

All False & Corrupt Systems Implode— Are You Prepared & Insured?

written by Egon von Greyerz | February 17, 2022

Matterhorn Asset Management founder, Egon von Greyerz sits down with Wall Street Silver to discuss the 2022 market's epic risk levels and the role of physical gold and silver to hedge against the same.

Any risk discussion, of course, begins with the unsustainable and entirely bank-driven debt bubble which has reached record levels on entirely engineered bond markets and artificially repressed interest rates. Toward this end, the unfathomable levels of counterparty and interest-rate risk in the \$2 quadrillion derivatives market are bluntly discussed as a clear ticking timebomb. As rates slowly rise, systems implode.

Will the Fed and other central banks therefore pivot and resort to further money printing as yields and rates rise and risk asset markets tank? For Egon, the answer is simple: The big banks will have no choice but to do what they always do, namely –more “faking it.” Of course, more money creation is just a masked form of bankruptcy in which default is “avoided” at the expense of the underlying currencies.

Such future “solutions” via artificially-created currencies will no longer hold the faith of investors as the gap between rates and inflation widens. The exponential growth in central bank balance sheets can be extended, but no longer pretended as a “recovery tool” when credit markets ultimately lose credibility and faith among investors.

When will that implosion in the bond and rate markets occur? As Egon reminds: No one knows, as no one can time an engineered market. The critical and current issues are foreknowledge, patience and preparedness, of which all serious precious metal owners already understand. As the gold/silver ratio moves inexorably toward the 15 level, gold and silver will no longer be measured by increasingly useless and debased dollars or euros, but rather by grams and ounces.

As Egon reminds, precious metals will see dramatic wealth *enhancement* when inherently false & corrupt systems and currencies collapse under their own weight. In such inevitable cycle-turns, the real advantage of precious metals will rest in their historical role as wealth *preservation* insurers.

Toward this end, and as even the rising premiums in refined precious metals forewarns, the supply of these critical assets will make them harder to acquire. The key, therefore, is to buy your insurance *before* rather than after the financial fire. No one, as Egon concludes, has ever gone bankrupt from taking profits too soon or buying insurance before (rather than after) the fire.