

The moment of desperation is approaching very fast

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Trump did a deal yesterday with Russia to supposedly release 3 million tonnes of diesel from Russia's reserves over the next few months. I do not know the price, but the sum is significant because this is a refined product, not crude oil.

The issue, however, is not the price. It is its significance and consequences.

The significance is threefold.

First, despite all Trump's claims, it is clear that oil is not flowing through the Strait of Hormuz as a result.

The second is that Trump does not expect it to do so. Iran and the Houthis have created a stranglehold.

The third, and most obvious, is that Trump is consequently willing, to save his own skin, to do a deal with Putin, the benefit of which will be that Putin has the funding he needs to continue the war in Ukraine.

The consequence is a massive rift in the relationship between the EU, Britain, Ukraine and the USA.

Russia is also being empowered at the same time, which can only increase world tensions at a time when they are already being artificially inflated by politicians' hype.

The world did, then, become a considerably more dangerous place last night, and all because Israel did, earlier this year, persuade Donald Trump to go to war on Iran, and there is no prospect of either of those countries coming out of the resulting debacle with any hint of a victory. Instead of conceding, however, Trump is willing to do a deal with a fellow fascist. That is the world we live in now.

Let's be clear, this deal covers only a few months. The crisis will continue thereafter.

From April this year, I forecast that we would face shortages of fuel, gas, food, and

other raw materials from late summer onward, with issues becoming critical in October. It seems that I got my timing absolutely right.

Trump is now panicking. No other explanation explains this deal, which trashes most aspects of normal international relations the way the Molotov–Ribbentrop Pact between Germany and Russia did in 1939. That ended badly, and I suspect this one will, too.

The signs that we are heading for a crash grow almost by the day. The AI share price market saw a major disruption this week when OpenAI admitted its revenues were \$20 billion a year less than markets had thought. They also admitted they will burn through \$250 billion in cash over the next few years, which is the equivalent of five times their current annual revenue. If ever there was an economic model waiting to collapse, that is it.

And the Financial Times is this morning forecasting a major meltdown in the airline industry because of the crisis created by the cost of jet fuel. Even Ryanair is saying things are getting desperate. Failures in that sector were among the other forecasts I made.

And the impacts of food shortages have not hit as yet.

I said [in a video yesterday](#) that politicians would reach for MMT when they were desperate, and they have no choice but to change. I think that the moment of desperation might be approaching very fast.