

# Golden Insights in a Dark Setting of Ukrainian War and a Pivot in Swiss Neutrality

written by Egon von Greyerz | March 1, 2022

In this timely MAMChat, Matterhorn Asset Management (MAM) principals Egon von Greyerz and Matthew Piepenburg address the economic realism behind the recent outbreak of war in the Ukraine and Switzerland's unprecedented, non-neutral decision to publicly support EU sanctions against Russia.

As to the cold math behind heated and often distorted headlines, Matt takes no political stance while addressing sober facts not otherwise discussed by an increasingly politicized media. When confronting the objective reality of Europe's dependence on Russian energy and the staggering levels of debt from DC to Brussels, can the West truly out-leverage Putin in an escalating economic crisis? Looking at current Russian FX reserves as well as the potential for Russia to export its oil to China in yuan or gold rather than Petro-dollars, the potential for a destructively inflationary energy spike as well as assault on the world reserve currency are very real/powerful considerations. In short, can the West truly afford such economic brinksmanship, when we all know that nuclear brinksmanship is otherwise unthinkable in the 21<sup>st</sup> century?

As to Switzerland's decision to break from centuries of neutrality by openly supporting the EU's sanctions against Russia, Egon bluntly addresses the corollary question of whether this impact's Switzerland's singular status as the premier jurisdiction for gold ownership and storage. Openly disappointed by the Swiss decision, Egon reminds that MAM was founded with an exclusive focus on risk management and wealth preservation. Despite the surreal events and recent changes, MAM remains fully convinced that Switzerland, with its decentralized democracy, rule of law, gold-hub status and reputation for security as a non-NATO member, remains, on a relative basis, the obvious and exclusive first-choice jurisdiction for gold ownership.

Ultimately, the critical issues raised by Matthew and Egon underscore the increasingly heightened levels of geopolitical risk and financial market instability which point directly toward gold ownership. Despite such unfortunate yet not entirely surprising events, MAM's core theme of wealth preservation through the private ownership of physical gold has never been more relevant and necessary than today.