

An interest rate rise this week would be self flagellat...

Published: January 19, 2026, 7:54 am

This is by Larry Elliott, in a good analysis of the current state of play in the economy published in [The Guardian this lunchtime](#)

The idea that the MPC needs to raise rates and that Hammond should be cutting public spending - especially when it is so cheap to borrow - in order to stockpile ammunition to deal with the next recession is daft. The point of economic policy is to prevent recessions, not to cause them by tightening policy when it is unnecessary. That's not prudence. Its self-flagellation.

I can but agree: Larry is right. An interest rate rise this Weal would be crazy. A cut may be a better idea.

Or People's QE.....