

# The City needs to take a risk – someone needs to go first

The [stock market](#) is moribund. There's no flotation action.

The leveraged debt market is dead, moaned a banker the other day (I can sense your tears welling up).

As my colleague Jonathan Prynne said yesterday, this is hardly a golden age for the [City](#). But it still could be.

At the small and medium end of the market the lack of activity is a serious problem. It's not just that not much is happening, is that not much looks like happening. Job cuts, a veritable bonfire of the bankers, looms. It could be brutal.

At the top end, things are different.

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Investment bankers at the big league firms are quietly getting optimistic, without wishing to say so publicly.

Clients are gearing up to do things – to float, to raise cash, to launch takeover bids.

What those clients need is a bit more clarity. Certainty of vision on interest rates. Clearer signs that inflation is whipped or at least tamed. A sense that the Government has at least some idea what it is doing.

Crucially, they need the US economy not to run too hot, lest the Federal Reserve raise interest rates again and again, forcing the European Central Bank and the Bank of England to ponder the same.

(It seems counter-intuitive that we should wish America to slow down, but it's a runaway train passing through a slow station at the moment.)

What we need is someone to do what the City does – take a risk. Someone has to go first, to crank up the Van Halen and decide they might as well jump.

Once that first bet is placed, things might move quite quickly. Fees will trickle down to the lower leagues, bosses will hold off on job losses.

It may not go that way of course. But there is a growing sense that it might.

Plaudits to the people who figure that present conditions aren't the worst that they've seen and do just that.