

Egon von Greyerz—Misery or Fortune: The Choice is Yours

written by Egon von Greyerz | December 6, 2021

In this brief yet thorough presentation for the 2021 International Precious Metals & Commodities Conference (*Edelmetallmesse*) in Munich, Matterhorn Asset Management founder, Egon von Greyerz, makes a clear, data-supported argument for gold ownership and the binary outcomes of misery or fortune for investors in the context of an unthinkable yet now undeniable market distortion.

Theme by theme and fact by fact, von Greyerz makes the sober and increasingly obvious case for gold as a **wealth preservation** asset and risk hedge in a global financial setting riddled with risk.

Von Greyerz begins this risk analysis with the openly comical mismanagement of the global monetary system by central bankers from around the developed world. He reminds audiences that such “experts” have never, not ever, correctly called a boom or bust, but merely masked their own faults by deliberately misreporting inflation realities stemming from profligate and historically unprecedented monetary expansion.

Despite masking hard truths with comforting illusions, central bankers can not hide from other obvious risks, including massive overvaluations (bubbles) in global stock, bond and property markets. From the Nikkei in 89, the dot.com era of the early 200’s and the sub-prime bubble of 08 to the current “everything bubble,” the lesson and warning is the same: All bubbles pop. Tracking such indicators as the bearish divergence in stock price to momentum or the ratio of equity values to GDP, we quickly discover just how distorted risk asset markets are today—each set for inevitable implosion.

Von Greyerz turns as well to the dramatic rate of money supply growth as a perilous inflationary indicator. Previous money supply growth rates of 6% per Annum have skyrocketed to 126% rates in the last 2 years. This fatal trend began in September of 2019, and *not* (as the bankers would have you believe) as a result of COVID alone. In short, the system was sick long before the pandemic became a convenient excuse for open monetary and budgetary failures, each described in detail.

Going forward, central bankers (having already printed \$25T since 2007) can and will continue to print liquidity and hence debase currencies to pay for their still unpayable debts. And debt, as von Greyerz reminds, is THE core theme as well is risk in the global financial system, having grown globally by 3X in the last 20 years. Once one tacks on the reality of unfunded liabilities and gross derivative exposures to the \$300T global debt tally, such debt levels simply become unimaginable and unsustainable. The same is true for clear debasement of global currencies, which when measured against gold, **have lost 98% of their value since 1971.**

Given the counterparty risk in grossly bloated risk assets, derivative

markets, banking systems, currency markets and sovereign balance sheets, gold is no longer a debate but a necessity. Fortunately, gold is currently priced at valuation levels which have never been more opportune. Toward this end, von Greyerz breaks down the empirical data as well as core reasons for owning gold now. In short (and unlike central banker "guidance"), von Greyerz presents real advice based on real facts to help investors land on the right side of "misery or fortune."