

QE to increase substantially

written by Egon von Greyerz | September 25, 2013

In my KWN interview on February 20, I discussed that with the US on life support, this was the wrong time to turn off the machine. A country with debt going up exponentially, real GDP and real wages going down and real unemployment at 23% is not in a position to stop the stimulus. Add to that a US and European banking system full of toxic debt and worthless derivatives and we know why the Fed is worried. Instead we will see more QE and a crashing dollar.

The Fed is clearly lost and they don't even believe their own propaganda. With words they must make confident noises as if the economy was improving and as if they were in control over monetary policy. But they know the underlying US and World economy are too weak to turn down the printing presses. And we know they can't even control the printing presses since they are running amok. To double US debt to \$17 trillion in 6 years has been totally effortless for Bernanke and his cohorts. What is clear is that there will not be any meaningful tapering for many, many years. Because the next significant move will be an increase in QE. I could easily see QE doubling some time during 2014 and thereafter run into many trillion dollars and eventually much more as the dollar collapses. With the dollar racing to the bottom, the bond market will sell off and interest rates shoot up. And so the hyperinflationary era starts.

To listen to the KWN interview click on the link: [King World News Interview](#)

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