Rising Inflation, Falling Markets and False Facts All Point to Gold

written by Egon von Greyerz | September 15, 2022

In Part I of this two-part interview series with Michelle Makori of *Kitco News*, Matterhorn Asset Management principal **Matthew Piepenburg** addresses the latest (and "official") CPI inflation data. Higher than expected inflation figures sent risk asset markets tanking, but Matthew argues that Powell's market-crushing rate hikes will likely continue to the tune of another 75 to 100 basis points into the late-September FOMC meeting. That is, the rising CPI numbers offer Powell the pretext for at least one more "Volcker-like" rate-hike to fight persistent inflation, despite the fact that current US debt levels make the 2022 inflationary era nothing at all like the Volcker era of 1980.

Looking longer ahead and even past the FOMC meeting scheduled for November, Matthew argues for an inevitable (yet likely ineffective) Fed QT-2-QE pivot as recessionary realities and falling markets force the Fed's hand. Matthew further argues that Powell's alleged plan to "fight inflation" with rising rates is mathematically dishonest. Instead, Piepenburg maintains that Powell is only raising rates today so that he will have something—anything—to cut when the currently "denied recession" becomes official in the U.S., as no recession can be defeated with high rates and a strong currency. Matthew further argues that Powell is deliberating seeking *negative* real rates (i.e., inflation rates above interest rates) to help inflate away US debt, making his data-manipulated "war on inflation" more of a ruse than a "war."

As for denial, ruse and data manipulation, Matthew lists a series of objectively dishonest data points coming out of DC which have been used to *postpone* reality but in no way *avoid* it. Current US and global debt levels, inflationary forces, employment squeezes and currency challenges are becoming too obvious to hide, especially from the working class, for whom inflation is the most crippling. Matt also touches upon the short-term rise of the USD, but explains why it's coming fall will be greater than its recent climb.

Of course, this strong dollar has been a headwind for gold pricing, but one intentionally exploited by the LBMA banks to acquire more physical gold before the gold markets surge.

In Part II of this series (to be posted shortly), Matthew addresses the strengthening tailwinds now forming behind the coiled **gold price** (de-dollarization, the new Moscow World Standard, cracks in the COMEX market etc.) in more detail.