



Initial Thoughts on Iran's Attack on Israel

Iran's Attack on Israel – A Strategic Setback

- ▲ Iran launched a retaliatory attack against Israel following an earlier strike that killed two Iranian generals thought to have been key figures in planning, training, and arming of Hamas for the October 7 attacks on Israel.
- ▲ Israel successfully intercepted over 99% of the drones and missiles that entered its airspace, while Jordan, Saudi Arabia and the U.S. helped thin the onslaught.
- ▲ Jordanian and Saudi coordination with Israel indicates a lack of sympathy for Iran in the region.
- ▲ Iran's leaders have stated they now feel the matter is closed, which raises the stakes for Israel if they were to directly respond with a counterattack.
- ▲ We put the odds of Israel overtly attacking Iran at just slightly better than 50%, as covert means have historically been extraordinarily successful for Israel and diplomatically more palatable to its allies. An attack that goes unanswered, however, invites additional attacks that are likely to grow even more ferocious and destabilizing.

Early Sunday morning (Saturday night in the U.S.), Iran launched hundreds of missiles and drones against Israel from its own territory in conjunction with its proxies in Lebanon and Yemen. The attack was a much-anticipated response to the Israeli strike on what Iran claims to had been a facility connected to its consulate in Damascus on April 1. That strike killed several top

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Iranian military officials, including Mohammed Reza Zahedi, a senior commander in Iran's Islamic Revolutionary Guard Corps and Brigadier General Mohammad Hadi Haj Rahmi. Iran vowed swift retribution for the strike, and both American and Israeli intelligence believed such an attack was imminent days before it occurred.

Some feared a strong Iranian response would overwhelm Israel's Iron Dome missile defense network. Israel successfully intercepted over 99% of the drones that entered its airspace. Minor damage was reported to one Israeli airbase while two citizens were critically injured. Iran declared its response a success despite the minimal level of damage it wrought. The bar for success is low, however, with the goal being to appease hardline supporters of the regime within Iran and preserve the confidence of its key proxies (Hamas, Hezbollah, and the Houthis).

Iran declared its response a success, despite minimal damage to physical damage to Israel.

Most drones and missiles were intercepted before they entered Israeli airspace. Unconfirmed reports also note that a sizable proportion of Iranian missiles and drones either failed to launch or crashed to the ground on their own accord shortly after being launched. The attack was expected to include around 500 drones and missiles, from Iran and its proxies, but only around 300 are believed to have transited Syrian, Jordanian, Saudi, and Israeli airspace.

American, British, Jordanian, and Saudi militaries collaborated in shooting down Iranian drones as they flew over Jordan, Syria, and Iraq. The inclusion and



effectiveness of Jordan and Saudi Arabia in this coalition impedes the narrative that Israel has been abandoned entirely by the Arab world. Saudi Arabia and Jordan have obviously planned and trained for such a contingency and the professionalism of their military leadership and skills of their fighter pilots and air defense systems is one of the more notable positive surprises from this confrontation.

Despite what Tehran and Israel say, it is difficult to see the events of April 13-14 as anything but a victory for Israel. Damage inflicted to Israeli bases was minimal. The Wall Street Journal reported that as many as half of Iran's missiles either failed to launch or crashed prematurely. While fears about Iran's military arsenal were amplified by the media, it ultimately proved impotent once it was compelled to act. We cannot see how an unanswered attack on Israel would ever be considered a victory by Israel.

Jordanian and Saudi coordination with Israel reveals the lack of sympathy for Iran.

That said the geopolitical implications are more damning for Iran. Jordanian and Saudi coordination with Israel reveals the lack of sympathy Iran would receive should a regional war break out. Jordan has come under much internal pressure to adopt a more pro-Palestinian position, although its monarchy continues to have positive relations with Israel. Saudi Arabia still has no formal ties with Israel. The two countries were in the process of normalization prior to the October 7 attack. Disrupting normalization was a likely goal of Iran and its proxies in provoking the war in Gaza. The path to normalizing relations now looks as though it was merely delayed.

Israel has vowed to respond to Iran's attack, possibly with a direct strike on Iran. There is much Israel needs to consider before taking such an action. For one, the Biden administration has pledged not to assist an Israeli offensive action against Iran. President Biden has advised Benjamin Netanyahu to "take the win." For its part, Israel does not consider the successful

thwarting of Iran's attack as a victory. The attack marks a notable escalation in how Iran will respond to attacks on its direct support of its proxies. Those proxies are working to destroy Israel and the conflict with them will continue until Iran ends its support for them.

America and its Arab allies could be less receptive to assisting Israel in the event of an Iranian response to a counterattack on Iran. A targeted attack on a military or naval facility would be more palatable but would provide little long-term benefit or deterrent. A more likely target would be to increase attacks on Iranian proxies. Israel has already significantly downgraded the military threat from Hamas, effectively removing one of Iran's chess pieces from the board. An effective strike on Hezbollah coupled with some sort of covert action against key Iranian defense infrastructure would seem to be a more effective way for Israel to counter Iran's escalation, without jeopardizing the sudden upsurge in support Israel has received from the U.S., Britain, and its Arab neighbors.

Iran's attack has bolstered support for Israel, which had suffered from its war with Hamas.

The financial markets rallied at the open Monday morning and oil prices have stabilized around recent levels (\$85/barrel for WTI and \$90/barrel for Brent). The financial markets will remain on edge for the next few weeks. Passover begins next week but holy days have provided little protection from conflicts of late. The greatest threat to Israel is now Hezbollah, which has thousands of rockets positioned just across Israel's northern border. Congressional approval of a modest aid package to Israel would have a strong psychological impact on Israel and its adversaries. Its odds of passage have increased following this weekend's events.

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