

The Top 3 Outcomes As the Elites Try To Reset the International Monetary System

Description

It's self-evident the fiat currency system centered on the US dollar is self-destructing at an alarming rate.

After more than 50 years, it's long past the end of its shelf-life, like a carton of spoiled milk.

Even the elites running the system can see that and are openly talking about what they'd like to see come next.

That's why there's all this talk about a "reset" as the current international monetary system falters.

The way I see it, there are three possible outcomes.

Outcome #1: Central bank digital currencies (CBDCs) and the International Monetary Fund's Special Drawing Rights (SDR) replacing the US dollar as the world's new reserve currency. This is the elites' preferred outcome.

Outcome #2: A reluctant re-monetization of gold. Central bankers don't want to go back to gold, but they will have no choice if their fiat system collapses, forcing their hands.

Outcome #3: Bitcoin is the wild card. A Bitcoin standard could spontaneously emerge regardless of what the elite want. Bitcoin is an entirely new asset people are adopting as money because of its superior monetary properties, notably its total resistance to inflation.

It's good to keep Bitcoin's long-term monetization trend in mind. However, both gold and Bitcoin will likely do very well in the short and medium-term as fiat currencies lose value.

No matter if Bitcoin or gold ultimately wins the long-term competition to be the world's dominant money, it will be an enormous improvement over fiat currency, which is a fraud of historic proportions.

So I am rooting for both gold and Bitcoin. Right now, I want to be exposed to gold, Bitcoin, and the

stocks of companies that produce them.

However, for this analysis, I am concerned with the coming monetary reset the elites are trying to pull off as the current monetary system fails, which seems to be a more immediate trend.

As unfortunate as it is, central banks still wield enormous control over money and finance. Over the long term, Bitcoin has a realistic chance to render central banks and fiat currency obsolete. However, in the more immediate time frame, central banks are in a position to reset the monetary system and try to bridge the gap to a new one they hope to control.

The way I see it, they would prefer to extend the life of the fiat currency system with CBDCs and SDRs. So, they'll try that first. Although, I don't think that will be viable.

Simply put, if the current fiat currency system is not viable, then fiat on steroids—CBDCs and SDRs—will not be viable either. CBDCs and SDRs will enable even more currency debasement, which would be positive for monetary alternatives like gold and Bitcoin.

So, ultimately, I think they will have to reluctantly turn to gold, which they are familiar with and have a degree of control over.

Don't Be on the Wrong Side of the Biggest Wealth Transfer in History

As this all unfolds, we are looking at the biggest wealth transfer in history... and those holding US dollars and other fiat currencies will be on the losing end.

All the value stored in US dollars, euros, and other fiat currencies will be siphoned out and transferred elsewhere.

This process is already well underway.

For example, from the start of the Covid hysteria in March 2020 until today, the Federal Reserve has printed more money than it has for the entire existence of the US. It's the biggest monetary explosion that has ever occurred in the US.

During that period, the US money supply increased by a whopping 41%.

In other words, if your after-tax wealth did not grow more than the 41% hurdle rate since March 2020, you are on the wrong side of the wealth transfer and losing ground.

You're on the road to serfdom.

As bad as the situation with inflation is right now, it's nothing compared to what is ahead of us.

The coming money printing could be unlike anything we've ever seen before.

The key is to position yourself on the receiving end of this wealth transfer. That way, you can avoid disaster and set yourself up for enormous potential gains.

Owning free-market monetary alternatives like gold and Bitcoin—and the companies that produce them—is an excellent way to do that.

I think one thing is sure, though.

Outcome #1 and Outcome #2 would be terrific for the price of gold.

CBDCs and SDRs will enable even more inflation, which would be positive for gold.

Central banks going back to a monetary system based on gold would, of course, be positive for gold.

Let's look at a conservative scenario and presume the US government has the 261 million ounces of gold it claims to have.

If the US government used a 25% gold backing for the dollar—using the M2 measure of the money supply—it would imply a gold price of \$20,773 per ounce.

If the US government backed the dollar 100% with gold, it would imply a gold price of \$83,091 per ounce.

These numbers might seem shocking, and they are. But so is the amount of money printing recently that has ballooned the money supply.

Further, these numbers are constantly rising because the Fed continues to create new dollars out of thin air, and the ounces of gold the US government owns have remained constant since 1971.

Also, consider this.

The last time the international monetary system experienced a paradigm shift of this magnitude was in 1971.

Then, gold skyrocketed from \$35 per ounce to a high of \$850 in 1980—a gain of over 2,300% or more than 24x.

I expect the percentage rise in the price of gold to be at least as significant as it was during the last paradigm shift.

That's because this coming gold bull market could be fundamentally different than other cyclical bull markets. It will be riding the wave of an incredibly powerful trend: the re-monetization of gold. It could lead to the biggest gold market ever.

While this megatrend is already well underway, I believe the most significant gains are still ahead.

Editor's Note: The economic trajectory is troubling. Unfortunately, there's little any individual can practically do to change the course of these trends in motion.

The best you can and should do is to stay informed so that you can protect yourself in the best way possible, and even profit from the situation.

That's precisely why bestselling author Doug Casey and his colleagues just released <u>an urgent new PDF</u> report that explains what could come next and what you can do about it.

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Date Created

10/07/2022