

Alps Precious Metals Group

Interim Update

March 22, 2018

Deutsche Bank + CDS and LIBOR-OIS Spreads

When building our case as to why the status quo system is unstable and that the unwinding of the now 9-year old Central Bank/Central Planning experiment would be incredibly ugly, we have pointed to Deutsche Bank as being one of the key indicators of Global systemic risk. This is the case due to its global prominence and how correspondingly intertwined with the entire global financial system it is due to its massive derivatives position. If one has ill memories of what happened to the system upon the demise of Lehman Brothers, simply multiply that effect by 10 to get a general gauge of what would occur to global markets if Deutsche blew up.

Here are up-to-the-moment graphs of Deutsche Bank. Please keep in mind that this demise in the stock price has occurred during a time of absolutely unprecedentedly reckless creation of bank credit from thin air for 9 years; DB now sports a dollar price well south of the 2008 lows:

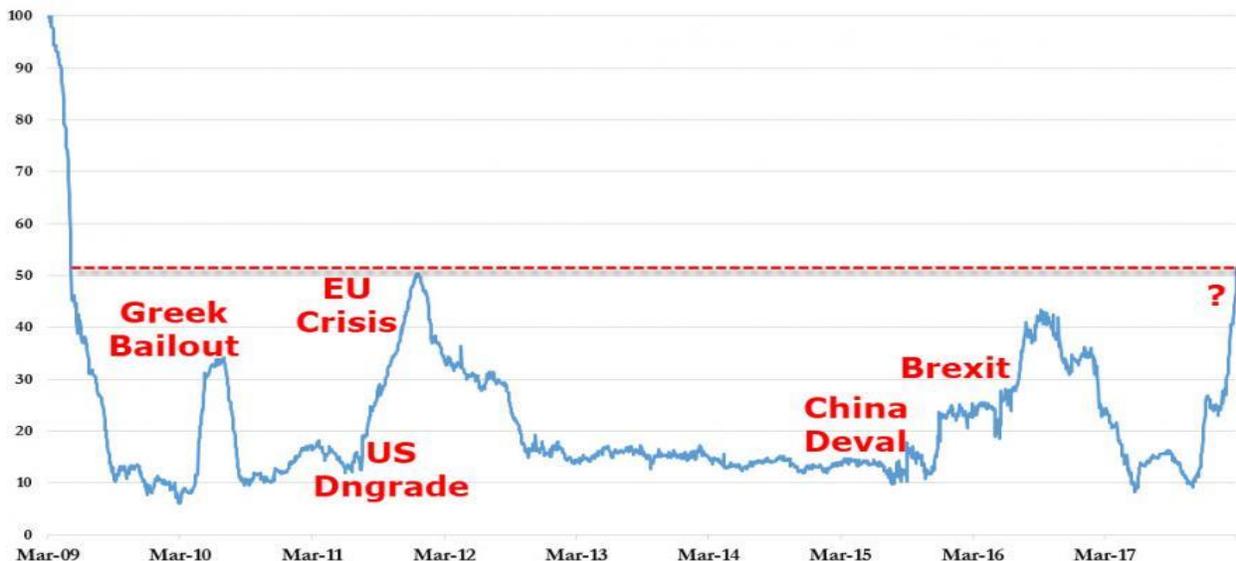


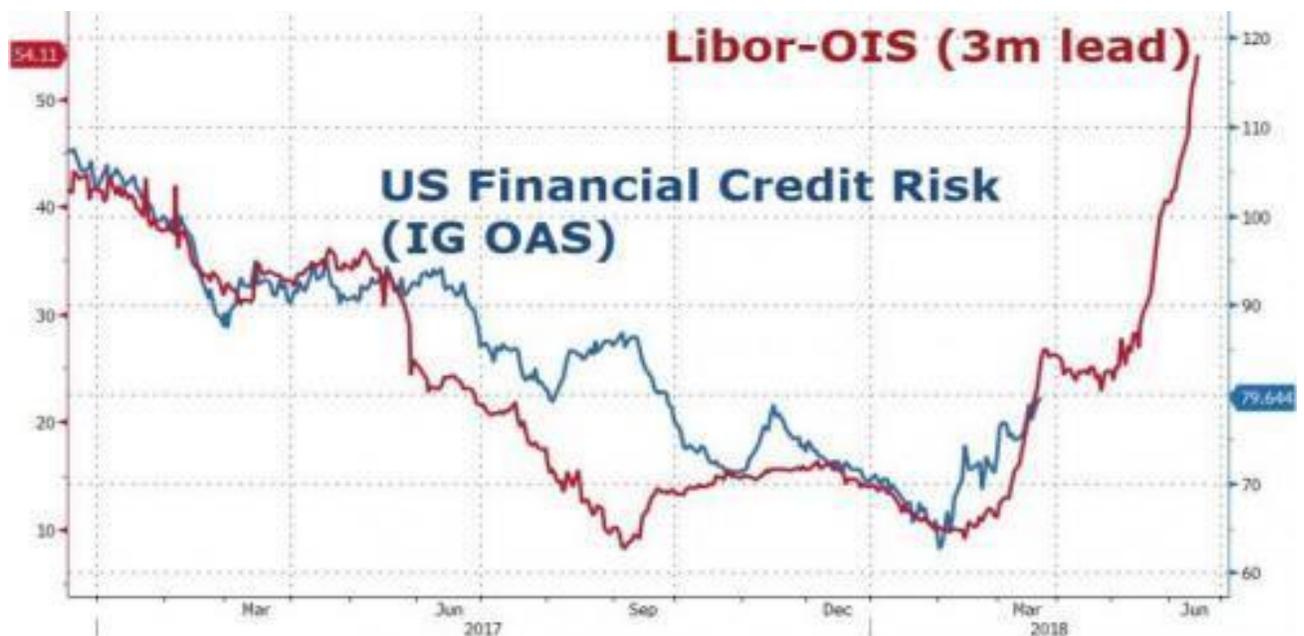
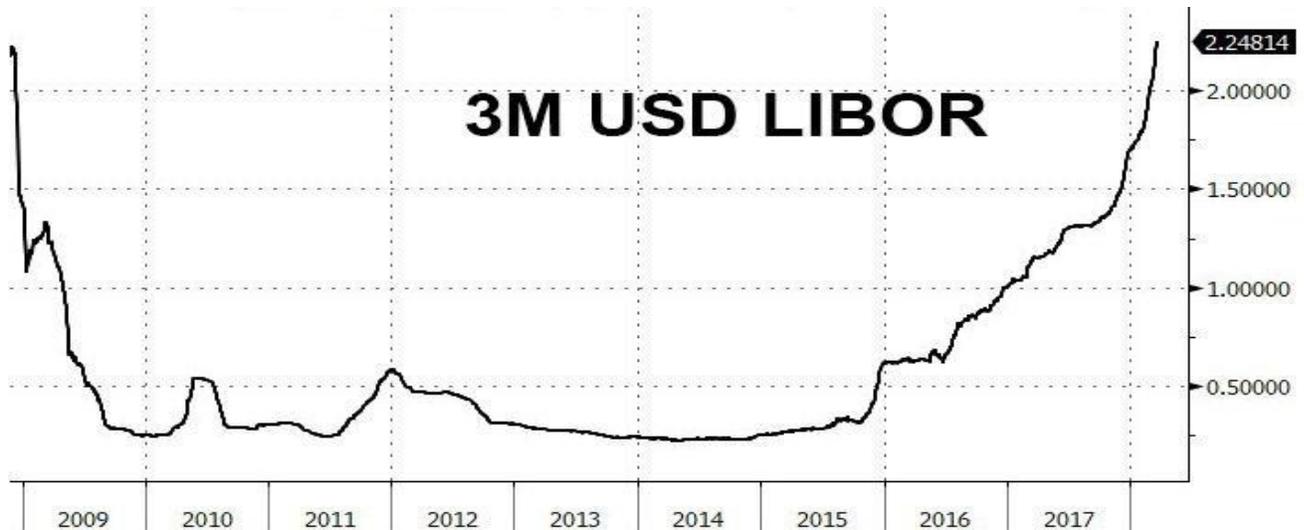
2 year Daily Chart of DB:



This demise in the stock price of DB occurs simultaneously with the mystery of the expansion of LIBOR-OIS spreads – one of the best indicators of global financial system risk. These spreads are revisiting the levels last seen in 2008-2009:

USD 3m LIBOR-OIS





In recent days, both Citibank and Morgan Stanley have weighed in as to the cause of the stress (eg. <https://www.bloombergquint.com/markets/2018/03/21/rising-libor-is-the-story-of-the-year-not-fed-morgan-stanley-says>) and both articles conclude being somewhat mystified as to the ultimate catalyst(s). However, if the spreads are here due to systemic stress being caused by a bank, and that bank happens to be DB, then the spreads make sense, and, Houston, we have a problem.

If we do indeed have a problem, the “tough guy” tightening the Fed, ECB and BoJ have been posturing will come to a swift halt. The printing presses will be turned right back on to full power. However, we’re not so sure they will work this time around. If Deutsche Bank explodes, our concerns about the status quo banking system will come to pass, irrespective of what the Central Banks/Planners do. In such a scenario where the diminishing returns of the “free credit” “solution” are suddenly manifest, the need for the TANGIBLE wealth of physical Gold and Silver – held OUTSIDE of the status quo global financial system - will be an absolutely imperative portion of the portfolio of any Institution or Individual/Family.

Alps and Liechtenstein Precious Metals

Alps Precious Metals Group via our partnership with Liechtenstein Precious Metals Group is dedicated to providing the global standard for the finest and most secure storage and trading of Physical Precious Metals. Our Vault is constructed to the highest security standard in the world (“Class 10”) and, via our relationship with Lloyd’s of London, insures each client’s specie at 100% of its market value. Our trading desk provides liquidity on each and every business day with as little as next day settlement. All of these benefits are enjoyed while simultaneously being freed from the status quo global financial system. Contact us (www.alpspmg.com) to discuss how APM/LPM can become a trusted partner in the creation, protection and utilization of the hard money portion of your portfolio.

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