MONETARY SCENARIOS

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Global Monetary Viewpoint

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EXECUTIVE SUMMARY:
Examining for forces of disinflation is crucial to determining how and when the present long monetary inflation will run into asset deflation and recession; and whether a great goods and services inflation will ultimately emerge.

A study of nineteenth century US history and Dutch 17th century history provides some insights into this – subject to the key difference that the monetary regime is now totally fiat and totally corrupted.

Wealth managers in learning from history also have to confront two big questions in the present – how much longer to chase the FANGS bubble (and wider asset inflation) and what role to give to gold. Read on!

The Great Crash of 1929 came a year after the second biggest economy and epi-centre of global bubble Germany already went into recession. Will the same be true now with respect to Asia?

Disinflation, Fang + and Gold: nothing new in how this asset inflation will end

Long periods of monetary inflation, showing up as asset inflation but camouflaged in goods markets by coincidental non-monetary disinflation, is nothing new.

Indeed, we can trace such episodes back to the nineteenth century and even further back to Holland in the 17th century. All these asset inflations come to an end eventually, usually with a crash and severe recession, and usually without any significant upturn in goods prices – in fact, these sometimes continued to fall throughout.

Four types of disinflationary force

The outlook for disinflationary forces in 2020 and beyond

Wealth managers and chasing the Big Monopolists

Gold is a huge challenge for wealth managers

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Kind regards,

Dr. Brendan Brown

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