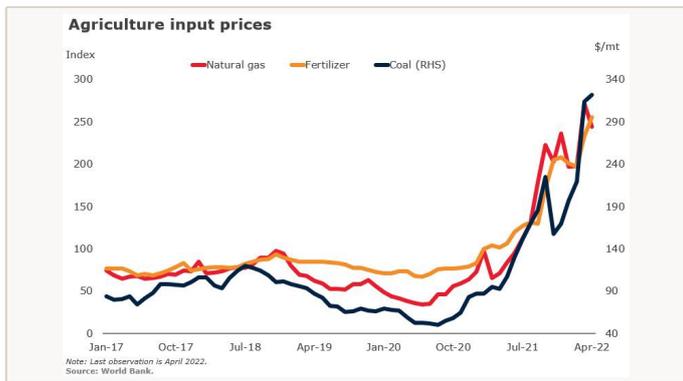


Governments who have played the MMT game for too long are reaping the results, as seen by the UK, Japanese, and US bond markets. Oil and energy continue to be hot topics as OPEC+ has opted to reduce production output and Europe is struggling to suitably store the LNG that is glutting up its southern ports. Geopolitics continue advancing towards a potential world war, with domestic developments in Ukraine and China, and the Sino/US economic war. Meanwhile, the political dynamic in Europe appears to be shifting towards conservative.

Highlights



De-dollarization continues globally as US Treasuries data demonstrates, with official entities (reserve banks and sovereign funds) printing net outflows upwards of 17 billion. While China increased its holdings, its total holdings still remain statistically low. Concurrently, US equities had the biggest sales (over 9 billion) since April 2020. [Source](#)



Artificially low food prices have been the norm for most developed nations for as long as most can remember. Benefitting from industrial-scale agriculture and cheap energy has lured the West into a sleepy sense of an abundance of food always being at their fingertips. This is likely to come to an end as prices of food production is likely to continue to increase well into 2023. It may be time for small-scale food producers to shine. [Source](#)

Precious Metals & Commodities

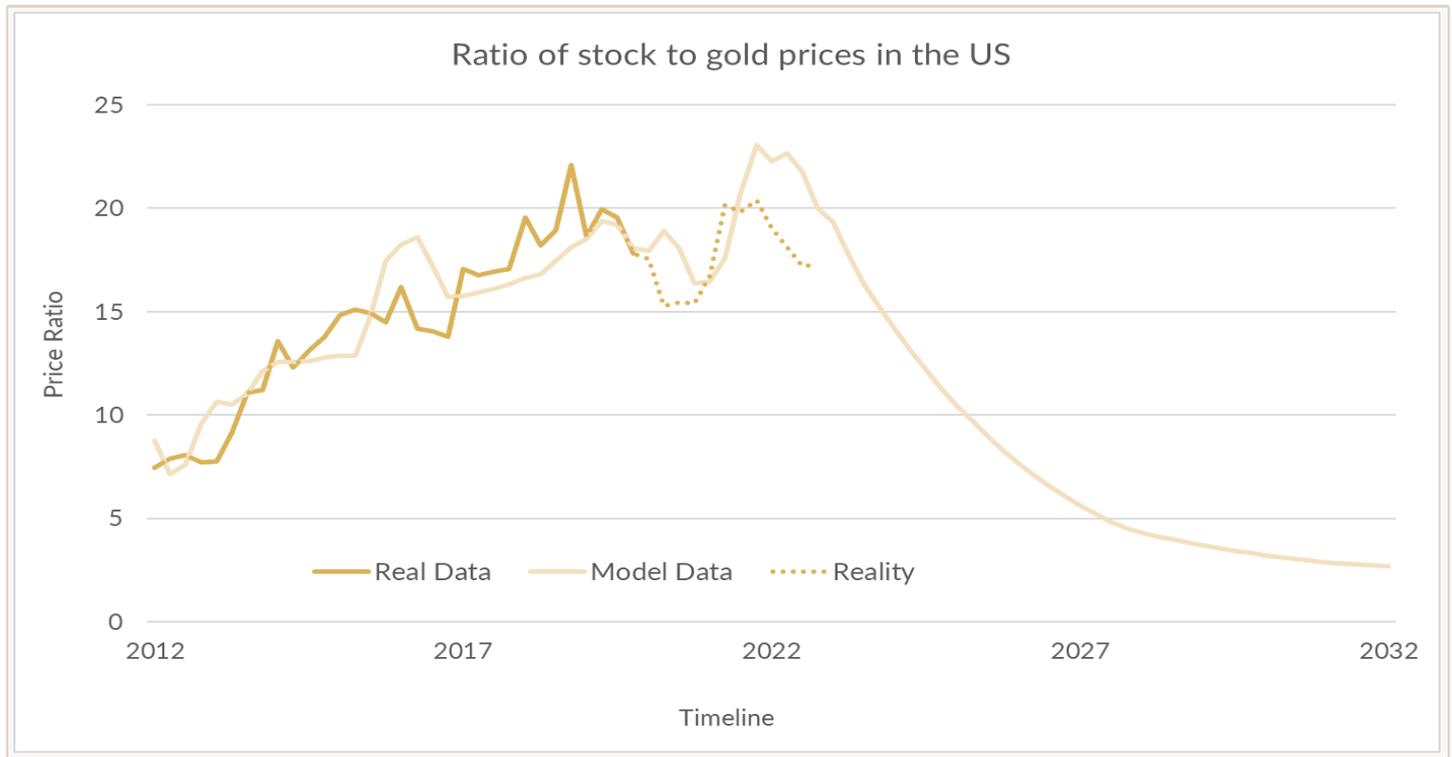
OPEC's decision to reduce production will likely cause a rising trend in oil prices while gas rates have declined due to the glut in Europe. Gold and silver continue their upward trend, as central banks purchase gold at record rates. Commodities are expected to remain flat in the short and mid-term.

Indicator	Gold	Silver	Copper	Oil	Agriculture
Current	↗	↗	→	→	→
Outlook	↗	↗	→	↗	→
Trend	↗	↗	↗	↗	↗

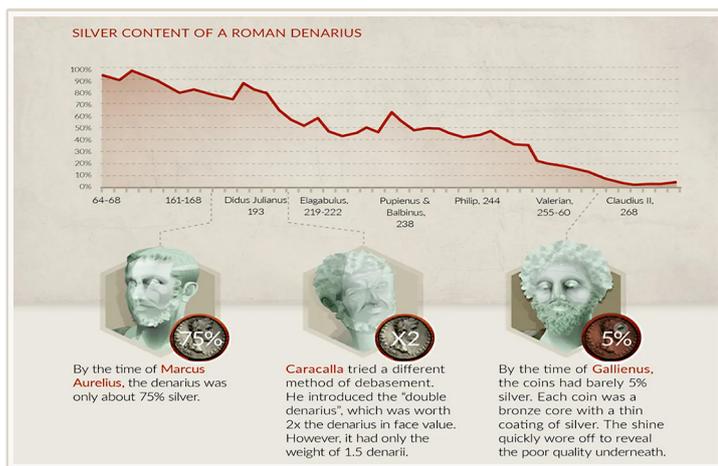
Prediction Model Gold or Stocks?

The current level of debt compared to production of the real economy is similar to the situation in the Germanic nations before the world wars in the 1910s, and the situation in France before the French Revolution in the 1790s.

Based on this data, the peak at which economic activity assets (such as equities) will outperform gold is around Q3 2022. From then on, the model predicts a outperformance of gold towards stocks (light line). When looking at the real data of stock to gold price (dotted line), we see the trend of gold outperforming stocks already began early in 2022. Whether we will experience another countermove or not is currently difficult to predict, but the long term trend for higher gold performance remains clear.



Gold Feature



Source

There are sufficient comparisons with the stages of Rome's decline, to that which is currently taking place in the US to warrant a closer look.

The discovery of gold mines in Spain would begin to spell the end of the freedom and prosperity enjoyed by Romans of that time. After an initial boom to the economy, inflation began to rear its ugly head, as Rome's rulers took to diluting their currency (mainly silver coins). This eventually led to increased prices and began a vicious cycle of taxes being paid in diluted coins (real money was hoarded), leading Rome's emperors to further dilute the coins just to keep up. The end result was hyperinflation and began the degradation of the world's longest ruling empire. Monetary policy all but vanished in some regions and bartering became the new norm.

Eventually, the government began to subsidize goods such as grain, turning the Roman economy into a welfare state that was both a burden on the empire's coffers and proved a disincentive to productivity and innovation. Rome's manufacturing output saw a massive decline, the city of Rome itself suffered a massive decline in its population, and education (measured in literacy rates) plummeted, eventually setting Europe onto the path of the Dark Ages.

Rome's historic path from rising empire to its eventual destruction has been shared by several empires throughout history. While accompanied by much turmoil, the transition from an old world to a new one is also accompanied by golden opportunities.