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**RADIO PROGRAM**

Expert Interview Series

Guest Expert: Egon VonGreyerz  
**Matterhorn Asset Management**

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**Dennis Tubbergen:**

Welcome back to RLA Radio. I'm your host, Dennis Tubbergen. Joining me once again on today's program is returning guest, Mr. Egon VonGreyerz. I should point out that I have been a longtime follower of Egon's work. He is a prolific writer and commentator and I certainly appreciate his perspective. You can learn more about his work at [goldswitzerland.com](http://goldswitzerland.com). And Egon, welcome back to the program and thank you for joining us.

**Egon VonGreyerz:**

Thank you, Dennis. Very good to speak to you again. I look forward to our chat.

**Dennis Tubbergen:**

As will I. So, Egon, let me just start if I could. Worldwide, I think Reuters recently reported there's \$305 trillion of debt, up triple from the time of the financial crisis. Can this possibly have a happy ending?

**Egon VonGreyerz:**

No, sadly not, Dennis. And I've been talking about and writing about this for 25 years at least, and I've also been saying that to that 305 trillion or I think in my estimation it is about 330 plus trillion today, but that's just part of it. We have the shadow banking system and things that are not reported officially. And part of that is the derivative outstanding in the world. And officially the Bank for International Settlements in Basel calls that around 600 trillion. But if you actually count everything that is not reported properly, I think we are probably near two quadrillion in derivatives and that is quasi debt. And when the system breaks down, those derivatives will become real debt in my view because they have to be saved by central banks.

So, you are talking about anywhere from starting at 300 trillion and then going to more than two quadrillion, whatever the level it is, it doesn't really matter because even if only 330 trillion, the world can never repay it. And of course, not even that, but the debt is now increasing at a rapid rate. The biggest debtor in the world, the US is now increasing debts and deficits at an accelerating rate. And so, they are exacerbating this whole situation. And I can't see, and this is why we started thinking about wealth preservation and holding physical gold outside the banking system already 25 years ago almost. I can't see the banking system surviving in its present form.

The best form of survival for the system will be unlimited money printing. But when you're printing worthless pieces of paper and call it money, that's

not going to save the system and eventually the system will collapse under the weight of worthless paper. And I think that's the risk we're facing. Now, no one can predict exactly how and when this is going to happen, but what we do know is that when risk is at a heightened level that we're seeing today, you have to protect yourself against that. And holding assets in the banking system, whether you hold them directly in bank accounts, which might even be bank accounts if they're not confiscated. If you take the US, I could easily see that US citizens will be forced to put a major part of their savings in bank accounts or an important part of it into treasury bonds or treasury bills to finance the US deficits.

And therefore, if you hold also other security stocks or bonds, et cetera within the financial system, you always have the custodial risk that is that it's held supposed to be your assets, those securities. But when banks are under pressure, they easily use that money as margin. And we saw that in 2008 to '10 or '08 to '09, that financial institutions were actually using client assets as security. So, this is why we're saying that anybody who's worried about their assets within the financial system should not put whatever they think is wealth preservation. A lot of people think property is wealth preservation or bonds, et cetera. But the only thing is to have real assets in my view or a major part of your wealth in real assets. And of course, the foremost, the real assets, the king of the metals is gold. So that's where people should have an important part.

I'm not a gold bug at all. I only came to gold as being the best consequence of the risks I see and after the insurance you require. And throughout history, that's certainly been the case because remember gold is the only money that has ever survived in history. Every other currency has gone to zero without fail for the last few thousand years. And it's going to happen this time too. And we are not far away in my view. If you take this era from 1913 when the Fed was created, all currencies are down 97% to 99% already. So we have 2%, 3% to go to zero, but remember that 2%, 3% is 100% from now. And I think we'll see that whether that takes five years, or it takes 10 years, it doesn't matter. The trend is clear, and it will happen. So, people should think about protection, Dennis.

### **Dennis Tubbergen:**

Well, I'm chatting today with Mr. Egon VonGreyerz. He is the founder and chairman of Matterhorn Asset Management. You can learn more about his work at [goldswitzerland.com](http://goldswitzerland.com). And Egon, there's all this talk, particularly from the Fed about tightening to get inflation under control. Based on what you just said, is the Fed really playing a game of charades, so to speak?

## **Egon VonGreyerz:**

Well, they are because on the one hand, yes, inflation is there and official inflation is much higher than the US is reporting now. Any person or any house or any, especially females who do more of the food shopping, but anyone going to the shop, buying things, especially food or buying petrol or gasoline for your car, or buying insurance or buying anything that is affected by this incredible inflation we're seeing worldwide, including commodity inflation, knows that the real inflation is probably 20% for most people, especially of the things they spend money on. So therefore, we are talking about a level of inflation that the Fed knows of course. So, if they're reporting 4% or whatever, that's not the real inflation and they're trying to kill that inflation. The problem is that we have a problem now that there is actually not enough supply of goods and services, that will quickly change in my view.

But nevertheless, the interest rate trend changed a couple of years ago and we had a downtrend from 1980 to 2021 from the high levels of 16% or so for the 10-year US Treasury down to half a percent. And now the trend is strongly up in my view for the next 20, 30 years, won't be a straight line and there'll be corrections and the vicious corrections, all this uptrend. Nevertheless, the trend is up for the simple reason that the Fed and the US need to print unlimited amounts of money in coming years because of the deficits and they're not going to improve.

And on top of that, the security of any bond will deteriorate because the debt is going to be less and less secure because most borrowers, including sovereign borrowers, are not going to be able to repay it and certainly not with current money and therefore you will have debt defaults also, even sovereign debt defaults, I'm quite certain about that. Sure, governments don't call it a default if they print more money that is worthless or if they change the currency just to fool everybody and think that, well the old currency is gone, and we have a new one and that's worth a lot of money. That's just another form of fiat money, of course.

So, in my view, inflation will continue for those two reasons and therefore the Fed, except for short periods of stopping the increase in interest rates or reversing it temporarily, I think the trend is up and that's going to kill the economy of course, because the US, the debt and most countries around the world cannot afford the interest on the debt. And of course, they can never afford to repay it. No one is even thinking about repaying it. And as we've seen that debt that you said 300 trillion, at the beginning of this century, it was 100 trillion or just under 100 trillion.

So, debt is growing exponentially, something that's never been seen in history before and that could only lead to disruption for the US and for certainly the western world. We have some difficult times ahead that is very difficult.

**Dennis Tubbergen:**

Well, Egon, we have about a little over a minute left in this segment, maybe just enough time for you to share with the listeners what you do at Matterhorn Asset Management. Again, the website is [goldswitzerland.com](http://goldswitzerland.com).

**Egon VonGreyerz:**

Yes, we started this business, firstly to protect our own wealth and the investors that were close to us at the time. And then we opened it up to outside investors. In order to buy physical gold and silver and store it out of the banking system, primarily in the safest vaults in the world. One is the biggest gold wall, probably in the world in Switzerland in the Swiss Alps. And we created this in order for people to be able to protect their wealth outside of the financial system. And of course, in the last 20 years since we did that, gold is up six, eight times in most currencies. And then if you take in the weaker currencies, it's up a lot more. But I think the Gold's journey hasn't started yet. It's starting now. We have a golden dawn, as I say in my latest article, and we are going to see sadly because the reasons for that happening are the wrong reason. Sadly, we're going to see a lot higher gold prices because of the problems in the world.

**Dennis Tubbergen:**

Well, my guest today is Mr. Egon VonGreyerz. You can learn more about his work at [goldswitzerland.com](http://goldswitzerland.com). And the good news is Mr. VonGreyerz will join me in the next segment. So, stay with us.

Welcome back to RLA Radio. I'm your host Dennis Tubbergen. I have the pleasure of chatting once again today with the founder and chairman of Matterhorn Asset Management, Mr. Egon VonGreyerz. I would encourage you to check out his work and his writing at [goldswitzerland.com](http://goldswitzerland.com). And Egon to close the last segment you mentioned in a recent article that you wrote. The title is "A 1987 Crash In Stocks With A Golden Dawn For Oil And Gold." And I thought it was extremely interesting in that article you discussed the historical relationship between oil and gold. Can you explain?

**Egon VonGreyerz:**

Yes. As an investor you should always look for something that maintains its value in real terms its purchasing power. And as money goes, gold is the

only money or currency that has maintained its purchasing power for the last few thousand years. So, an ounce of gold bought a good suit in Roman times 2000 years ago, and it's the same today, an ounce of gold buys a very good suit. But if you measure it in paper money or fiat money, of course it will cost you hundreds of times more than it did 2000 years ago. So gold is a constant purchasing power and that's why it is the perfect instrument for wealth preservation. And interestingly enough, the same is the case more or less with oil.

Now, oil hasn't been around from an investment point of view for that long, but certainly since the 1800s, and the ratio between gold and oil has remained fairly constant. If you just take the last 100 years, I believe even the last 50 years also, and it stayed between roughly 10 to 20, that ratio, that means that the gold price is between 10 and 20 times the oil price. That is a more stable relationship than any other commodity or security. So that's why gold follow also a formal wealth preservation. But for most people, of course, you can't hold it. You can't have it at home in barrels, that will take much space since the barrel of oil costs around \$90 and is not practical to store. You can buy stocks, of course in all companies, but you can't store that. That's normally inside the financial system. But oil is a good investment to hold as a supplement to gold.

That's why it's called black gold of course, because it is black gold for the simple reason that it maintains its purchasing power in the same way as gold does. And now every time you have a crisis, we've seen all the oil prices go up dramatically just since the Yom Kippur War in the Middle East in '73 when oil was 25, 30 times depending on the country, cheaper than it is today. I remember it well.

But nobody thinks about the fact that really oil is reflecting purchasing power. They just think that the Arabs and the rest of the world just putting the oil and the Russians, et cetera, putting the oil price up, is not the case. The governments around the world and especially western governments are destroying the value of their currencies. And that's why commodities, the kind of gold or oil that we're talking about, actually maintain that value.

And I could see significantly higher oil prices, especially when there's the crisis. And I don't think the crisis, even if Biden goes to Israel and tries to calm things down, there's always been problems in the Middle East that will continue to be, there are always wars in the Middle East. They will not stop either, and the oil price will continue to reflect that. Plus, there is actually now the cost of extracting oil is going up. The energy cost of actually

producing energy is going up. And therefore, that in itself, because remember it's energy and oil that actually creates the wealth in the world today, it's really since we have energy in the form of oil that the standard of living has increased dramatically. But now we actually have seen the peak of cheap oil because as I said, especially since now fracking is more or less we are seeing the end of fracking and hasn't been very economical, but short term it certainly helped the world.

But now there's not going to be enough oil in the world. We reached peak oil and on top of that we reached, as I said, peak or low in producing energy from oil and other fossil fuels. Of course, we follow everybody who wants to stop oil and talk about global warming, and we shouldn't have any fossil fuels. Fossil fuels are 84% of the energy in the world. There is no chance whatsoever to replace that short term. If we stop using fossil fuels and wait for alternative energy to replace it. We've got to wait maybe 50 or 100 years or more. And in the meantime, the world economy would collapse totally. It will probably anyway because of these debt problems, but that will certainly exacerbate it. So, energy is going to be a problem. It would be even without this economic collapse, it would be a problem because as I said, we are not going to be able to produce energy at the same low cost as we have because of the cost of producing energy from fossil fuel.

So that in itself is going to create problems. On top of that, we are obviously going to see falling standards of living because of the economic problems in the world where this debt is going to lead to massive misery in the world economy, both from the west and the east. And so therefore, we are not looking at a very bright situation for the world. So at least what people can do, you can't do anything about a lot of these things. You can't affect the world economy or energy prices. What we can affect is actually how we protect the assets we have. And I think that's critical. And anyone who doesn't actually think about that is got to be left behind and suffered dramatically. We have enough problems in the world with two wars and most people are indebted to a level that they can ever repay and countries of course, but at least if you can ensure your wealth by holding the right investments such as gold, then you have a better chance than most people to survive the coming crisis.

### **Dennis Tubbergen:**

Well, I'm chatting today with Mr. Egon VonGreyerz. He is the founder and chairman of Matterhorn Asset Management. The website is [goldswitzerland.com](http://goldswitzerland.com). And Egon, I thought in your recent article that again, people can find at [goldswitzerland.com](http://goldswitzerland.com), you talked about stocks and I thought the parallel that you pointed out between the current pattern of the

Dow and what happened in 1987 at the time of the flash crash was very interesting. Are we looking at the possibility of another stock market crash being imminent here?

**Egon VonGreyerz:**

Well, I'm actually not showing the exact graph in the article, but I'm pointing out that the pattern is exactly the same as in '87, which of course many of us remember extremely well. And we are anyway at a bubble top level for stocks. But it's interesting that it fits very well into the '87 pattern. And I think that actually a crash is imminent, and we are not talking about the temporary correction here. Investors have got used to central banks always pumping in trillions of quadrillions of money if you include the derivatives, to save the system, that is not going to have an effect this time. They still will do that, but that is just if you print worthless money on top to replace other worthless money, in the end, people will actually understand that it's a con, the whole financial system and monetary system is the con, and therefore it will not take new printed money seriously and will know that it's worthless.

So therefore, we are now looking at, even though central banks will do everything they can to obviously rescue the system, I think they will fail this time. 2008-09 was a miracle that they managed to do it. They're not going to manage a second time. And the stock market is already at an extreme only due to printed money and credit expansion. And the time now when the market can be supported by this fake money has come to an end in my view. So, we are looking at not just a temporary correction in the stock market, we're looking at a long-term downtrend, whether that's 10 or 20 or 30 years, who knows? Nobody believes they can take that long. But remember, the '29 peak was only reached again in 1954. 1929, 1954, it was 25 years before it was reached, and that was with inflation, remember. So, it can easily take 25 years and this bubble is much greater than in '29.

So therefore, don't expect stock markets to recover and don't expect that it's always right to be in the stock market because it won't be. And it's the same with property markets. Property markets are also just supported by an endless amount of debt that can never be repaid. So, property markets will collapse too. So, all the old safe assets are not going to be safe assets anymore. And people will not understand that because nobody's even thinking about wealth protection today. And as many of us know, there's only half a percent of world financial assets in gold today. That is just nothing. And therefore, nobody owns gold. And that's going to change dramatically in the coming years.



And there's no more gold to be had. We can't produce more gold. The mines produce about 3000 tons plus a bit of scrap of gold every year. You can't produce anymore. So, the only way to satisfy an increase in gold amount, which is inevitable, will be through higher prices. People have to pay a lot higher price to get an amount of gold, which in many terms will be a lot higher for the same weight. That's what we're going to see in the next few years, and I think it's starting now. Just as we talked about, stock market turning down, the gold market is now, it's been up for years of course, but the acceleration is going to come now again very soon in my view.

**Dennis Tubbergen:**

Well, my guest today has been Mr. Egon VonGreyerz. He is the founder and chairman of Matterhorn Asset Management. The website is [goldswitzerland.com](http://goldswitzerland.com). Egon, 25 minutes just flies by when I talk to you, so I sure appreciate the time. I know the listeners do too. Love to have you back down the road. Thank you for joining us.

**Egon VonGreyerz:**

Always good to speak to you, Dennis, and I wish everybody best of luck because you'll need it. But just not wait for luck, also thinking about protecting yourself and protecting your family and enjoy life because we'll have a lot of problems in the world, but life is too good not to enjoy even with problems. So, thank you very much, Dennis.

**Dennis Tubbergen:**

We will end with that sage advice, and we'll return after these words.