

## **The sphere of influence is shifting from West to East**

Under normal circumstances, the usual way to go about a value analysis is by close scrutiny of a company's balance sheet or of economic framework data. However, these days it appears that in the Western world (Europe and USA) more weight is attached to evaluating the measures taken by central bankers and economic policy-makers rather than to real economic indicators. True to the motto "needs must when the devil drives", contracts with no opt-out clauses are being terminated and Western central banks are creating money at the drop of a hat (QE: quantitative easing) which is being used to iron out the mismanagement of the financial industry and to buy up whole markets (such as the ailing US mortgage business). The fact that such measures equate to artificial monetary expansion, which will in the long run result in a drop in the purchasing power of assets for citizens of the Western world, seems to leave the benefactors of banks, nations and industry cold, surmising as they do that all problems can be solved by using the means at their disposal. What they fail to comprehend, however, is that they are merely patching up a hole. The abyss which will open in its wake is quite simply being overlooked, and we will have to pay dearly for this oversight.

It is understandable that the BRIC nations are not prepared to accept this course of action indefinitely, as they are the countries which will be most affected by it. For this reason they decided at their last meeting in Rio de Janeiro in July 2014 to no longer recognise the US dollar as the key global currency, or reserve currency. Furthermore, what the media has failed to report is that these BRICS nations have begun to work on a multicurrency system which will be stabilised by reserves of physical gold. It is conjectured that this system will be in place by 2017. A simple construction, it will be based on the Yuan, Ruble and the other BRICS currencies. Thanks to modern digital systems it will be easy to apply and – by virtue of the stabilising effect of gold – currency fluctuations within the BRICS currency group should be kept within reasonable limits. The system will be open to accepting other currencies at a later date.

This project should strengthen the stability of the BRICS nations and push countries like the USA and the European nations, who are still members of the Breton Woods monetary system, out of the limelight. This new constellation will be further reinforced by the fact that China has recently become the world's leading economic power. Whether it will be possible to establish this new multipolar world in a peaceful fashion remains to be seen, but as Alan Greenspan, former Fed chairman, has already stated:

**"Gold still represents the ultimate form of payment in the world. Fiat money in extremis is accepted by nobody. Gold is always accepted."**