

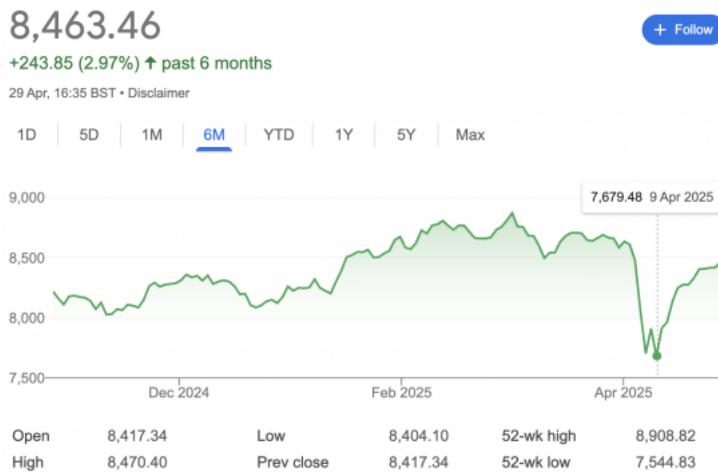
Funding the Future

Article URL

Published: January 12, 2026, 5:22 pm

This is the FTSE 100 chart for the last six months:

Market Summary > FTSE 100 Index



As brokers, Hargreaves Lansdown, noted in a mail they sent me (and others) last night:

The FTSE 100 has found its mojo to notch up best winning streak since January 2017.

The Trump trade shock has subsided and with tariffs on the back burner for now.

Optimism is pulsing through the markets, helped by a raft of corporate results surprising on the upside.

The top gainers are a mixed bag, demonstrating how the new-found confidence is lifting multiple sectors. The Footsie surged in the last hour of trading, marking the twelfth consecutive session of gains.

While some wariness about the future direction of US trade policy remains, for now investors are adopting a glass half full attitude, hopeful that the worst of the tariff fears won't materialise.

Eyes are on negotiations springing up between the US and its trade partners, even

though both China and the US seem to be waiting for each other to take the initiative and commence talks.

What to make of this? Try the following.

First, markets are stupid enough to think Trump is not going to return to the tariff issue.

Second, they think that as a result, there will be no more disruptions from Trump.

Third, they think the harm already caused will have little or no further consequence, even though substantial tariffs remain in place.

Fourth, they are presuming the US will survive as an economy despite the assault on its governance structures from Trump.

Fifth, they assume that the collapse of government he is trying to create will have no consequence for markets.

Sixth, they think that the Trump effect will not be contagious, and there will not be similar assaults on government elsewhere, including in the UK.

Seventh, they are ignoring the collapse in consumer and business confidence that suggests consumption and investment will fall sharply.

I could go on, but you get my point. This is a wholly irrational market acting in a wholly irrational way because it appears to focus solely on the news from today. The idea that it might be anything else, and that (as market proponents claim) it takes all market information into account when setting prices, is quite absurd.

The consequences are what worry me. We use this utterly irrational market as the basis for pension provision in the UK. That is the really scary thing. Our politicians are so stupid that they think this is the place where value is both created and determined, when neither is true. Ponzi schemes always fail. This one will.