

PUBLIC BRIEF

Research Brief

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NERAI Strategic Insights Lab
Election / Political Risk

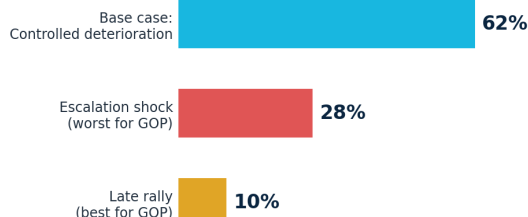
US-Iran Conflict & the 2026 Midterms: No Rally, Rising Costs

BOTTOM LINE

A foreign war is not rescuing the president - it is taxing him.

Five months into the US-Iran war there is no rally-around-the-flag dividend for President Trump. His net approval is flat-to-negative, Brent crude is up ~12% in 30 days to ~\$89, and the Strait of Hormuz is running -73% below baseline (SEVERE). The 2026 midterms are playing out as a competence referendum decided by suburban independents - and the conflict is reinforcing economic dissatisfaction, not producing patriotic solidarity.

90-day scenario probabilities (analyst estimate)



Strait of Hormuz

-73% (SEVERE)

Brent crude / 30d

+~12% (~\$89)

Trump net approval

~ -10

House flip prob.

62%

Executive Takeaways

THE SIGNAL

No conflict rally. Unlike 1991 (Bush ~89%) or post-9/11 (Bush ~86%), Trump has seen no durable approval bounce. Voters judge the war on competence - is it managed well? - not patriotism, and the verdict is mixed-to-negative.

THE ECONOMICS

Oil is the transmission belt. Brent +~12% in 30 days to ~\$89 and a -73% Hormuz collapse turn the conflict into pump-price pain for swing-state households, who punish incumbents for gasoline costs regardless of cause.

THE FORECAST

Base case: Democrats recapture the House (62%; ~10-seat GOP net loss, below the ~28-seat historical penalty thanks to redistricting). Republicans hold the Senate (58%) on a competitive but cushioned 2026 map. Tail risk: a high-casualty escalation shock in the final 90 days could flip it.

THE CORE READ

An index can be statistically elevated and electorally bounded at the same time. The Iran war is a marginal multiplier of economic dissatisfaction and a competence question - not yet a systemic rupture. NERA's indices will flag the drift toward a Democratic wave or a late Republican rally before the polls do.

The Strategic Read & Corrections

How NERA**I** reads the conflict-to-ballot channel - and the record corrections that keep the call disciplined.

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ONE CORRECTION WORTH NOTING

On the 2026 Senate map, Montana, Ohio and West Virginia are Republican-held (not Democratic targets), and Arizona and Pennsylvania are not on the 2026 Senate ballot. The 31 July Damietta (Egypt) drone strike was unclaimed and is not attributed to Iran.

EXPLORE NERA**I**

www.neraicorp.com - election & political-risk monitoring, calibrated indices, and scenario support. NERA**I** tracks the conflict-to-ballot channel in real time: oil-price transmission, approval drift, and the suburban-independent swing that will decide the 2026 House and Senate.