

Shovels, Not Spreadsheets – Eine Debatte zwischen Luke Gromen und Craig Tindale

Key Takeaways

- Die Sperrung der Straße von Hormus beschleunigt den Zerfall des seit 1971 bestehenden US-Dollar-Systems. Chinas Infrastruktur für die Abwicklung von Petro-Yuan-Geschäften gegen Gold steht bereit.
- Engpässe lassen sich nicht per Knopfdruck lösen. Stillgelegte Aluminiumhütten brauchen 12 Monate zum Wiederanfahren. Selbst bei sofortiger Wiederöffnung der Straße von Hormus sind die Folgewirkungen der Sperre über Monate nicht einzementiert.
- Zwischen 50 und 98 % der globalen Raffineriekapazität für nahezu jedes strategische Metall, Gas und jede Chemikalie befindet sich in chinesischer Hand. Für die westliche AI-, Verteidigungs- und Elektrifizierungsagenda ist das eine immense Herausforderung.
- Erstmals seit über 30 Jahren ist Gold die wichtigste globale Zentralbankreserve, noch vor US-Treasuries. Ein Goldpreis von rund 22.000 USD hätte Chinas Rekord-Handelsüberschuss von 990 Mrd. USD aus dem Jahr 2024 vollständig durch Goldimporte ausgeglichen.
- Mit US-Sozialausgaben plus Zinsaufwand bei über 100 % der Staatseinnahmen löst jede Rezession zwangsläufig eine Schuldenspirale aus. Liquiditätsspritzen treffen auf physische Engpässe. Eine formelle Goldneubewertung ist wahrscheinlicher als zu jedem Zeitpunkt der letzten 40 Jahre.
- Der Minen-Sektor macht global gerade einmal 2–3 % des weltweiten Kapitalmarkts aus. Wenn Kapital aus AI- und Tech-Positionen in physische Engpässe rotiert, ist die Konsequenz eine Verwerfung historischen Ausmaßes.



Luke Gromen ist der Gründer von FFTT, LLC („Forest for the Trees“), einer Research-Boutique, die sich auf makroökonomische Analysen fokussiert. Seine Kunden sind institutionelle Investoren und gehobene Privatkunden. Luke's Vision für FFTT ist, seinen Kunden die Möglichkeit zu bieten, an Chancen zu partizipieren, die sich daraus ergeben, was Kunden und ehemalige Kollegen immer wieder als seine „einzigartige Fähigkeit, das große Ganze zusammenzufügen“ beschreiben.



Craig Tindale ist Privatinvestor, renommierter Vortragender und Gründer zahlreicher erfolgreicher Start-ups. Er war fast vier Jahrzehnte lang in den Bereichen Softwareentwicklung, Technologie-Geschäftsstrategie und Infrastrukturplanung tätig, unter anderem in Führungspositionen bei Telstra, Oracle und IBM. Er vertrat US-amerikanische und multinationale Anbieter in ganz Asien, während Produktionsaufträge im Wert von mehreren Milliarden US-Dollar in Echtzeit ausgelagert und ins Ausland verlagert wurden. Von 2018 bis 2025 betrieb er ein privates Family Office mit Sitz in New South Wales und investierte in Unternehmen in der Frühphase sowie in infrastrukturbezogene Unternehmen aus den Bereichen Logistik, Fintech und Umweltsysteme.

Während seiner gesamten Karriere blieb der rote Faden derselbe: die Nähe zu realen Systemen, keine Abstraktionen, Erzählungen oder Modelle, sondern die physischen und operativen Einschränkungen, die darüber entscheiden, ob Geschäfte abgewickelt werden, Lieferungen ankommen und Institutionen unter Stress funktionieren.

Sein Substack ist zu finden unter <https://ctindale.substack.com/>

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Ronald-Peter Stöferle

Hello, it's a great pleasure hosting two of my very, very favorite voices on commodities and global macro, Luke Gromen and Craig Tindale. Gentlemen, thanks for taking the time.

Craig Tindale

Thank you.

Luke Gromen

Thanks for having us.

Ronald-Peter Stöferle

Luke, we are proud supporters and subscribers of your research. We have been in touch since 2016 or 2017. We have featured three or four interviews with you in the *In Gold We Trust* report.¹ We've been closely following how you became a superstar in our scene, and it's more than well-deserved. And then there's Craig, who is kind of the new kid on the block. I told you before, we need young and fresh faces. Craig, here from Australia, thank you very much for taking the time, I think it's 10 pm over there. You wrote a brilliant white paper called "Critical Materials, Strategic Analysis," and it has gone viral since December. It reportedly reached the White House and the Pentagon.

It sparked a conversation about something most people in finance are still not paying attention to, which is the physical world. What I would like to do today is bring together the physical side that you've been following for the last couple of decades, Craig, and the monetary and financial side that Luke is brilliantly covering, and that we at the *In Gold We Trust* report, as well as Incrementum in our fund management, also cover. I think it's going to be really interesting bringing those perspectives together.

We are writing the 20th *In Gold We Trust* report, and the leitmotiv and title is "Back to the Future of Money." We're looking back at the last 20 years at what actually happened, and we're also looking into the next couple of years and the next couple of decades.

Q: Given all the developments we're seeing at the moment, around the petrodollar, the Iran crisis, how Treasury markets and the US dollar are reacting, is this the end game of the petrodollar and the beginning of what we once called petrogold?

Luke Gromen

¹ See „From Trade Restructuring To Monetary Reset? – Eine Debatte zwischen Louis-Vincent Gave und Luke Gromen“, *In Gold We Trust-Report 2025*; „Energie, Krieg & Inflation - Exklusivinterview mit Luke Gromen“, *In Gold We Trust-Report 2022*; „Exklusivinterview mit Luke Gromen: A Deep Dive into the Geopolitics of Oil, Gold, and Money“, *In Gold We Trust-Report 2020*

I think it has the potential to be a major change in the global monetary system. Someone asked me recently whether the Trump administration is trying to end the US dollar's reserve status by doing this, at least the post-1971 structure of it. I said, look, it's a very suboptimal way to go about it, in my opinion, but it's a highly effective way of doing it. And if that was the goal, then okay; if it's not the goal, then maybe they should rethink what they're doing. The reason I say that is you're going to be disrupting supply chains in a way that is so great that you are going to force everybody to rerate their priorities.

The way the system has obviously worked for 50-plus years, almost 60 years, is that as we hollow out our defense industrial base and send factories overseas, we buy stuff from the offshore factories, we send them US dollars, they take the US dollars and recycle them back into our financial markets. For a while, that's a virtuous cycle of trade, and the result is that the United States ends up with not a lot of factories but a lot of financial investment, while the rest of the world ends up with a lot of factories and a lot of US dollar-denominated assets. The second you curtail supply chains as drastically as you are going to, and as has arguably already begun by closing down Hormuz, now doubly closed down with what appears to be a double blockade, you're going to force the world to sell US dollar assets to buy finite commodities wherever they can source them.

Importantly, as it relates to the denomination of those commodities, you're going to buy them ideally in your own currency, if you can, with partners that are willing to sell under those terms. And China has the infrastructure for that already completely set up. So it's really not a very hard switch at all at this point to move to a petro-yuan-through-gold arrangement. The pipes are there, there's already been some volume through there; and certainly the means, motive, and opportunity are now all there. I look at it and say: Is that the goal? Maybe it's a potentially very, very messy way of doing it. But one thing that to me is crystal clear is that we're in one of these huge moments of history, one of these weeks where decades happen, as Lenin famously said.

Ronald-Peter Stöferle

Craig, do you want to add something?

Craig Tindale

I think we're getting into some interesting mechanisms. It's no accident that China ended up refining 50 to 98% of almost every metal, chemical, and gas that you can come across. What it's created is a bifurcation of the US dollar, because if you have to buy it from China, in a lot of cases you've got to pay in yuan. This started with the iron ore miners, I think it was 2016 when FMG started selling in yuan. Then you had the holdout until late last year with BHP, who said they wouldn't accept anything in US dollars and tried to put a buyer's strike on. BHP changed their mind in three weeks.

With this sulfur situation and this helium situation, it compounds things further because a lot of the sulfur is used to refine what we had left over in that 50 to 98%, including some of the gold miners down in Nevada that have high-sulfide mines

where the iron sulfates have to be separated. You've got one in Finland, you've got one in New Guinea, and that affects the gold price as well. But it goes right through all the metals. Copper is refined in China using sulfuric acid. 70% of the world's silver comes from that refining process involving copper, lead, and zinc. And so you get to this point where the only shop in town with inventory, as far as the metals, gases, or chemistry go, is going to be China. They're going to have a mechanism to break the US dollar if they want, with respect to commodities. And then all you've got from a US dollar perspective is the predominant debt – I think about 50% of the world's debt is denominated in US dollar. If something should happen to the global economy and there's a downturn, those deep financial markets can't buy anything. And so you end up with all these castles in the sky: the electrification we're going to build, the green electrification for Europe, and the AI data centers that are already being called off.

I think the MAG-7 is something like 40 to 50% of the market. If you get Nvidia and AMD unable to put inventory into data centers because they can't get the copper because they can't get the silver, so on and so on, you've got a situation where it could get fairly hectic. I'm on record saying this is why Trump went into Venezuela, and why he's now looking at Iran. I think they're over a barrel. They've already been told on a number of occasions, through license agreements I've read, that they may face cutoff from silver or gallium or whatever China wants, depending on whether they approve the purpose of the purchase. And that's intolerable for the US because gallium is one of the main new rare earths going into a lot of these energy weapons, these microwave energy weapons that make the drones drop from the sky, - and in Venezuela they made all the people go down so US troops could go in.

So you end up with a situation where the US has to do something, or give up defending itself, or be heavily compromised, or withdraw to the continental US because they can't rearm. I think that's what a lot of this trouble is about. Trump has a lot of good people behind him, some good strategists. I think his hand has been forced. I think he's got the incentives in place: If he puts up, he gets put over a barrel at the end of the year, with cut-off copper supplies, and nobody can build their AI data centers. All these theoretical discussions about who's leading the AI race will disappear because the Chinese will have the copper and the rare earths and the US won't. It's a tortoise and hare thing: The hare runs out of puff and the tortoise runs past.

Ronald-Peter Stöferle

Q: Craig, as the Strait of Hormuz is now closed again, twice, by both the Iranians and the Americans, where do you see the second- and third-order effects? In which markets do you think the damage is dramatic enough that it's going to take a long time to repair?

Craig Tindale

I think it's right across a lot of things. I think you can open the strait tomorrow and still have downstream effects. If you look at some of the poorer countries – Nigeria, Bangladesh, parts of India – they haven't got any LNG and they haven't got any

sulfuric acid or the inputs they need to make fertilizer. Bangladesh's fertilizer factories are working at about 20% capacity. And then you get into planting seasons and timings. You can open it up, but they didn't have the fertilizer to plant their crops, and you can't change the weather or the seasons.

You end up with aluminum smelters that have shut down – I think one in Iran and one in Saudi Arabia as well – and a whole bunch of stuff that just doesn't start up again. That's been one of my main themes. Economists look at everything and say you just push a button and start it again. The reality is, if an aluminum smelter shuts down, it takes 12 months to start up; you literally have to get jackhammers to reopen it. And we're not moving at scale. There are lots of things being done to open up American and Australian rare earth capabilities, but they're not in that time frame. They'll take years. So you've got this gap in the middle, and I don't know what's going to happen in that gap. I put out a post yesterday and said: Stop making predictions, everyone, because anything could happen. There's a three- or four-dimensional game of chess happening outside our hierarchy of intelligence, and we just don't know what surprises they're going to bring up. But they're going to be super interesting for the markets.

Ronald-Peter Stöferle

Q: Luke, would you have expected that much complacency from investors in reaction to the whole crisis? This war has now been going on for about a month and a half, and the S&P 500 is just 200 or 300 points below all-time highs. The DXY has reacted, yes, but not really as the classical safe haven it usually does. Gold was initially sold down, as it also usually is in times of funding stress. But if I had told you in February that we'd have this kind of crisis, would you have expected the S&P to be trading close to all-time highs? Are financial markets just conditioned like Pavlovian dogs, that there will be another pivot and everything will be fine again? Or is this basically just another great opportunity on the short side?

Luke Gromen

No, I've been surprised at the duration of the complacency. But I think some of that is around the fact that people still don't understand what's actually happening on the ground. A perfect example: I had a prospect call with a potential institutional client about six days after the war started. I said, listen, based on what I'm hearing on the ground, this is going to go way longer. I would start positioning, at least start thinking about it. I said, I think this goes at least through mid-April, end of April, which means we're going to have problems. But I would also begin positioning your portfolio for what happens if the Strait of Hormuz is still closed at the end of June, fourth of July. The person's face basically dropped. It was like I'd climbed through the screen and kicked their coffee all over them. They said, well, that can't happen. You understand you're saying basically a billion people are going to starve. I said, I understand exactly what I'm saying. And I'm just telling you that this is what I'm hearing.

Married with everything that Craig laid out, this is not something that – with the physics and supply-chain issues – can be brought back up quickly. But there's still this sense that Trump's going to taco and it's all going to be fine. In the last week and a half, we've had a couple of indications of what I'd been hearing to that point: that Iranian weapons were performing much better than expected, and US defensive missiles were performing much worse than expected. And maybe the biggest thing that people are mispricing is that this is existential for the US, for the reasons Craig laid out. It's existential for Iran for obvious reasons. It's existential for Israel. It's existential for Russia for geostrategic reasons. And it's existential for China for supply reasons.

Almost every analysis I see as to when the strait is going to reopen and when this is going to normalize comes down to: America-plus-Israel is so much greater than Iran that it shall be over soon. That ignores that Russia and China see this as existential. It ignores that Russia and China have been helping since very shortly after this started, with targeting and supplying. And it ignores history. This is a 2,000-year-old culture full of engineers that's had 40 years to prepare. Generally speaking, it's kind of like Afghanistan, which they call the graveyard of empires. The Americans went in and said it won't apply to us. Well, we spent 20 years there, got a bunch of people killed, spent a bunch of money, and accomplished very little. And once again we're falling prey to the same hubris – well, it's always been a bad idea to invade Persia; but we're different, we're America.

When I look at all of those things and lay them against what Craig has the best understanding of, arguably, in the world, then what I've called the "for want of a nail" dynamics arise, after the famous poem: For want of a nail, the cart was lost – ultimately, for want of a nail the kingdom might be lost – the supply-chain dynamics, when you overlay them with the great power dynamics and the macro; and remember, we're not doing this with record low levels of debt or record low levels of supply chain complexity. To me the complacency is astonishing, and remains astonishing. I think we are running towards what I've called a Tom Hanks COVID moment, where in January we all sort of knew something was happening; in February we were asking is this a flu or is this real; and then in short order Tom Hanks said I've got COVID and I hope I live; and we locked everything down and markets just went. I think that's what we're heading toward in coming weeks or days. I don't know what the trigger is going to be.

It could be anything. When you start seeing protests in Ireland around fuel; these kinds of things are going to start breaking out everywhere. I think at some point markets are going to realize: My gosh, things are much more broken than I thought in the physical world. And this equity, this claim to that physical world that I hold as an investment, isn't worth what I thought it is. It mathematically cannot be. That's how I'm thinking about it.

Ronald-Peter Stöferle

You laid it out brilliantly in one of your previous writings. You said the US government is trying to stop free markets from appropriately pricing the Iran war while maintaining the illusion of free markets and hoping the war will be over

before physical reality makes this obvious to investors. I thought that was really all one has to know, in one sentence.

Q: Do you think Donald Trump is following capital markets more closely than previous presidents?

Luke Gromen

I don't know about the stock market specifically. He's said he's willing to let the stock market go down. I think there is a limit in his mind to how far stocks can fall, and it hasn't been breached yet. But I think he's watching the Treasury market very, very closely; and if he's not, Bessent is. We can see that from about two or three weeks ago, when we had three breaches in one week of the US 10-year Treasury yield of 4.4%. Sunday night, when he threatened to bomb Iran's infrastructure – this was March 22nd or 23rd – it breaks 4.4 on the upside. He pivots, then on Tuesday it breaks again on the upside. We have Netanyahu come out and say something, then it breaks again on Thursday on the upside; and Trump comes out and says something else. During that week, we also had three really bad auctions – a bad two-year, a bad five-year, and a bad seven-year. The bad two-year auction was really surprising, because there should never be any demand problems for a two-year US Treasury auction.

I think that's the market they are very focused on. Last week, or a week and a half ago, we saw the single biggest Treasury buyback ever done by the US Treasury, USD 15bn in one day. I think it's all part and parcel: They can keep the Treasury market quote-unquote functioning, and then they can override the bond market's veto on everything they're doing for a bit longer. Because ultimately the bond market can veto on the day that the rare earths aren't there, the copper's not there, the aluminum's not there; that's the day we're rapidly running towards. But in the short run, in my opinion, they are very focused on managing optics, primarily in the Treasury market.

Ronald-Peter Stöferle

Craig, what fascinates me about your work is that everybody in finance is talking about price, but you actually talk about whether the stuff exists, whether it can be delivered on time, who controls it, who's refining it. You once called it the end of infinite materiality. For what I call spreadsheet people, people in finance only focusing on their Excel sheets, this is something they don't have any clue about. I've done many mine visits throughout my career and I know how it feels to be at the mine site, talking to mining engineers and the workers there. You can buy a mining stock, but if you really want a feel for it, you have to visit a mining project.

Q: Do you see a big shift in understanding of all those shortfalls in the physical and refinery world, and who actually controls access to commodities? Or, in your assessment, are politicians and companies still way behind the curve?

Craig Tindale

I don't think they're moving fast enough. I talk to chairman- and CEO-level executives at a lot of these new refining partners, in various rare earths, titanium, right across copper, all that kind of stuff; and I get a lot of feedback that we're not moving fast enough. If we just go back to the data sets: We need to open a major mine, we need to open six of them a year and we're opening one, maybe one and a half if we're lucky. We haven't got enough copper to build this electrification. It takes five years to get one Siemens transformer onto site from the time you order it, and that'll blow out to six or seven years. Their SEC filing the other day showed EUR 143bn in back orders. Hitachi's the same. Hitachi is opening a factory in the US; I think Siemens are opening one too. But these things take time.

I think inside the administration they're well aware they're caught in a trap. It takes a while to get the Queen Mary moving. And it's going to take a lot longer than they can do. This is why I think the heat is going on; they've got the incentives to offset those shortages. They've got their pants down, they know they need time to fix it. And this Iran thing is a way, I guess, of choking energy in a way that hopefully slows down the motivations of the Chinese to cut off the Americans and the Japanese from rare earths, copper, and all the things they need.

There's a mismatch, isn't there? We've got a situation where everything's overvalued. If you look at the Nvidia filings for their next chips, I think the Blackwell Ultra, there are three new releases. I've looked at the design of them and their use of rare earths and copper, and it extrapolates exponentially. In 2028, Nvidia is projected to use something like 250,000 t of copper a year. That's a lot of tonnage when they're using 30,000–40,000 t now. There's already chip inventory sitting outside data centers that can't get electrified at the moment. They can't get the transformers, the boilers, the gas turbines. If you listen to Elon, he had to stack gas turbines and use diesel as well to get his one up and running. Now it takes five years to get a gas turbine. I think we're in our Wile E. Coyote moment, we're out over the cliff.

It happened during COVID, too. I remember shorting the market, going backwards for a very large amount of money, and two weeks later the floor dropped out when everyone realized. I had the same experience as you, Luke. I did a 45-minute presentation and a 45-minute Q&A to a very large fund with trillions under management. They just kind of didn't know what to say because they hadn't come up against this. I don't think anyone was expecting this kind of shock. If somebody says they're going to make data centers and replace all human work with AI, and Dario comes out and says they're going to replace all accountants, I think we just take them at their word. That's our culture at the moment. It's another measure of the disconnection from the physical world, because they're building these data centers in the sky just by design. But they haven't got the bill of materials, and it's not just a copper shortage, it's 23 different elements. And then you haven't got the infrastructure. I wrote a paper called "Shock Point."

I looked at 24 industrial actions, fires and explosions and all those kinds of things, because I was, to be honest, suspicious, because everything was blowing up. I looked at all the reports that went into those fires and explosions, and it was all accidental. And the core of it didn't start with Trump, it came from Biden. He

started loading up this infrastructure with all of these green ideas, and that started to load up electrical and industrial infrastructure that hadn't built anything for decades. When that brittle infrastructure got loaded up with Biden's budgets initially and then Trump's, it just got too heavy. We haven't got the skills.

Most of the industrial incidents happened by accident; people plugged in a plug or pulled out a valve, or did something silly that caused a multimillion-US-dollar explosion. Some of Biden's projects are really interesting: A company would put a new green gas plant in – it cost USD 200mn to build – and then it blows up and they say we're not going to do that again. They just gave up. They said that was too hard; we lost USD 200mn; we're going to do it the old way. So you've got this stop-start thing. A lot of us think of it as ideology, but there's a physical reality: You can't just keep putting demands on infrastructure that's never been used for decades and decades and then suddenly expect it to work. It's just common sense. Like that magnesium plant in Utah. US Magnesium went broke; the state of Utah bought the plant and retired it. Now you have no magnesium to make titanium. It's going to take the US 10 years to fix. And they haven't got 10 years.

So they're going to do something else to balance the issues. That's what concerns me: That "something else" could take the form of war. But does the US have a choice? I'm not sure. Does it become a vassal state of China? Or does it try to get the space it needs – three, five, or 10 years – to reindustrialize? And this is happening at the greatest demographic retirement rate ever known in the history of America. You haven't got the skills, either. We're seeing it in Australia; it's happening in Canada. We had a lithium plant close down the other day, 355 employees, all gone. And now we don't refine lithium, and all the offtake agreements are going to China to get it refined anyway.

If you go around each mine – this is where I got onto it originally – all of the offtake agreements are going to China. Pilbara Minerals are one of the biggest lithium miners in Australia, and 85% of their offtake goes to China. How exactly are we going to take control of all this while we keep closing things down? Glencore was trying to build a copper refinery in Canada and the ESG requirements were just too hard. Glencore said it's too hard, we're not going to do it. We keep failing as much as we're succeeding, two steps forward, one step back, then three forward, then two back. It's confusing.

I think this is what Iran is about. I think this is what Venezuela is about. And I hope the Americans are successful, because if they achieve some kind of balance without causing a major war, maybe they can put it off. Because I don't think anything good comes from the domination by one side or the other. It just creates incentives to do things we don't really want to know about.

Ronald-Peter Stöferle

Thanks for that, Craig. You mentioned the reshoring of the industrial base in the US, something Luke has talked about very frequently. There was that great paper by Stephen Miran, when he was still at Hudson Bay Capital, called "A User's Guide to Restructuring the Global Trading System." It was essentially the playbook for the Trump administration: First, create this renaissance of US manufacturing; and

then, and I thought this was the really interesting part, how to defend the status of the US dollar as the world's reserve currency.

Obviously the US needs a weaker US dollar, and against the euro this is already becoming even more of an issue for German industrial companies, with EUR/USD now trading around 1.16.

Q: Last year during Liberation Day we saw a tiny spike in the US dollar, but then it sold off; and now again during the Iran crisis, when everybody would have expected, based on the old playbook, that the US dollar would spike, it hasn't. Do you think that's a confirmation of the thesis of a weaker US dollar? And at the end of the day, every politician, except perhaps the Swiss, wants a weaker currency. So the question is: Against what do you devalue?

Luke Gromen

It's been remarkably steady in both directions. I would have guessed it would have strengthened more in the Iran situation than it has. And maybe that's just a function of what we touched on before – nobody believes it's about to get as bad as it is.

I also think the strength of gold has something to do with this. We can see that gold has on the margin replaced US Treasuries as the primary reserve asset. Global central banks stopped reserving Treasuries 12 years ago and have been buying gold ever since, so much so that gold now exceeds Treasuries in global reserves for the first time in 30 or 35 years.

As I look at what is being done particularly by China, Russia, and certain other central banks; and as I look at the conversations and negotiations happening between the US and China going back to at least the Biden administration, I think starting in 2023 or 2024, every time the US administration would sit down with China and say you need to strengthen the yuan, I think China has been saying: Look, the problem isn't the yuan. The problem is that you've overvalued the US dollar versus gold so laughably that if you want the US dollar to fall, you need to let gold rise. And we've seen Bessent essentially do that, with gold having broken sustainably over USD 2,000 and run up to USD 5,500 or wherever it was.

People say China is overproducing, and yes, they're also subsidizing their industry. So is America; we're just subsidizing stupid wars in the Middle East rather than an industrial base. Now we're going to try to subsidize an industrial base with all the challenges Craig has highlighted.

But if you look at China's record trade surplus in 2024 of USD 990bn, and then net that against their gold imports, if gold were USD 22,000 an ounce, China would have run a balanced book of trade. I think the math on China's 2025 trade surplus, also a record despite the fact that the US dollar fell meaningfully against the yuan in 2025, was about USD 1.2trn. And at roughly USD 26,000 per ounce, China's gold imports would have balanced trade. So I think some of what we're watching with US dollar action, not rising as much as we'd have thought in a war, not falling

as much, is essentially the increasing influence of gold in relative valuations between the yuan, the US dollar, and the euro.

The euro, of course, is the big cross-currency pair against the US dollar. And to the extent gold goes up, that's also good for the euro and bad for the US dollar. So I think gold has been an influencer, the fact that the US dollar has weakened so much against gold over the last year and a half. I think that continues to be China's point: If you want to balance trade, let gold go. Gold is ultimately the arbiter of balance. It has been for 5,000 years. The American financial types want to pretend that's not true over the last 50 years, but it's been true for 5,000 years. The Chinese are just saying: Let gold go and trade will balance. You'll be competitive with gold at USD 20,000 an ounce. Now, that has some probably very draconian implications for the value of the US dollar on the downside. But that's what we want anyway. We need a weaker US dollar to reindustrialize.

Ronald-Peter Stöferle

That's for me the really big question when people say, is gold too expensive now? Against what? Against oil it looks super-expensive, but oil was way too cheap before the crisis and is still cheap against most commodities.

But the big question is, are we in the middle of a remonetization of gold? If there's a monetary revaluation, if you measure gold against debt, against various monetary aggregates like M0 or M2, it's still kind of dirt cheap. The shadow gold price, if we back just 25% of the monetary base in the US, puts us at USD 8,000. If we go to 100%, which sounds like a lot, but we actually had it in 1980 and in the 1940s, we end up exactly where you said, above USD 20,000.

The legendary blogger FOFOA, a friend of a friend, a somewhat mysterious blogger, said in an interview we did with him, "You only need one revaluation of gold in your lifetime." And I think it actually happens kind of every generation. So if we are in a monetary cycle for gold, then gold is not contrarian. But then on the other hand, looking at family office allocations, it's 0.9%. Goldman had a study recently with institutional clients showing 0.17% allocated to gold ETFs. UBS had a study where they asked family offices in Europe, and I think gold and precious metals in general came to about 2%. That's really the big question for us going forward.

Q: Craig, 2022 was obviously a very important moment when the Western world sanctioned Russia and froze USD 300bn in Russian assets, prompting central banks from emerging markets to go on a gold buying spree, buying more than 1,000 t in three consecutive years. Could we see those financial sanctions essentially reversed, with emerging markets now saying "We've got the commodities, so you better behave"?

Craig Tindale

I think China produces about 500 t of gold a year. Most of it goes to Hong Kong and places like that, and about 30% they refine themselves, from ore from

Australia, Peru, Chile, wherever it comes from. They've got a lock on gold as well as silver as well as everything else. And if you want to talk about sanctions, it's a material sanction against a financial sanction. We locked up the Russian billions, USD 300 billion or whatever it was. The Chinese could easily lock up everything we need, including the gold. That creates a shortage in Western markets.

Silver is a good example. We're about 5,000 t in deficit per year, about 25,000 t in deficit over the last five years. 70% of it comes from China. If China doesn't send it to us, we go to about 13,000 t in deficit. The amount of silver available in Western markets goes down because they keep it all to themselves, putting a lot of pricing pressure on our markets. You could have a bifurcation between the Chinese market and the Western markets. Look at the Chicago Mercantile Exchange and the London Metal Exchange, the latter owned by the Chinese anyway. They've got different rules. I went right through their option rules. If you buy gold or any metal on Shanghai, you put down a high premium and then have to make payments towards delivery. They've built an exchange to deliver metal. We built exchanges to speculate. Our speculating exchanges don't have suppliers of metals like the Chinese ones do, because they've got all the refiners. So you've got this explosive situation across all of the metals.

And you're right about the 1 or 2%. There's about a USD 300trn capital market from all investments across the world, and about 2 to 3% of it is in mining. There has to be a rotation, a rotation from hell, that takes money out of speculative ideas of building massive AI data centers that they can't build anyway. A luminary said to me the other day, it's like Niagara Falls going through the eye of a needle. The realization, when this market figures out that they haven't got enough stuff to do any of the stuff they need, maybe not even enough to create the fertilizers for the crops to eat, that's going to reorganize the market very much.

Just like in COVID, the market kept going and going and going. The airlines were closing down but the airline stocks were going up. The ocean liners were being shut down but the ocean liner stocks were going up. And then all of a sudden all hell broke loose and everyone had a realization together and ran for the exits. I think gold at USD 25,000 isn't hard to imagine. At some point, in order to save the USD, they have to anchor it on some kind of commodity mix, whether it be gold, silver, or a whole combination. If you look at that USD 12 billion reserve fund they were putting together, it's not hard to imagine that being a real money asset.

Rubio said, I think less than two weeks ago, that in five years, not everyone's going to be using the USD. It was almost like an acknowledgment that they can see it's going to happen and they're going to have to prepare plans to reconstitute it. And then you get this fabled thing that we all thought might happen but never really believed: Gold has to be revalued significantly higher. I've been in this market for 40 years and I've always heard that story. I started to believe it wasn't going to happen. In the last 12 months, though, I think there's a great chance it does happen, especially if one of the others does it first, and then there's no choice.

We're at this pinch-yourself-to-be-alive type moment. I hope it all works out not too badly. But something has to give, and we're not sure what's going to give. We

know the reality. The FOMC framework basically selected for this. If you look at all of Euler's theorem and Triffin's dilemma and all the theories the FOMC uses to guide monetary policy, they've basically been pricing the whole economy on a bunch of consumable CPI goods; and none of their theories – I can prove this – notice their industrial base falling apart. The reason they didn't notice it is that the privilege of having the reserve currency obscured the reality of the economy. It made it look better than it was. And so they've all woken up and gone, my God, we haven't really got an economy.

How that implodes is anyone's guess, because let's stop pretending we know exactly what's going to happen. We know the conditions. We know the conditions precedent. We know something big is going to happen. But how it unfolds is policy-path-dependent on what Trump does next, whether it's a pivot or whether it's something real. And it depends on what the Chinese do. They've been thinking about this a long time. They've got countermoves on our countermoves and we've got countermoves on their countermoves. How it all ends up could be really, really ugly. But a gold revaluation; you'd have to say it's probably the most likely it's been in the last 40 years since I started investing.

How does the US dollar anchor itself? If it can't buy commodities, if it can't buy the things that China provides, how does it anchor itself? I don't know. There's going to be demand for it, because people are going to have to buy US dollars to pay bonds. But is that enough? Can they reindustrialize on that basis? I question that.

Ronald-Peter Stöferle

We've got another interview with Dr. Judy Shelton for the *In Gold We Trust* report where we're talking about gold-backed 50-year or even 100-year Treasury bonds. A couple of years ago I would have thought that was science fiction. But things like that, Scott Bessent talking about a Bretton Woods moment; the discussion around the revaluation of gold; Bitcoin and the strategic Bitcoin reserve, which actually hasn't been discussed much recently, interestingly enough; all those things are telling me that gold is definitely now on centre stage, where before it was playing on a very, very small stage.

Q: Luke, usually the reaction function to a crisis is: The Federal Reserve will take care of it. But now we're facing an inflationary environment. Inflation expectations are still somewhat anchored, of course; but we can discuss all the CPI calculations, and we all know that real inflation is significantly higher than officially reported. You talked about the "whoosh down", the volatile period between a market correction and the eventual intervention by the Fed or Treasury. You are now officially positioned over 50% in cash and gold bullion. What kind of intervention could we see from the Fed or the Treasury? Another round of QE? Saying inflation is only transitory and lowering rates? Some sort of yield curve control? Or something completely new?

Luke Gromen

It's over 50% cash and gold bullion combined. They're in a pickle. Stagflation is ultimately just an emerging-market currency crisis in a developed market; that's all it really is. You've got a weakening economy and accelerating inflation because your currency is devaluing. They face a choice of either printing money or otherwise injecting liquidity into a commodity price spike to contain the bond market and keep nominal bond yields affordable to the federal government, or they stand aside and let bond yields curtail the domestic economy. And the problem is that we're starting this war from a standpoint of US entitlements plus US interest expense at over 100% of receipts, with receipts basically at all-time highs. So if you have any kind of recession in the US, you are mathematically certain to go into a debt spiral where your rates go up, your receipts go down – wash, rinse, repeat, and the West will go right alongside.

Or you're in a situation where you back out and let markets dictate to your military: We can't afford not only this war, but we can't afford our roughly 700 bases in 100-odd countries around the world. We're going to pull these in and concede to focusing on our own hemisphere. That doesn't look like it's going to happen, either.

The central bankers; I don't know if they're cynics or realists, but part of the point of a central bank, many would argue, is to finance wars. Here we have a war. I actually just remarked to my wife last night that we're supposed to be coming up on the end of the Fed's reserve management purchases any day now; it was basically a stopgap to get us to tax-receipt season; and in theory the Fed's going to be rolling these off in the next couple of weeks. Will they? I think that might be our first sign of what they're going to do. My bet is they'll probably continue them: Due to the war, we have to keep these in place; we don't want to create instability. And I think that will be an important moment in terms of what central banks are likely going to be forced to do and how they're going to react, which is to inject liquidity into a commodity spike.

Ronald-Peter Stöferle

Which they will probably come up with reasons for, and inflation is going to be “transitory” again. But midterm elections are coming closer and closer, and obviously Donald Trump is getting more and more nervous.

Now, one of the biggest takeaways from my conferences in Colorado, the Precious Metals Summit and Denver Gold Show, was that so many US, Canadian, and especially South American companies told me they were actively being approached by US government representatives regarding offtake agreements and financing. There's one company we're invested in, Cerro de Pasco Resources in Peru, a huge tailings project with lots of silver, but especially gallium. They just received a big financing from the US government. It seems the US has realized they need good, reliable access to resources. Europe, I'm not so sure about.

Q: From a relative point of view, where do you see Australia, Asia, Europe, and the US when it comes to this race for access to commodities?

Craig Tindale

I think there's a lot of activity between the US government and the Australian government to secure resources, rare earths and things like that. There was another USD 3.6bn agreement signed the other day. So I think the US government is on its skates and skating as hard as it can.

We haven't really seen the reality of those hit as far as shovels in the ground. There's a big scandium mine that Robert Friedland's opening in Queensland, a tin mine in Tasmania, a whole bunch of activity happening. But as I said, and I think Luke said it quite openly, it's going to take a long time to get this stuff going, even if everybody goes as fast as they can. We're also seeing a lot of supply-side inflation. Junior miners are going to have to pay higher for diesel, higher for gas, higher for all the inputs and machinery as well. Everything's going to increase in cost, sulfuric acid for some of the iron sulfide gold mines, for instance. It's going to affect their balance sheets both for and against.

It's not all blue sky; there are difficult patches. The reality is: Who can get the commodity they need to produce; who can get the drill bits; who can get the parts? And remember, China owns a lot of the machinery as well. One of the things we found with the rare earth refineries is that most of the machinery to refine metals comes from China. Are we sure we're going to be able to get access to the machinery we need? It's a multi-layered thing. It's not just offtakes, it's machinery, it's electricity, it's inputs like sulfuric acid and helium. It's all very sticky.

We're going to have to be very thoughtful about what we invest in, because some miners might be impaired if they've got inputs they can't get hold of. Some copper miners are very fragile to sulfuric acid shortages; others are not. Some of the more remote mines have learned to make it onsite, because it's hard to deliver. So it's a mine-by-mine investment analysis. Not every sector is going to be a winner; we've found that with rare earths and lithium – there are some winners and some losers. You're going to have to be very specific about what you're investing in, and you're going to have to risk-analyze it thoroughly, because some of the beneficiaries will do better than others.

Ronald-Peter Stöferle

I just wanted to add: It's not only about putting in billions and trillions of capital. It's also about human resources. At the mining conferences, the average age is probably between 60 and 70, and there's just a lack of young talent in the industry – geologists, mining engineers. That bottleneck is something that's vastly underestimated.

Luke, one final question. It's always at the end of your reports: How do we make money with it? You're at +50% cash and bullion at the moment. You've been pretty positive on Bitcoin, then sold your position with pretty good timing. Nobody seems to care about Bitcoin at the moment. We haven't seen any big washout, either, so I don't think we've seen a panic low yet.

Q: From an asset allocation point of view, April 2026, thinking really for the long term, what would be your advice for an institutional client when it comes to long-term asset allocation in this environment and for what we're forecasting for the next couple of years?

Luke Gromen

I think you're going to want to have an elevated cash position, because that's going to be your ballast and your optionality, and you're going to get paid to wait with that cash. I think you're going to want an elevated gold position. To me, gold should be expressed as physical bullion, because what we're really hearing in all of this is, if you don't hold it, you don't own it. We are watching, almost every day, international law and property rights being stretched, to be polite. So I think you want some cash, you want some gold, and you want to be invested in well-capitalized companies set to benefit from the bottlenecks we're discussing here, in materials, in electrical infrastructure, in industrials.

And I think when you look around the world for where stocks are cheap and sentiment is awful, it's still China. Chinese equities look cheap and they're actually competing well, though in the short run you're considered a traitor for saying so. But to me there is nothing very interesting about most markets other than cash, gold, and some of these commodity markets that are in bottlenecks, if they're well capitalized, until we get more clarity on how this situation is going to resolve.

I'm reading a book right now about the Battle of Gallipoli, and in particular how a globalized world forced Britain's hand to do some things that maybe weren't in Britain's interest. It rhymes so much with today. Globalized supply chains are forcing the US to do some things that probably aren't in its interest, probably more like Japan bombing Pearl Harbor because they felt they had to do something now because it was only going to get worse. And of course, it didn't work out great for the Japanese in the long run.

So I'm really just trying to focus on those areas where there is a very concrete five-year outlook of strong potential; and that's electrical infrastructure, well-capitalized plays on these industrial and commodity supply chains. I think gold and gold miners fit in that as well.

Ronald-Peter Stöferle

Talking my book, actually. I think we've got a pretty similar asset allocation. Luke, it's been a great, great discussion. Thank you for taking the time this early. It's not easy setting up a call between Australia, Europe, and the US. Thank you very much for your terrific work over all these years, discussing the *Forest for the Trees*, and really trying to make sense of what's happening in the world.

Thank you very much, Luke and Craig. It's been a pleasure. All the best, and talk to both of you soon.

Das Video dieser Debatte ist [hier](#) abrufbar.