

Gold's Key Indicator

written by Egon von Greyerz | May 23, 2023

Egon von Greyerz interviews with Kitco at Deutsche Goldmesse, Frankfurt, Germany.

After the recent bank collapses and string of interest rate hikes, Egon von Greyerz shows his deep concerns for the U.S. monetary system.

"It's not that gold is getting incredibly strong [by itself], it's that everything else is getting weaker, and that in particular means your currency, whether it's the world reserve currency, British pound sterling etc."

In March, SVB Financial Group, the parent company of Silicon Valley Bank (SVB), filed for bankruptcy. Signature Bank, a New York-based regional bank also went under, the third-biggest bank failure in U.S. history. Greyerz argued the moves portend a larger move. "We have reached the end of this monetary era," said Greyerz. "It doesn't happen overnight and it's taken longer than I expected, nevertheless it's happening and..it's starting to accelerate."

Investors have been fleeing the banking sector. Year-to-date the SPDR S&P Bank ETF is down 22%. Gold has benefitted, trading above \$2,000 an ounce for much of 2023. The fear trade has also benefitted the gold miners, which are up 10% year to date. Coverage of Deutsche Goldmesse 2023 sponsored by Defiance Silver.

0:20 – What do the recent bank failures indicate?

2:00 – End of the monetary era.

3:55 – Dedollarization

6:05 – Why focus on currencies to determine the direction of gold?

7:48 – The problem with service-based economies.