

Funding the Future

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This is the opening of an IMF email issued yesterday:

As inflation and interest rates continue to decline and the likelihood of a recession slowly fades, financial markets have seen big equity gains. But the latest [Global Financial Stability Report](#) (GFSR) warns of several factors that could upend the recovery, including the apparent disconnect between market buoyancy and heightened uncertainty, especially related to geopolitical risks.

There are many occasions when I feel as though I live in a parallel universe to the one that global finance appears to think exists.

Its failure to recognise that climate change is real clearly separates our worldviews.

So, too, however, is its ability to ignore all risks, let alone uncertainties. In a world where I see precariousness for most, global finance only sees optimism.

Trump is threatening fascism.

Netanyahu is delivering it without any pretence to hide the ugliness of its meaning.

And I am not ignoring the fact that Israel is not the only source of instability in the Middle East.

China also sits, lurking with regard to Taiwan.

And there is no end in sight in Ukraine as Putin also pursues a fascist agenda.

Amongst all this, global markets are getting euphoric about AI, which is most likely only to make things worse because of the enormous energy and water demands that it will create, which cannot be met in a world where the reality of finite resources is becoming ever more apparent.

This disconnect is profoundly worrying. It is intensely destabilising. It gives no reason to believe that markets have a clue as to what is going on. It only adds to the threats to our well-being.

It is hard to think that what is happening is sane, and I prefer to live in a world that enjoys that quality - but plenty clearly do not.