

The Telegraph

Inflation could near double digits says Jupiter's Chatfeild-Roberts

Higher inflation is "inevitable" for UK, says leading fund manager.



Inflation could rise significantly says Jupiter's Chatfeild-Roberts

By Kara Gammell

27 September 2012

Inflation could near double digits over the next five years according to Jupiter Asset Management's chief investment officer.

John Chatfeild-Roberts told leading trade publication Money Marketing that rising inflation was "inevitable" and would be the "Achilles' heel" of the UK economy.

In August, the consumer prices index (CPI) fell by 0.1pc to 2.5pc. However, Mr Chatfeild-Roberts has warned that the current quantitative easing (QE) programme, which stands at around £375bn, is storing up future inflation problems.

"[Over a five-year time frame] you can imagine inflation being towards the double digits," he said. "It may be that my five-year time horizon is not long enough, but I see it to be the inevitable outcome.

"Inflation is the potential Achilles' heel of the UK economy. We are seeing a shift in balance to emerging markets. If you look over the next hundred years, the sterling and dollar will lose a lot of purchasing power."

Other investment experts have agreed with Mr Chatfeild-Roberts' forecast.

"If the central banks keep printing money to get us out of lull period, the UK could get into hyperinflation in the next three or four years," said Pete Loweman, chief investment officer of Investment Quorum.

Jonathan Davis, managing director of Jonathan Davis Wealth Management, concurred.

He said: "There will be higher costs of living for everyone."