

Alex Krainer: Who Profits from The War? The Financial Agenda Behind Conflict.

This interview analyzes rising tensions in the Middle East, focusing on recent threats of intensified military action against Iran. It argues that aggressive rhetoric lacks credibility and may be aimed at influencing markets rather than reflecting real strategy. The discussion highlights how financial pressures, rising oil prices, and global debt are shaping decisions, warning that escalation could trigger economic instability worldwide. It also suggests that powerful financial interests play a major role in driving conflicts over resource control. The conversation concludes that modern warfare dynamics, shifting global alliances, and declining trust in institutions point toward a dangerous and uncertain future.

#Nima

Donald Trump said there's a new sort of message from him, something so important he had to address the nation yesterday—and he did. But basically, it was nothing new. It was kind of an abstract of what he's been saying so far on his social media, considering all the posts he's been making every day on his network and elsewhere. It was some sort of combination of all of them. And one of the messages he had, which caused some reaction in Iran, was when he said, "We're going to hit you hard, back to the Stone Age." And here's what he said, Alex.

#Guest

Tonight, we are on track to complete all of America's military objectives shortly—very shortly. We're going to hit them extremely hard over the next two to three weeks. We're going to bring them back to the Stone Age, where they belong. In the meantime, discussions are ongoing. Regime change was not our goal. We never said regime change, but regime change has occurred because all of their original leaders are dead. The new group is less radical and much more reasonable.

#Nima

Yeah. Here, what Pete Hack said—again, repeating what Donald Trump said, "back to the Stone Age." And the response from Sayyid Majid Mousavi, who is the head of the IRGC Aerospace Force in Iran, was: "It is you who are taking your soldiers to their graves, not Iran, whom you seek to drag back to the Stone Age. Hollywood delusions have so poisoned your minds that, with your paltry 250-year history, you threaten a civilization over 6,000 years old." And you see, Alex, how do you see the way Donald Trump is trying to threaten Iran? Because it's not just about what was—you remember the atmosphere before the war started. Iran didn't want to go to this war. They did everything to bring some sort of sanity, negotiations, agreement, you know. But Donald Trump decided to go with

this war. And right now he's repeating the same thing. And what's changed in Iran is that nobody is afraid of what Donald Trump is trying to, you know, picture or draw anymore. What do you make of it?

#Alex

Well, there are two parts to this question, right? One is the content of Trump's message, and the second is the credibility it has or gains. As far as the content goes, I think it's very sad to hear because there's a certain obscene vulgarity to it that's completely unnecessary. What is this business of bombing a country into the Stone Age? Why? Why would you do that? Why would you even think that? What has Iran done to you? Nothing at all. So you just chose to beat somebody up who hasn't provoked you. And then, as you beat them up, you're also saying these are the most evil people in the world, we're going to bomb them back to the Stone Age, where they belong. Why should Iranians belong to the Stone Age? What is he saying—that they're Neanderthals, that they're Cro-Magnons?

This is so ugly and so unnecessary. It doesn't achieve anything. It appeals to the lowest level—the lowest passions in people who believe him—which is a very, very shrinking segment of the population. And then, as far as his credibility goes, the percentage of people who actually believe what Trump and Hegseth are saying is getting smaller every day. But, you know, we don't even have to be too abstract about it, because it seems to me that Trump's intention with this is, in large part, to try to give confidence to the markets. The United States is in a lot of trouble if interest rates continue to rise—and they are rising. I think about a third, or roughly 30%, of U.S. Treasury debt rolls over this year. And every 1% rise in interest rates adds about \$300 billion in interest.

#Alex

...to the total debt-servicing burden of the United States. So it seems to me that he's trying to boost market confidence, keep interest rates low, keep oil prices low. And I think that's the whole point of these speeches, because, as you noted, he never said anything new. But then, you know, what's interesting to look at is how the markets reacted to his speech. When he started speaking, I think the oil price was about \$102 or \$103, if I'm not mistaken—quite low, well, low 100s. And then, as he spoke...

#Alex

The price went up to about \$104. Well, guess where it is this morning—less than 24 hours after his speech? It's close to \$112 a barrel. So obviously, the markets don't believe him. Nobody believes him. His whole dog-and-pony show is getting very, very counterproductive. And you know, markets are unforgiving. They don't care; they don't have any ideology. These are the collective actions of hundreds of thousands of market participants who don't care, who make their trading decisions for their own reasons—and they've clearly given their verdict: they don't buy Trump's rhetoric.

So, you know, I think it was on your podcast a few weeks ago that I said the only way for him to save himself would be radical truth therapy. That is, he owns up to the disaster he created. He could say, well, I was listening to Kushner, I was listening to Hegseth and Rubio and Witkoff, and they all gave me very bad advice. Fire them all and say, sorry, that won't happen again. That would be humiliating, but it would be cutting your losses. You're supposed to cut your losses when you've done something wrong, not double down like a gambler.

And he's obviously doubling down like a gambler. Nobody's buying it anymore. The markets aren't buying it anymore. So from here, we can see that oil prices are probably going to go higher, and interest rates are probably going to go higher. And again, you know, oil prices at \$112 a barrel may seem high, but I'd like to remind your listeners that they were already at \$140 in 2008, and at \$120 in 2022. So \$112 is not particularly high. This could go to \$150, it could go to \$200—we don't know where this could go. But Trump would be well advised to cut his losses and...

#Alex

But he won't. And what he's risking is complete and total catastrophe.

#Nima

Because part of his plan, he said, is that he's going to hit the energy grid in Iran. And this could, you know—the repercussions of that sort of attack on Iran, how Iran would react toward the Arab states and Israel—that is hugely dangerous, consequential for what you've just said. And it seems that he's going to do that, Alex. I think in the next two to three weeks we're going to see Donald Trump intensifying the attacks on Iran and the response from Iran. How do you see that? You know, as time goes by, in a short period of time, do you think it's going to get to \$150 in three weeks? Or if he intensifies the attacks and the response comes, I would argue many of these oil and gas facilities could be hit by the strikes if it goes in that direction.

#Alex

I think it would be impossible to predict this, Nima. Commodities markets are relatively small compared to treasuries and equities, for example, and currencies. Those are huge markets. Oil is relatively small. All commodities are relatively small by comparison, and they're very sensitive to liquidity issues. So you could manipulate the price of oil down—and also gold, silver, and everything else you need to lower the price of—by constricting the liquidity available in the markets. The problem is that if you do that, you'll also get a big reaction in the treasury markets and in the equity markets. So the stock market would go down, and the bond market would go down—I mean, the prices of bonds—and then you'd have a corresponding increase in interest rates. So they've really painted themselves into a corner.

So, in order to keep markets from crashing—the bonds, stocks, and everything—they need to keep pumping liquidity into them. But that also raises the prices of other things. It's a flood that lifts everything. Gold's going up, silver's going up, agricultural commodities are going up, and energy prices are going up too. So whatever they do, it's going to be bad. There's no good outcome. Before this war started, I said the only winning move would be to just dump Israel and leave them to their own devices—to stay out. But for some reason, Trump and his people chose not to. They chose to join Israel, to fight Israel's war for them. And now there's really going to be hell to pay. There are no good solutions at all—none for them.

You know, in 2012, the British Ministry of Defense was predicting that the price of oil, due to geopolitical instability and the energy crisis, would go to \$500 a barrel. They said that would happen in 2040—twelve years from now. But we don't know; it's impossible to say. One problem with all this liquidity that's been pumped into the market—not just since the war started, but really since 2009—is that we had quantitative easing. More and more money was flooded into the markets, creating this enormous amount of liquidity in the so-called shadow banking system. The shadow banking system consists of financial institutions that have a lot of liquid, investable money, but they can't create it the way banks can. They can't issue loans from nothing.

So we're talking about pension funds, hedge funds, private equity, insurance companies, endowments, charities, and so on. The total amount of money in the shadow banking system is about \$220 trillion, right? And if they see oil prices going higher—if they get concerned that energy prices are rising—and just a small number of these money managers decide they want a bigger allocation to crude oil, natural gas, or things like gold and silver, they can cause a massive spike in those prices. We've seen over the last ten years or so that one asset after another, once it gains traction and popularity, goes almost vertical. One of the last ones was silver, which I think practically quadrupled in four years—it went from around \$20 to about \$100 an ounce just a few weeks ago.

And the price of gold more than doubled. We saw things like NVIDIA, Tesla stock, Bitcoin, cobalt, palladium—a lot of these assets have this hockey-stick dynamic where, once they start moving up, the move tends to accelerate. I think the reason is that all this liquidity is sloshing around in the markets, and it's so enormous that once some investment becomes popular, you get a big stampede. So if that happens with crude oil—who knows—maybe we get to \$200 within this year, maybe \$500 in two or three years. It's impossible to predict, but this was all unnecessary. It shouldn't have happened, and it will end up costing enormous amounts of money to people who can least afford it. I think it will put billions of people at risk of poverty and famine around the world.

#Nima

Yeah. Alex, you know, we had the CEO of JP Morgan—Jamie Dimon—and he was somehow encouraging Donald Trump to continue this war. It doesn't matter what the consequences would be for the market. Here's what he said, Alex.

#Speaker 04

You know, the markets are unpredictable, and it's hard for me to tell you exactly what will happen. But I think they're just looking at whether there's a chance something could go wrong. Now, we should all hope nothing goes wrong. We should all hope that these bad people—well, that we win this thing, clean up the straits, and that Iran is no longer a threat to everybody. But, you know, the markets will be concerned until it's over. Still, I think it's very important—it's much more important that this be successfully completed than what the market does.

#Speaker 05

That sounds like what the UAE, Saudi Arabia, and the Gulf states are saying: finish this off the right way. They see the urgency here.

#Speaker 04

Do you? Yes. I hear some people say they weren't an imminent threat. A threat means I'm threatening you—I might do something bad. These people have been doing bad things for 47 years. They've been killing people, they've been killing Americans. They funded that terrible Hamas attack. Several Americans were killed on October 7th. And they've had proxy wars, they've been threatening people. I think people are surprised to find out they have a ballistic missile that can go 3,000 miles. These are bad people. Yeah.

#Alex

So that's the CEO of JP Morgan. How and why does he weigh in on geopolitical issues? How and why does he get to say that Iranians are bad people? They're killing Americans? Why does the United States have twenty-some military bases surrounding Iran? Why? Why are they there? That's not the United States—that's not their neighborhood. The explanation is that banks like JP Morgan have financed the development of energy assets in the West Asian region, and the sales of those resources generate revenues for these banks because their clients—like BP, Shell, ExxonMobil, and Chevron—have loans. JP Morgan has financed their operations in West Asia, and when their clients repay those loans, that's direct revenue for them.

Now, those loans are secured by the natural resource wealth of the region as collateral. So if the Iranians blow up the oil infrastructure—the facilities, the whole shipping network—then their clients' business goes to zero. They won't be able to repay those loans. And if those loans can't be repaid, they become bad loans, they become losses. The loss of that collateral, the loss of that revenue stream, could actually collapse the Western banking system, because the whole system is very fraudulent. It's completely fraudulent. It's like an inverted pyramid balanced on a relatively small segment of real money—good collateral.

But then on top of that, you add, you hypothecate and re-hypothecate, and you build this big, giant, inverted pyramid. If that "money good" collateral is removed, the whole pyramid could collapse. The only way to keep it from collapsing is to print money out of thin air and backstop all those bad loans. So obviously, from JP Morgan's and Jamie Dimon's point of view, Iranians are very bad people—because they might have something to say about whether that natural resource wealth in the region belongs to the people of that region or to Wall Street or the City of London. As far as Jamie Dimon is concerned, obviously, it belongs to him.

As far as the people in the region are concerned, it belongs to them. Now, if you're able to intimidate them and bludgeon them into submission so they say, "Okay, we'll be your slaves. We'll work for you, but you can take most of the wealth from here," then he's going to say, "Oh, they're wonderful people. They're democrats, they're liberal, and all these nice things, you know. They respect human rights and everything, you know, acknowledge all the genders and pronouns and so forth." But if they say, "No, this is our wealth, we're going to decide how it's going to be used," then they're obviously very bad and should all be bombed and destroyed—back to the Stone Age.

Uh, and that's, as Jamie Dimon gave away, he said, that's more important than the prices and the markets and all these things, because without political control of the region, you lose access to the collateral. And if you lose access to the collateral, then the whole Western system collapses. That is, it's not going to collapse because they, you know, in stages, took complete control of the financial system—especially since the pandemic, right? And so what that means is that the Fed can print unlimited amounts of money to backstop all these losses and give it directly to the banks. That is, it's not direct, because it would be illegal, but they've invented little loopholes and cutouts so that, rather than the Federal Reserve buying the bonds of these failing institutions, they do it through an intermediary.

Okay, they kind of made an illegal thing legal—if you don't question it too much. But what that means is, you know, if you're printing money out of thin air, you're stealing purchasing power from your entire economy, from every person who uses dollars for their business—to earn money, to pay their bills, their pensions, their education expenses, and so forth. So what you're doing is diluting the purchasing power of the currency that everybody else depends on. And over time, what you get is inflation, which means everybody becomes poorer just so JPMorgan doesn't fail. So, you know, of course, you could even question, why on earth is Jamie Dimon even on television? Why is he on Fox News?

It's because the whole media thing has become a public relations industry. So if Jamie Dimon has to come out to persuade people that war is good, that we should fight this war harder and quicker—well, then, you know, the media is there for that. And nobody's going to tell them the story that you and I are discussing here—that this is a horrible idea, that it's unjust, that it's unfair, that it's barbaric, obscene, vulgar, and dishonorable. It's very ugly. And maybe if you live outside of that

media space, you see just how ugly it is. If you're inside it, maybe you think, "Oh yeah, the Iranians are bad, they're terrible people, this is correct, this is right, we should fight this war." But, you know, we've been here before.

We've seen all this before. Saddam Hussein was really, really bad, and we had to go fight him. Bashar al-Assad was killing his own people, so, you know, we had to go fight that war. Muammar Gaddafi was a madman, so he had to go. And, you know, Slobodan Milosevic was horrible—we had to go there. The Taliban, terrible—we had to go fight that war. Manuel Noriega, horrible person. Salvador Allende was a communist, so that had to be done. It never ends. It never ends. There's always a justification. Every story is its own story. Every war is justified somehow. And you always have a segment of people who think, "Okay, they lied to us about all these things, but God, you know, when it comes to Iran, I'm sure they're telling us the truth."

So, yeah, you know, uh, let's destroy Iran, and then, and then, you know, maybe war will be at peace—except it won't, because next it'll be Turkey, then it'll be Pakistan, then it'll be China, then it'll be back to Russia, and so forth. So this will never end. It'll never end until people say, "Stop, enough." Well, people did say stop and enough, to be fair. And the American people, they consistently vote for anti-war candidates. But by now, we should've learned the lesson that the whole system is rigged. The system doesn't work. You vote against war, you get more war. So the whole system is broken. I'm sorry to say, but if there's a silver lining in all this, I think that every last person with an IQ above room temperature should understand that the system is broken—that it's impossible to vote your way out.