

# VON GREYERZ: BASEL 3 – GAME CHANGER FOR PRECIOUS METALS OR NON-EVENT?

written by Egon von Greyerz | June 30, 2021

The FOMC caused turmoil last week, but the statements have only short-term effects. In the past, the FED could not predict anything correctly, but only react. It will be the same this time. Real interest rates are negative in the U.S. across all maturities, which is in favor of gold. While debt is exploding and depreciating, the ratio of debt to GDP is also rising. There will be no return to normalcy. Collapse is inevitable when the paper money created loses its effect. And it will drag the banks into the abyss, which is why they want to strengthen them first with Basel 3. But where will the equity capital come from? Problems can also come to the banks through unallocated precious metal accounts, which have to be backed by more equity capital. This can be avoided by converting them into allocated accounts. The effect on precious metals prices remains to be seen. Michael Burry, who was correct in shorting the US mortgage market, is now again warning of the mother of all crashes. Prepare yourself.

- 0:00 Intro
- 1:35 FOMC meeting rattled markets, especially precious metals
- 2:20 The FED never acts with foresight
- 3:00 The FED talks about 2023 and can't predict the next day
- 3:30 C19 is used as a convenient excuse for the crisis
- 4:25 FED statements have no meaning, only short term for traders
- 5:45 US real rates across all maturities continue to be negative, bullish for gold!
- 6:30 This situation in the 70's led to the ver-25 fold in gold.
- 6:58 U.S. debt to GDP is now higher than after WW2.
- 8:15 Unlimited paper money buys votes.
- 9:00 The collapse will come when printed money no longer has any effect
- 10:30 Where will the increased equity required by Basel 3 come from?
- 11:15 Debt was accumulated in "good times" and can never be repaid
- 13:30 Paper gold no longer counts as a reserve asset
- 14:10 The Basel 3 innovation is already priced into the market
- 15:00 The correction is typical and prepares the next rise
- 16:00 Banks must make unallocated precious metals accounts more heavily backed or allocated accounts
- 17:45 Michael Burry – "The Big Short" warns of the mother of all crashes
- 18:45 Even in 2008, the system was seconds away from collapse
- 19:30 Take precautions now as supply chains continue to be destroyed