

Silicon Valley Bank Collapse: Just how safe is the banking system? Matthew Piepenburg shares his views.

written by Matthew Piepenburg | March 15, 2023
Silicon Valley Bank (SVB) collapse: why did it fail?

Bank runs, Fed policy and Gold.

On Wednesday, March 8, 2023, Silicon Valley Bank (SVB) announced a \$ 1.8B loss from the sale of investment securities.

Investors and depositors got spooked, withdrawing an estimated \$42B+ in cash within a few hours—approx 25% of total SVB deposits, leaving a negative cash balance of \$1B by Friday, March 10.

SVB was well known for its links to the Venture Capital (VC) and the Tech industry, with \$209B in assets under management (AUM). It failed and went into receivership under the Federal Deposit Insurance Corporation (FDIC). SVB was the 16th-largest bank in the United States and was the largest bank by deposits in Silicon Valley.

On Sunday, the contagion out West hit the New York based Signature Bank, which also failed by bank run. The Treasury Department, Federal Reserve (FED) and the FDIC stepped in to calm the waters...

Matthew Piepenburg, Commercial Director at Matterhorn Asset Management, joins Michelle Makori, Lead Anchor and Editor-in-Chief at Kitco News, to discuss the ongoing Silicon Valley Bank collapse, and what it means for markets, gold, and Fed policy. Topics cover inflation, gold price, de-dollarization, Central Bank Digital Currencies and risk.

- 0:00 SVB collapse
- 11:05 Bank contagion and government response
- 19:35 Federal Reserve policy
- 26:39 Gold
- 34:30 Fed pause / Federal Reserves next moves
- 35:31 Market rally
- 39:23 Social unrest
- 40:50 Central Bank Digital Currencies
- 45:55 De-dollarization
- 51:29 Investment implications

Despite years of central bank support and headline-making bailouts, private commercial banks face a myriad of operational and structural risks. MAM had already warned us of such banking risks well before the current crisis made

headlines.

See more interviews with Matthew Piepenburg and Egon von Greyerz on gold, investment and security [here](#).