

— A GEOPOLITICAL & STRATEGIC INVESTMENT BRIEFING

Quantum *Shadows*

What the ***Iran Conflict*** means for the next decade of capital allocation, sovereign defense procurement, and the architecture of 21st-century power.

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Quantum is the *silent architect* of dominance.

The Iran conflict is the first live examination of where quantum gaps exist in modern warfare, and the first map of where sovereign and private defense capital will travel in the decade ahead.

Issue I mapped the global quantum landscape and established that 2025 was the year markets recognized a race that had been underway for a decade. Issue II asks what happens when that race reaches the battlefield in real time.

COVER STORY

The Sovereign Era arrives,
with quantum as the strategic differentiator.

For a generation, capital flowed wherever goods could be made cheapest. That assumption, geopolitical stability as a permanent condition of markets, was merely a historical interregnum. The world is reorganizing around control, not efficiency. Energy, AI, chips, and quantum are the four pillars of national power in the era now beginning, and they are being funded, controlled, and contested accordingly.

This issue maps the conflict theater, the sovereign capital flows, and the procurement dynamics reshaping defense technology. *Issue III* will dive into the six quantum technologies that address the gaps the Iran theater exposed. *Issue IV* is dedicated to the convergence of quantum and AI as a unified thesis.

10^4

Battlefield Assets

A modern theater optimization problem, intractable to classical compute at decision speed.

RSA

2048-bit Encryption

The infrastructure protecting every website, bank account, computer, and classified military communication.

M20

Mach-20 Aerodynamics

Hypersonic glide vehicles whose speed and plasma sheaths defeat traditional radar.

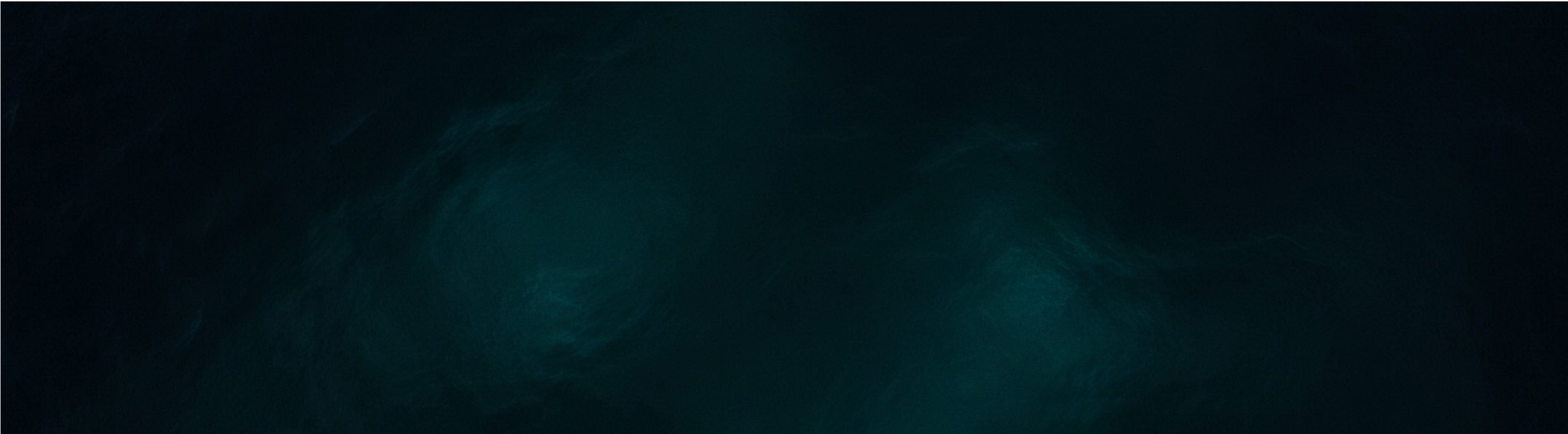
DISCLOSURE

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The map of *this issue*.

Quantum computing is the emerging instrument poised to define the outcome of the 21st-century geopolitical game of chess.



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A world reorganizing around *control*.

Since the end of the Cold War, the global economy has organized itself around a single principle: efficiency. Capital flowed wherever goods could be made cheapest. Borders became permeable. For a generation of investors, globalization was a condition of markets.

Recent geopolitical developments have shown that the underlying assumption of stability was a historical interregnum. As supply chains became sovereign imperatives a new age was ushered in: **the Sovereign Era**.

What is not visible in public markets is where these systems are actually being built. The most consequential companies are formed inside tightly networked ecosystems—defense programs, national labs, and technical founder networks—where capital is invited, not broadly intermediated.

A world reorganizing around control. Energy, AI, chips and quantum are the four pillars of national power in the Sovereign Era, and they are being funded, controlled, and contested accordingly.

Issue II of The Intelligence Wars begins on February 28, 2026, the day Operation Epic Fury commenced. The US–Israel strikes on Iran launched the most significant Middle Eastern military operation in a generation, the first that has rendered the gaps in legacy doctrine impossible to ignore.

The Four Pillars • Infrastructure of National Power

Energy

01

Hormuz remains the single most consequential chokepoint in global trade. 20% of the world's supply already disrupted.

AI

02

Operation Epic Fury marked the first large-scale operational deployment of AI in active combat targeting.

Chips

03

China cannot fabricate wafers smaller than 7nm, equivalent to Western 2018 technology. Export controls hold.

Quantum

04

The emerging instrument that may define the outcome of the 21st-century geopolitical game of chess.

THE ABACUS ANALOGY

For a handful of computational problems, *quantum is to classical what a calculator is to an abacus*.

For most modern computational tasks, scaling transistors is enough. But certain classes of problems do not become tractable by running the abacus faster.

Quantum computing can **optimize** a battlefield of ten thousand moving assets, adapting to adversarial moves in real time, something no classical system can match at scale. It can **crack** RSA encryption protecting every decisive military communication in existence, rendering current cryptographic infrastructure obsolete overnight. And it can **simulate** the aerodynamics of a hypersonic glide vehicle at Mach 20 and detect them through plasma sheaths.

Quantum computing is the emerging instrument poised to define the outcome of the *21st-century geopolitical game of chess*.

The shifting global *chessboard*.

The battlefield of modern warfare has expanded beyond the confines of historical conventional conflicts, beyond land, air, sea, and supply chains, into space, financial systems, media, and cyberspace.

Military Escalation

• China 20-yr Buildup toward Taiwan contingency, including barge-based invasion logistics. Now with a ship building capacity 200x greater than the United states ↑ 700% military spend	• Russia 2022 The invasion of Ukraine proved convetional territorial ambitions deemed a thing of the past, is not. State-of-the-art US missile defense proved obsolete against drone swarms and cluster missiles. → Doctrine of obsolescence	• Iran 200 Single-wave missile attacks now exceed 200 units, exposing structural gaps in legacy air-defense systems built for a different era of warfare. △ Saturation, not precision	• Ukraine 10³ Commercial drones adapted at low cost are neutralizing systems costing orders of magnitude more. The cost curve has inverted. \$ Asymmetric economics
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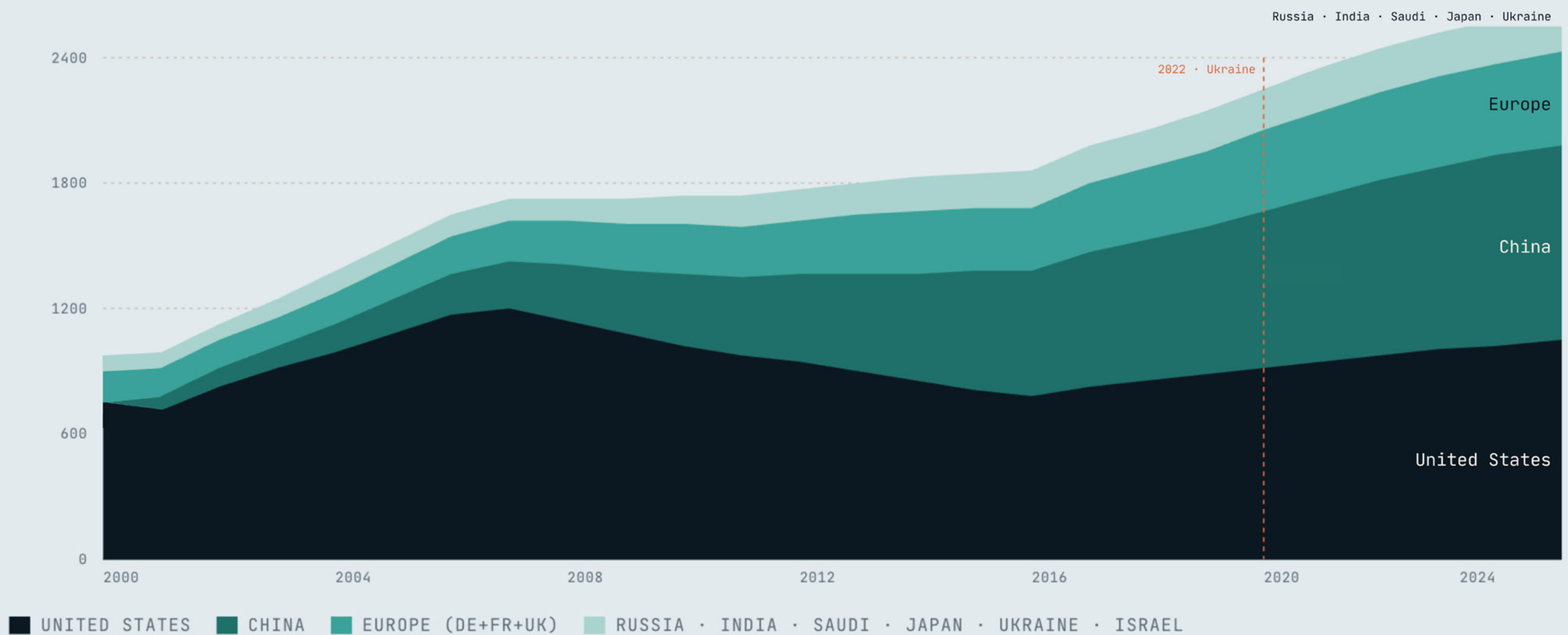
Defense Guarantees Under Question

Global military spending has increased 250% since 2000, driven mainly by the United States and China. Europe’s military had been shrinking for thirty years until Russia’s 2022 invasion triggered a rearmament at a pace not seen since the Second World War. The United States is openly questioning the security guarantees Europe had taken as given for decades, accelerating a rearming that was already underway.

FIG. 01 • STACKED AREA

Global Military Expenditure, 2000–2025

Constant 2023 USD, billions • 9 largest spenders
Europe = Germany + France + UK • 2025 = estimate



Source: SIPRI Military Expenditure Database • chart reconstructed by SevenTrain for this issue.

The United States is openly questioning the security guarantees Europe had taken as given for decades, accelerating a rearming that was already underway.

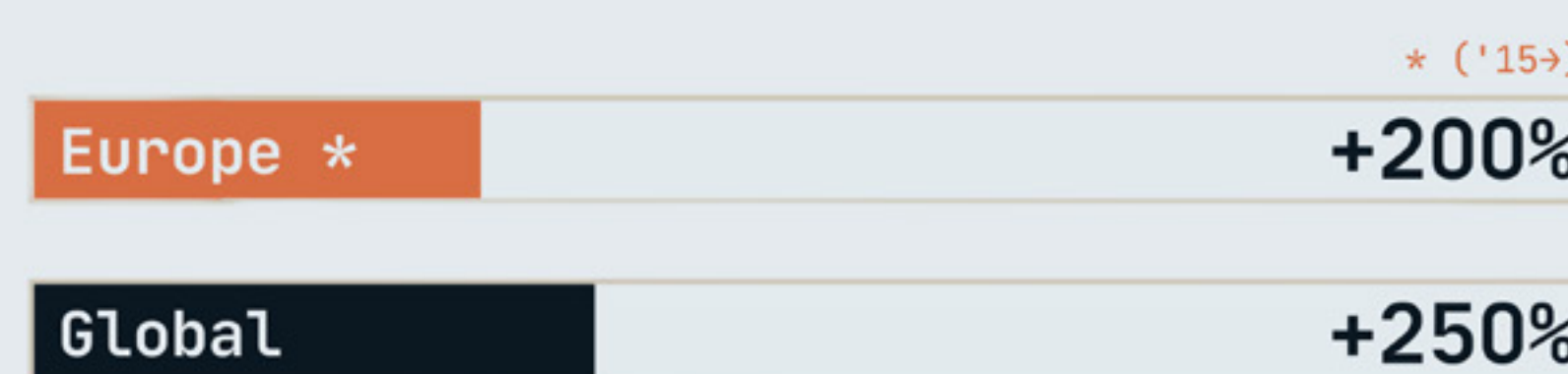


FIG. 01B • % CHANGE SINCE BASELINE



Weaponized Intelligence

Satellite

Iranian weapons were reinvented with access to **real-time Russian satellite intelligence**, enabling precision destruction of radars, missile defense systems, and satellite communications that would not otherwise have been possible.

Monetary

Foreign funds held in Western countries are **not truly sovereign**. The freezing of Russian and Iranian assets demonstrated that the monetary system itself has been weaponized.

Each is a node where a single actor can hold global systems at risk.

Energy

Russia/EU

In 2022, Russia leveraged Europe's dependence on its energy by threatening to cut supply in the event of European interference.

~40% EU gas import share, pre-2022

Semiconductors

US/China

In 2025, the US restricted semiconductor exports to China. China cannot fabricate wafers smaller than 7nm.

7nm PRC ceiling = West 2018

Rare Earths

China

China threatened to restrict exports of rare earth magnets, essential in every electronic device and modern weapons system.

90% Of global supply controlled

Energy

Hormuz

The Israel-US-Iran conflict has disrupted 20% of the world's energy supply. The single most consequential chokepoint in global trade.

20%Of global energy disrupted

Helium

Cascade

Helium is a byproduct of LNG production. When LNG operations stop, helium stops with it, and the \$1T+ AI buildout depends on helium-devpendent advanced memory chips.

35%Of supply currently disrupted

Food Security

Fertilizer

Natural gas is the primary feedstock for nitrogen-based fertilizers. When LNG flows are disrupted, ammonia production collapses, and with it, the crop yields that feed roughly 3.5 billion people. An energy crisis becomes a food crisis within a single growing season.

40%Of supply currently disrupted

This is analogous to the US relying on the USSR for steel and uranium during the Cold War. The world is starting to notice, and it has sparked the dawn of the Sovereign Era.

Financial Sovereignty

Dollar

Iran offered Hormuz transit in exchange for abandoning USD settlement on oil, directly challenging the petrodollar upon which American hegemony is based.

Realignment

Gulf states, India, and Vietnam are navigating a world where alignment with a single great power is no longer the default, or the safest option.

Gold

Central banks are increasing gold reserves at **the fastest pace since the 1970s**. Russia's 2022 sanctions showed that Western-held reserves are within geopolitical reach.

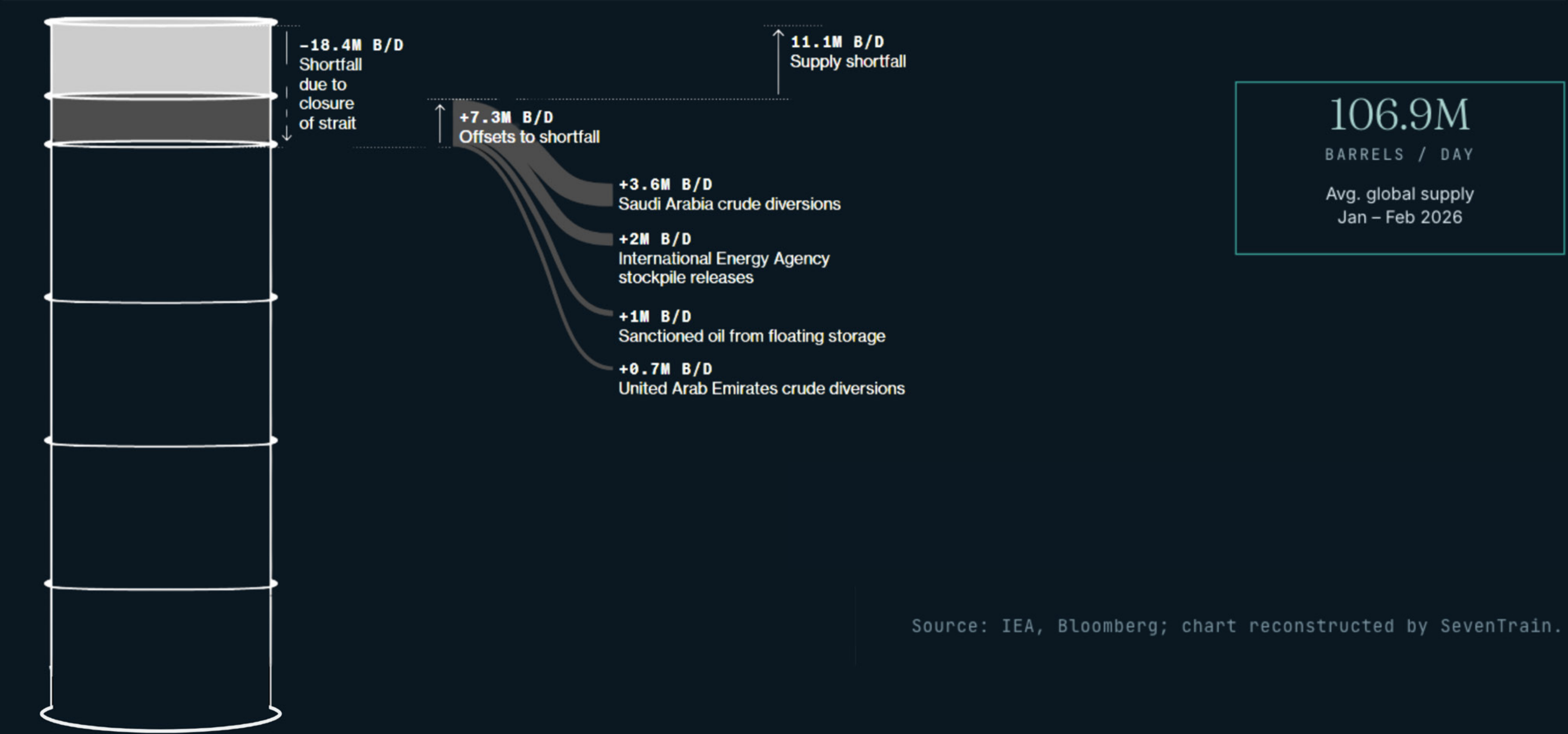
Trust

Tariffs and trade warefare against allies have weakened trust, the foundation of the dollar's position as the world's reserve currency.

FIG. 03 · FLOW RECONCILIATION

Disruptions in Oil Flow Since Strait of Hormuz Closure

Million barrels/day
Jan-Feb avg supply: 106.9M b/d



- AI Targeting

Compressing the kill chain from hours to seconds.

AI-driven intelligence gathering and targeting systems are collapsing the decision loop faster than human doctrine was designed for.

- Discombobulator

Energy weapons without lethal munitions.

Used to disorient and incapacitate enemy soldiers, deployed without kinetic force, a new category of non-lethal effect at scale.

- Ghost Murmur

Detecting the faint magnetic signal of a heartbeat at 40 miles.

Quantum magnetometry sensor capable of redefining the boundaries of battlefield surveillance. The first quantum platform deployed live.

WHAT IT MEANS

FOR CAPITAL ALLOCATION

In an era of geopolitical uncertainty, *weapons are a high priority.*

Defense budgets rise. Sovereign technology programs accelerate. The technologies that define military superiority, and with it, sovereignty, once again become a nation's top priority.

Energy, AI, chips, and quantum are the four pillars of sovereign infrastructure in the Security Era. Capital that understands this is poised to be correctly positioned for the decade ahead. Quantum-curious investors have the

opportunity to position themselves to capture the returns that are bound to follow when this spending starts generating meaningful commercial revenue. For that, they require **idiosyncratic insights** and a **fundamental understanding of the technology** to distinguish hype-filled press releases from genuine technological breakthrough.

More importantly, an understanding of how the ecosystems work, and where this spending will trickle down to.

Conflict reveals gaps. Government procurement accelerates the technologies that address those gaps. The Iran conflict has revealed history is repeating itself with the emerging technology of the era: Quantum technology.

WHY IT MATTERS

The ability to identify where procurement flows translates into company formation – and to **access** those companies before they become broadly investable – is the difference between observing this cycle and participating in it.

“Artificial intelligence is going to change the character of warfare fundamentally. Whoever gets there first, whoever figures out how to leverage this technology, is going to have a **tremendous military advantage**.”

20TH CHAIRMAN OF THE JOINT CHIEFS OF STAFF (2019–2023)

BIOGRAPHICAL

Highest-ranking officer in the US Armed Forces; principal military advisor to the President and National Security Council. Oversaw all US military operations globally during his tenure, including the response to Russia's invasion of Ukraine.

45 years of operational command experience across every major theater of US military engagement.

SECTION II

THE PROVING GROUND

Every transformative defense technology has been proven at war first.

Radar was a laboratory curiosity before the Battle of Britain made it indispensable. GPS was a classified military system before the First Gulf War demonstrated its operational value, after which civilian adoption became inevitable. The internet itself began as ARPANET, a Department of Defense project to maintain communications after a nuclear strike.

The pattern is consistent: conflict reveals gaps in existing capabilities, government procurement accelerates the technologies that address those gaps, and commercial applications follow the defense investment curve by five to fifteen years. The Iran conflict is following this pattern with quantum technology. History might not repeat itself, but it sure does rhyme.

The technology escalation that culminated in Operation Epic Fury did not begin in February 2026. It began in **April 2024**, when Iran launched its first retaliatory attack on Israel, over 300 drones and ballistic missiles, the largest direct Iranian military strike in history at that point. Iron Dome and allied intercepts stopped the majority, at interceptor-to-cost ratios up to 200:1 per drone defended against.

Four gaps, in particular, were rendered visible by the Iran theater, and one structural inversion that cannot be solved by buying more of the same. Each maps directly to a quantum technology application.

• Apr • 2024

Iran's first retaliatory strike on Israel

300+ drones and ballistic missiles. Largest direct Iranian strike in history at the time.

• 2025

Sustained sensor & navigation interference

GPS jamming becomes routine. The cost curve of intercept inverts.

• Feb 28 • 2026

Operation Epic Fury commences

First documented large-scale operational deployment of AI in active combat targeting.

• Apr 3 • 2026

Ghost Murmur deployed live

Quantum magnetometry crosses moves from the laboratory to behind enemy lines.

A STRATEGIC TAXONOMY

WHAT THE CONFLICT REVEALED

Five gaps. *One taxonomy.*

Each maps directly to a quantum technology application. Each was rendered visible by the Iran theater. Each is now a procurement priority.

The Radar Gap

Hypersonic glide vehicles fly below the horizon of missile-warning satellites and above the coverage of ground-based radar. They emit less infrared radiation, maneuver mid-flight, and at hypersonic speeds, ionized plasma surrounds the vehicle, creating a **plasma sheath** that interferes with radar signals and blocks communications. Current air defense was not designed for this profile.

Quantum Response

Sensing measures magnetic anomalies, gravitational disturbances, and quantum interference patterns that plasma sheaths cannot block.

The Navigation Gap

GPS jamming and spoofing have become standard military tools. In the Iran conflict, more than **1,650 ships** in the Gulf of Oman and Persian Gulf were simultaneously affected by interference. Iran has reportedly leveraged China's BeiDou to maintain its own precision while disrupting GPS-dependent adversaries, a capability gap quantum-inertial navigation is designed to close.

Quantum Response

GPS-level positioning accuracy without GPS, immune to jamming and spoofing.

The Cryptography Gap

Every encrypted military communication, intelligence assessment, and command system relies on RSA2048 or elliptic-curve cryptography — both broken, in principle, by Shor's algorithm. Adversaries are almost certainly executing "**harvest now, decrypt later**" operations. PQC must be adopted not when Shor-capable computers come, but now.

Quantum Response

Post-Quantum Cryptography migration as a compliance-driven revenue opportunity requiring no hardware breakthrough.

The Decision Speed Gap

Coordinating a defensive response to a 200-missile saturation attack requires processing sensor data, evaluating intercepts, allocating assets, and communicating decisions **faster than the attack develops**. The Iran theater stresses human decision timelines past their breaking point.

Quantum Response

Quantum-enhanced AI and optimization let decision systems operate at the pace of the threat, not the pace of the analyst.

The Cost Asymmetry

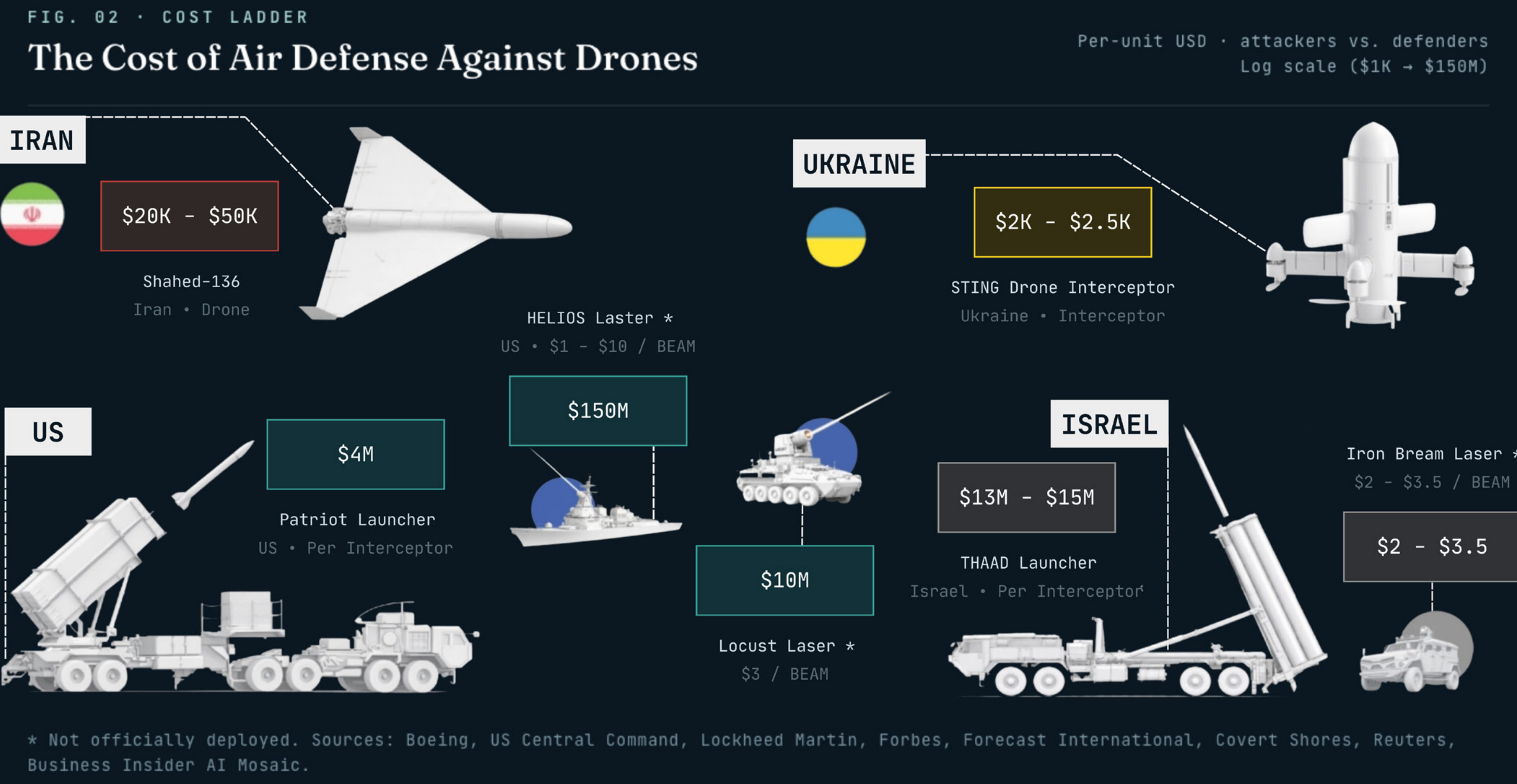
A single THAAD interceptor costs ~\$13-15M. A Shahed-136 drone costs under \$50K. A 200-drone saturation swarm costs roughly \$10M to launch, the same price as one defensive interceptor. The math is fatal to legacy doctrine.

Quantum Response

Real-time coordination of hundreds of autonomous interceptor drones, the combinatorial scale only quantum optimization can solve.

Coordinating a defensive response to a 200-missile saturation attack requires decisions **faster than the attack develops**.

The Iran theater stressed human decision timelines past their breaking point.



An adversary can *exhaust* a THAAD battery's inventory for a fraction of its procurement cost.



The inversion, using low-cost autonomous systems to protect high-value assets, rather than expensive missiles to chase cheap threats, represents one of the most significant doctrinal shifts in modern air defense. Quantum optimization is directly applicable: real-time coordination of hundreds of autonomous intercept platforms requires combinatorial speed and scale quantum-enhanced AI systems can deliver.

Ghost Murmur.



THE INVESTMENT THESIS

The gaps revealed in the Iran theater are not going to be filled by classical technology moving faster.

They are going to be filled by quantum technology moving forward.

Every DARPA program, every defense prime partnership, every sovereign government's accelerated quantum procurement timeline since February 2026 reflects this conclusion. The companies building quantum sensing, navigation, cryptography, materials, simulation, and optimization capabilities are the companies that will receive defense contracts in the next five years, and commercial revenue in the decade after that.

On **April 3, 2026**, a weapons systems officer from a downed F-15E Strike Eagle evaded capture for 36 hours in Iranian mountain terrain. He was located, according to US officials and confirmed by President Trump, through a CIA system designated **Ghost Murmur**, a quantum magnetometry platform developed by Lockheed Martin's Skunk Works division.

Ghost Murmur pairs long-range quantum magnetometry with AI signal processing to isolate the electromagnetic signature of a human heartbeat from background noise. Its underlying physics draw on **nitrogen-vacancy (NV) center technology**, trapped atoms with quantum properties within diamond lattices, which generate extraordinary magnetic sensitivity. Lockheed Martin holds an active contract under DARPA's Robust Quantum Sensors (RoQS) program, the same \$24.4 million effort that funds Q-CTRL's quantum navigation work.

Whether detection of a human heartbeat from the alleged 40-mile range is plausible is debated. What is not debated is that the deployment of quantum sensors in a live combat scenario validated their importance in this arms race. The classification of Ghost Murmur as an intelligence asset confirms that **quantum sensing has crossed from laboratory to operational**.

The procurement programs that follow a classified operational deployment are the programs that define the next decade of defense spending. Programs like this do not emerge in isolation. They sit on top of a network of suppliers, researchers, and early-stage companies that remain largely invisible to public markets. These are the layers where capital is mispriced—and where **access matters most**.

The intelligence is not a supplement. *It is the spine.*

Something changed in the spring of 2022 that has not been adequately named. It happened not on the battlefield but in a conference room at US Army Europe headquarters in Wiesbaden, where a covert meeting between American and Ukrainian generals produced a direct pipeline between Space Force satellite coverage and Ukrainian artillery systems, a shared kill chain operating in real time.

That arrangement, documented by the New York Times after three years as a closely guarded secret, marks the beginning of a new phase of great-power competition:

The Intelligence Wars.

Intelligence as the Weapon

Iran's missile arsenal, thousands of Shaheds, Fateh-110s, Fattah hypersonic glide vehicles, is formidable by volume. It is effective against infrastructure that does not move. It is largely useless against the assets that actually determine military outcomes: a warship continuously repositioning at sea, an aircraft on a tarmac whose location has not been disclosed, a THAAD battery that can be moved.

The Three-Power Oligopoly

Only three nations currently possess sovereign, full-spectrum space-based ISR at the scale required to be decisive enablers in a modern conflict. Everyone else is dependent on one of them. The bottleneck in modern warfare is not firepower, it is **live, precise, actionable intelligence**.

During the Cold War, intelligence support to a proxy was a slow, blunt instrument, spy plane photographs days old, diplomatic cables with position estimates already outdated on arrival. That latency functioned as a stabilizing buffer: superpowers could participate in each other's wars without becoming decisive in them.

That buffer no longer exists. When the Trump administration suspended the intelligence feed to Ukraine in early 2025, Ukrainian defenses deteriorated within weeks. Frontline positions collapsed. Forces retreated from Kursk.

The intelligence was not a supplement to the war.

It was the spine of it.

These targets are not targetable with the intelligence Iran can generate on its own. What Russia is providing Iran is **the difference between a weapon that can threaten and a weapon that can kill**. That is a closer confrontation than what was displayed during the Cold War. The US's live intelligence support to Ukraine has redefined the rules of proxy warfare.

Hegemon · Convener

United States

Space Force · NRO · Five Eyes

The only nation actively providing live ISR feeds at decisive scale to allies in active conflict. Ukraine 2022 set the template; Iran 2026 demonstrated it scales to quantum-sensor outputs.

Counter · Asymmetric

Russia

Real-time satellite feed to Iran

Providing the precision that turns Iranian volume fire into something more dangerous. The difference between a weapon that can threaten and a weapon that can kill.

Strategic Competitor

China

BeiDou · Micius · Origin Quantum

Sovereign navigation and quantum communication infrastructure already deployed in contested environments. The most underappreciated competitive dynamic in this space.

The inversion, using low-cost autonomous systems to protect high-value assets, rather than expensive missiles to chase cheap threats, represents one of the most significant doctrinal shifts in modern air defense. Quantum optimization is directly applicable: real-time coordination of hundreds of autonomous intercept platforms requires combinatorial speed and scale only quantum-enhanced systems can deliver.

SECTION IV

SOVEREIGN STAKES

Who's *betting* what.

TARGETING AI · LIVE V

“Adm. Brad Cooper, Commander of US Central Command, confirmed that AI tools played a direct and active role in identifying and striking **more than 5,500 targets** during Operation Epic Fury.”

THE INSTITUTIONAL READ · FROM THE ALLOCATORS

“Geopolitical realignment, particularly the shift in US–China relations, means major economies now treat each other as **strategic competitors**, and that directly influences investment risk.”

\$50B+

YEARLY GLOBAL PUBLIC
QUANTUM SPENDING BY 2030

SOURCE

FOUNDING PARTNER, INTREPID GROWTH
PARTNERS. MIT IMAGINATION IN ACTION
SUMMIT, APRIL 2025.

MARK MACHIN · FORMER PRESIDENT & CEO, CPP
INVESTMENTS (\$500B AUM)

Accelerating
Procurement

\$151B
SHIELD IDIQ
ceiling

US quantum defense investment has crossed from research into procurement. DARPA contracts are becoming operational deployments and IDIQ vehicles that will define the sector’s spending for the next decade.

Feb 2026	IonQ on MDA SHIELD IDIQ Position on the \$151B Missile Defense Agency framework. 2,400+ companies compete for task orders; IonQ’s inclusion signals quantum’s formal entry into the missile defense procurement stack.
Sep 2025	IonQ Federal launched Dedicated federal business unit consolidating quantum computing and networking for US government and allied deployment. Reflects sustained, predictable demand.
Nov 2025	D-Wave Advantage2 at Davidson Technologies D-Wave + Anduril Industries + Davidson partnership for quantum-enabled missile defense planning.
2027	NSA quantum-resistant mandate The Quantum Readiness and Resilience Act makes PQC migration government-mandated. All new National Security Systems acquisitions must comply by Jan 1, 2027.
Ongoing	Chicago Quantum Exchange \$300M in combined DoD and NSF authorized funding for quantum-classical hybrid development.

The
Strategic Competitor

\$15B+
est. quantum
subsidies (ITIF)

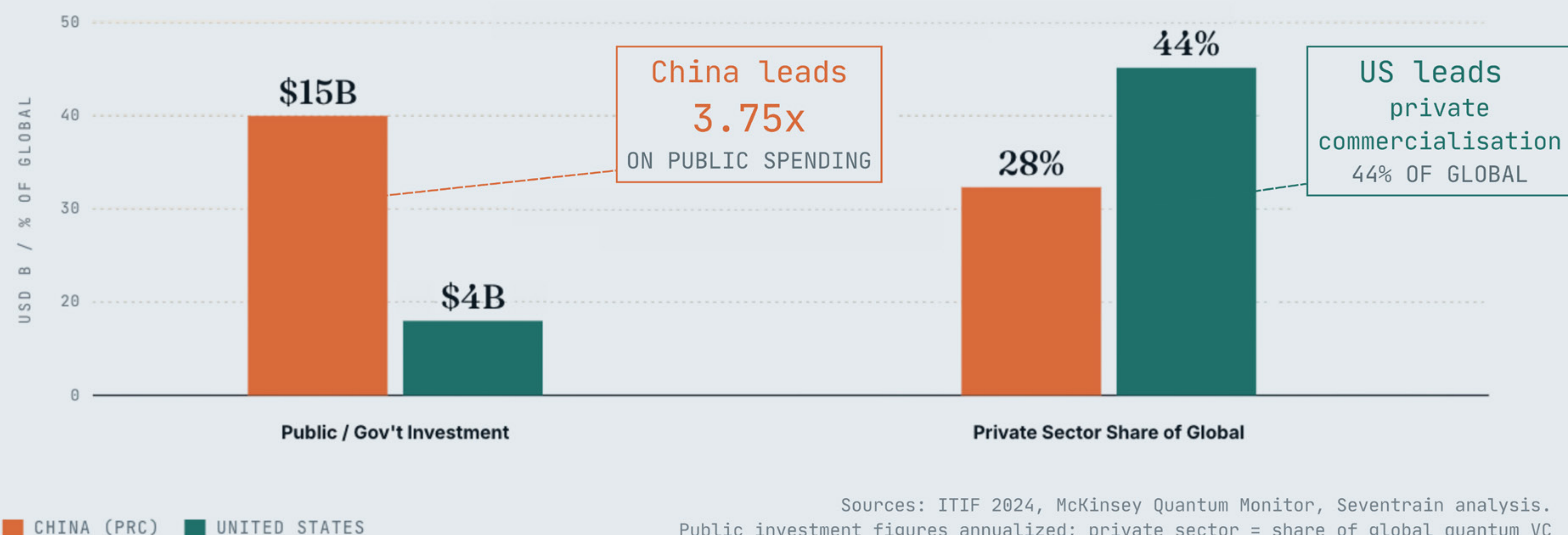
China’s program is the most important competitive dynamic in this space, and the most underappreciated by Western investors. A sovereign technology program with explicit military objectives, backed by state resources that dwarf private investment.

National	\$15B+ in quantum subsidies Per ITIF estimates, more than four times the US domestic quantum industry’s annual spend.
2025 Budget	\$55B in S&T allocation Quantum computing among the priority fields. A \$138B government-backed venture fund launched in early 2025 includes quantum as a target sector.
Plan	14th Five-Year Plan Explicitly couples quantum technology development to both military modernization and economic competitiveness, a dual mandate no purely commercial market can match.
Operational	Micius • BeiDou • Origin Quantum Operational satellite QKD over intercontinental distances. A precision navigation alternative to GPS the US cannot jam without jamming allied civilian systems. Origin Quantum has reportedly deployed 200+ qubit systems.
Assessment	Parity in sensing & comms Per ITIF’s 2024 assessment, China’s quantum sensing and communication research has reached parity with, or exceeded, US capabilities in specific domains.

FIG. 06 • ASYMMETRIC INVESTMENT

Quantum Computing US vs. China Investment Landscape

USD billions • % of global private funding
Public vs. private split



Capital will not move evenly. It will concentrate where deployment is inevitable.

QUANTUM ON THE BATTLEFIELD

FIVE APPLICATION DOMAINS

Where the capital *will travel*

Each domain is examined in greater technical depth in Issue III. This issue situates them within the operational context the Iran conflict revealed.

DOMAIN • 01

Quantum Sensing

Detecting hypersonic missiles, heartbeats, and enemy submarines through fields that plasma sheaths, stealth coatings, and ocean depth cannot interfere with. The Ghost Murmur deployment is the proof of concept.

DOMAIN • 02

Quantum Navigation

GPS-level positioning accuracy without GPS, immune to the jamming and spoofing that rendered 1,650 ships in the Gulf of Oman navigationally blind. The Q-CTRL category.

DOMAIN • 03

Quantum Cryptography

Defending against the inevitable arrival of cryptographically relevant quantum computers that will render RSA and AES essentially worthless against well-resourced adversaries.

DOMAIN • 04

Aerodynamics Simulation

Quantum algorithms to solve the fluid dynamics equations governing hypersonic vehicle design, compressing months of supercomputer simulation into hours.

DOMAIN • 05

Logistics Optimization

Coordinating the combinatorial complexity of modern warfare: thousands of assets, real-time adversarial adaptation, drone swarm coordination at a scale beyond classical HPC reach.

Issue III

Quantum × AI Convergence

Quantum sensing feeds AI targeting; AI-powered error correction accelerates quantum development; quantum optimization accelerates machine learning. Issue IV is dedicated entirely to this.

The four risks that define *positioning*.

V.01 - Cryptography

High Urgency

Q-Day & the harvest window.

Q-Day is the day a quantum computer breaks RSA2048, the foundation of the modern internet. The Global Risk Institute’s median estimate is 2032–2037. The NSA’s CNSA 2.0 deadline is 2035. The gap is not a period of safety: adversaries are already running harvest-now-decrypt-later operations. PQC migration is a compliance-driven revenue opportunity that requires no hardware breakthrough.

► Median Q-Day • 2030–2035

V.02 - Sensing Parity

High Risk

China’s parity in quantum sensing.

ITIF’s 2024 assessment found China approaching parity with the US in quantum sensing. BeiDou’s integration into Iranian operations demonstrates China’s willingness to deploy sovereign navigation infrastructure in contested environments. If China achieves sensing advantage first, submarine detection, hypersonic tracking, GPS-independent guidance, the strategic calculus shifts.

► Parity reached in select domains

V.03 - Capital Intensity

High Certainty

Capital intensity & consolidation.

Fault-tolerant quantum hardware requires \$1–5 billion per serious attempt over 10–20 year timescales. Of 200+ quantum hardware startups currently operating, most will not survive to the fault-tolerant era. Consolidation is a risk that must be diversified, and a structural opportunity for capital that selects correctly.

► \$1B - \$5B per serious attempt

V.04 - Macro

Medium Risk

The stagflation scenario.

A prolonged Hormuz disruption raises stagflation risk: energy and supply chain inflation colliding with slowing demand. Historically, defense budgets face political pressure in stagflation even as strategic needs remain unmet. The same disruption causing macro risk is the disruption validating the quantum defense thesis.

► Hormuz • helium • semis

FIG. 04 • FORECAST CURVE

Quantum Computing Market Projected Growth to 2040

Global quant market size (USD, billions)
Q-Day window shaded

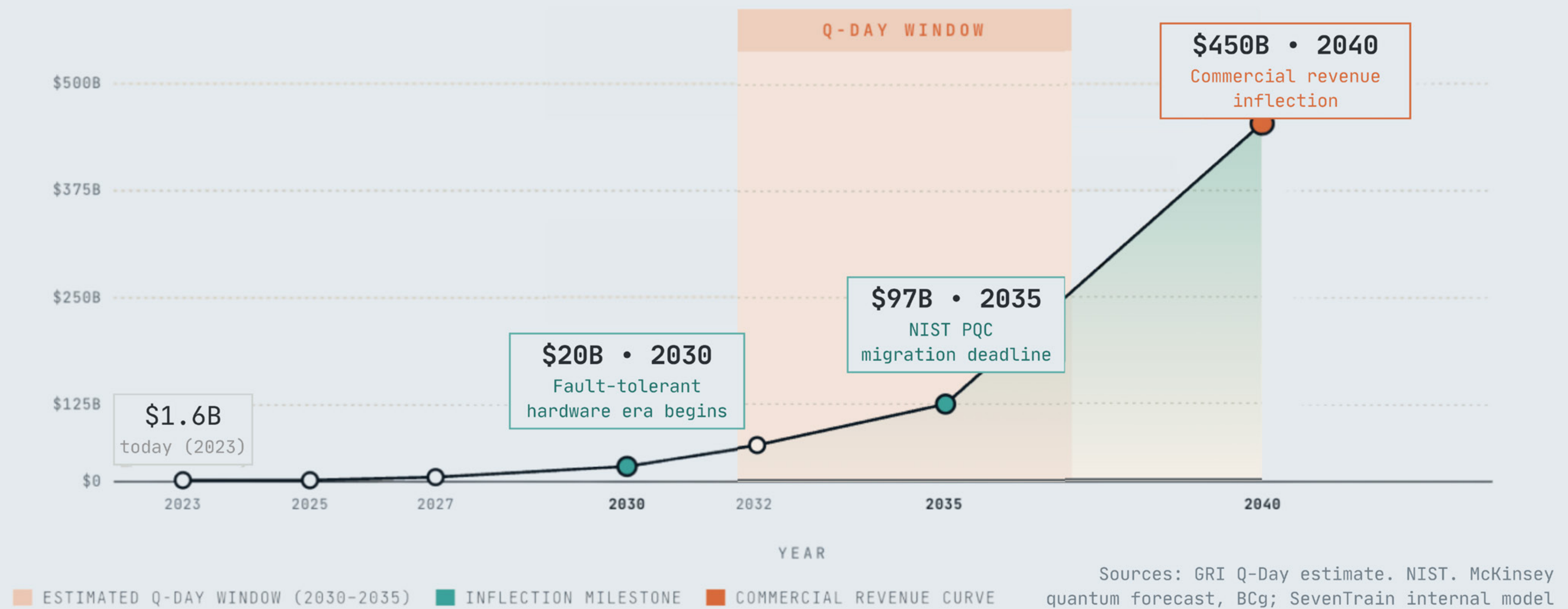
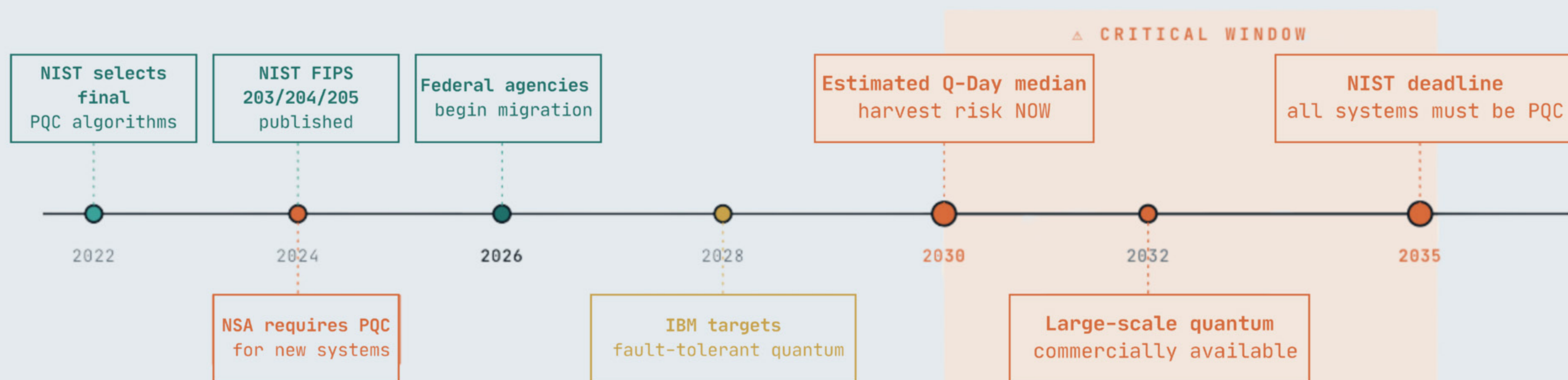


FIG. 05 • RACE AGAINST Q-DAY

Post-Quantum Cryptography Migration Timeline

Regulatory and scientific milestones
2022 → 2036



Sources: NIST, NSA CNSA 2.0, IBM Quantum Roadmap, Global Risk Institute.

A sublime responsibility.

Einstein allegedly once said, “I do not know with what weapons World War III will be fought, but World War IV will be fought with sticks and stones.” And although this arms race is egocentrically essential for each nation and its sovereignty, it must yield deterrence, not destruction. There is a sublime responsibility that comes with these advancements; let us ensure we nurture our wisdom as much as we do our technological capabilities.

In *Issue I*, we demonstrated the strategic importance of quantum technology. The market had only just begun to recognize what governments had known for a decade. We did not anticipate that *Issue II* would be written against an active conflict, demonstrating our thesis in real time.

The ceasefire rally confirmed that markets are watching for the shooting to stop. Its collapse confirmed that the structural thesis does not depend on the conflict continuing. The Iran conflict compressed years of analytical work into weeks: 1,650 ships GPS-jammed, helium supply disrupted, saturation missile attacks exposing radar gaps, and AI active in targeting for the first time. Every gap mapped in *Issue I* has been rendered urgent by events still unfolding.

This is the security era we described: technology as sovereign infrastructure, supply chains as strategic vulnerabilities. Quantum sits at the intersection of every one of these dynamics.

SevenTrain has spent the past year building a framework for this specific moment, not when quantum computing is mature and commercial, but now, when defense applications are active and underfunded, sovereign capital is accelerating, and private capital is still cautious. The companies that will define quantum defense have not yet been selected by a market that has not yet understood the selection criteria.

Over the past year we have been positioning at the intersection of these shifts – where defense deployment is active, sovereign capital is accelerating, and private markets have not yet fully adjusted.

The Intelligence Wars are already underway. Access – not visibility – determines advantage.

PUBLICATION

Quantum Shadows in Modern Conflict
The Intelligence Wars • Issue II of XII

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For informational purposes only. Does not constitute investment advice. SevenTrain Ventures holds a position in PsiQuantum, one of the companies discussed in this series.

For qualified investors only.

FORWARD

Issue III examines the six quantum technologies that addressed every gap the Iran theater exposed, at a technical and company level.

Issue IV is dedicated entirely to the quantum × AI convergence.

References

All factual claims, statistics, and company-specific data cited in this report are sourced from the references below. Sources marked () refer to events occurring during the active Iran conflict theater (Operation Epic Fury, February–April 2026); readers should consult current news sources for subsequent developments. SevenTrain Ventures' analysis represents its independent assessment of geopolitical and investment implications and does not constitute financial or investment advice.*

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