

The Fed could raise interest rates, but it would most u...

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The FT has [an article this morning with the headline:](#)

Conditions for rate rise approaching, says Fed

That's one interpretation of the Fed's minutes for July. I have to say that I think it an optimistic one and believe that Frances Coppola, writing for Forbes on this occasion, [is much closer to the mark](#) when saying:

Although the FOMC clearly wanted us to believe that interest rate rises will come soon, normality now appears as far away as ever.

Why? Simply because of the massive uncertainties in the real economy. Let me just list some:

China

Flight from emerging markets that needs to be discouraged

Greece

Low inflation

Poor growth

Underemployment

And that's just for starters in the US, and the UK, come to that.

The Fed could increase rates. I think they'd be reversing them remarkably quickly. The mere playing with the idea and the hint that it provides that bankers still hanker after what they see as the normality of pre-2008 is the clearest indication as to why wiser counsel than central bank policy committees is sometimes needed on such issues as interest rate setting. The real world has to enter into such decision making.

That's what politics is about. And in the world of wise politics the world pre-2008 is toxic and not to be visited again. The differences between these world views is vital right now. The right one has to prevail.