

Predictions for 2026

Stephen Marchant 23/12/2025

Health Warning: These are only my personal assumptions and as with all predictions cannot be relied upon but they are based on my experience in politics and an understanding of the global debt crisis.

The 'Great Stagflation' continues for the overall economy in the West but clearly the financial pain has not been felt by the top 10%. The continuing support for a financialised economy with both fiscal and monetary policy will maintain this until political unrest causes an unravelling through currency devaluation and consequent inflation.

What we in the West have to realise is that the 3bn aspirant population of the BRICS is competing with the 1 billion in the developed West for finite resources. As the saying goes, you cannot fit a quart into a pint pot; something has to give. Gold, silver and real assets will be the measure of the collapse in purchasing power of the Western financial system. I expect gold to continue its revaluation in dollars going to 10k by the end of 2026 and silver to go to about \$200 as it reverts towards the natural 20:1 ratio over the next few years. It could go as far as 15:1 with increased industrial demand of modern technologies.

From a European and UK perspective I see declining productivity as heavy welfare dependency exacerbates productive decline. Anecdotally, people have less incentive to invest or work harder as the tax burden increases. Govts are therefore increasing debt issuance so yields will rise and eventually central banks will step in with further monetization and inflation.

Whether it will be a hyper inflationary collapse or a deflationary collapse there will be huge political and societal upheaval. It is more likely the former with Govts blaming conflicts as geopolitical struggles to wrestle control of resources ramps up. The rivalry between the US and China for AI supremacy will mean competing competition for energy and other resources so consumers will feel the pain of rising cost and scarcity for everyday consumption.

Finally, I don't think we will see a significant collapse in nominal stock market and other assets but more likely a currency realignment as gold and other hard assets are the real measure of value.