

# Iran war brings massive price and profit gouging

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As workers around the world are hit with the ever-worsening consequences of the US war on Iran—crippling rises in petrol and gas prices, food price hikes and the growing threat of food shortages in poorer countries—major corporations and banks are raking in increased profits to the tune of hundreds of billions of dollars.

First in line to benefit from the profit bonanza, as could be expected, are the oil companies. But the flow of increased money extends across the board.

According to an investigation by the *Guardian*, the results of which were published on Wednesday, with oil at around \$100 per barrel the major oil conglomerates in Saudi Arabia, Russia, the United States, Britain and Europe will collect an additional \$234 billion in profit for 2026, an extra inflow of \$30 million an hour for the rest of the year.

The biggest winner is Saudi Arabia's Aramco, which is expected to make a war profit of \$25.5 billion, with the Russian petro-giants set to make an additional \$23.9 billion.

The US firm ExxonMobil will take in an additional \$11 billion. Shell's revenue will rise by \$6.8 billion, and Chevron stands to make an additional \$9.2 billion.

The additional profits are on top of the \$1 trillion the oil industry takes in every year while receiving explicit subsidies which totalled \$1.3 trillion in 2022, according to calculations by the International Monetary Fund.

There are other benefits as well flowing from the rise in share prices. The market value of ExxonMobil has increased by \$118 billion, while that of Shell is up \$34 billion.

Apart from the oil producers, trading firms which deal in oil, food, metals and other necessary commodities, largely dominating global markets, are already cashing in. The *Wall Street Journal* reported

that the Swiss commodities trader Gunvor said it had already made as much money in the first quarter of this year as it did in all of 2025 when it made a profit of \$1.6 billion. Others will be experiencing a similar boost.

Also not surprisingly, US arms manufacturers have been cashing in. On the first day of the US attack on Iran major firms recorded a rise in their total market value of up to \$30 billion.

The profit and price gouging extends across the US economy under conditions where, according to a recent article in the *New York Times*, corporate profits "have reached a record share of the US economy." Corporate America intends to keep it that way.

Sonu Varghese, the global macro strategist at the Carson group, a financial firm, told the *Times* that many companies viewed inflation from "outside shocks," such as war, "as an opportunity to raise prices and boost margins" and that there was going to be some "margin expansion."

This points to a repeat of the experience of the inflation surge of 2022 when, as the *Times* reported, data from the US Producer Price Index "showed that wholesalers and retailers generally expanded the margin between their sales prices and their cost of acquiring goods."

Major US banks have also been cashing in on the opportunities generated by the war. The six major US banks reported collective profits of \$47.6 billion for the first quarter, much of it generated because market volatility provided conditions for significantly profitable trading.

Reporting on the profit hike, the *Financial Times* noted that the first quarter was marked by geopolitical shocks—the military operation in Venezuela and the Iran war—triggering volatility, which is "good for

investment banks which make money from financing and facilitating client trades.”

JPMorgan led the way in absolute terms with a 13 percent increase in profits, over the same period last year, to \$16.5 billion, with market jitters being characterised as a “gift to trading desks.” Goldman Sachs reported a 19 percent increase in profits to \$5.6 billion. Citigroup reported a 42 percent profit surge and Morgan Stanley’s profits rose 29 percent.

The combined increase in the profits from the trading desks of the major banks is estimated to be the highest in 12 years.

Much of this money is being used to finance share buybacks to boost the portfolios of the banks’ senior executives and big investors. The largest US banks spent a record \$33 billion on buybacks in the first quarter, with JPMorgan, Goldman Sachs and Citigroup making their largest ever repurchases.

The banks have benefited from the relaxation of regulations under Trump. Bank of America chief financial officer Alastair Borthwick said the bank was “encouraged by the work the administration is doing,” as it bought back \$7.2 billion of its own stock in the quarter, the highest level in four years. The Trump regime is moving to reduce the amount of capital the banks must hold as a reserve, freeing up money for trading and buybacks.

The overall sentiment on Wall Street is that the profit bonanza will continue, at least for now, with the S&P 500 passing the 7,000 mark for the first time on Wednesday. Inflation profiteering fuelled by the war is one factor. Another is the wave of mass layoffs, hitting tens of thousands of workers in many cases, especially in the high-tech industries.

Commenting on what it called a new era of mega-layoffs, the *Wall Street Journal* noted that “employers are seizing on the potential financial upsides of severing swaths of their workforces at once.”

In the past, mass layoffs by a company may have signalled troubles or mismanagement. “Now, such a company is more likely to get a big stock bump and praise from investors for acting boldly.”

Giant corporations and banks are feeding on death, destruction and the impoverishment of the working class the world over. This makes it urgently necessary for workers and youth to draw the sharpest political conclusions.

The war on Iran itself is not the product of the individual Donald Trump, but is driven by the historic crisis of imperialism, of which he is the most grotesque personification.

Likewise, the obscenity expressed in the present day economic and financial system is not the product of the individual greed of the ruling oligarchs, though that exists in abundance. It is a product of the capitalist system itself, the objective logic of which, as Marx explained 150 years ago, is the creation of fabulous wealth at one pole of society and poverty, misery and degradation at the other.

Today the necessity for its overthrow and the establishment of socialism is not confined to the pages of *Das Kapital* but is being written large in the language of daily life.



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