

Quantitative easing the answer for queasy markets

Published: January 13, 2026, 1:00 am

No one can deny that the financial markets are in poor health this morning.

I suspect most, except those who wish for their failure, will welcome the intervention of the ECB planned today. Bond buying will be useful, but unless undertaken in a long-term, coordinated fashion, will not provide the stability the markets need.

Quantitative easing can deliver that stability, but it can deliver much more than that. Because it is clear that the G-7 have turned their back on growth there are only two remaining ways to repay debt. The first is default. The second is inflation.

Quantitative easing provides liquidity. It prevents default.

It is said that quantitative easing involves printing money and this delivers inflation that washes debt out of the system.

But more important, if spent into the economy rather than just being given to banks quantitative easing can also deliver growth. Which means it prevents default whilst ensuring deflation is avoided and some inflation is delivered and by chance it generate growth as a by product.

Nothing else can do that.

Let's have more queasing please - but [let's make it the productive sort.](#)