

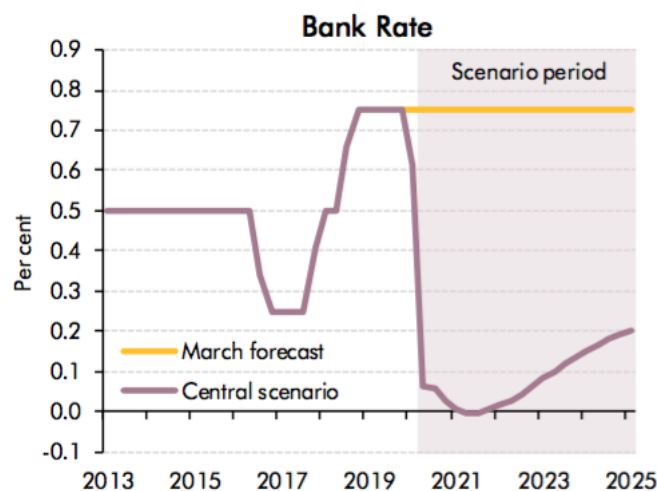
Funding the Future

The Office for Budget Responsibility does not think int...

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I wrote [yesterday that the chance of an interest rate rise is remote in the extreme](#). About 10,000 people have read that blog post now.

I note the Office for Budget Responsibility agree with me. This is their forecast today for the next few years:



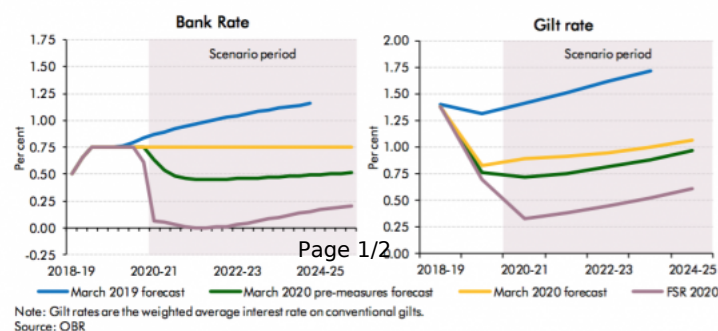
They're suggesting rates might fall to 0.0% i.e. nothing.

And then they might increase to 0.2% over five years.

In other words, negative real interest rates are here to stay for now.

If you need elaboration, this is it, including their gilt rate forecast:

Chart 5.3: Market expectations for Bank Rate and gilt rates at selected times



Note they're suggesting a rate in 2025 of maybe 0.5% on gilts.

Would the debt fetishists please take note?