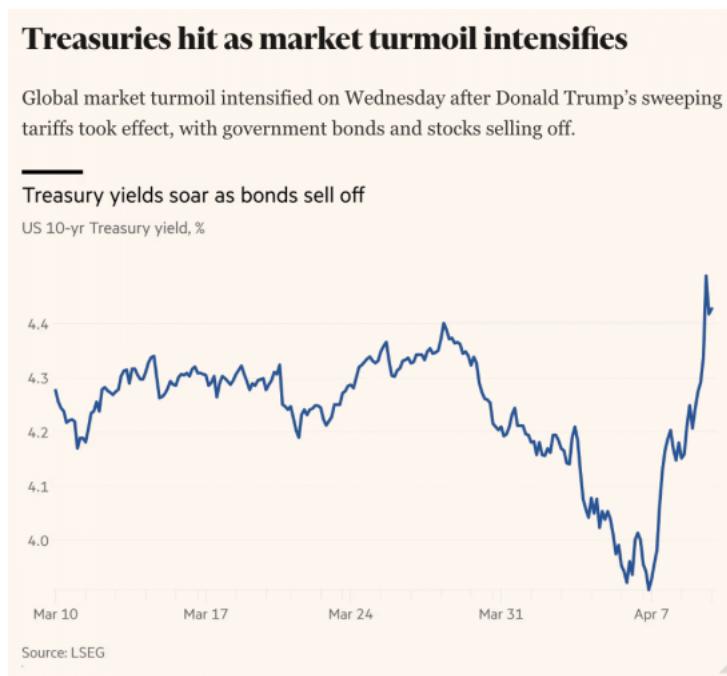


US interest rates are rising: the exact opposite of wha...

Published: January 13, 2026, 5:18 am

This chart has been published by the FT in the last few minutes:



The world has reacted to Trump's deliberate act of massive risk creation by sending the message that it will not buy US debt. The result is that the price of that debt is falling, and so the effective interest rate on it is rising very rapidly.

This is the exact opposite of what Trump says he wants. He says he wants the US interest rate to fall by a lot. In bond markets, you cannot achieve that by alienating the people who might buy your debt, and that is what he is doing.

What's the fallout?

First, [as I note this morning](#), he might utterly overturn those markets, and in effect default on large parts of US debt by demanding that those holding it swap that debt for long-term or perpetual debt at very low rates.

Secondly, do not rule out that he will do large-scale quantitative easing, [with all the downsides that go with that](#).

Third, do not presume that we will escape from this unscathed. Where US interest rates go tends to suggest where the rest of the world will move. There is, then, very bad news in all this.

Fourth, without coordinated action to work around Trump, there is no way the rest of the world can manage this fallout. It either combines against Trump or is divided and ruled by him, with disastrous consequences.

Fifth, do not expect wealthy America to be happy about any of this. They will react. But they may not react in a way that we think desirable. Their tendency towards autocracy is now well known.

Sixth, then, freedom has a fight on its hands. That chart implies an ugliness is coming our way.