Certified Gold Exchange, Inc.

Views and Analysis on the Economy and Precious Metals

ORE-VISION

A QUARTERLY NEWSLETTER

3rd QTR 2022

VOLUME 38, NO.3

Inflation Reaches Unicorns

John F. Mauldin

"Government has three primary functions. It should provide for military defense of the nation. It should enforce contracts between individuals. It should protect citizens from crimes against themselves or their property. When government—in pursuit of good intentions—tries to rearrange the economy, legislate morality, or help special interests, the cost comes in inefficiency, lack of motivation, and loss of freedom. Government should be a referee, not an active player."

—Milton Friedman

"Don't give me a low rate. Give me a true rate, and then I shall know how to keep my house in order."

—Hjalmar Schacht, Reichsbank president, 1927

One reason today's inflation has us all so concerned is we went a long time without any—or at least not much. That wasn't normal. In the 1990s, a 3% annual Consumer Price Index reading was common and almost unremarkable. CPI approached 5% in 2005 and was briefly over 5% in 2008. But from 2012 until last year, 3% was a hard ceiling—to the point where Federal Reserve officials worried more about generating inflation than preventing it.

At the same time, many households faced constantly rising bills for healthcare, housing, and other essentials. The benchmarks certainly didn't reflect common experience. But inflation was, if not actually low, at least lower than in the past. This is one reason the prospect of extended 5%, 8%, or higher inflation feels so dreadful. We've forgotten what it was like.

Post-2008 monetary policy unleashed deflationary forces no one anticipated. As often happens, well-intentioned plans had unintended side effects. Years of near-zero interest rates didn't just produce stock and real estate booms. They also changed how businesses operate in ways that are now adding to our inflationary pain. The Fed and other central banks financialized markets and business to an extent that we are just now recognizing, distorting the economy in ways that will haunt us for years.

As you'll see today, interest rates aren't simply the price of borrowing money. They are also *information*, providing signals telling economic players what to do. Interest rates are in fact the price of time. Low interest rates don't value time very much. Bad signals produce bad outcomes… and that's where we are now.

This letter is actually in two parts. I'm going to describe a set of circumstances which are odd in and of themselves, and then we'll begin to look at the reasons.

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A Perfect Storm is Brewing in Banking and Finance

By Alasdair MacLeod

Now that interest rates are rising with much further to go, the global banking system faces a crisis on a scale like no other in history. Central banks loaded with financial securities acquired through QE face growing losses, and their balance sheet liabilities are now significantly greater than their assets—a condition which in the private sector is termed bankruptcy. They will need to be recapitalized urgently to retain credibility.

Furthermore, banking regulators have made a prodigious error in their oversight of the commercial banking system by focusing almost solely on bank balance sheet liquidity as the principal determinant of risk exposure.

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- **Asset Price Deflation (w/charts)**
  By: Kelsey Williams

A Perfect Storm is Brewing in Banking and Finance

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And on the few occasions in the past when they have demanded banks increase their own capital, it has always been through the creation of preference shares and pseudo-equities to avoid diluting the true shareholders. The consequence is that the level of leverage for common equity shareholders in the global systemically important banks has risen to stratospheric levels.

The regulators may be comfortable with their liquidity approach, but they have ignored the periodic certainty of a contraction in bank credit and the consequences for banks' equity interests. Meanwhile, G-SIBs have asset to common equity ratios often more than fifty times, with some in the eurozone over seventy. It is hardly surprising that most G-SIBs are valued in the equity markets at substantial discounts to book value.

G-SIBs have accumulated excessive exposure to financial assets, both on-balance sheet and as loan collateral. With vicious bear markets now evident and further interest rate rises guaranteed by falling purchasing powers for currencies, the one thing regulators have not allowed for is now happening: like a deepening meteorological low, bank credit is contracting into a perfect storm.

Jamie Dimon's recent warning that his bank (JPMorgan Chase) faces hurricane conditions confirms the timing. Central banks, bankrupt in all but name, will be tasked with rescuing entire commercial banking networks, bankrupted by a collapse in bank credit.

Why Are Markets Crashing?

It is becoming clear that financial assets are in a bear market, driven by persistent rises in producer inputs and consumer prices, which in turn are pushing interest rates and bond yields higher.

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Inflation Reaches Unicorns

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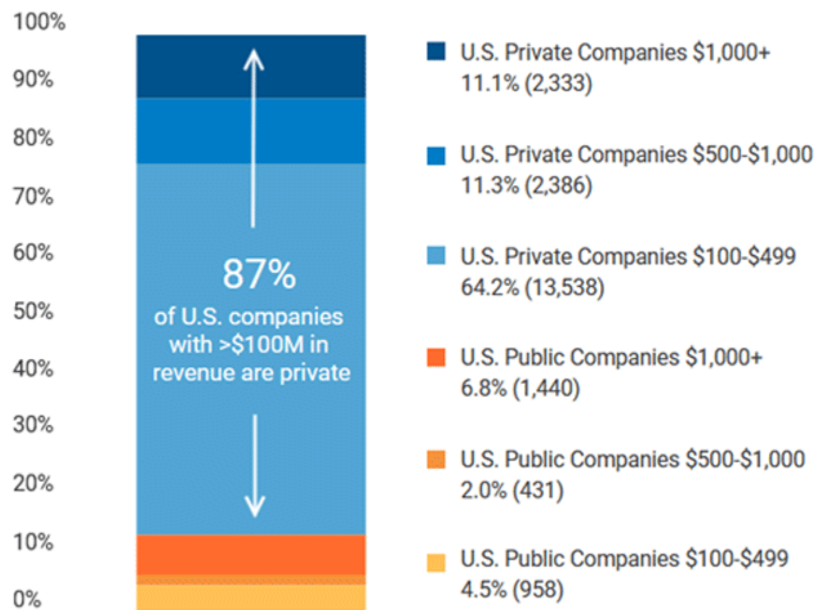
Unicorn Herd

Investors are naturally (and correctly) concerned about inflation and/or recession affecting the stock market. They're usually thinking of the public stock market, which of course is quite important but it's not the *only* stock market.

A growing number of large, well-known companies are choosing to stay private long past the point where they would once have gone public. It's become common enough to have a term. They're called "unicorns."

Here's a number I bet will surprise you. As of January 2022, the US had 2,800 public companies with annual revenues over $100 million—and 18,000 private companies of that size.



Source: Hamilton Lane

Many of these companies have no plans to ever go public. They are family-owned or otherwise don't need the hassles that go with an exchange listing. An IPO gives early shareholders an easier exit, but if they don't need or want that liquidity, staying private is often more attractive.

Now, think about where a fast-growing private company gets its capital. The main source is by selling equity via private offerings to venture capital funds, institutional investors, or wealthy individuals, and (at later stages) to private equity funds.

From the investor or manager's point of view, a portfolio of unicorns that might disrupt an industry is relatively more attractive when the alternative is a 2% corporate bond. This leads to a weird situation where companies go years not just without profits but sometimes without *revenue*, staying in business only because their VC investors believe a giant breakthrough is coming. Cash running low? Just do another round. The money will be there.

Now that model is breaking down—and it's making inflation worse.

Disruption Plans Disrupted

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Inflation Reaches Unicorns

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With all that in mind, let's look at a recent article from *The Atlantic*. It's not economic analysis as such. The writer, Derek Thompson, simply observed some changes in his urban Millennial lifestyle—like $50 for an Uber ride that until recently cost much less—and wondered what was causing them.

In answering that question, I think he hit on something important. Here's part of the story, with some of his key points in bold.

"With markets falling and interest rates rising, start-ups and money-losing tech companies are changing the way they do business. In a recent letter to employees, Uber's CEO, Dara Khosrowshahi, said the firm needs to 'make sure our unit economics work before we go big.' That's chief-executive speak for: We gave Derek a nice discount for a while, but the party's over and now it costs $50 for him to get home.

"For the past decade, people like me—youngish, urbanish, professionalish—got a sweetheart deal from Uber, the Uber-for-X clones, and that whole mosaic of urban amenities in travel, delivery, food, and retail that vaguely pretended to be tech companies. Almost each time you or I ordered a pizza or hailed a taxi, the company behind that app lost money. **In effect, these start-ups, backed by venture capital, were paying us, the consumers, to buy their products.**

"It was as if Silicon Valley had made a secret pact to subsidize the lifestyles of urban Millennials. As I pointed out three years ago, if you woke up on a Casper mattress, worked out with a Peloton, Ubered to a WeWork, ordered on DoorDash for lunch, took a Lyft home, and ordered dinner through Postmates only to realize your partner had already started on a Blue Apron meal, your household had, in one day, interacted with eight unprofitable companies that collectively lost about $15 billion in one year.

"These start-ups weren't nonprofits, charities, or state-run socialist enterprises. Eventually, they had to do a capitalism and turn a profit. But for years, it made a strange kind of sense for them to *not* be profitable. With interest rates near zero, many investors were eager to put their money into long-shot bets. If they could get in on the ground floor of the next Amazon, it would be the one-in-a-million bet that covered every other loss. So they encouraged start-up founders to expand aggressively, even if that meant losing a ton of money on new consumers to grow their total user base...

"This arrangement is tailor-made for a low-rate environment, in which investors are attracted to long-term growth more than short-term profit. As long as money was cheap and Silicon Valley told itself the next world-conquering consumer-tech firm was one funding round away, the best way for a start-up to make money *from venture capitalists* was to lose money acquiring a gazillion *customers*.

"I call this arrangement the Millennial Consumer Subsidy. Now the subsidy is ending. **Rising interest rates turned off the spigot for money-losing start-ups**, which, combined with energy inflation and rising wages for low-income workers, has forced Uber, Lyft, and all the rest to make their services more expensive."

We talk about companies raising prices to preserve their profit margins against inflation. That's certainly happening, but a whole other universe of companies lack profits in the first place. Some are quite large, too. Many are privately held. We don't see their quarterly reports—but I'll bet the last quarter or two had even bigger losses than usual.

Low interest rates enabled this but weren't the only factor. It was low interest rates *accompanied by* an investor belief that enough cash and patience would produce the same kind of disruptive, exponential growth that made Jeff Bezos so fantastically wealthy. They all want the returns like a $10,000 investment in an Amazon IPO would now be worth (drum roll) ~$20 million. And if you put $1,000,000 in an early private round? I think the term is gajillions. Thus, the allure of chasing the next unicorn.

It really happens that way in a few rare cases. More commonly, though, these ultra-patient investors shielded their startup companies from normal market forces that tell management whether its plans are working or not. Often, they didn't work, at least not at the subsidized prices they dangled to consumers whom they hoped to hook for life.

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Asset Price Deflation (w/charts)

By Kelsey Williams

BEFORE ASSET PRICE DEFLATION

Before we talk about asset price deflation, let's review what happened before 2022.

Most financial assets benefited enormously from the Fed's hugely gratuitous efforts to support, sustain and reinflate prices after the 2020 collapse and the ensuing forced economic shutdown.

From the article Gold Market Manipulation And The Federal Reserve...

"*Long-side investors in all assets, including precious metals, 'benefited' from the manipulative efforts of the Federal Reserve twelve years ago and again just recently.*

The recent recovery in prices for stocks, bonds, oil, gold, and silver has been almost unbelievable. It is literally jaw-dropping..." June 28, 2020

It's kind of hard to believe that I wrote those words two years ago. A lot has happened since then. It isn't an understatement to say that whatever superlatives were used to describe the situation at that time probably should have been saved for what came afterward.

For example, gold surged to more than $2000 oz in August 2020, and came close to breaching that level again earlier this year.

Stocks increased more than fifty-five percent by the end of the following year and the widely-followed popular cryptocurrency, Bitcoin increased nine-fold from 9000 to 64,000.

Housing prices seemed to have no upside limits and commodity prices increased by one hundred sixty-six percent.

IT'S ALL OVER NOW

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So far, investors have been reluctant to lose trust in their central banks which have been instrumental in supporting financial markets. But this is now being tested, more so in the summer months as global food shortages develop.

We have increasing evidence that bank credit is either contracting or on the verge of doing so. This was the message loud and clear from Jamie Dimon's recent description of economic conditions being raised from storm to hurricane force, and his follow up comments about what JPMorgan Chase was doing about it. Rarely do we get the dollar-world's most senior banker giving us such a clear heads-up on a change in lending policies, which we know will be shared by all his competitors. And the fact that the bank's senior economist was tasked with rowing back on Dimon's statement indicates that the Fed, or perhaps Dimon's colleagues, know that he should not have made public their greatest fears.

Contracting bank credit always ends in a crisis of some sort. With a long-term average of ten years, this cycle of bank credit has been exceptionally long in the tooth. Before we even consider the specific factors behind a withdrawal of credit, we can assume that the longer the period of credit expansion that precedes it, the greater the slump in economic activity that follows.

Not only is this the culmination of a cyclical bank credit expansion, but it is of a larger trend set in motion in the mid-eighties. Following the inflationary seventies, which was book-ended with the abandonment of the Bretton Woods Agreement and Paul Volcker's 20 percent prime rates, a means had to be devised to ensure that fiat currencies would be stabilized in a lower interest rate environment.

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Inflation Reaches Unicorns

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The stories were alluring. Taxis used to be super expensive; surely technology could deliver a better solution. Uber and Lyft seemed to be the answers. But now, having started to travel again, I can tell you the old-fashioned, regulated yellow cabs are often less expensive than the higher fares the app-based services now charge, if not as comfortable.

In other words, what we see as "inflation" often represents not higher prices, but the end of artificially *low* prices. Or, put differently, it's not so much price inflation as price *rationalization*. These businesses are finally having to charge enough to cover their costs, which comes as a shock to customers.

The market will sort this out eventually. Companies that can turn a profit offering things consumers want at prices consumers can pay will survive. But the winnowing process won't be fun.

That means, as we watch a bear market on Wall Street, a less visible bear market will be unfolding in Silicon Valley, and in the boardrooms of institutions who invested in venture capital funds. We won't see the full story, but we'll see the effects. The companies will cut costs with lower wages and/or layoffs. Some will default on debt payments or even go bankrupt, leaving those starry-eyed shareholders holding only an empty bag.

Animal Spirits

Something similar happened in the energy business a few years ago. A combination of low interest rates, regulatory changes, and new technology enabled low-cost production from previously unprofitable shale oil and gas deposits. Crude oil prices were mostly above $80 for almost five years (2010–2014) with production costs less than half that level. The seemingly forever profits encouraged oil companies to leverage their production at friendly banks.

The resulting handsome profits drew in new players and a lot of new production which, combined with Saudi Arabia defending its market share, drove prices sharply lower. The US economy had a rough stretch in 2015–2016 as the boom unraveled. It wasn't technically a recession, but sure felt like one in energy-producing regions.

The old commodity saying, "High prices are the solution to high prices" has a corollary: Low prices are the solution to low prices, too. The years following 2015 gave little incentive to invest in new production. Then when crude oil dropped nearly to zero (and briefly below zero) in the COVID panic, the industry had a kind of near-death experience. I imagine some executives saw their careers flash before their eyes. This raised the threshold for making capital investments even further. The religion of ESG and the pressure on institutions not to lend to oil companies is quite real, driving up the cost of new capital investments.

If, hypothetically (because the real world doesn't work like this), oil prices had simply held steady around $80 for the last decade, we might be in an entirely different world now. Oil producers would be making a nice profit, supplies would be adequate, and the present inflation would be much less severe. The boom-bust cycle doesn't let it happen that way, though.

This leaves energy companies in the *opposite* position of those VC investors described above. They won't invest in long-term growth because they're not confident there will be any. They see both governments and consumers increasingly favoring renewable energy, environmental regulations making fossil fuel production more expensive, and higher interest rates raising the cost of the capital that would let them overcome the other obstacles.

On top of that, the very real possibility of a global recession cratering fuel demand in the next year or two, thereby rendering any new capital investments unprofitable, gives energy producers every incentive to extract as much cash as they can, now. That happens to be what their investors want, too.

But in both cases, the result for consumers is higher prices. We will pay more for the services that VCs had been subsidizing, and we will pay more for the fuel the energy industry will produce only in quantities where it takes little to no risk.

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Asset Price Deflation (w/charts)

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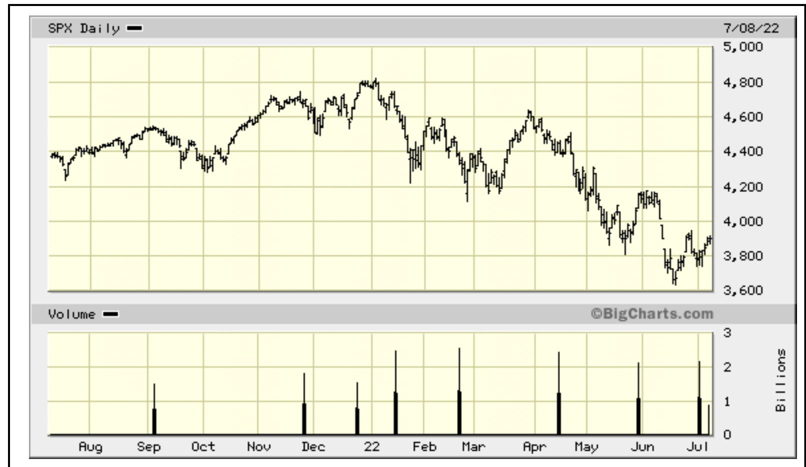
That was then and this is now. Here are some charts to look at…

GLD (Gold ETF) 1-YEAR

In less than four months, the gold price has dropped more than sixteen percent.

SPX (S&P 500) 1-Year



After reaching all-time highs at the end of last year, stock prices have fallen twenty-five percent.

BITCOIN (CME Futures) 1-Year

The award for most breath-taking price drop so far goes to Bitcoin. That shouldn't be a surprise to anyone. The most widely-watched cryptocurrency has fallen from 69,355 last November to a recent low of 18,525, a drop of seventy-three percent.

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By ensuring demand for dollars would always be sufficient to maintain its purchasing power, then all other currencies that were loosely pegged to it would be similarly able to retain purchasing power without the prop of high interest rates.

Consciously or unconsciously, the planners deployed a variation on the Triffin dilemma. Robert Triffin was an economist who in the 1960s pointed out that a reserve currency would have to ensure that there is sufficient supply of it for it to fulfil the reserve currency role. He concluded that the supplier of the reserve currency would have to run irresponsible short-term monetary policies to ensure the supply is made available, for the likely detriment of long-term monetary and economic prospects.

In the mid-eighties the planners put in place the mechanism for creating Triffin's demand for the dollar. Deficits would be run by the US government, as Triffin had explained, and dollar bank credit would be expanded. The creation of bank credit outside the US banking system would be permitted in the form of the Eurodollar market. And the growth of shadow banking went unhampered.

Major banks were encouraged to buy into brokers, eventually absorbing them into their operations completely. London's big-bang was what this was all about, followed by the Glass-Steagall Act being rescinded to allow the American money-center banks to enter brokerage and investment banking activities in their domestic markets as well as offshore. The purpose of financializing the dollar was to ensure there would always be speculative and portfolio demand for it.

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That's the common thread: Low interest rates created a distorted market which led to problems which ended in risk aversion. The animal spirits that have long let the technology and energy industries deliver innovative, cost-effective products are disappearing. Well, maybe not disappearing but going into hibernation. I see little reason to expect change anytime soon.

That means the higher prices—and the inflation they are fueling—probably aren't going anywhere.

The Price of Time

My friend Rob Arnott introduced me to Edward Chancellor with a glowing review of his new forthcoming book, The Price of Time: The Real Story of Interest. We exchanged emails and I asked for a PDF copy of the book which he graciously sent. I am partway through the first few chapters, but I can say the book is magisterial in its scope. He describes the reasons for the current distortion of the markets and why wealth and income disparity were so pronounced in the last 20 years. He lays blame on the Federal Reserve and central banks around the world distorting the markets with low interest rates. You'll want to buy this book and get it the first day available.

With permission, here are a few quotes. From the introduction:

"In the year of Bastiat's death, a final pamphlet appeared. In 'What Is Seen and What Is Not Seen' Bastiat tells the parable of a merchant, Jacques Bonhomme, whose shop window is broken by his careless son. Neighbors thought that it wasn't all bad news. At least repairing the window provided employment for the glazier, who could spend the money on food and other sundries. But Jacques Bonhomme now had less money to spend, says Bastiat. Here, Bastiat is urging readers to consider the broad consequences of any economic action, not just its effect on a particular beneficiary:

"In the sphere of economics, a habit, an institution, or a law engenders not just one effect but a series of effects. Of these effects only the first is immediate; it is revealed simultaneously with its cause; it is seen. The others merely occur successively; they are not seen; we are lucky if we foresee them. The entire difference between a bad and a good Economist is apparent here. A bad one relies on the visible effect, while the good one takes account of both the effect one can see and of those one must foresee.

"The bad economist, says Bastiat, pursues a small current benefit that is followed by a large disadvantage in the future, while the good economist pursues a large benefit in the future at the risk of suffering a small disadvantage in the near term. The American journalist Henry Hazlitt elaborated on Bastiat's Parable of the Broken Window in his bestselling book *Economics in One Lesson* (1946). Like Bastiat, Hazlitt lamented the *'...persistent tendency of men to see only the immediate effects of any given policy, or its effects on only a special group, and to neglect to inquire what the long-run effects of that policy will be not only on the special group but on all groups. It is the fallacy of overlooking secondary consequences.'* "Hazlitt criticized the 'new' economics of his day which, he believed, considered only the short-term effects of policies on special groups and ignored the long-term effects on the whole community. He attacked what he called the 'fetish' of full employment.

Schumpeter's idea of 'creative destruction' must be allowed to operate unhindered, Hazlitt wrote, as it was as important for the health of an economy that dying industries be allowed to die as it was for growing industries to be allowed to grow. Hazlitt compared the price system in a competitive economy to the automatic regulator on a steam engine. Any attempt to prevent prices from falling would only keep inefficient producers in business. The supply and demand for capital are equalized by interest rates, Hazlitt maintained. Yet a 'psychopathic fear of "excessive" interest rates' induced governments to pursue cheap money policies.

Easy money, wrote Hazlitt, *'...creates economic distortions . . . it tends to encourage highly speculative ventures that cannot continue except under the artificial conditions that have given birth to them.On the supply side, the artificial reduction of interest rates discourages normal thrift, saving, and investment. It reduces the accumulation of capital.*

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The policy has fundamentally overturned the way free markets behave, making them increasingly driven by central bank interest rate policies instead of by non-financial factors. Time preference became progressively less important relative to Fed policy. Whenever the dollar slipped, by lowering interest rates instead of raising them the Fed could encourage foreign portfolio buying. Lower interest rates increased flows of currency and credit into financial assets instead of debasing the currency in the non-financial economy.

It has not been a perfect system, because prices of goods and services still increased reflecting the expansion of currency and credit, but at a slower pace than one might have expected, given the increased quantity of circulating media. Furthermore, calculation methods applied to consumer price indices all had the effect of reducing the apparent pace of price increases. And it was in everyone's interest to buy into this perpetual system of wealth creation.

Thus, the creation of extra bank credit was directed increasingly into financial speculation in bond and equity markets. There were bubbles, such as the dotcoms in the late-1990s and in mortgage financing preceding the financial crisis of 2008/09. Despite these interruptions, the US authorities made sure that global investment flows primarily supported US financial interests. Thus, the wealth effect was created in America, and consequently through the internationalization of valuations in the jurisdictions of its major allies. And to the extent that credit expansion drove up financial asset prices, the effect was mostly ring-fenced within the financial economy, and was not recorded in official consumer price indices.

As markets caught on, interest rates declined to the point where they disappeared altogether. But as Triffin observed, policies to ensure that a currency is available as the world's reserve are economically destructive in the long run, and the whole trend set in motion from London's big bang onwards has now concluded with rising interest rates. It amounts to a super cycle of bank credit expansion certain to end more dramatically than a single cycle. Therefore, this bear market and its systemic issues can be expected to be of a greater magnitude than those which followed the dotcoms and the Lehman failure.

With interest rates so far beneath the rate at which prices are rising, which is mainly the consequence of earlier monetary debasement, losses are now accumulating for all those who bought into the financialization story and have failed to bail out of it. Top of a hubristic list are the central banks themselves which augmented monetary expansion with the acquisition of substantial bond portfolios through quantitative easing. Those assets are now collapsing in value, wiping out central bank equity many times over. The central banks themselves will need recapitalizing before they can tackle the problems of a widespread systemic collapse in the commercial banking network.

With a perfect storm forming in financial markets and the banks, we are witnessing the end of a global economic system which has denied the realities of free markets ever since President Hoover believed that the US Government could improve and then save the American economy in 1929. His errors were magnified by the neo-Keynesians' hero, Franklin Roosevelt with his New Deal. A Second World War and post-war socialization of capital with a minimized gold standard followed. Every failure has been met with a new doubling down on capitalism.

And every failure has increased the power of the state over its people and diminished their freedom. The drift away from a world of progress, where people were free to exchange the fruits of their labor with the intermediation of sound money, enabling them to succeed or fail by their own efforts, has led to the ultimate failure: a looming collapse of the whole statist system.

Since the last fig-leaf of gold convertibility was finally abandoned fifty-one years ago, the final phase of our decline has been covered up by the increasing financialization of western economies, substituting paper wealth for real prosperity. The function of fiat currency has been to perpetuate this illusion, an illusion that is finally coming to an end.

In the financial and economic violence which we now face, it is difficult to anticipate the order of a series of events within the overall crisis. The outturn could be very different, but logic suggests the following. Interest rates will rise until bank failures materialize. Meanwhile, financial assets will have fallen in value, possibly very quickly. Then we can expect monetary policy to expand to rescue the commercial banks, suppress bond yields and to finance soaring government deficits.

Article by:
Alasdair MacLeod
June 18, 2022
https://mises.org

Asset Price Deflation (w/charts)

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TLT (Long-Term US Treasury) 1-Year

Long-term US Treasury bonds have dropped by thirty percent since December.

THE MOST SIGNIFICANT CHART

Any one of the above charts might be considered as important, or significant, but I believe that a variation of the Long-term US Treasury Bond chart is deserving of further consideration...

TLT (Long-Term US Treasury) 3-Year

The big push to keep interest rates down and reinflate asset prices didn't do much for bonds.

The reversal point in a multi-decade decline in interest rates came in the summer of 2020 and bond prices have been declining since.

The decline grows in significance because it is larger and longer than in our previous example. From peak prices in August 2020, long-term bond prices have declined by forty percent.

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Inflation Reaches Unicorns

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It slows down that increase in productivity, that 'economic growth' that 'progressives' profess to be so eager to promote.'"

We will re-visit this next week. This low/zero interest rate distortion has been the true source of financialization, preventing Schumpeter's needed creative destruction. New companies don't get to provide better services at lower prices when artificially low interest rates keep older, sclerotic companies alive on life support.

Life in Paradise

Not much happening here until mid-July when my twins and their daughters and husbands get here for a few days, other than lunches and dinners with friends.

I am spending my time reading a lot, especially about energy. I am increasingly convinced that between the government and the religion of ESG and the determination of the big oil producers not to bring about another 2015 and return money to their investors that prices are going to remain relatively buoyant.

Article by:
John F. Mauldin
June 27, 2022
https://www.mauldineconomics.com/

Asset Price Deflation (w/charts)

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There is additional significance in the fact that the rise in interest rates and corresponding decline in bond prices began while other assets were still in streak mode to the upside.

Investors were looking for the next big thing and the rocket fuel provided by the Fed for everyone's favorite moonshot seemed to be working.

RUSH FOR THE EXITS – CONCLUSION

Then the Fed said that while it would still continue to provide rocket fuel (expanded credit), it was going to raise the price for the fuel by pushing interest rates higher.

Push turned to shove and the bond market fell down the "stairway to heaven".

The reverberations were felt in surrounding crowded theaters and participants headed for the exits.

That rush for the exits brings us to where we are now. Expect another wave of selling to occur. It will include forced liquidations of leveraged positions in all markets as well as mass selling out of discouragement and despair.

Things are going to get a lot worse. The ultimate fire sale is underway. (also see A Depression For The 21st Century)

Kelsey Williams is the author of two books: INFLATION, WHAT IT IS, WHAT IT ISN'T, AND WHO'S RESPONSIBLE FOR IT and ALL HAIL THE FED!

Article by:
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July 11, 2022
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The Outstanding Public Debt

National Debt:
30,593,286,976,007
The estimated population of the United States is **333,191,634**
US citizen's share of this debt is
$91,795.00
The National Debt has continued to increase an average of
$3.8 billion per day
Business, Government, Financial and Unfunded Liabilities Debt exceeds
$100 Trillion

ORE-VISION

Views and Analysis on the economy and Precious Metals

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