

Cambridge House Chat with Egon von Greyerz and Jay Martin Part II: Triggers, Symptoms & Solutions for the Next Financial Implosion

written by Egon von Greyerz | November 24, 2021

In **Part II** of Egon von Greyerz' two-part conversation with Cambridge House's Jay Martin, Egon candidly digs deeper into the realism rather than sensationalism of the current macro headwinds and the inevitable implosion of the global financial/monetary system.

When asked about possible implosion "triggers" such as the recent Evergrande crisis or the forever-failing enterprises like Deutsche Bank, Egon reminds that the obvious threats are rarely the actual threats. In short: No one really knows what the next implosion-catalyst will or can be. Rather than predict triggers, the far more realistic approach is to understand the cyclical and historical reality of unsustainable debt levels, including the perilous levels of leverage and counter-party risk hiding in plain sight within the global derivatives market.

As for symptoms of the coming implosion, they are less hidden and even more obvious. Toward that end, Egon discusses the inflationary warning signs **reminiscent of the 1970's** yet without the ability (from the Fed to the Bank of England) to counter these forces with nominal rate hikes given the far greater debt levels around the world today. The only "tool" policy makers now have is more liquidity, and hence accelerated currency debasement, a clear symptom of an already imploding monetary setting.

Egon and Jay Martin discuss **orderly vs. disorderly resets**, with disorder (social, political and financial unrest) being the more likely path given global debt levels and the undeniable problems stemming from demographic realities—namely empty stomachs in a parabolically rising global population. Egon also discusses an anticipated period of hyperinflation followed by a deflationary phase.

Ending on a more positive and personally controllable note, Egon reminds that once core wealth preserving assets like gold are in place to provide historically un-matched security, ultimately the best things in life are indeed free: Namely, **time with friends, family, nature, music, books etc.** In short, none of us can change or repair the global mess already unwinding all around us, but we can each take private measures to prepare for the same and live with our own measure of independence and meaning.