

US Financial and Political Leadership: An Embarrassing Shadow of its Former Self

written by Matthew Piepenburg | October 27, 2022

In this brief yet engaging discussion with Jim Lewis and Ivan Bayoukhi of Wall Street Silver, Matterhorn Asset Management principal, Matthew Piepenburg, addresses further evidence of the U.S. Fed's undeniable distortion of basic capitalism, social equality and global currencies. Matthew opens with a disturbing chart of the ignored yet undeniable wealth inequality (and transfer) created by years—as well as trillions—of misallocated mouse-click money to support a financial system openly rigged to favor a select minority rather than a national majority/economy. This misallocation, as warned by Thomas Jefferson to Andrew Jackson, has direct consequences not only for the financial stability of a nation, but its social and economic health as well. The evidence of such fracturing, of course, is now everywhere to be seen. As Matthew discusses, current economic and political leadership out of DC is but a shadow of its former self and founding principles. In many ways, the U.S. is becoming unrecognizable and one is forced to ask if the modern policy makers are innocently stupid or deliberately destructive?

Equally important are the global ripple effects of the US Fed's increasingly desperate and distorted actions. The strong USD policies intentionally and currently used by the Powell Fed have had a crippling and destabilizing impact on global currencies, from developed to developing, as the rest of the world has been forced to import US inflation and debase their own currencies to settle trillions in imposed USD transactions. In short, as the USD rises, the rest of the world's currencies (and hence economies), friend and foe alike, are forced to suffer. As Matthew quips: "With financial and political allies like the U.S., who needs enemies?"

Of course, the Fed's current policy of a strong USD (and rocketing DXY) is as unsustainable as its is globally and nationally toxic/reckless. At some point the financial system from Tokyo to Athens cracks under the weight of a weaponized USD as more and more nations (i.e., the BRICS) look increasingly east toward new financial partners and alternative currencies to settle trades. Furthermore, with a recession looming (or denied), the Fed will eventually be required to weaken the Dollar and lower rates if it has any honest intention of fighting a recession. At that point, precious metals as measured by the USD, will surpass prior highs.