Funding the Future

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The FT notes this morning that:

The UK is at high risk of a serious economic downturn next year, one of the world's biggest active bond fund managers has warned.

They added:

Daniel Ivascyn, chief investment officer at Pimco, told the Financial Times that "In the case of the UK — a smaller, open economy, with a consumer that's feeling the brunt of central bank policy far more than their US counterparts — you just have a higher probability of more significant economic deterioration. We do think there's potentially more hard landing risks."

I am aware that I say, quite often, that it is the policy of the Bank of England to create a recession in the UK. I do so for two good reasons.

The first is to warn about what is coming.

The second is to evidence that I said it was coming.

Both are necessary if we are to eventually appreciate that the Bank will have done more harm than either Covid or inflation did by the time this will be over.

In that context, it useful to note that I am not alone in thinking that the Bank has gone too far.