HOWARD
WEALTH MANAGEMENT

Fareham Innovation Centre,
Merlin House, 4 Meteor Way,
Lee-On-The-Solent, Hampshire PO13 9FU

T 02393 877630
E info@howardwealth.com
W www.howardwealth.com

News in Review

14 October 2026

"AI is here, rapidly becoming a key driver of countries' relative fortunes in the world economy"

Speaking last week, ahead of the IMF-World Bank Annual Meetings in Thailand, Kristalina Georgieva, IMF Managing Director, said, *"The global economy is being pulled in two opposite directions: a negative energy supply shock and a positive demand shock from AI. The combined impact of these two forces is highly uneven across the world."*

Finance ministers and central bank governors from the IMF's member countries are gathering to assess the direction of the world economy at a time of high uncertainty and rapid change. Released this week, the IMF's *World Economic Outlook* shows steady global growth continuing from spring, but with significant variations across economies - particularly those impacted by war and vulnerable countries reliant on energy imports and lacking policy to buffer against shocks.

Georgieva referenced seeing higher growth in some regions, with a clear focus on AI, *"Love it, hate it, or fear it, AI is here, rapidly becoming a key driver of countries' relative fortunes in the world economy."*

She continued, *"Global investment-to-GDP in AI will reach and likely exceed the amounts that went into building the railroads, the electricity grid, or the telecommunication network. We estimate AI hardware and related tech products now account for more than one-tenth of world goods trade and rising."*

She also spoke about the impact of energy costs on food, fertiliser and industrial inputs, and how the super El Niño adds another threat to food security, with higher inflation and weaker growth at play.

Although she did go on to say that the energy shock, while significant, has so far remained manageable, with diversified fuel supplies, strategic reserves, flexible supply chains and the natural response of demand and supply absorbing much of the hit.

Borrowing costs surge

Last week, UK borrowing costs climbed to their highest level since 1998, with the yield on 30-year gilts reaching 6.03%. This has been driven by a combination of factors including high levels of government borrowing and elevated energy prices, as Brent crude rose again last week. Other economies are feeling pressure too, with French interest rates rising again and US mortgage rates hitting their highest level in nearly three years.

Resurgence in remortgage activity

Quarter three saw a surge in remortgage activity. Twenty7tec reported 860,951 searches for residential remortgages in September, up 40% on the previous month. This can be partly attributed to ongoing uncertainty about mortgage pricing amid speculation that Bank Rate will rise in coming months. Figures from Conveybuddy also point to an increase in remortgaging, with a 19% quarterly rise in remortgage instructions in Q3. Between April and June, remortgage activity reportedly returned to more normal levels, but there was notable resurgence in September after many mortgage lenders withdrew products from the market.

Retirement expectations vs reality

The average UK worker expects to retire five years later than they would like.

According to a survey by Standard Life, the average desired retirement age for people in the UK is 62.3. However, the age that people expect to retire is 67.6, creating a retirement expectation gap of 5.3 years. This has widened since 2024, when there was a gap of 4.4 years.

The gap is wider among certain demographics, with people in a difficult financial situation expecting to retire over 8 years later than they would ideally like. This is compared to those who are financially comfortable, who report a gap of only 2.6 years. Also, the average woman expects to work 6.1 years longer than they would like, compared to 4.5 years among men.

UK's new banknotes

UK banknotes are getting a new look, with wildlife set to feature instead of historical figures. A shortlist of 18 animals and insects was put forward for a public vote, with more than 478,000 people selecting their favourites. The owl, bumblebee and hedgehog were the winners and will feature on the new designs. Puffins will be the fourth animal on the banknote, as a celebration of marine life. It is expected that the first denomination of new banknotes will be rolled out over the next few years.

Victoria Cleland, Bank of England Chief Cashier, said, *"We have chosen four distinct and inspiring animals that not only showcase the great variety of wildlife we have in the UK but will also enhance the security of our banknotes."*

Here to help

Financial advice is key, so please do not hesitate to get in contact with any questions or concerns you may have.

The value of investments can go down as well as up and you may not get back the full amount you invested.
The past is not a guide to future performance and past performance may not necessarily be repeated.
All details are correct at time of writing (14 October 2026)