

The madness of monetary policy has to end

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As the [FT notes](#) this morning:

The Panama Canal Authority is to limit the number of daily ship transits from September because of a lack of rainfall amid an intensifying El Niño weather pattern.

The waterway vital to global shipping will allow 32 vessels to pass daily from September 15, compared to the current 36, the authority said on Thursday.

They added:

This year's El Niño, when surface temperatures in the Pacific Ocean rise potentially causing severe drought and warmer winters, could be one of the most intense ever. Leading climate scientists have called it a "super El Niño" and expect severe weather disruption across several continents.

This is an issue I have not discussed much to date, because El Niño effects are not guaranteed, and for once I held back, hoping that projections for such an event this year might be wrong.

That no longer looks to be the case.

What are the likely effects going to be? I did some searches, and let me summarise what I found (and yes, I did use AI) like this:

El Niño is likely to strengthen substantially during autumn 2026 and persist into 2027. Its main global effects are likely to be higher temperatures, disrupted rainfall, drought in parts of Australia and Southeast Asia, flooding elsewhere, increased wildfire risk and disruption to agricultural production.

For the UK, the direct weather effect is uncertain, although a wetter and stormier autumn and early winter is somewhat more likely. The bigger risk may be economic. Poor harvests and disruption to global food and commodity production could raise food and import prices, adding another supply-driven source of UK inflation at a particularly

difficult time.

This is serious, and in light of the topics I picked up on [in this morning's video](#), most especially so.

By how much will the Bank of England punish us for an event over which no one in this country has control?

The madness of their monetary policy has to end.