12 Gigantic Red Flags Warning of Economic Trouble

We are facing a global energy crisis, a global debt crisis and a global inflation crisis all at the same time. In all my years, I have never seen anything like this. Two of China's largest shipping companies just decided to stop sending their oil tankers through the Strait of Hormuz and the Bab el-Mandeb Strait. Meanwhile, diesel prices are heading into the stratosphere with no end in sight. Supplies of diesel fuel are going to get so tight during the months ahead. At the same time, bond yields are surging as the global debt crisis escalates. The U.S. national debt is about to hit 40 trillion dollars and the debt to GDP ratio in Japan is nearing 250 percent. We are caught in a global debt spiral that is out of control, and inflation has become a major issue all over the planet. Anyone that thinks that there is an easy answer to all of these problems is just being delusional.

Just within the past 48 hours, there have been some absolutely enormous developments. The following are 12 gigantic red flag warning signs for the economy…

1. The crack spread for diesel fuel in the United States just surpassed the $100 mark for the first time ever. Our trucking industry runs on diesel, and so this is going to have enormous implications for all of us…

> *The U.S. diesel crack, a key measure of refining profitability, hit an all-time high of $ a barrel on Monday as global supply disruptions from the wars in Iran and Ukraine run into peak agricultural consumption season.*
>
> *Measured as the premium of U.S. diesel futures over U.S. West Texas Intermediate crude oil futures , the U.S. diesel crack was trading at $ a barrel, up 2.4% from Friday, as of 11:56*

a.m. ET. The crack has hit new intraday record highs in five of the last six sessions, reflecting growing concerns about fuel availability as fresh attacks on Middle Eastern refineries added to existing supply disruptions.

This is a monster story.

When I first saw the chart posted below, I was visibly stunned…

2. Two Chinese shipping giants have decided to stop sending their oil tankers through the Strait of Hormuz and the Bab el-Mandeb Strait for the foreseeable future. China normally purchases more oil from the Middle East than anyone else by a wide margin, and so this is a very big deal…

3. Yet another commercial vessel was just attacked in the Strait of Hormuz. This just keeps happening day after day, and it is not getting nearly enough attention from the mainstream media…

A vessel attempting to exit the Strait of Hormuz was attacked Tuesday, according to the United Kingdom Maritime Trade Operations Centre (UKMTO).

The UKMTO noted it received a report of a ship being hit with "an unknown projectile" as it was leaving the strait, a critical oil shipping channel. The vessel's engine room was damaged, and a crew member was killed, the organization said.

4. The Strategic Petroleum Reserve has now fallen to the lowest level since 1982…

The US emergency stockpile of crude oil has dwindled to its lowest level since 1982, prompting fresh concern that oil

> *prices could surge if the Iran war drags on.*
>
> *The Trump administration released another 5.3 million barrels in the past week as it tries to prevent the conflict from driving up oil prices and hitting the US economy.*
>
> *The Strategic Petroleum Reserve (SPR) now sits at 293.4 million barrels, a level not seen since Ronald Reagan occupied the White House.*

Order Jonathan Cahn's New Book, "The Altar of Pergamon" on !

5. The yield on 30 year Treasury bonds just hit the highest level in 19 years. We are entering a time when it is going to be a lot more expensive for the U.S. government to borrow money…

> *Treasury yields were little changed on Tuesday after long-dated bonds hit their highest level in almost two decades amid a worsening U.S. fiscal situation and persistently higher inflation.*
>
> *The yield on the U.S. 30-year Treasury bond fell less than 1 basis point to trade at %. It hit a new 19-year high earlier in the day and is nearing its highest level since 2002.*

6 The yield on 10 year Japanese bonds just hit the highest level in nearly 30 years. Global investors are really starting to freak out about Japan's debt crisis…

> *Japan's benchmark 10-year government bond yield climbed to a three-decade high on Tuesday, driven by rising overseas bond yields and speculation about a near-term Bank of Japan interest-rate increase.*
>
> *The 10-year JGB yield added 2.5 basis points to % early in the trading day, the highest level since September 1996.*

7. College graduates all over the country are having an exceedingly difficult time finding employment. For example, one 21-year-old woman named Irene Chang has applied for approximately 450 jobs without getting hired…

> *Irene Chang, 21, studied engineering in college because she enjoys solving problems. She also wanted to major in something she thought would lead to a stable career.*
>
> *"I wanted to work a job right after college," she says.*
>
> *But that has been a challenge. Chang graduated in May from Georgia Tech with a bachelor's degree in industrial and systems engineering. She says she started applying for entry-level data analyst roles about a year ago, while she was still in school. Chang estimates she has submitted around 450 applications since last September and has had about 19 interviews — so far she hasn't gotten any offers.*

8. Approximately half of all U.S. college graduates end up moving back in with their parents once they leave school…

> *A record number of young adults are choosing to live with their parents rather than contemplate the tricky math of renting or owning homes.*
>
> *Roughly half of recent college graduates returned to parents' homes after finishing their studies rather than move out on their own, according to a new survey from Clever Real Estate.*

9. Pending home sales unexpectedly fell back near a record low last month…

> *Pending home sales in July decreased by 2.3% month-over-month and 2.2% year-over-year, according to the National Association of REALTORS® Pending Home Sales report. The report provides the real estate ecosystem—including agents, homebuyers and sellers—with data on the level of home sales*

> *under contract.*
>
> *Pending home sales in July fell to the lowest level since January 2026. Month-over-month pending home sales declined in all four major U.S. regions. Year-over-year pending home sales increased in the Midwest but declined in the Northeast, South and West.*

10. The price of ground beef in the United States is hovering around record high levels…

> *Data from the United States Department of Agriculture (USDA) show that the national average price of ground beef in the supermarket is hovering just below $7 per pound, a record high, as a prolonged cattle shortage shows no signs of abating anytime soon.*

11. Nearly 60 percent of Democrats now have a positive view of socialism…

> *The poll, which surveyed 2,287 adults in the United States between August 12-14, found that there is a 26-point difference between Democrats' positive views on socialism and capitalism.*
>
> *Among Democrats, 58 percent were found to have a positive view of socialism, while 32 percent have a positive view of capitalism. The poll also found that 18 percent of Democrats have a negative view of socialism, while 50 percent have a negative view of capitalism.*
>
> *The poll also found that 24 percent of Democrats have "no opinion" of socialism, while 18 percent have no opinion regarding capitalism.*

12. Warren Buffett appears to be convinced that this current stock market bubble is going to end very badly…

I agree with Buffett.

Our financial markets have become giant casinos, and there is no way that this current bubble is going to end well.

The greatest time of financial chaos in our generation is ahead of us.

We are already witnessing so many signs of financial trouble, and it is just a matter of time before there is a mad dash for the exits.

Michael Snyder's *new book entitled "10 Prophetic Events That Are Coming Next" is available in paperback and for the Kindle on , and you can subscribe to his Substack newsletter at .*