



Brave New world

Ritesh Jain

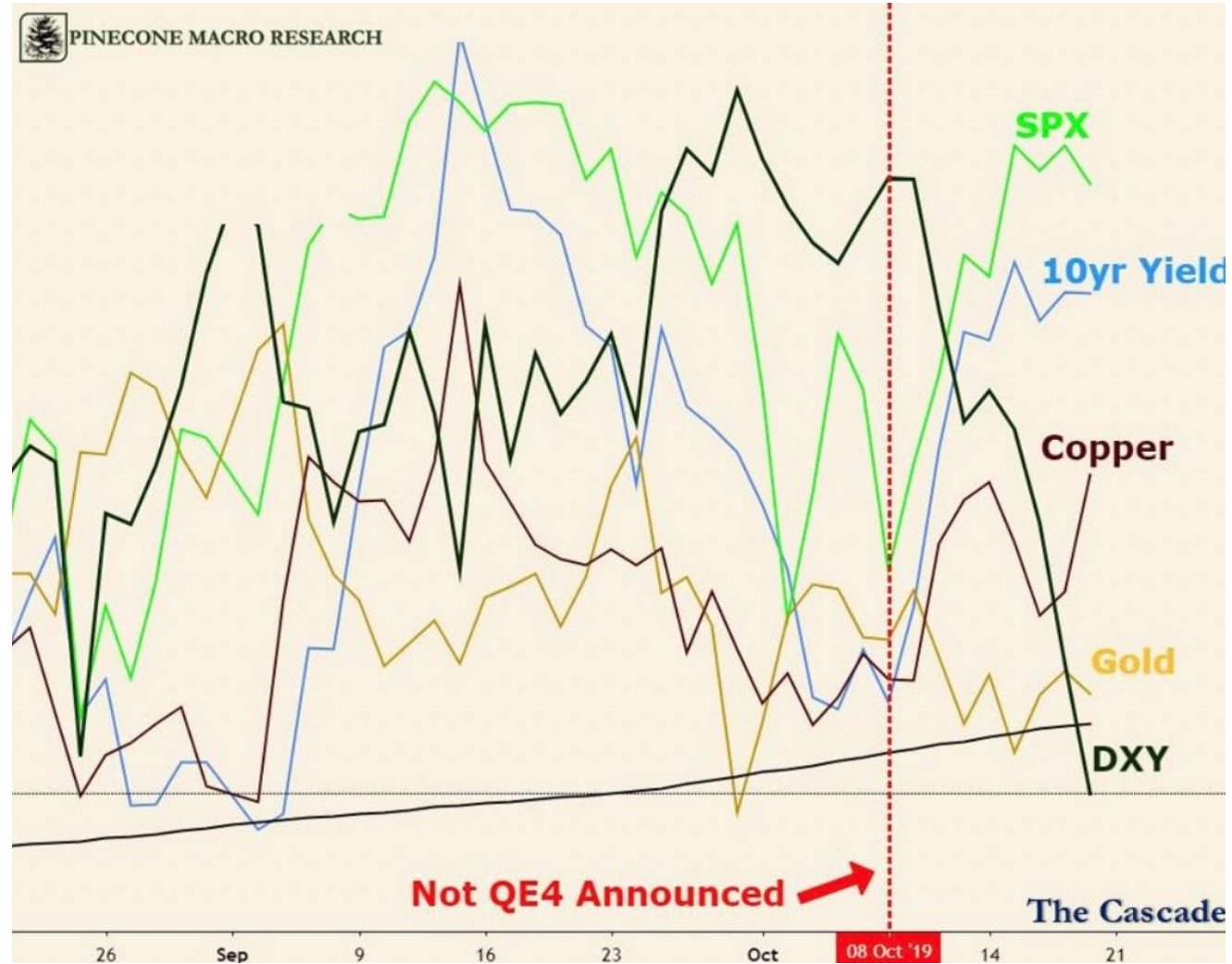
US (in Brackets) fiscal position today remind me of GERMANY before hyperinflation

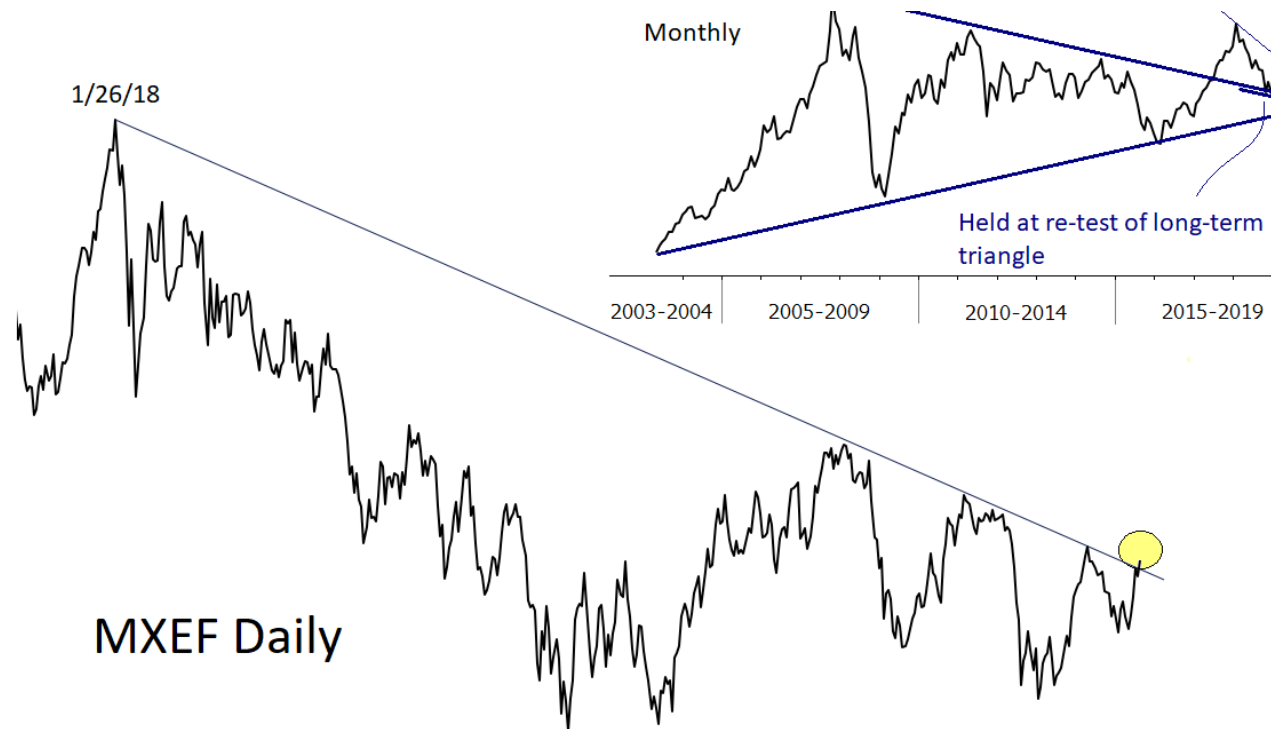
US fiscal deficit is blowing out of proportion and FED has already started doing QE because market is not able to absorb debt issuance by US treasury

“Von Havenstein [FFTT: Powell] faced a real dilemma. Were he to refuse to print the money necessary to finance the deficit, he risked causing a sharp rise in interest rates as the government scrambled to borrow from every source. The mass unemployment that would ensue, he believed, would bring on a domestic economic & political crisis, which in Germany’s [FFTT: The US] current fragile state might precipitate a real political convulsion. As the prominent Hamburg banker Max Warburg, a member of the Reichsbank’s board of directors, put it, the dilemma was ‘whether one wished to stop the inflation & trigger the revolution,’ or continue to print money. Loyal servant of the state that he was, Von Havenstein had no wish to destroy the last vestiges of the old order.”

-“Lords of Finance: The Bankers Who Broke the World”, Liaquat Ahamed, p. 125

Not QE 4
announced





Winds of Change

The unloved Emerging Markets seems to be breaking out here as per Nautilus Research

GOLD & SILVER miners never looked so appealing

We could be in the early stages of a multi-year bull market for this historically depressed industry

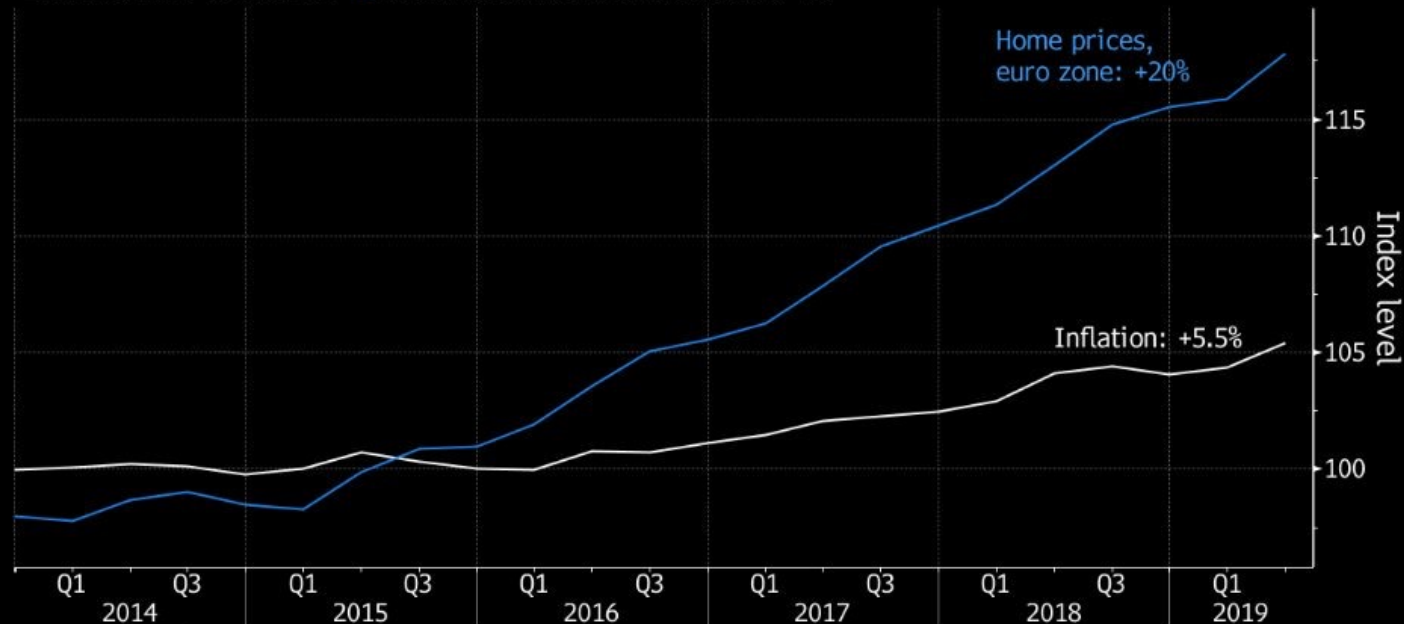


INFLATION not in price but Assets

European interest rates are in negative territory, but economy has not revived. Smart investors are buying Real Assets (GOLD & REAL ESTATE) to maintain the purchasing value of their currency

Inflation Beater, or Underperformer? Home prices have risen 20% in euro zone since 2013

■ Euro Area MUICP All Items NSA ■ Eurostat House Price Index Euro Area 2015=100



Source: Bloomberg, Eurostat