

Matthew Piepenburg & Grant Williams: Gold's Future in the Backdrop of a Systemic Failure in Financial "Leadership"

written by Matthew Piepenburg | December 12, 2022

Matterhorn Asset Management (MAM) principal, Matthew Piepenburg, sits down in Zurich with MAM advisor, Grant Williams, in a brief (18-min) yet compelling exchange of ideas as to how and where the tides are moving in global markets and public trust.

The conversation begins from the top down as Piepenburg addresses his view of, as well as concerns for, an openly deteriorating macro picture. Specifically, Piepenburg raises a theme of technological progress far outpacing human wisdom when it comes to transparent and accountable financial leadership at all levels, from the corporate "executive" ranks (think SBF/FTX) and commercial banks (Bear Stearns/Credit Suisse) to the broader and failed policies of the global central banks (with an emphasis on the US Fed).

Piepenburg, who sees a great deal of "platitudes and lofty language hiding a lot of bad math," is concerned about central banker's mis-managing a financial system which is now at a dangerous inflection point as to their misleading (and mis-handled) recessionary and inflationary narratives. Turning from monetary policy to tech-sector/market warnings, the massive turns of leverage and misuse of client funds recently highlighted by the FTX implosion is, sadly, nothing new; rather it serves as metaphor of a much larger and systemic problem which both Williams and Piepenburg detail at greater length.

Williams turns the discussion to the particular theme of accountability, remarking on how the shift in public focus has turned to specific "celebrity CEO" failures (Bankman Fried, Fuld, Holmes, Newman, Powell etc.) rather than the institutions themselves (FTX, Lehman, Theranos, WeWork, the Fed etc.). For Piepenburg, this shift speaks to a public loss of faith in individuals, which eventually evolves into a loss of faith in the very systems they allegedly "lead." This otherwise opaque theme of increasing, collective and systemic *distrust* (and a "fracturing of faith") in fact has massive implications for global asset classes and markets now and in the near future.

Toward this end, the conversation naturally turns from this theme of growing distrust in systems and markets toward the historical loyalty and trust ascribed to physical gold throughout history. Here, the topic of central bank gold-purchasing, toxically distorted credit markets and the media-ignored *necessity* of *negative* real rates comes center stage as the world looks to ensure their open currency risk against a global backdrop of deteriorating financial models.