The Dark Truth About What Central Banks Have Planned For All of Us

By Phoenix Capital Research

It's no secret that the U.S. has a debt problem. But you might not realize just how bad this issue is.

Today, there is there is $3.4 trillion in municipal debt, $14 trillion in corporate debt, $20 trillion in household debt, and $37 trillion in Federal debt outstanding. Through in student debt, auto loans, and every other kind of future liability and the U.S. is sitting on over $100 trillion in debt.

All of these are problematic, but the SYSTEMIC issue pertains to U.S. sovereign debt.

It took the U.S. over 215 years to hit $10 trillion in debt. It added its second $10 trillion in debt in just nine years. It added its third $10 trillion in five years. And at its current pace, it will hit $40 trillion in debt within the next 24 months. Indeed, today the U.S. has a Debt to GDP ratio of 120%.

As you no doubt are aware, there are three methods of dealing with a debt problem. They are:

- Grow out of it (pay it back).
- Default.
- Inflate it away by devaluing the currency.

The U.S. (and every other major central bank) has opted to "inflate the debt away" via inflation/ currency devaluation. **This is what triggered the breakout in gold in 2024.** And by the look of things, this process is now accelerating. To wit, globally, central banks are embarking on another round of monetary easing.

Central Banks Have Begun a Coordinated Easing Cycle

Starting in 2024, central banks have embarked on a global coordinated easing cycle.

Since that time, the European Central Bank (ECB) has cut rates eight times… The Bank of England (BoE) has cut rates five times…The Swiss National Bank (SNB) has cut rates six times to ZERO. And even the Fed is about to renew its easing cycle with the futures markets giving a 95% chance that Fed cuts rates by 0.25% down to 4.0%-4.25% in September.

Central banks aren't just easing monetary conditions, they're also taking steps to prepare for another round of inflation by moving from paper assets to hard assets, specifically, gold.

Indeed, starting in 2022, global central banks went on a gold buying binge, buying over 4,140 metric tons of gold with annual purchases consistently exceeding 1,000 tons.

- In 2022, central banks bought a record **1,136 tons**of gold, the highest level since records began in 1950, driven by geopolitical uncertainty and high inflation.
- In 2023, purchases totaled **1,037 tons**, maintaining the high pace established in 2022.
- In 2024, central banks added **1,045 tons**to their reserves, continuing the trend of record-breaking demand.
- In 2025, the pace has slowed slightly but remains strong, with 244 tons added in the first quarter and 166 tons in the second quarter, bringing the total to 410 tons as of mid-2025.
- Analysts expect total purchases for 2025 to be around **1,000 tons**, indicating that the high levels of buying are expected to continue.

As a result of this, for the first time in 30 years, gold comprises a larger percentage of foreign reserves on central bank balance sheets than Treasuries!

This might be the single most important chart in the world right now. In simple terms, the people who can **<u>literally print money at will</u>** (central bankers) are opting to buy gold as opposed to paper assets (U.S. Treasuries).

Which brings us to today…

Precious Metals: The Next Leg Up is Here

After ripping higher throughout 2024/ the first quarter of 2025, gold was in a consolidation phase for the last four months.

Not anymore.

This week, gold EXPLODED higher, breaking through critical resistance.

Silver also broke out to the upside.

This is a major signal that the financial system is moving into an inflationary regime. Indeed, we get confirmation of this from the ratio between gold and stocks.

Historically, stocks are an inflation hedge… to a point. The reason for this is that a small amount of inflation boosts revenues/ growth which leads to investors seeing stocks as a means of profiting from inflation.

However, once inflation reaches a certain level, operating costs are so high that profits evaporate. And that’s when BAD inflation becomes a BIG problem for stocks.

As Bill King notes, when gold outperforms stocks, it’s a major “tell” that inflation is reaching the tipping point at which it will soon become a BIG problem for stocks.

That is happening right now.

Below is a chart comparing the performance of gold to that of the S&P 500. When this line rallies, gold is outperforming stocks. And when this line falls, stocks are outperforming gold.

As you can see, gold dramatically outperformed stocks during the first quarter of 2025. Since that time, this chart has formed a bullish falling wedge formation as stocks outperform gold from April through August. But that formation has just broken out to the upside.

This is a MAJOR tell than things are about to worsen from an inflationary perspective. The time to prepare for what’s coming is NOW before it hits! And the best way to do this is with undervalued, high quality assets that institutional investors have yet to buy.