

Gilt prices say "crisis, what crisis?"

Published: January 13, 2026, 1:08 pm

[FT.com / Markets - Gilt prices ease on borrowing forecasts.](#)

As the FT notes:

In a [Budget](#) that was relatively neutral for markets, gilt prices eased and consequently sent yields a little higher after Alistair Darling, chancellor of the exchequer, lowered his forecasts for public borrowing by more than expected.

The yield on the benchmark 10-year gilt moved 4.1 basis points higher to 3.95 per cent after the UK Debt Management Office said it planned to issue £184.4bn in 2010-11, slightly lower than market expectations. However, it will still be the second biggest year for debt issuance on record following the £225.1bn issued in 2009-10.

I did my Radio 2 commentary with a man, through his obvious anger (he shook when speaking in the studio) was forecasting:

- * A collapse in sterling
- * Massive hikes in interest rates
- * Mass unemployment
- * Massive falls in house prices
- * 20 years of depression
- * Plagues of locusts

OK, I think I made the last up - it was hard to tell.

And the reality is markets have confirmed they will deliver all the borrowing needed because they think the UK can afford it.

As it can, of course, so long as we keep spending to keep people in work - because people are the only source of wealth that will repay debt.

My co-commentator clearly hasn't learned that yet. Down in the wealth management sector in which he works they clearly still think that wealth is piles of cash paid to bankers.

What baffles me is why the BBC gave him air time.

I enjoyed myself watching the spectacle of his discomfort. Carry on the way he is and he won't last long enough to see how wrong he is. Which would be a shame.