

US-Iran Conflict Briefing — Evening Edition, September 16

2026-09-16 · Evening edition · issued 20:00 CDT

Fed hikes rates for the first time since 2023 as war fuels inflation

- The Federal Reserve voted unanimously to raise its benchmark rate by a quarter point to 3.75%-4%, its first hike since 2023. New Chair Kevin Warsh said inflation is too high and has been for too long, with war-driven energy prices a key driver. — [WSJ](#)
- Markets recoiled: the Dow fell 631 points and the 10-year Treasury yield closed just above 5% for the first time in 19 years. Brent crude fell 2.7% to \$105.83 on expectations higher rates will cool demand. — [WSJ](#)
- Warsh declined to submit economic projections and acknowledged the Fed cannot affect individual prices such as gasoline. The hike defies President Trump's demands for rate cuts, setting up a White House-Fed collision. — [WSJ](#)

Beijing presses Washington and Tehran back toward talks

- Foreign Minister Wang Yi met Iranian counterpart Abbas Araghchi in Beijing, urging the US and Iran to show restraint, return to the Islamabad memorandum, and hold substantive consultations. — [Reuters](#)
- Wang pressed specifically for reopening the Strait of Hormuz and preventing the conflict from spilling into Yemen and the Red Sea. — [Reuters](#)
- The meeting comes about a week before an expected Trump-Xi meeting in Washington. Reuters notes China is Iran's main oil buyer; Treasury Secretary Bessent says the leaders will discuss Iran and China's financial links to Tehran. — [Reuters](#)

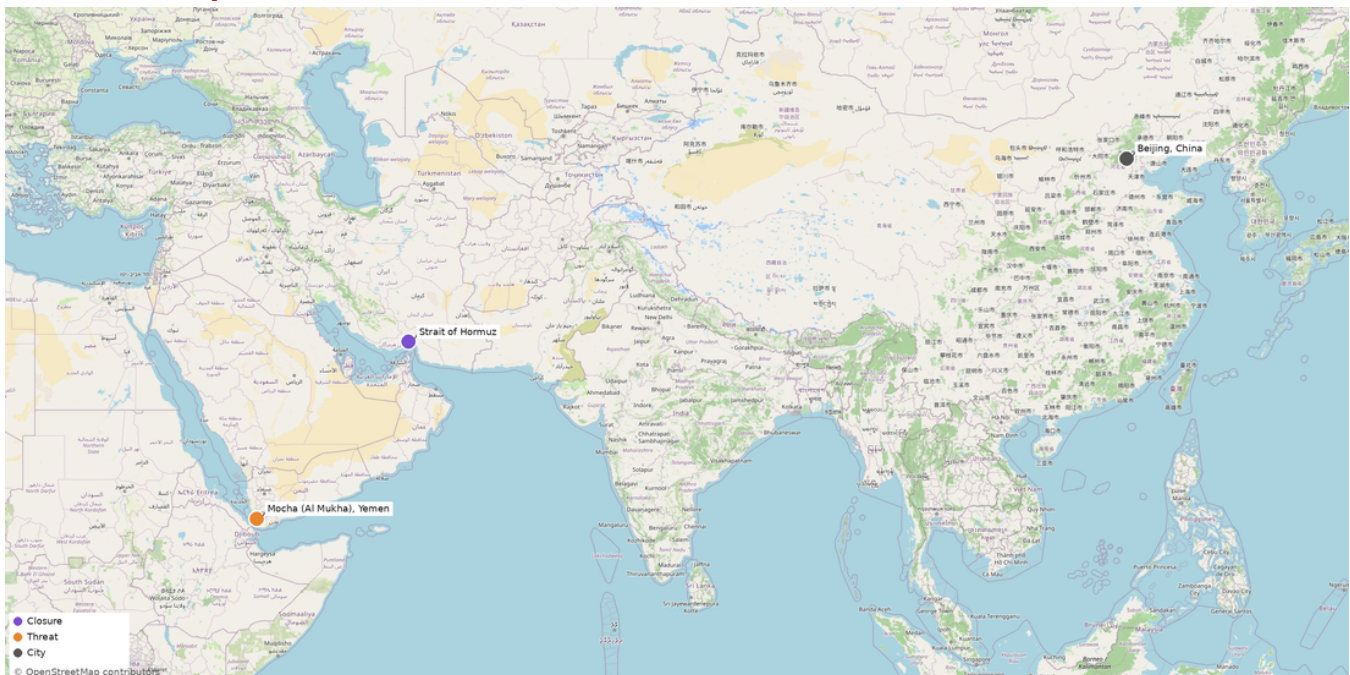
Reuters: Houthi Red Sea offensive is al-Houthi's biggest victory in years

- Abdul Malik al-Houthi's sweep along Yemen's Red Sea coastline — seizing Mocha and Perim Island at Bab el-Mandeb — is his biggest military victory in years, giving Iran-linked forces leverage over a second global chokepoint after Hormuz. — [Reuters](#)
- Al-Houthi has built a force of tens of thousands with drones and ballistic missiles that withstood years of Saudi-led airstrikes; with Hezbollah and Hamas leaders killed, he is now Iran's most prominent and resilient Arab ally. — [Reuters](#)
- The Houthis captured the port of Mocha and strategic Perim Island in the Bab el-Mandeb strait. Saudi Crown Prince Mohammed bin Salman called President Trump twice urging US strikes on the Houthis; Trump did not agree. The US has stepped up intelligence and targeting support for the Saudi campaign with tight limits — no direct strikes, no refueling. — [CNN](#)
- Houthi military spokesman Yahya Saree declared on September 13 that continued Saudi operations would be met with more severe and larger operations deep inside Saudi territory. — [Reuters](#)
- The UN refugee agency reports around 80,000 people have been displaced in recent days by fighting along Yemen's Red Sea coast. — [UNHCR](#)

What to watch next

- Hormuz: whether Beijing's push or quiet diplomacy ahead of the Trump-Xi meeting produces any movement on reopening; traffic remains minimal and competing claims — including the El Gaia tanker dispute — stay contested. Thirteen of fourteen Indian crew members are now rescued; one remains missing. — Agile Factor
- Fed fallout: how markets digest the hike, and how the White House handles Chair Warsh defying Trump's demand for rate cuts. — Agile Factor
- Red Sea: whether the Houthis tighten their grip on Bab el-Mandeb or the Saudi-led coalition counterattacks; the East-West pipeline repair clock (AP: three to five weeks) and the fishermen still missing after the Larak Island clash. — Agile Factor

Conflict map



Markers show reported strike sites, bases, and shipping areas. Purple polygons mark approximate or announced closure / exclusion zones.

Related media

■ CENTCOM on X (Sept 14): rejects the IRGC claim that the Panama-flagged tanker El Gaia struck a naval mine in Hormuz as FALSE; says Iran hit the vessel with a missile last month and a drone over the weekend.

Sources: [WSJ](#) · [Reuters](#) · [Reuters](#) · [CNN](#)

Compiled from X posts and traditional news outlets. Verify before acting on any single report.