The crisis is emerging

Published: June 8, 2026, 6:19 am

The real-world signs that people and economies are reacting to the consequences of Trump's war on Iran are growing by the day, and none of them indicates good outcomes at present.

As the Financial Times has reported:

European motorists have cut back at the pump in response to a surge in petrol prices caused by the Iran war, triggering the largest year-on-year decline in Eurozone fuel sales since 2023.

They added:

The trend is echoed in the UK, where motor fuel sales declined 10 per cent year-on-year in April after strong growth in the previous month.

And as The Guardian has reported:

Airlines will have to spend an extra $100bn on jet fuel this year, with fares "inevitably" rising to cover the bill after the war with Iran choked off oil supplies.

They added:

"High oil prices will inevitably mean higher ticket prices," said Willie Walsh, Iata's director general. "There's just no way to avoid that."

"It's going to be very challenging and for a lot of airlines the increase in the fuel bill is potentially existential."

Note that last point: the survival of some airlines is already in doubt. This is no minor blip.

These, I would stress, are just the beginning. They are the inevitable signs that everything is going to get worse.

The employment market is also seeing the consequences. [The Financial Times has reported:]

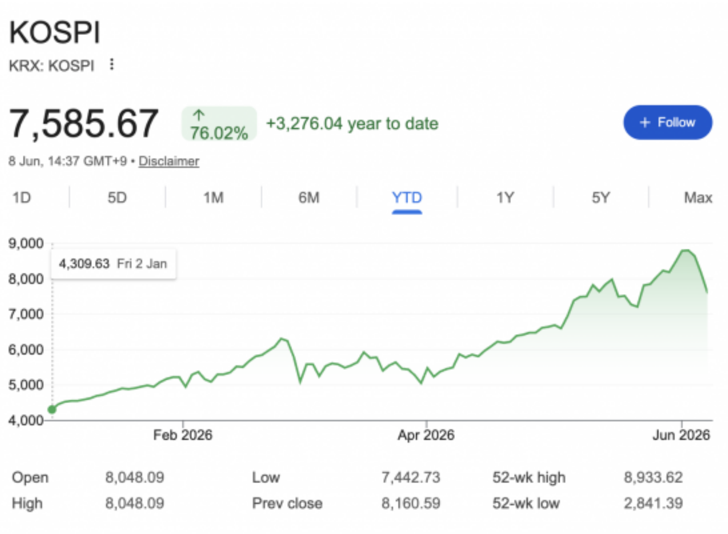
UK employers are taking on temps while pulling back on permanent hiring as the Iran war compounds existing cost pressures and clouds the economic outlook.

Recruiters reported a widespread decline in placements of permanent staff in May, according to a monthly poll published on Monday by KPMG and the Recruitment & Employment Confederation, which also showed the strongest upturn in temporary billings for three years.

The likelihood of a serious slowdown in growth and rising unemployment is increasing.

Meanwhile, South Korea's main stock market index plunged by 8% in trading last night.

After a year in which the index rose by more than 80%, after many years of relative stagnation, it looks as if the AI bubble that has driven this index upwards has burst, following falls in the NASDAQ index in the USA on Friday.



The simultaneous possibility of a major financial crisis, spurred by the end of AI hype, coupled with a real-world crisis driven by oil, energy, food, and other raw material price increases resulting from Trump's reckless war, is now more likely than ever.

I have been predicting this for some time.

Now the reality is appearing.

Right now, there are no signs that this will end well.