

What Astrology Can Teach You About the Economy

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The "econometric models" of central banks have nothing to envy to the astrology or the lucubrations of the Greek pythies. The Fed is in the fog and the gold will shine.

As astrologers rely on the position of the stars to read the future of their clients, our central bankers rely on theories and "econometric models" supposed to predict and influence the course of the economy, In other words our trade and our private decisions.

These models are even less precise and accurate than those of astrologers: if the position of the stars is incontestable, this is not the case for "large statistical aggregates" such as inflation, unemployment, and GDP. The way in which these data are calculated is also regularly modified. As to the basis of all this, you are free to believe that the position of Saturn prevents you from borrowing your bicycle today or that the curve of unemployment will be reversed. But rational justification is difficult.

Do not be surprised, then, that the speeches of the central bankers are as smoky as those of the Magi or Pythia.

What is the common thread between François Hollande, Emmanuel Macron and Marine Le Pen?

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In their defense, it must be acknowledged that it is very difficult to explain to anyone that an average price increase of 2% per year is excellent for him and that conversely a fall in prices is a formidable danger. So dress it cleverly.

The yesterday's Fed paper was a monument of tongue of wood, baratin and smoke of a density higher than normal.

"Idiosyncrasic" is now part of the magic incantatory vocabulary.

If you consult a dictionary so as not to die silly this word has two meanings:

- Marks the abnormality
- The characteristics of the behavior of a particular individual

The non-average individual, this evil and evil being ...

For a modern economist, the individual with its own characteristics is extremely embarrassing. It does not enter into any medium box and its reactions are unpredictable. A modern economist prefers the average individual from whom he can easily direct predictable actions.

All that is extreme disturbs our modern economist, which justifies his hatred of inequalities that disperse the average and make the human paste less malleable.

The off-average individual incarnates the "idiosyncratic risk" that something escapes the central bankers ... The out-of-average individual is an abnormal clump that should disappear.

Unfortunately, the idiosyncratic risks would increase, the Fed doubt!

Bloomberg:



(No, it's not a montage with Mr Bean, he's a REAL economist)

In fact, as my colleague Graham Summers notes in his commentary:

"The Fed is divided on everything. Some Fed members want rate hikes now, others later. Some members want a reduction in the balance sheet now, others later. Some Fed members believe that inflation will take off fast, others will not and even, some Fed members think that the whole pattern of thinking about inflation is wrong.

More importantly, the Fed strongly insinuated that it was aware that the economy was weakening but that it had no idea of ??the reason. "

Hahahahahahahahaha (sardonic and sarcastic laugh from the idiosyncratic public and evil lumps)!

The Fed will discover that free money and free credit exist only in its imagination.

Markets have reacted chaotically: oil and equities down, gold and treasury bills on the rise.

That said, the Fed's astro-financiers are no worse than those of the ECB.

It is for this reason that we always believe in the virtues of gold as the ultimate currency not linked to public or private credit.

Far from the maneuvers of astro-central bankers, gold is probably the only asset that 10 years of free credit policy and monetary creation have not sent to the top. This insurance against financial stupidity is therefore not expensive.

It is now, then, before the ineptitude of the pretentious models of our great financiers emerges in the light of day.[Editor's note: We have spotted a unique gold mining project that allows you to double-hit and have butter and silver in butter. To discover how this mining is exceptional and how to become a shareholder,[click here](#).]

Apart from gold, as an individual claiming the right to be idiosyncratic, I advise you to take an interest in the neobanques in

Nicolas Perrin's footsteps. This interest is all the more justified because the European authorities are planning to regulate their bank deposits to protect a bank in danger.