

\$2 quadrillion in global debt looms over the markets, Paper assets could implode

written by Egon von Greyerz | March 7, 2023

The Next Few Years Will be Tough—Understanding the Critical Role of Gold

In this thirty-minute interview with Chris Waltzek of GoldSeek Radio, Matterhorn Asset Management (MAM) founder, Egon von Greyerz, covers a wide swath of global financial issues—from inflated asset bubbles and macro inflationary forces (and hence declining currency power) to stressed pension funds, fantasy CBDCs and unsustainable debt levels. All of these factors serve as an ultimate and inevitable tailwind to precious metals.

The conversation opens with a critique of over-valued (bubbled) stock, bond and property markets. Their collective and historical rise has been supported exclusively by central bank (inflationary) money printing. The inevitable and longer-term consequence of this fantasy “solution”/support is a massive race to the bottom of assets and currencies in real terms. With fewer places to hide, gold naturally emerges as insurance against these asset and currency risks. Egon specifically addresses the demise of paper money and reminds that gold doesn’t effectively “go up,” currencies merely fall—a historical reality which only a small minority of investors fully understand today.

Key to this understanding is recognizing the destructive influences and ramifications of unsustainable global debt levels, which include at least an additional 2 quadrillion in mis-understood and misreported derivative debts. When and as such debt bubbles collapse, hyper-inflation is the highest probability, followed in turn by massive levels of deflation.

Gold, unlike paper money, has a nearly fixed and limited supply, creating environments where gold holders will retain their metals as the reality of limited physical gold availability is finally understood by broader markets in the future. Such basic supply and demand forces will become obvious tailwinds to the gold price, which von Greyerz explains needs to be measured in grams, ounces or kilos rather than debased paper currencies.

The conversation turns to CBDCs and the emergence of an increasingly (and deliberate) cashless and controlled society, the risks of which von Greyerz explains in detail. Ultimately, of course, CBDCs are just another form of worthless fiat money reflecting the failure of financial policy makers. These policy makers will increasingly turn toward wealth “confiscation” in the form of increasing taxation (and the invisible tax of inflation) as pension funds implode in the face of popping asset bubbles.

Egon closes with a short description of MAM’s services, including the

significance of Switzerland as a storage jurisdiction and the growing importance of safeguarding and flexibly transporting one's precious metals with the essential support of experienced professionals.

- 2.00 – US equities markets and most assets hover in bubble territory.
- 3.00 – A Kodiak-sized bear market may be imminent.
- 3.20 – Gold bull market on the horizon?
- 4.30 – Declining purchasing power bodes well for gold and silver.
- 6.00 – Global currency crisis.
- 7.05 – The investing public will pour into the PMs sector.
- 9.50 – \$2 quadrillion in global debt looms over the markets.
- 10.50 – The debt bubble may implode amid massive monetary stimulus.
- 11.20 – Gold remains the best portfolio safety-net.
- 13.20 – Gold supply will dwindle, increasing demand.
- 15.30 – Central bank gold purchases will add to the upward price bias.
- 16.50 – CBDC's include hidden risks, increasing currency volatility.
- 20.00 – Owning 2 passports may be advisable.
- 20.45 – Gold remains the ONLY remaining currency, thousands of years later!
- 21.40 – The risk of gold-confiscation is negligible.
- 22.20 – Holding gold outside the home country is advisable, for a Shawshank-like rendezvous.
- 23.30 – How high could gold soar? \$10k, \$20k perhaps even \$50k?
- 26.20 – Paper assets could implode, leaving non-gold holders stymied.
- 26.45 – Hyperinflation remains a plausible risk.
- 27.30 – Recently, gold shielded Venezuelan's from hyperinflation.