

We've had the wrong kind of stimulus

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This is [from the Guardian this morning](#):

At its heart, [today's market panic](#) shows that investors are losing faith in central banks' ability to keep the show on the road.

So argues Jasper Lawler of CMC Markets, who writes:

The People's Bank of China has spectacularly failed to stimulate the [Chinese economy](#), Europe's whole recovery is based on a lower euro which was just undermined by the yuan devaluation and the US is experiencing its slowest post-recession recovery on record, despite huge stimulus.

Those stimulus measures involved ultra-low interest rates and massive bond-buying through quantitative easing.

That drove many world stock markets to record highs in recent years, but didn't resolve the underlying problems in the global economy.

So what we need is a stimulus by central banks that gets money into the real economy.

That's People's Quantitative Easing, of course: central bank made money for benefit of the real economy, not the speculators.

I hate to call that rocket science, and yet apparently it is.