



## GLOBAL WARNING

In the last few days various reports have been published from organisations such as the BIS (Bank for International Settlements in Basel), Barclays Bank, Royal Bank of Scotland (RBS). They are basically all saying the same thing namely that **the world financial situation is extremely precarious.**

BIS says: *"The current market turmoil is without precedent in the postwar period. With a significant risk of recession in the US, compounded by sharply rising inflation in many countries, fears are building that the global economy might be at some kind of tipping point."* BIS goes on to say: **"The magnitude of the problems yet to be faced could be greater than many now perceive."** *It is not impossible that the unwinding of the credit bubble could, after a temporary period of higher inflation, culminate in a deflation that might be hard to manage, all the more so given the high debt levels."*

Although none of the above is new to MAM's investors, this should be taken as a very serious warning from a normally very conservative establishment.

RBS warns in a recent report about a global crash in stock and credit markets: *"A very nasty period is soon to be upon us – be prepared!"* *"The Fed is in panic mode. The massive credibility chasms down which the Fed and maybe even the ECB will plummet when they fail to hike rates in the face of higher inflation will combine to give us a big sell-off in risky assets."* RBS goes on to say that Europe is not immune: **"Economic weakness is spreading and the latest data on consumer demand and confidence are dire. The ECB is hell-bent on raising rates."**

Barclays Capital has advised clients to batten down the hatches for a worldwide financial storm, warning that the US federal Reserve has allowed the inflation genie out of the bottle and let its credibility fall to "below zero". Barclays says: *"We're in a nasty environment. There is an inflation shock underway. **This is going to be very negative for financial assets.** We are going into tortoise mood and are retreating into our shell. Investors will do well if they can preserve their wealth."*

We have in the last few years warned investors of what is now happening. A **Wealth Preservation Strategy** is vitally important to protect investors from the minefield of risks that is lying in front of them. **Such a strategy must include a significant investment in physical precious metals stored outside the banking system.** MAM has successfully been doing this for its investors since 2002. We have seen significant appreciation in precious metals since then but in our opinion **the real move in precious metals is still to come.** Both gold and silver will have very substantial moves in the next few months and years.

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