Funding the Future

This time it is not different

Published: January 14, 2026, 9:28 am

From an email from the FT just received:

The second article is by Martin Wolf and he is broadly right: he is suggesting regulation is pro-cyclical and that right now it is being relaxed which is the harbinger of a crash.

The first article suggests this will be ugly. That is true. In it Joseph Carson notes:

The US equity market is on another streak, posting a double-digit gain since the start of the year and extending a bull run that has lasted 10 years. In terms of pure numbers, equities occupy a position far above any other asset, and in everyday life stocks have jumped ahead of real estate as a store of wealth for Americans.

This he suggests is in line with worrying precedents, like 2000. And as he notes:

The equity market has become an important driver of consumer and business confidence and is often viewed as the single most important "real time" barometer of current and future economic conditions.

And:

At today's levels, the equity market is too big to fail without causing substantial damage to the economy that would be far greater than what happened after the tech bubble burst in 2000, since policymakers have far less capacity to reduce interest rates and real estate is unlikely to provide the same buffer for investors or the economy.

So batten down the hatches. Because as Wolf says, this time it is not different: the only question is when it will happen again.