives in Deir Ezzor’s Baghouz on July 29. The dynamic highlights that the jihadist group possesses a well-established [foothold and operational capabilities](#) in the al-Bukamal district, which borders Iraq, and that IS cells remain determined to engage security forces during arrest raids. In the coming days, authorities are likely to intensify their anti-IS campaign in eastern Deir Ezzor, increasing the risk of armed clashes or IS attacks targeting security forces, which will also present a high risk of casualties among civilians.

Source: [ISF](#)

Turkey & Iraq: Ankara signs interim pipeline agreement with Baghdad on August 1; comprehensive deal to require sustained talks

Current Situation – Turkey’s state-owned BOTAS signed a one-year agreement with Iraq’s State Organization for Marketing of Oil (SOMO) and Iraq National Oil Company (INOC) to continue crude oil exports through the Kirkuk-Ceyhan oil pipeline. The arrangement covers a capacity of 750,000 barrels per day (bpd), while Ankara and Baghdad negotiate a comprehensive long-term agreement aimed at increasing throughput to around 1.5 million bpd.

Assessments & Forecast – The deal follows the expiry of the previous arrangement on [July 27](#) and Baghdad’s request to extend it for at least one year. The relatively swift reaching of a new agreement thus marks a notable achievement for Iraq as it secures a major export route to the Mediterranean amid disruptions in the Strait of Hormuz. Together with a recently approved agreement to manage shared water resources, the pipeline deal also points to warming bilateral relations underpinned by economic and natural resources cooperation. However, the decision to limit it to one year indicates that longstanding disagreements over the pipeline’s longer-term framework persist and will require sustained negotiations. Ankara and Baghdad will therefore prioritize talks over a comprehensive deal in the coming months.

Source: [Turkish Energy Minister Alparslan Bayraktar](#)

UAE: ADNOC announces changes to crude pricing methodology on July 31; marks setback in ambitions, to improve buyer confidence

Current Situation – The Abu Dhabi National Oil Company (ADNOC) announced that, effective November 1, it will revise its Official Selling Price (OSP) methodology for all Abu Dhabi crude grades, including Murban, Das, Umm Lulu and Upper Zakum. ADNOC will replace the current Murban-based methodology, which prices cargoes two months before loading, with a prompt-month pricing methodology based on the Platts Dubai benchmark.

Assessments & Forecast – The decision constitutes a setback to ADNOC’s plan to establish Murban as a regional pricing benchmark. It follows the latest escalation between the US and Iran, during which disruptions to shipping through the Strait of Hormuz exposed shortcomings in this pricing methodology. The transition to a prompt-month mechanism, which has a shorter pricing timeline, reflects efforts to reduce the risk of prices significantly diverging from physical crude during periods of heightened volatility. It also brings ADNOC’s pricing methodology closer to that of other Gulf producers, which is likely intended to bolster pricing transparency and boost buyer confidence. ADNOC will continue refining its commercial strategies to support higher crude exports following the UAE’s [exit from OPEC](#) and expansion of production capacity.

Source: [ADNOC](#)

Other Developments

- **Iraq:** According to July 31 reports, government officials acknowledged difficulties in disbursing

salaries for public sector employees in time due to declining oil exports amid the closure of the Strait of Hormuz.

- **Israel:** A grenade attack targeted a Japanika branch under construction in Hadera during the early morning hours of August 2, causing material damage. This follows a series of attacks targeting the chain due to an organized crime feud.
- **Lebanon & Israel:** The Israel Defense Forces (IDF) announced that it killed Hezbollah militants who attempted to infiltrate southern Lebanon's Ali Taher Ridge during the overnight hours of July 31-August 1. One IDF soldier was injured during clashes.
- **Libya & Turkey:** The Turkish Embassy in Tripoli announced that its Consulate General in Benghazi will commence providing consular services, including visa procedures, starting from August 2.

Notable Dates

12 AUG	Iran Holiday: Death of Prophet Mohammad/Martyrdom of Imam Hasan
13 AUG	Tunisia Holiday: Women's and Family Day
13 AUG	Iran Holiday: Martyrdom of Imam Reza
14 AUG	Morocco Holiday: Oued Ed-Dahab Day
15 AUG	Lebanon Holiday: Assumption of Mary
15 AUG	Egypt Holiday: Flooding of the Nile