

# Von Greyerz: A Long List of Ignored Yet Obvious Risks Ahead

written by Egon von Greyerz | January 22, 2022

Matterhorn Asset Manager founder, Egon von Greyerz, sits down with Tom Bodroviks of Palisades Gold Radio to discuss a long list of open risks ahead—from derivative, property and currency markets to risk asset bubbles, unfunded liabilities and cornered central bankers.

In both his corporate and personal life, Egon has always been fascinated with understanding, managing and preparing for risk. Looking at 2022, the most obvious risks on his mind boil down to global debt and derivative markets, which he describes in detail.

Unfortunately, because so many investors have been the direct beneficiaries of debt driven asset bubbles of unprecedented size (and hence risk), they have ignored otherwise clear warning signs. The current zero-to-negative returns in global sovereign bonds, for example, are just the latest symptoms of how ludicrous market distortions and risk-ignorance has become.

Equity markets are equally distorted, and equally over-valued. The potential for 90% losses is not sensational, but in fact historically forewarned, as the post-29 DOW warns. In real money terms, Egon reminds that it took 70 years to recover those losses.

Leadership risk from central banks is also discussed, with the Fed having cornered itself into an impossible conundrum of debilitating inflation vs. historical market losses. The hubris of central bankers will end when markets, rather than Fed-speak, get the last say on bond prices and hence rising yields and rates. Rates, of course, impact property markets as well, and just as low rates sent them higher, rising rates will send them lower, much lower.

Currency risk, of course, is a seminal issue, one with direct impacts on gold and silver, which Egon addresses in detail. As far as cryptos, he makes his consistent case that despite their fixed supply, electronic assets are not real assets which can adequately preserve wealth over the long-term.

And as for wealth, Egon closes with a blunt reminder of what real wealth ultimately means—namely the kind that can't be measured by any index: Friends, family, nature, music and helping others. As the years and risks ahead will confirm, all of us can and will benefit from prioritizing such values, moments and connections.