

# History's Chaotic Warnings vs. Gold's Future Solutions

written by Egon von Greyerz | January 7, 2022

Chaos is something no one likes to anticipate, but as evidence of the chaotic mounts all around us, preparing for the same is realism not sensationalism.

In this thirty-minute conversation with GoldSeek Radio's Chris Waltzek, Matterhorn Asset Management (MAM) founder, Egon von Greyerz, looks ahead into a chaotic 2022 with a backward glance to the past. Egon reminds that history is an accurate yet too often ignored forecaster of future trends. Toward this end, no currency in history has ever survived the chaos which consistently follows massive debt bubbles. Since 2000, global debt has trebled to over \$300T, forcing policy makers and central bankers to expand (and hence debase) global currencies to cover otherwise unpayable debt burdens.

In the commercial banking circles, the same reckless debt and monetary expansion is evident in the largely ignored and OTC-unreported mire of the global derivatives trade, which is far greater in scope than the \$600T levels promulgated by the BIS. As Egon bluntly observes, modern banking circles have become distorted to the point where "profits are monetized and losses are socialized." That is, bankers enjoy the upside of massive turns of leverage and risk but suffer no consequences (other than tax-payer supported bailouts) when those risks lead to market implosions.

As for modern investors in risk assets, it's easy, as Egon observes, to feel like an expert in times of extreme over-valuation and bubble expansion—be it stocks, bonds, real estate etc. Unfortunately, such misguided confidence and complacency causes investors to ignore the importance of understanding and preparing for risk. Today, the evidence of this risk (market, banking, currency, political) is literally everywhere we look. This is why MAM was created: To serve those who value and prioritize wealth preservation and risk management.

As Egon (and history) confirm, gold is an absolutely critical aspect of such wealth preservation. Gold is prioritized not because of "gold-bug" thinking, but simply as a result of financial sophistication and a healthy respect for both the history of debt markets and the math of currencies.

When asked about the next catalyst for the current everything bubble, Egon believes the catalyst is never what one expects. More importantly, forecasting the precise "pin" is far less important than recognizing the obvious danger of the "bubble" itself. Today, the risk of loss in traditional asset classes is far greater than the upside potential. Now, more than ever, preserving wealth should be a far greater priority than chasing after more of it. Hence the MAM service model which Egon describes herein.