

Piepenburg: Backfiring Sanctions, Tanking Cryptos and Loyal Gold

written by Egon von Greyerz | June 14, 2022

In this brief interview with Michael McCrae of Kitco Mining, Matterhorn Asset Management principal, Matthew Piepenburg, addresses the interacting ramifications and core themes of the 2022 market economy to date.

Matthew begins by addressing the manifold ways in which Western financial sanctions against Putin have backfired, from the slow reduction of the USD's global neutrality and hegemony (i.e., de-dollarization) to a rising Sino-Russian alliance in trade and geopolitics.

Matthew then addresses the critical and growing dangers of global debt levels in general and broken credit markets in particular. He warns that central bankers are sending the world economy into a lose-lose scenario of historical market and inflation risk. Matthew further addresses the recent collapse in the crypto/BTC trade, which he describes as precisely that: A "trade" rather than store of value or alternative currency.

Turning toward gold, Matthew reminds that this precious metal is among one of the very few loyal and anti-fragile assets of 2022 which has protected investors from the jarring volatility otherwise symptomatic of the dying bull market in traditional risk assets—i.e., stocks, bonds and property. As for gold, Matthew explains why its bull cycle is only just beginning. Finally, when asked how investors should prepare for the volatility and markets ahead, Matthew offers insights on what assets to embrace and what strategies to avoid.