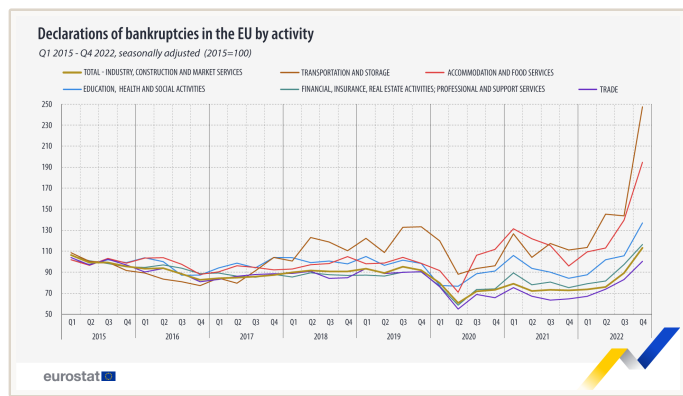
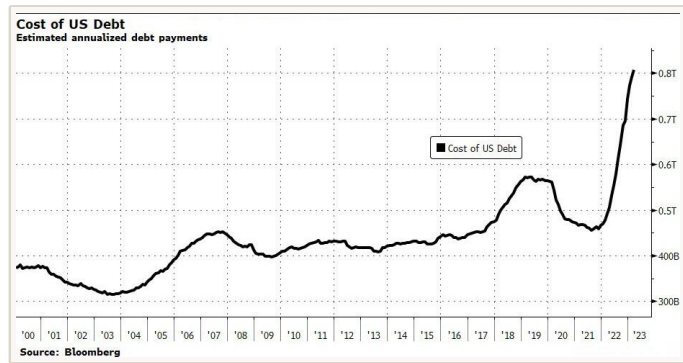


The Fed is facing criticism over ongoing rate hikes, with critics claiming they are using tools ill-suited to properly gauge the true effect on the economy. A study examining historical crises over the past 800 years is warning that the underlying issues surrounding the recent banking crisis are far from resolved, and a fuller breakdown is likely on the horizon. Shifts in geopolitical affiliations and trade agreements are accelerating the demise of the dollar as global reserve currency, while Germany's recent shut down of its last nuclear plants is exacerbating energy and food prices.

Highlights



EU bankruptcy declarations in Q4 2022 rose by 26.8% compared to the previous quarter, reaching the highest level since 2015. All sectors recorded an increase in bankruptcies in Q4, with storage and transportation up 72.2%, accommodation and food services up 39.4%, and education, health and social activities up 29.5%. The largest increase when compared to pre-pandemic Q4 2019 were in accommodation and food services at 97.7%, and transportation and storage at 85.7%.



As of the end of January, the US governmental debt exceeds 120% of its GDP. However, what is even more concerning is the annualized payments required to service that debt. The costs of servicing rose almost parabolically over 2022, estimating to over 800 billion dollars by end of March; an unprecedented 40% higher than any previous highs. The rate at which these payments are rising is particularly alarming, as they are increasing almost exponentially due to the impact of rising yields.

Precious Metals & Commodities

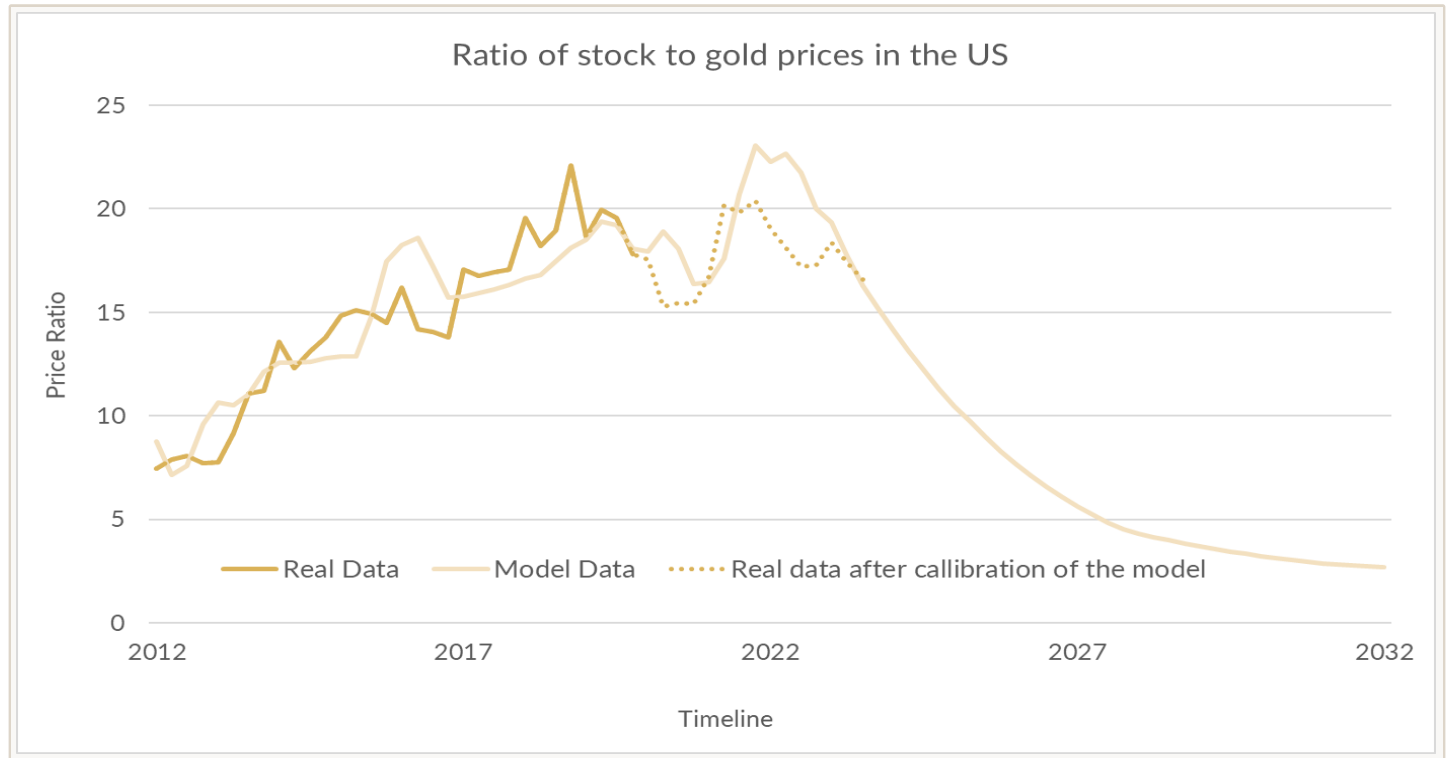
Oil prices are expected to rise following the decision by several OPEC+ nations to cut production. Outside of copper, which is expected to see little movement in the short term, the long and short term trend continues upward for all precious metals and commodities.

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

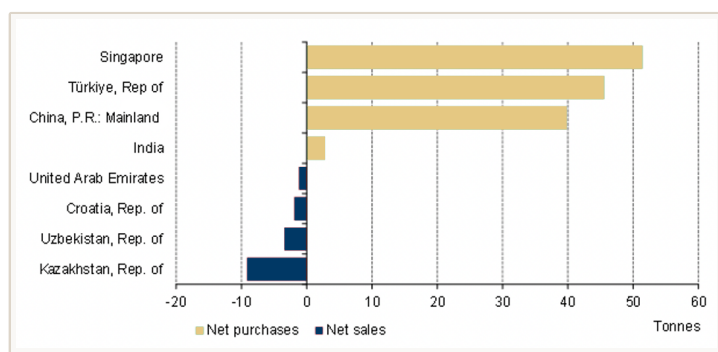
Prediction Model Gold or Stocks?

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



Several factors are contributing to the recent rise in gold prices, including global geopolitical tensions, low interest rates, and the increasing risk of inflation. Central banks are turning to gold as a way to protect their assets from the risks associated with the US dollar. So far this year, gold purchases have far exceeded sales. By converting their reserves from dollars into gold, these nations are making gold an asset of even greater value.

Additionally, the recent bank run has caused many to question the safety of their assets. Even local and regional banks are now seen as increasingly risky, and with the potential for a commercial real estate bust looming, people are turning to gold and silver, leading to an increased demand for these precious metals. Gold is an important asset to hold during times of economic uncertainty due to its ability to provide protection against inflation and currency devaluation. The recent increase in gold prices are seen by some analysts to be the start of a quiet bull market which will continue to gain momentum over time.

While gold may not be the most exciting investment, it is an important one to consider for those looking to diversify their portfolio and protect their wealth. As more people turn to gold as a safe haven for their wealth, the momentum behind this sector is likely to continue to grow. Gold's bull market is just beginning, and investors who take advantage of this trend may be well-positioned for success in the years ahead.