

A financial crash might now be the least of our worries

Published: March 8, 2026, 4:12 pm

As the Financial Times warned in its editorial on Saturday, world financial markets have so far not taken sufficient account of the threat that the war in the Middle East poses to them. The idea that US markets have fallen by only a very few per cent at most is, in their opinion, quite ridiculous. The threat from this war is almost existential to the value of many of the companies that are quoted on markets in the USA, London and elsewhere, in which case the limited scale of the response appears totally irrational.

As [I noted on Friday](#), there are other signs of turmoil. Some of BlackRock's funds have imposed withdrawal limitations. The number of jobs created in the USA during February was well below expectations. These are very real signs of stress in the oil and gas markets, and they are bound to have ramifications.

Monday morning could, then, be the day when markets crash after traders have had time to reflect over the weekend on just how dangerous the world economic environment is, particularly as it now appears that many commentators think it likely that Iran will be capable of keeping the Strait of Hormuz closed for several weeks, which is plenty long enough to create the major worldwide economic disruption that they are relying upon as a weapon of war.

The question I now have is whether the USA and Israel were aware of this when they commenced what is widely considered to be an unwarranted and illegal war. We have to either assume that they were, just as Putin was in 2022, naive in their belief that they could win this war in days (although what victory might have represented is unclear because they appear to have no specified goal for what victory might look like), or that they did not anticipate this outcome, or that they were indifferent to it. I think that the third option is most likely.

Both these countries are led by fascists for whom turmoil, fear and societal breakdown are weapons of domestic control, which is part of what they are seeking by pursuing illegal warfare overseas. So long as they have the inside market information that they need to exploit the situations that they are creating for personal gain, they will be entirely indifferent to the financial, physical or other suffering of those to whom they

are supposedly accountable.

Fascists do not care about their domestic populations or their well-being. In fact, the very opposite is true. They want those populations to live in fear. If people are fearful, fascists manipulate the stress of that emotion and use it to persuade them that there are threats from which the glorious fascist leader alone can offer protection, even though the exact opposite is true because they are creating the threats in question.

Meanwhile, these fascists accumulate personal power and wealth by extracting all they can from the economies that they exploit and the people whose interests they are supposed to govern.

This is what is happening now.

We can, in fact, now expect more extreme reactions because it is now far from clear that the USA and Israel are going to win the conflicts they have started in Iran, Lebanon and elsewhere simultaneously. The economic impacts are already severe, and when people in the USA realise that their energy costs are going to rise significantly, the backlash is going to be extreme, particularly given Trump's promise not to engage in more overseas conflicts.

So it is not just the risk of major financial meltdown that is now worrying me, although that is very real. What worries me at least as much is the possibility that these extremists, when cornered and when at risk of being shown up as the illegal international facilitators of war crimes, will react even more severely and release yet more mayhem, including through the use of nuclear weapons, a possibility that cannot now be ruled out.