

ATLAS

GLOBAL INTELLIGENCE FOR THE INFORMED CITIZEN

WEEKLY GLOBAL INTELLIGENCE REVIEW

OPERATING AROUND THE CONFLICT

27 AUGUST–2 SEPTEMBER 2026 | W005



“Adaptation preserves the system.
It does not resolve the conflict.”

— ATLAS

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Operating Around the Conflict

Coverage Period: 27 August–2 September 2026

Executive Assessment

The international system is increasingly adapting to active conflicts rather than resolving them.

Commercial shipping continues through the Strait of Hormuz despite persistent military danger. Russia and Ukraine are attacking the infrastructure that sustains military operations and national economies. Washington is widening controlled communication with Moscow while European governments confront more explicit Russian hybrid activity. Governments are announcing new defense spending, energy agreements, and industrial initiatives, but operational capability continues to lag behind political commitment.

The week produced neither uncontrolled escalation nor meaningful settlement. Instead, it revealed the rising cost of keeping conflicts bounded.

The distinction between activity and normality is central. Ships moving through Hormuz do not mean the strait is secure. Diplomatic meetings do not establish progress toward settlement. Appropriated defense funding does not immediately create interceptors, trained forces, or sustained production. Energy agreements do not produce oil without contracts, financing, infrastructure, and time.

These adaptations are preventing immediate systemic failure. They are also allowing governments and markets to operate around unresolved conflicts, reducing pressure for resolution while increasing dependence on temporary workarounds.

Overall Assessment: The international system remains functional, but its margin for absorbing simultaneous military, economic, public-health, and infrastructure shocks is narrowing.

Confidence: High.

Major Weekly Assessments

1. Strait of Hormuz

Operational, but Not Normal

The Strait of Hormuz remained physically passable throughout the reporting period, but passage did not constitute restored security.

Early in the week, visible commodity traffic improved from approximately eight to ten vessels per day, still below the recent average of roughly fifteen. Mine-clearance activity demonstrated that

portions of the shipping channel could be used, but insurers, shipowners, crews, and energy traders continued to price military risk into their decisions.

The temporary U.S.–Iran lull then ended in a bounded exchange involving a U.S. strike near Larak and Iranian retaliation. Visible commodity movements fell to approximately five per day before recovering. By the end of the reporting period, estimated petroleum traffic had returned to approximately 17 million barrels per day, supported by tanker scheduling changes, LNG workarounds, military protection, and commercial acceptance of higher operating risk.

That recovery is significant, but it should not be mistaken for normalization.

Iran retains the ability to threaten shipping, influence insurance and freight costs, and impose uncertainty without closing the strait completely. The United States and its partners can preserve passage, but they cannot presently remove the coercive environment surrounding it.

Assessment

Hormuz is functioning under military pressure. Commercial adaptation has reduced immediate economic disruption without eliminating the underlying threat. The condition is best understood as the negotiated management of coercion: Iran exercises influence without imposing total closure, while the United States and commercial operators maintain sufficient passage to prevent a global energy shock.

Outlook

The most likely near-term outcome is continued traffic combined with intermittent attacks, threats, defensive operations, and commercial workarounds. The principal danger is not necessarily a deliberate decision to close the strait. It is a cumulative incident—mining, misidentification, tanker damage, casualties, or retaliation—that overwhelms the mechanisms currently keeping escalation bounded.

Confidence: High that Hormuz remains operational but insecure.

Confidence: Moderate that both sides can continue controlling escalation.

2. Russia–Ukraine

The War Against Sustaining Systems

The war continued moving beyond the immediate battlefield and deeper into the systems that sustain military operations, national economies, and civilian endurance.

Russia expanded attacks against Ukrainian ports, grain facilities, energy infrastructure, transportation networks, logistics nodes, industrial sites, and air-defense positions. The campaign is intended not only to damage current military capability but also to increase the long-term cost of maintaining the Ukrainian state and war effort.

Ukraine continued its campaign against Russian refineries, fuel-export infrastructure, logistics, and aviation. Russian fuel-export restrictions following Ukrainian refinery strikes indicate measurable economic effects. Ukraine has demonstrated an ability to impose disproportionate costs with comparatively limited long-range systems.

The campaigns are not equivalent in scale. Russia retains greater strike mass, a larger industrial base, and the ability to conduct sustained missile and drone attacks. Ukraine's campaign is more selective and asymmetric. Its endurance depends upon access to weapons, intelligence, replacement systems, and external support.

Neither side is approaching immediate strategic collapse. Both are attempting to weaken the systems that allow the other to continue fighting.

Air-Defense Pressure

The campaign is exposing the limited strategic margin in Western air-defense inventories. The United States and its allies retain advanced defensive capabilities, including the PAC-3 MSE interceptor. The problem is not the absence of capability; it is the number of theaters competing for limited inventories and production. Allocation to one theater can reduce readiness or flexibility in another. Announced procurement and funded production increases will not immediately produce qualified interceptors or sustained output.

Assessment

The conflict is becoming a war of national sustainment. Russia is attempting to overwhelm Ukraine through strike mass and cumulative infrastructure damage. Ukraine is attempting to impose economic and logistical costs that Russia cannot entirely prevent. The decisive question is which side—and which supporting coalition—can repair, replace, finance, protect, and sustain the systems required for prolonged war.

Confidence: High on the direction of both campaigns.

Confidence: Moderate on cumulative economic damage and repair rates.

Confidence: Moderate on Ukraine's ability to sustain its long-range campaign.

3. Russia and the West

Communication Without Settlement

The week produced simultaneous evidence of controlled diplomatic engagement and expanding hybrid confrontation.

Washington widened communication with Moscow through intelligence and financial channels. CIA Director John Ratcliffe's Moscow contact and the emerging Bessent–Siluanov channel surrounding the G20 indicate that the administration is deliberately maintaining avenues for warning, negotiation, and crisis management.

These contacts reduce the danger of misunderstanding and may support limited agreements. They do not establish that Russia is prepared to make concessions sufficient to end the Ukraine war or reduce its wider confrontation with the West.

Germany formally attributed the Leipzig/Halle drone operation to Russia. Russian threats against British military targets and continued NATO-adjacent airspace incidents further demonstrate that confrontation is extending below the threshold of conventional war. Europe is experiencing more explicit hybrid pressure while Washington keeps diplomatic and intelligence channels open.

Thesis–Antithesis–Synthesis Test

Thesis: Expanded U.S.–Russian communication may indicate movement toward negotiation.

Antithesis: Moscow may use diplomatic engagement to manage escalation, collect information, divide Western governments, or obtain economic relief without changing its strategic objectives.

Synthesis: The contacts are genuine and useful but presently represent controlled crisis management rather than evidence of an approaching settlement.

Assessment

Diplomatic communication and coercive activity are operating in parallel. Washington appears willing to test limited engagement while preserving military and economic pressure. Moscow appears willing to communicate while continuing the war and applying hybrid pressure against European states.

Confidence: High that Washington is deliberately widening communication.

Confidence: Moderate that the channels form part of a coordinated negotiating architecture.

Confidence: Low–Moderate that Moscow is prepared to offer sufficient concessions for a durable settlement.

4. Strategic Margin

Funding Is Not Readiness

Several developments reinforced the distinction between possessing a military capability and possessing sufficient depth to sustain it. U.S. air-defense allocation pressures illustrate the problem. Advanced interceptors exist, production is funded, and additional capacity is planned. Yet present inventories and production rates may not provide sufficient margin to meet simultaneous requirements in Europe, the Middle East, and the Indo-Pacific without accepting tradeoffs.

Funded → Installed → Qualified → Sustained

Funding authorizes action. Installed capacity creates the physical means of production. Qualified capacity produces systems that meet operational standards. Sustained capacity demonstrates that acceptable output can be maintained over time. Only the final two stages reliably translate into military readiness.

Taiwan's proposed overall defense spending of NT\$1.1225 trillion—approximately US\$35.4 billion—would exceed NT\$1 trillion for the first time. The proposal provides resources for resilient, asymmetric defense and demonstrates political commitment. It does not immediately create trained formations, distributed logistics, protected command systems, stockpiles, or replacement capacity.

Assessment

The United States and its partners retain substantial military capability, but the margin for supporting multiple theaters is thinner than headline budgets suggest. The primary risk is the

gradual exhaustion of flexibility as several regions draw upon the same limited inventories, production lines, specialist personnel, and logistical systems.

Confidence: High on allocation pressure and the funding-to-capability gap.

Confidence: Moderate on the severity and timing of specific readiness shortfalls.

5. Western Hemisphere

Energy Realignment Ahead of Capacity

The proposed 25-year U.S.–Venezuela energy framework represents a potentially significant realignment in Western Hemisphere energy policy. It could reconnect Venezuelan resources with U.S. investment, refining, technology, and markets. The strategic direction is clearer than the operational details.

Questions remain concerning ownership, sanctions, contracts, financing, legal authority, infrastructure rehabilitation, workforce capacity, production schedules, and revenue distribution. A related South American strategic-minerals framework illustrates the same problem: geological possession does not automatically create industrial capacity.

Thesis–Antithesis–Synthesis Test

Thesis: The Venezuela framework could produce a major Western Hemisphere energy realignment.

Antithesis: Political announcements may collapse under legal disputes, financing shortages, infrastructure decay, corruption, sanctions, or changing governments.

Synthesis: A genuine strategic opening exists, but the agreement should be measured as political direction rather than completed energy capacity.

Assessment

The framework is strategically consequential but operationally unsettled. Its importance lies in the possibility of long-term realignment, not in near-term production claims.

Confidence: High that a strategic realignment is being attempted.

Confidence: Moderate on the announced framework and control structure.

Confidence: Low on long-term production and revenue projections.

6. Public Health and Disaster Capacity

Emergency Response Becomes Long-Term Sustainment

The Bundibugyo Ebola outbreak in the Democratic Republic of the Congo continued to expand geographically, while Uganda maintained comparatively stronger containment. The outbreak is testing surveillance, treatment, vaccination, transportation, border control, public communication, and community trust. Uncertainty regarding the effectiveness of the Ervebo vaccine against the Bundibugyo strain remains a significant analytical limitation.

The Nepal–Tibet glacier and flood disaster also moved from immediate rescue operations toward a prolonged reconstruction emergency. Casualty and missing-person estimates, damaged transportation, displaced communities, unstable terrain, and possible lake hazards will require continuing institutional capacity long after the event leaves international headlines.

Assessment

Both emergencies demonstrate the difference between responding to an event and sustaining an effective response. The DRC outbreak is expanding faster than confidence in the available vaccine. The Nepal–Tibet disaster is becoming a long-duration problem involving reconstruction, displacement, access, and secondary hazards.

Confidence: High on the scale and geographical expansion of both emergencies.

Confidence: Moderate on some casualty and missing-person estimates.

Confidence: Low–Moderate on vaccine effectiveness against the Bundibugyo strain.

7. Indo-Pacific

Competition Through Resilience and Access

Indo-Pacific competition continued through defense budgets, technology controls, logistics access, political influence, and dual-use commercial infrastructure.

Taiwan’s proposed NT\$1.1225 trillion—approximately US\$35.4 billion—overall defense allocation supports a gradual shift toward greater resilience and asymmetric capability. Its significance depends upon whether the resources produce distributed command systems, survivable logistics, trained personnel, munitions stocks, repair capacity, and appropriate weapons.

China–Taiwan AI-server controls demonstrate the growing strategic importance of computing infrastructure. The Pacific Islands Forum remained another arena in which political access, economic assistance, infrastructure, and diplomatic recognition are linked to wider regional competition. Allegations involving COSCO and surveillance merit attention, but available evidence does not support firm conclusions about the specific reported operation.

Assessment

Competition increasingly depends upon the infrastructure supporting military and economic endurance rather than visible force deployments alone. Taiwan is moving toward stronger resilience, but funding must still be converted into usable and sustainable capability.

Confidence: High on the broader competitive direction.

Confidence: High on Taiwan’s defense-budget significance.

Confidence: Moderate–Low on the reported COSCO operational details.

Secondary Developments and Indicators

Organized Criminal Capability

Mexican criminal organizations are demonstrating expanding bomb-making and explosive-delivery capabilities, raising the cost of law-enforcement operations and the risk of tactical diffusion. Nigeria's kidnapping economy remains an organized financing system rather than a collection of isolated criminal incidents.

African Institutional Pressure

Military unrest in Niger and political prosecutions in Zambia indicate continuing institutional strain. Guinea-Bissau and Zambia remain below the threshold for elevation but warrant monitoring.

Europe

European energy inflation and higher borrowing costs are increasing the domestic economic burden of prolonged geopolitical competition. These pressures may narrow political flexibility over time.

U.S.–Canada Trade

Canadian provincial retaliation, including Saskatchewan's 50-percent tariff on selected U.S. alcohol products, is making the bilateral dispute more institutionally difficult to reverse.

Weekly Confidence Review

Assessment	Confidence	Direction
Hormuz operational but not normalized	High	Strengthened
U.S.–Iran escalation remains bounded	Moderate	More fragile
Russia–Ukraine sustaining-system war	High	Strengthened
Russian hybrid confrontation with Europe expanding	High	Strengthened
U.S.–Russia communication widening	High	New evidence
Communication indicates approaching settlement	Low–Moderate	Not supported
Western air-defense strategic margin is narrowing	High	Strengthened
Venezuela energy realignment is strategically genuine	High	Strengthened

Assessment	Confidence	Direction
Venezuela production projections will be achieved	Low	Unchanged
DRC Ebola outbreak is geographically expanding	High	Strengthened
Taiwan is moving toward greater defensive resilience	High	Strengthened
COSCO conducted the alleged surveillance operation	Moderate-Low	Watch

Indicators for the Coming Week

1. Additional U.S.–Iran military exchanges or weakening escalation controls.
2. New mining, tanker attacks, insurance changes, or sustained declines in Hormuz traffic.
3. Changes in Russian attacks against Ukrainian energy, ports, rail, and air defense.
4. Further Russian fuel restrictions or aviation disruption following Ukrainian refinery attacks.
5. Follow-up involving the Bessent–Siluanov channel or broader sanctions discussions.
6. Public evidence supporting Germany’s Leipzig/Halle attribution.
7. Confirmed interceptor transfers, production increases, or allocation changes.
8. Contracts, financing, sanctions relief, or infrastructure work connected to Venezuela.
9. Evidence concerning Ervebo’s effectiveness against Bundibugyo Ebola.
10. Information supporting or weakening the COSCO surveillance allegation.

Weekly Closing Judgment

The international system is not resolving its principal conflicts. It is building workarounds that allow governments, militaries, and markets to continue operating inside them.

Those adaptations matter. They keep oil moving, preserve diplomatic communication, replace damaged infrastructure, expand production, and prevent localized crises from immediately becoming systemic failures.

But adaptation is not resolution, and continued activity is not restored normality.

Ships passing through Hormuz do not remove Iran’s coercive power. Russia and Ukraine repairing infrastructure do not make the war sustainable indefinitely. Diplomatic channels do not establish political compromise. Defense appropriations do not immediately create strategic depth. Energy agreements do not produce oil without years of investment and institutional work.

The danger is that successful workarounds may make prolonged instability appear more sustainable than it actually is.

ATLAS Assessment: The world retains substantial capacity to absorb pressure, but the cost of maintaining that capacity is rising—and the strategic margin available for the next crisis is becoming smaller.