

BOND BUBBLES, BITCOIN AND GOLDEN SOLUTIONS

written by Egon von Greyerz | December 18, 2020

In this latest (12 minute) MAM-Chat, Egon von Greyerz and Matthew Piepenburg follow the trail from debt disasters and corporate bond bubbles to Bitcoin speculation vs. physical gold as the only true instrument of wealth preservation.

Egon opens with the omni-important and omni present topic of global debt risk. Such evolving risk, in fact, is what prompted Egon to form Matterhorn Asset Management.

Matt addresses the particulars of corporate debt, rising risk metrics and “zombie corporations” surviving exclusively on credit yet achieving no earnings. In short: corporate bonds are dangerously fragile. The ultimate wave of loan defaults and business foreclosures foreseen by credit experts suggests a shock to the securities market as inevitable rather than plausible.

Tanking markets, economies and enterprises, of course, means further (and desperate) money creation and hence mathematically assured inflation, currency debasement, rising market anxiety and a search for real money alternatives to increasingly distrusted fiat currencies.

Toward this end, Egon distinguishes physical gold from crypto currencies like Bitcoin as the obvious instrument (and choice) for genuine wealth preservation.