



# A New Monetary Order?

61. Economic Conference

Zürich, 25. März 2026

# Agenda

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**01** Prof. Tobias Straumann, Universität Zürich: **«Umbrüche der Währungsordnung: Lehren aus der Geschichte»**

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**02** David Darst, MBA, CFA: **«Navigating a World in Transition»**

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**03** **Podiumsdiskussion**

- David Darst
- Tobias Straumann
- Dr. Alexandra Janssen, *Progress Foundation*
- Dr. Thomas Moser, *Stv. Mitglied des Direktoriums der SNB*
- Moderation: Mark Dittli, *The Market NZZ*

# Umbrüche der Währungsordnung: Lehren aus der Geschichte

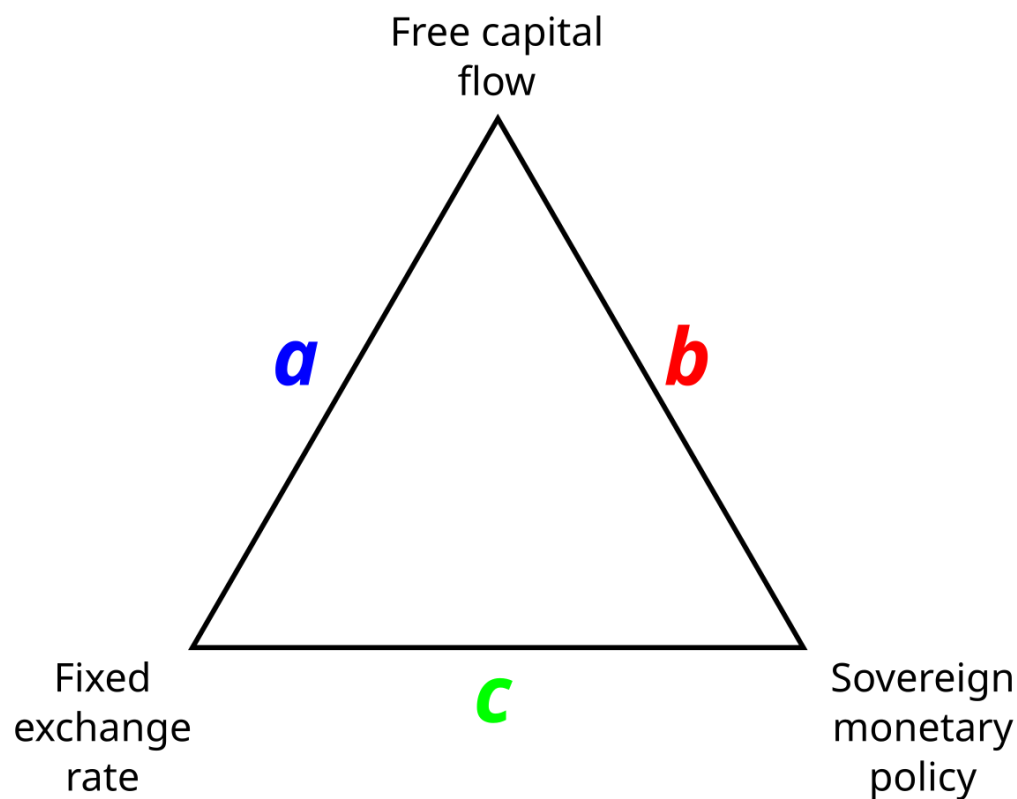


Tobias Straumann

# International Monetary Regime

- Exchange-Rate Regime
- Currency Convertibility
- Liquidity Provision
- Surveillance and Cooperation

# Impossible Trinity of Monetary Policy



# History of International Regimes

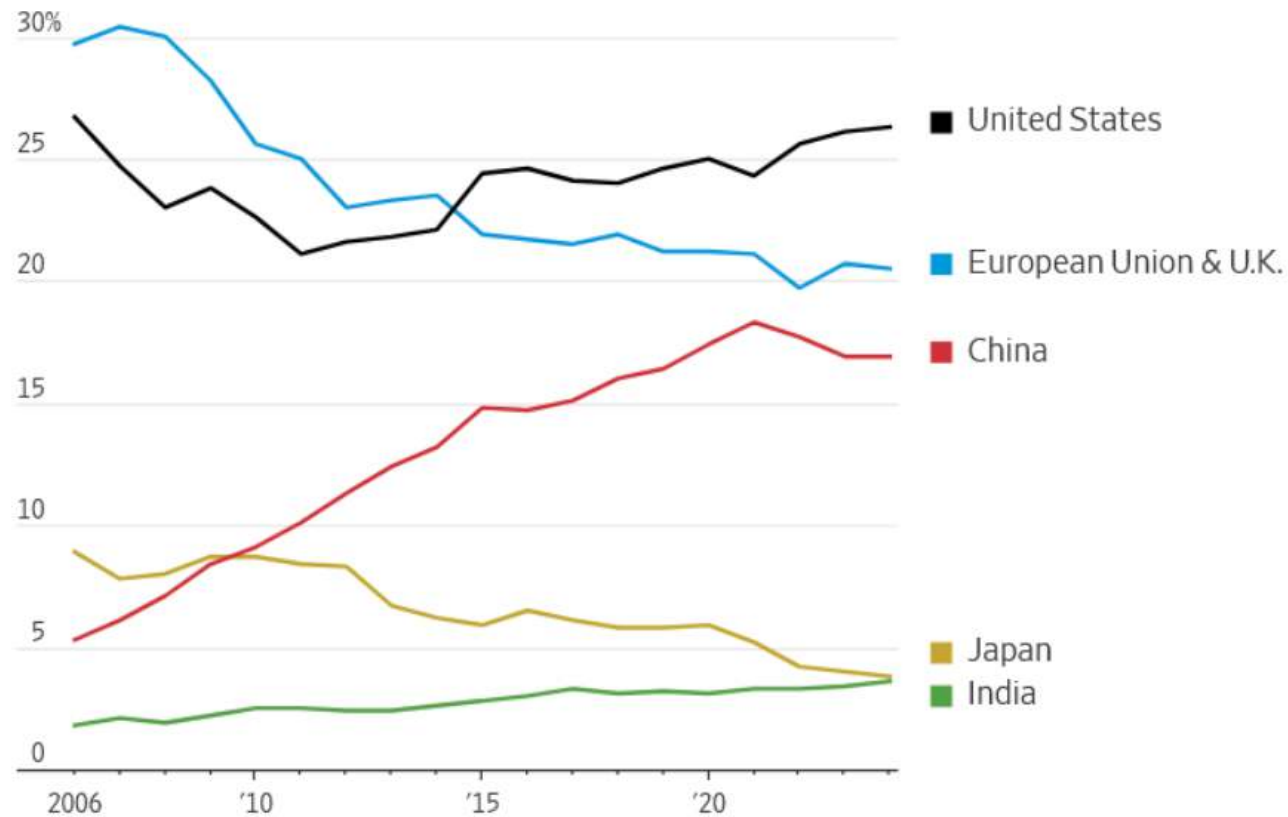
- **Gold Standard (a): Pound sterling**
  - 1873-1914 and 1925-31
  - fixed exchange rates / currency convertibility
- **Bretton Woods (c): U.S. Dollar**
  - 1944-1973
  - fixed exchange rates / sovereign monetary autonomy
  - U.S. Dollar based on gold and freely convertible
- **After Bretton Woods (b): U.S. Dollar**
  - since 1973
  - floating exchange rates / sovereign monetary autonomy

# History of Shifts

- Two major historical shifts
  - from multiple currencies to pound sterling
  - from pound sterling to U.S. dollar
- Forces
  - economic power
  - military power (especially naval power)
  - depth, liquidity, and freedom of financial markets

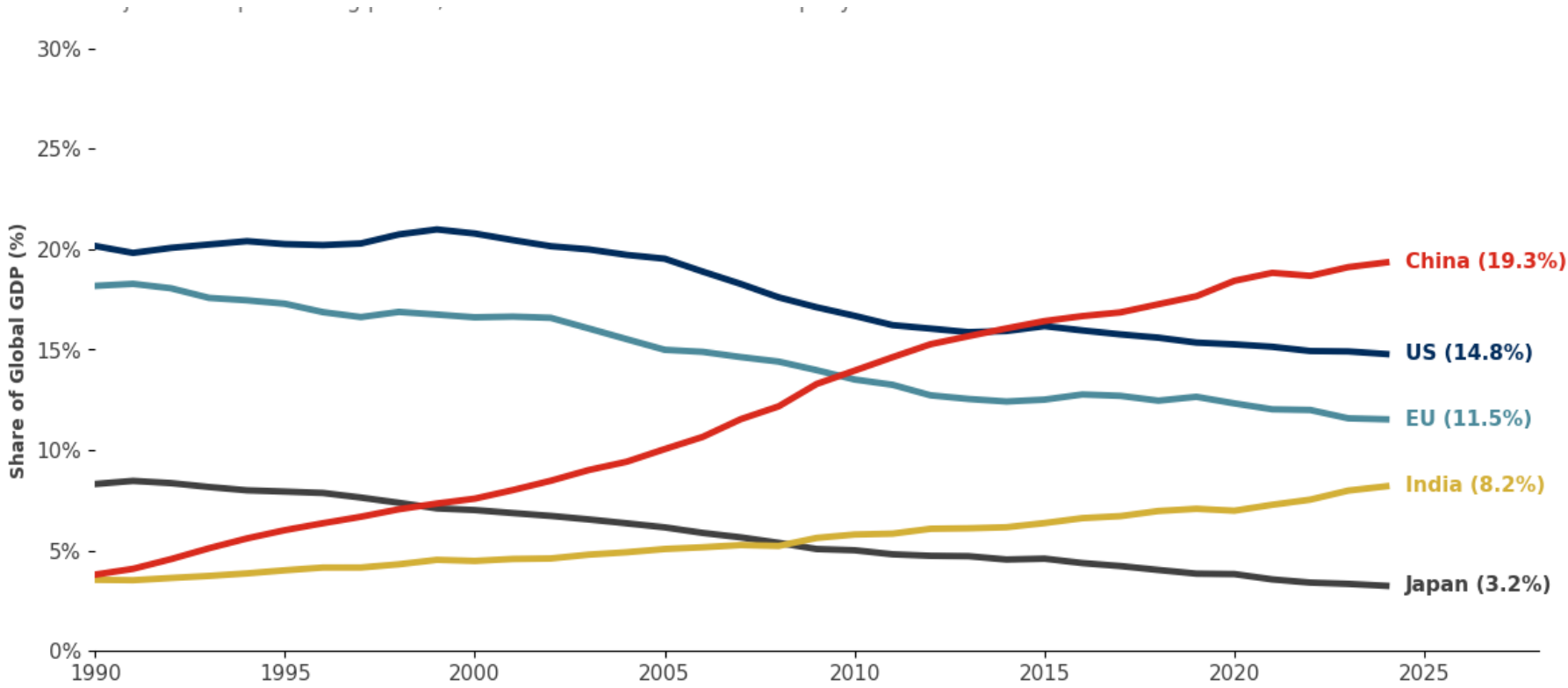
# On Top of The World

## Share of world gross domestic product



# Global Power Shift: Share of World GDP (PPP)

Adjusted for purchasing power, China leads while India rises rapidly

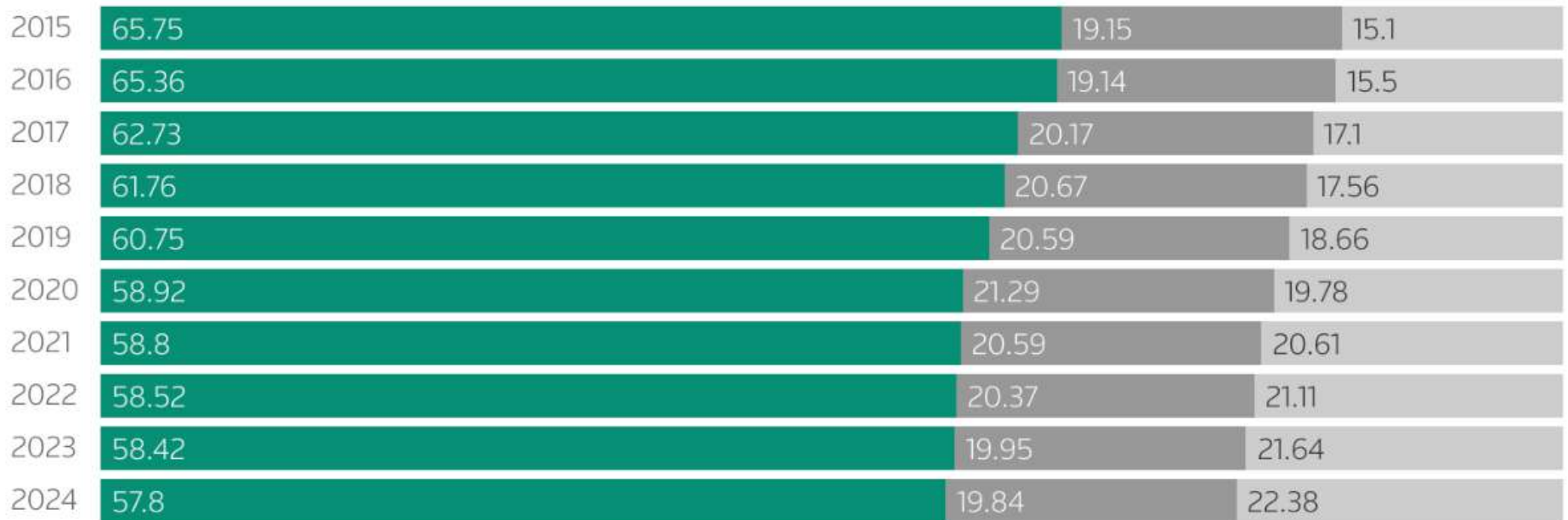


Source: World Bank (Indicator: NY.GDP.MKTR.PP.CD)

LS Analytics

# Currencies held by the World's Central Banks

● US dollar ● Euro ● Other currencies



Allocated currencies in foreign exchange reserves. Other includes UK Sterling, Japanese Yen, Canadian Dollar, Chinese Yuan, Australian Dollar, Swiss Franc and undisclosed currencies.

International Monetary Fund

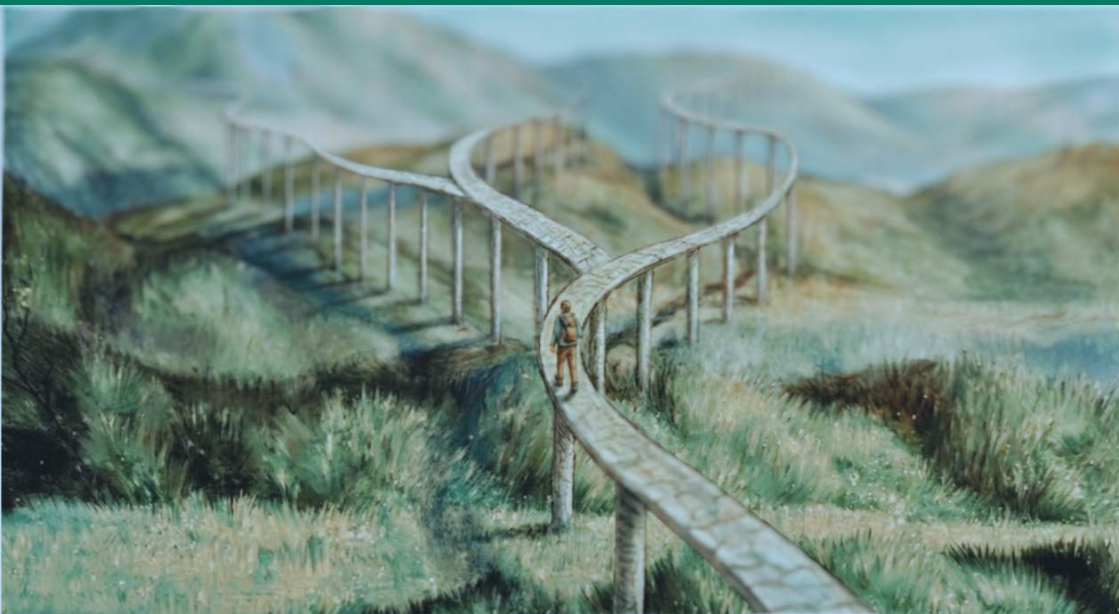
# Currency Reform

- e.g. Germany 1923-24 and 1948
- Technically a standard procedure
  - withdrawal of old notes
  - introduction of new notes with commitment mechanism
  - redistributive measures to consolidate state finances
- Political consensus is crucial
- Surprisingly fast acceptance of new currency

# Conclusion

- Shifts of international monetary regimes are rare
- United States in relative decline but still powerful enough
- China and Euro-Zone are no alternatives
- Currency reforms are rare, often successful, and restore confidence in the current monetary system

# Navigating a World in Transition



David Darst

# Big Stories Shaping our World

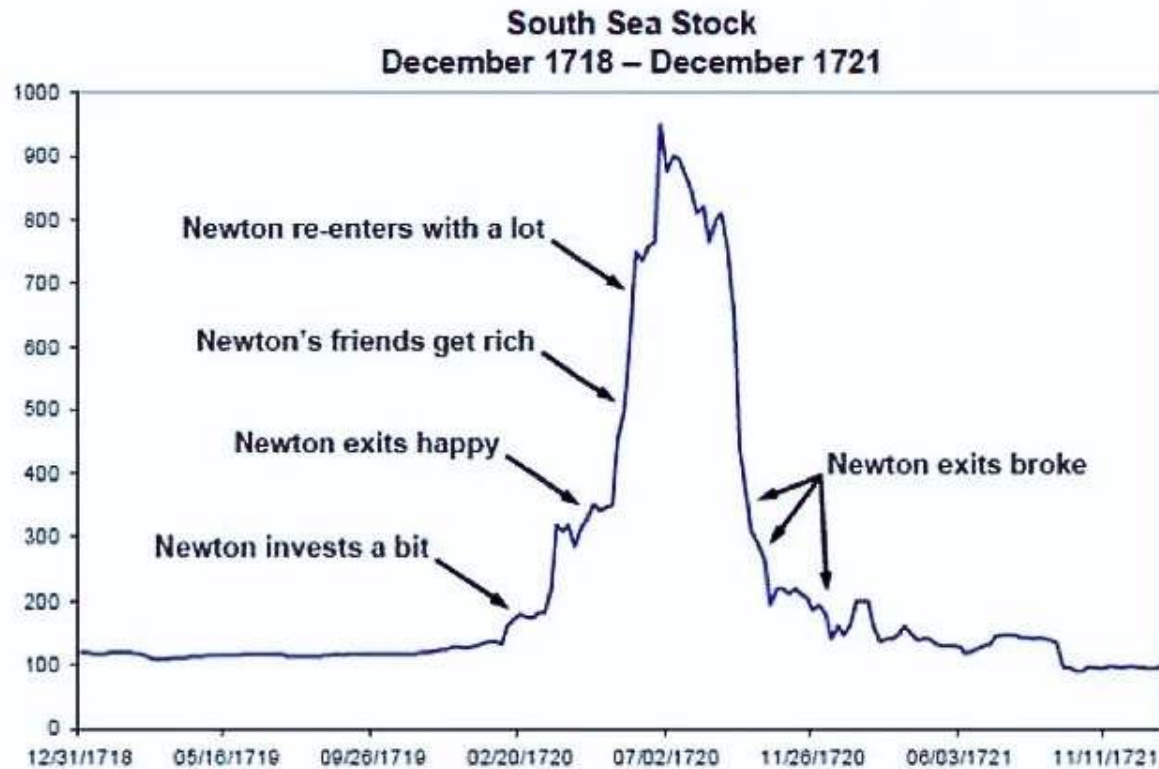
## Major Abolitions of the Past Four Centuries:

- **1700s:** Absolute Monarchies
- **1800s:** Slavery and Serfdom
- **1900s:** Fascism + Totalitarianism
- **2000s:** Oppression, Abuse, and Mistreatment

## The First 25 Years of this Century:

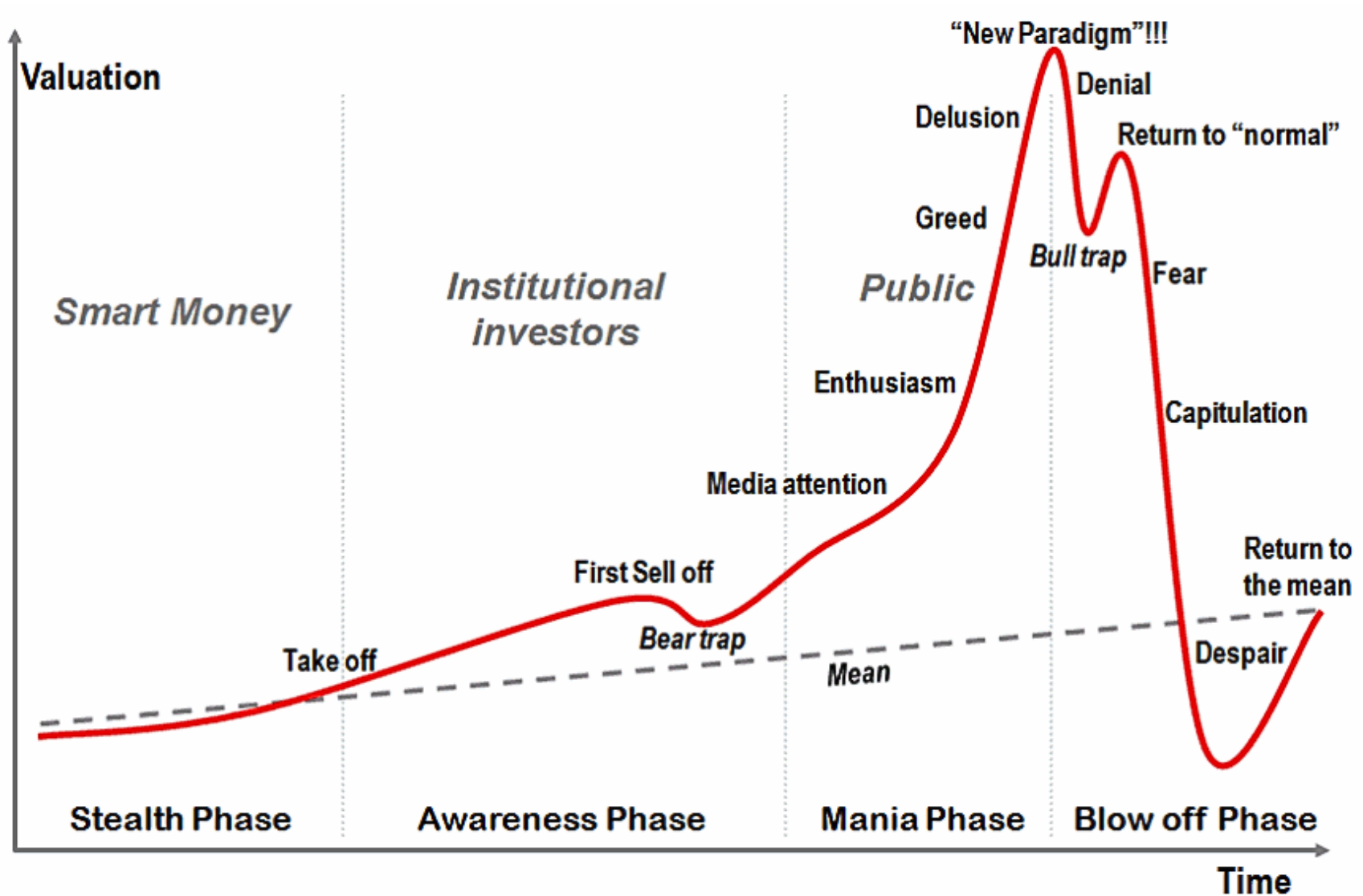
- Rise of China
- Arab Spring
- Redefinition of Europe
- Bridging of the Americas

# Asset Bubbles: Nothing New



Source(s): Marc Faber, Jeremy Grantham, Sir Isaac Newton

# Stages of a Bubble



# Big Stories Shaping our Lives Lately

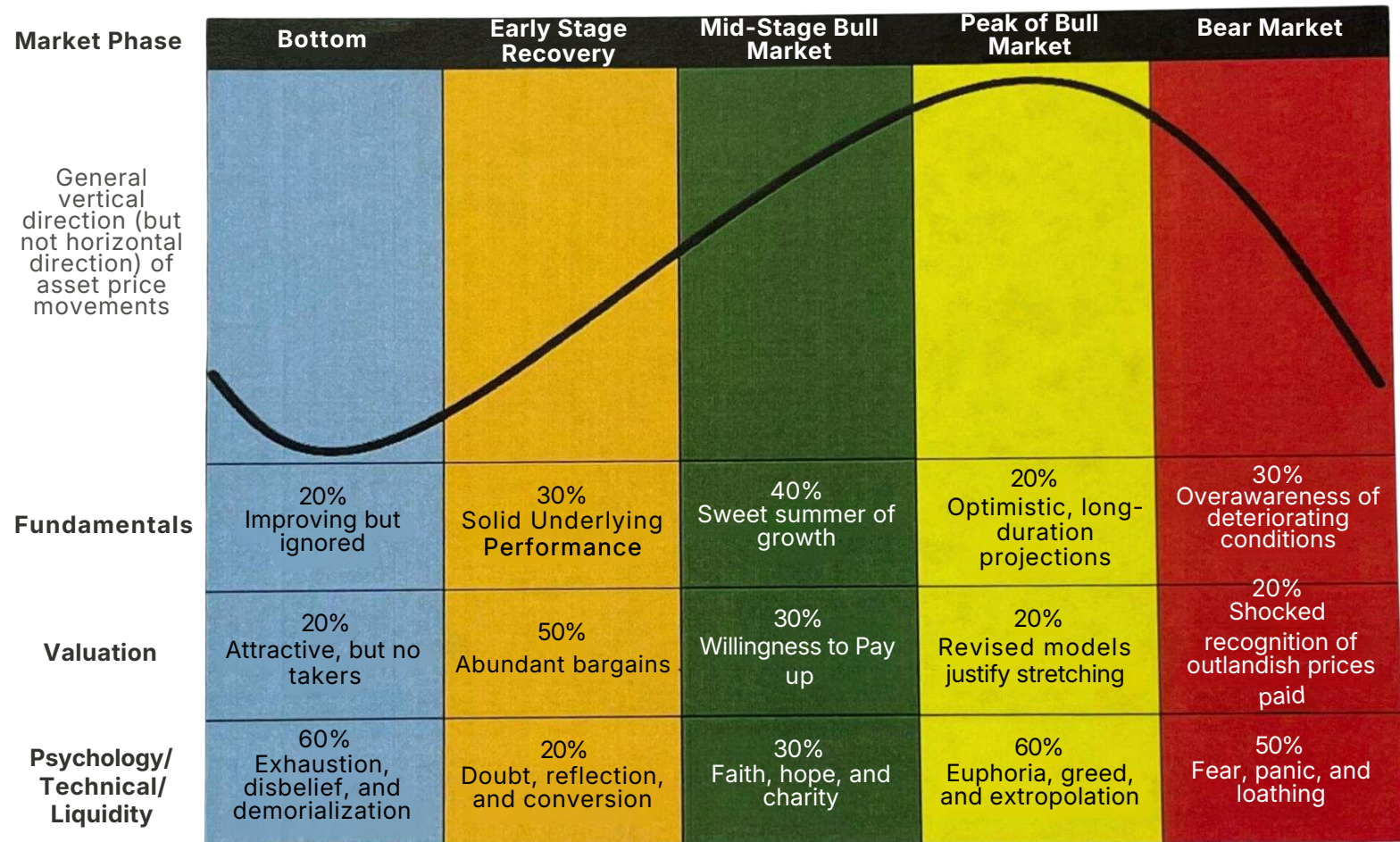
## The 1970s, 1980s, and 1990s:

- **1970s:**
  - Aug 15, '71: President Nixon ends dollar-gold convertibility
  - stagflation, oil shocks, gold, real assets
- **1980s:**
  - May 4, '79: Margaret Thatcher elected
  - August 6, '79: Paul Volcker takes office
  - Nov 4, '80: Ronald Reagan elected
  - Privatization, declining interest rates
- **1990s:**
  - Nov 9, '89: Fall of Berlin Wall
  - Aug 9, '95: Netscape IPO (\$28 to \$58.25)
  - Sep 4, '98: Google founded
  - Beginning of the Internet Era

## The 2000s, 2010s, and 2020s:

- **2000s:**
  - Sep 11, '01: 9/11 Attacks
  - Dec 11, '01: China joins WTO
  - Jan 9, '07: Apple launches iPhone
  - Sep 15, '08: Lehman bankruptcy
  - Nov 08: Fed Quantitative Easing
- **2010s:**
  - Aug 5, '11: S&P downgrades U.S. debt
  - Feb 19, '14: Facebook buys WhatsApp
  - June 23, '16: Vote on Brexit
- **2020s:**
  - Jan 20, '20: First confirmed US-Covid
  - Mar 15, '20: Fed initiates QE4
  - Nov 30, '22: OpenAI releases ChatGPT

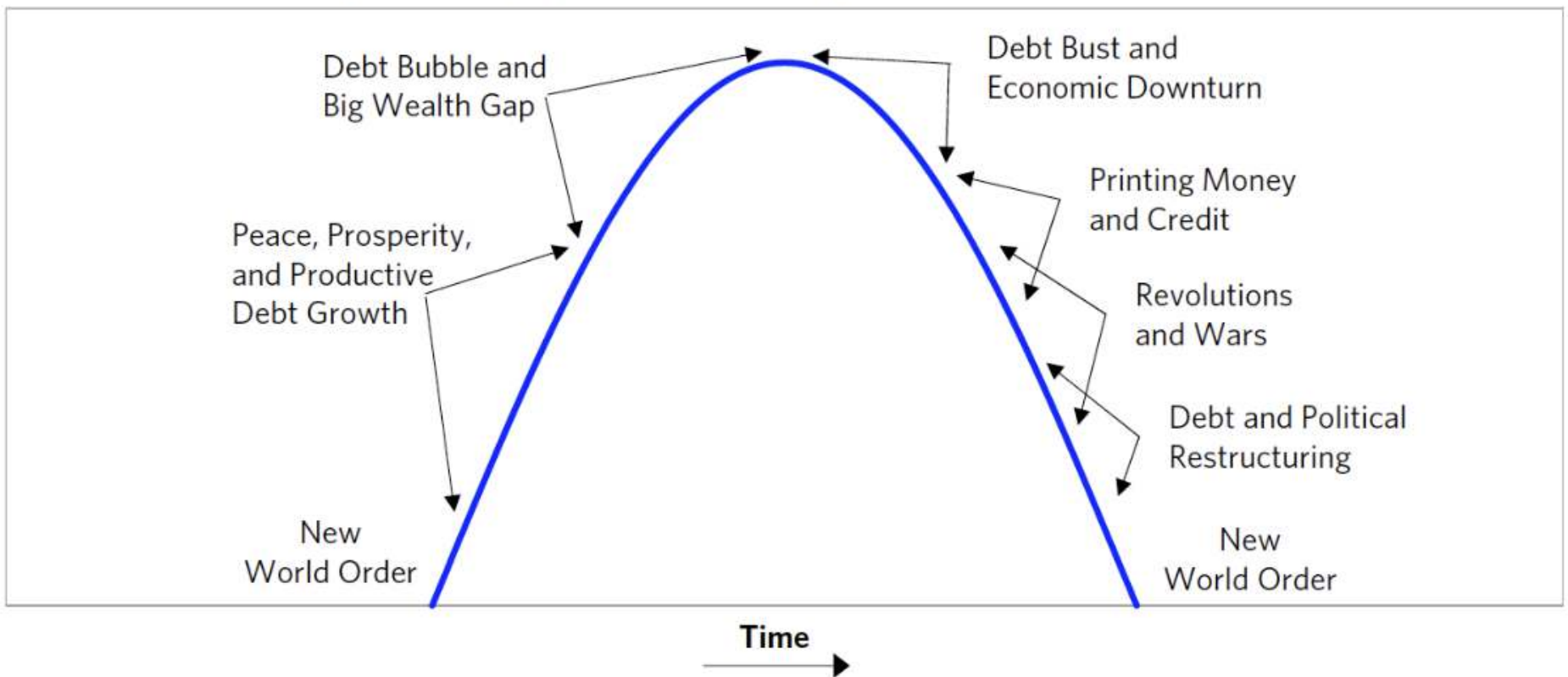
# Psychology is Core at Turning Points



Note: The percentages indicated above are hypothetical only and reflect the personal views of the author.  
 Source: page 313, The Art of Asset Allocation, second edition (McGraw-Hill), by David M. Darst, CFA

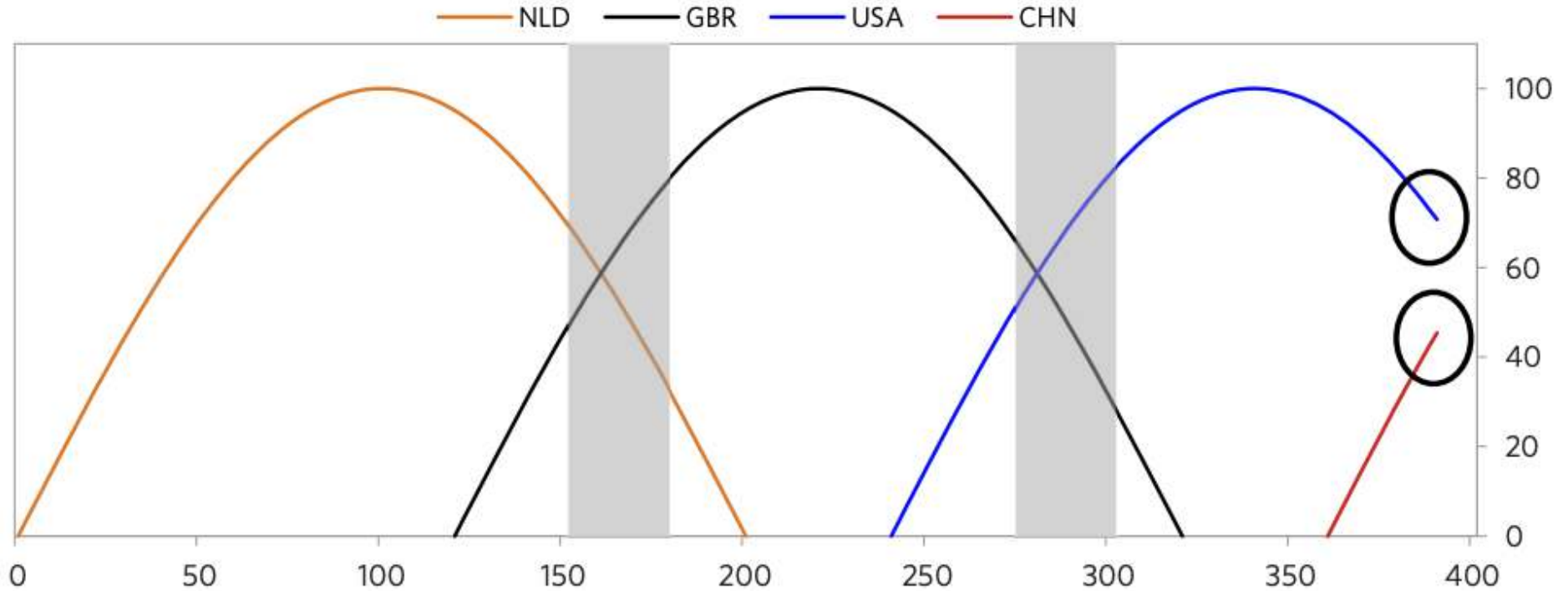
# The Rise and Fall of Empires

## The Typical Big Cycle Behind Empires' Rises and Declines

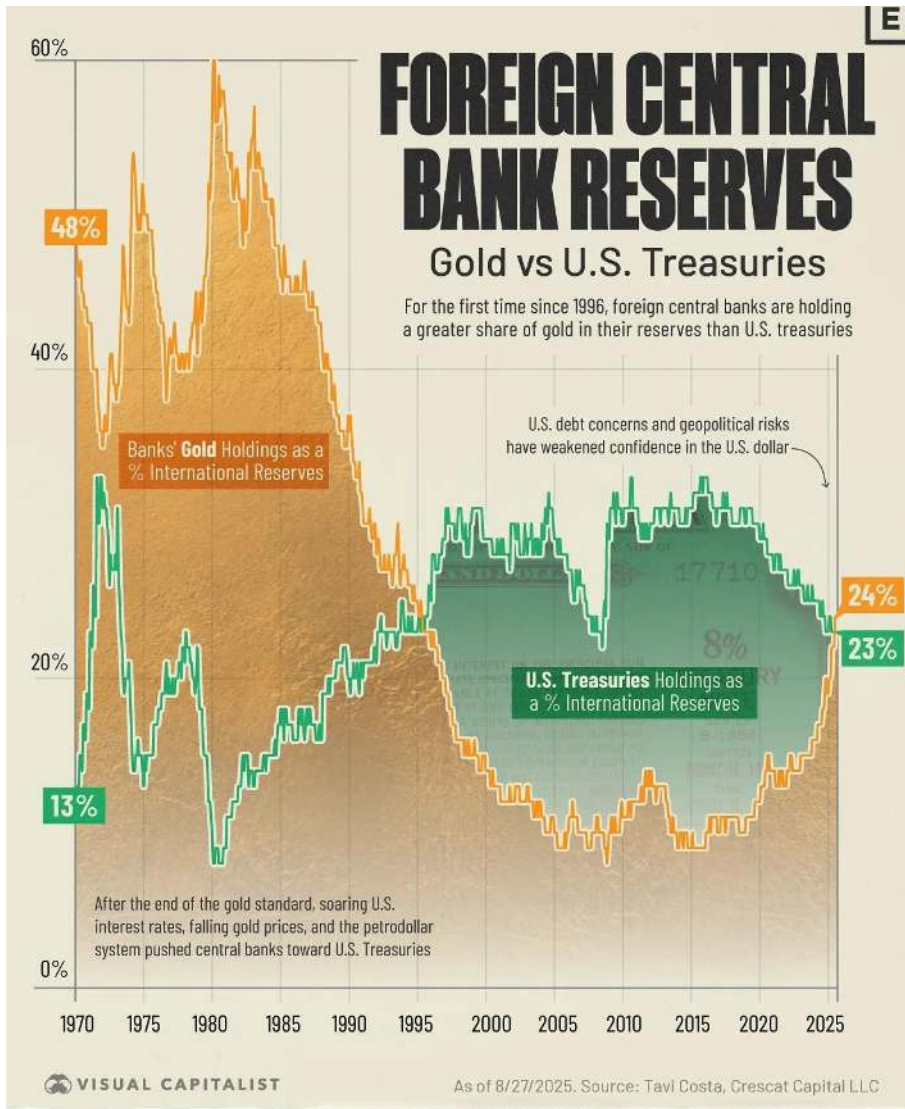


# Empire Life Cycles

**Reserve Empire Transitions of the Past Four Centuries  
(Simplified Representation)**



# Gold Through the Ages



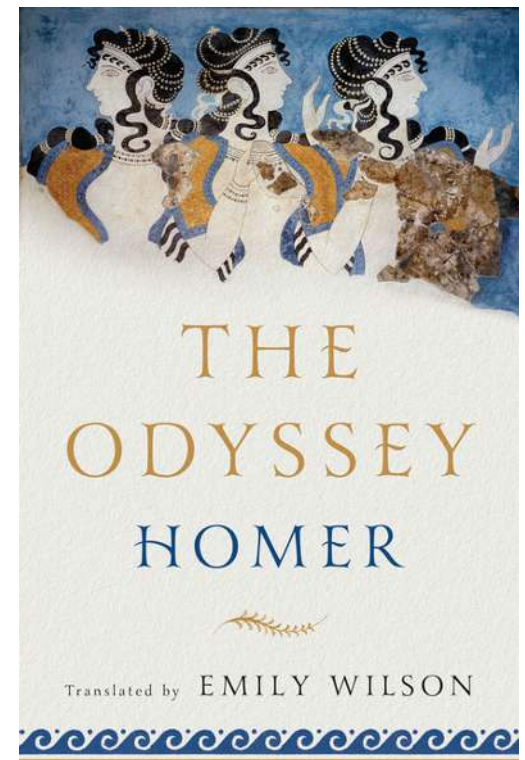
Gold - Annual Returns (Data via NYU.edu, YCharts as of 12/31/25)					
Year	Return	Year	Return	Year	Return
1971	16.7%	1990	-3.1%	2009	25.0%
1972	48.8%	1991	-8.6%	2010	29.2%
1973	73.0%	1992	-5.7%	2011	12.0%
1974	66.1%	1993	17.7%	2012	5.7%
1975	-24.8%	1994	-2.2%	2013	-27.6%
1976	-4.1%	1995	1.0%	2014	0.1%
1977	22.6%	1996	-4.6%	2015	-12.1%
1978	37.0%	1997	-21.4%	2016	8.1%
<b>1979</b>	<b>126.5%</b>	1998	-0.8%	2017	12.7%
1980	15.2%	1999	0.9%	2018	-0.9%
1981	-32.6%	2000	-5.4%	2019	19.1%
1982	15.6%	2001	0.7%	2020	24.2%
1983	-16.8%	2002	25.6%	2021	-3.8%
1984	-19.4%	2003	19.9%	2022	0.5%
1985	6.0%	2004	4.6%	2023	13.3%
1986	19.0%	2005	17.8%	2024	26.0%
1987	24.5%	2006	23.2%	<b>2025</b>	<b>64.3%</b>
1988	-15.3%	2007	31.9%		
1989	-2.8%	2008	4.3%		

# Ten Ds of the Present Age

1. **Demographics:** Generations = Greatest, Silent, Baby Boomer, X, Millennials (Y), Z
2. **Disinflation:** Caused by Globalization, Technology, Population
3. **Debt:** Quantity, Quality, Maturity, Uses
4. **Deficits:** Budget, Balance of Payments, Attention
5. **Derivatives:** Over-the-Counter, Central Party Clearing Houses
6. **Deglobalization:** Cross Border Flows (Goods, Capital, Ideas, People)
7. **Disruption:** Retail, Lodging, Coworking Spaces, Ride Sharing, Fashion, Encyclopedia
8. **Discord:** Disillusion, Loss of Faith, Anchorlessness, Internet
9. **Debasement:** Currencies, Culture, the Environment
10. **Devaluation:** Time, Interpersonal Relationships, Spirituality, Solitude

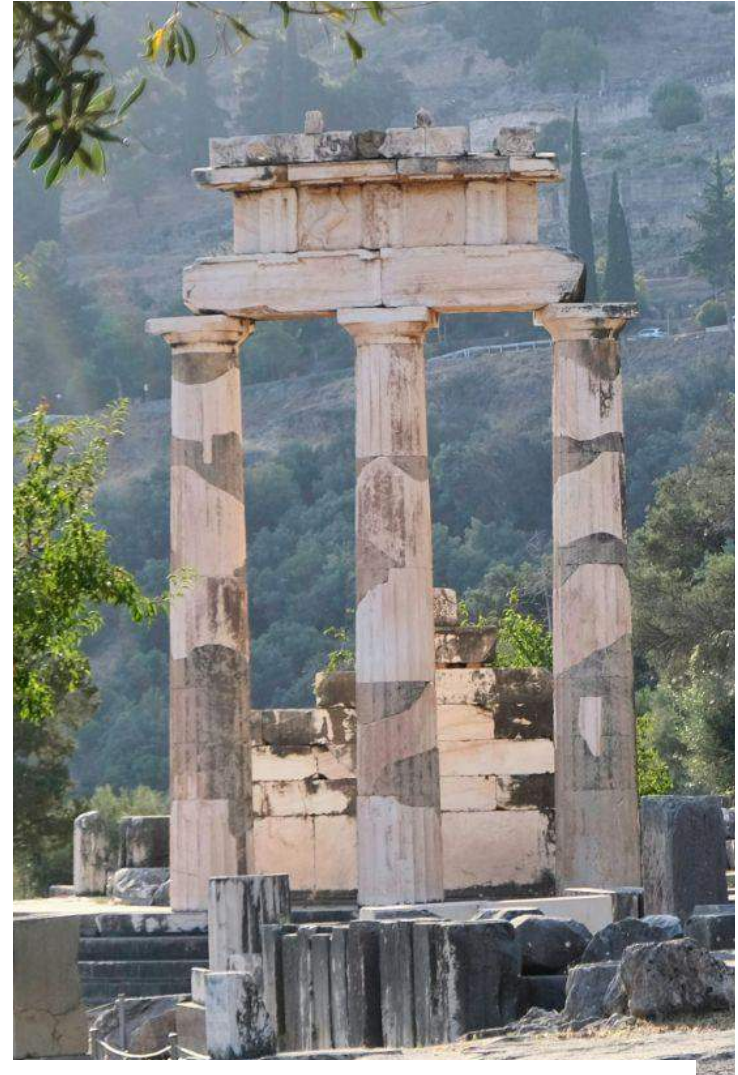
# Ten Lessons of The Odyssey

1. Intelligence and flexibility beats force
2. Who tells the story controls the outcome
3. Ruthless focus on the objective
4. Delayed gratification and self restraint
5. Emotional regulation under extreme stress
6. Timing and patience
7. Alliance management
8. Core constancy and identity fluidity
9. Acceptance of reality
10. Endurance as a competitive advantage



# The Temple of Apollo at Delphi

- Located on Mount Parnassus, built circa 650-600 BC, holy site since late Bronze Age
- Center of the world marked by Omphalos ("navel" stone) which symbolized a direct line to gods
- Housed the Pythia: priestess who provided prophecies to Apollo
- Three inscribed **maxims**:
  - «Know Thyself»
  - «Nothing in Excess»
  - «Surety Brings Ruin»



# Panel Discussion

## **David Darst**

Buchautor, 40 Jahren Erfahrung bei Goldman Sachs und Morgan Stanley,  
Berater mehrerer US-Regierungen

## **Prof. Tobias Straumann**

Professor für Geschichte der Neuzeit und Wirtschaftsgeschichte an der  
Universität Zürich

## **Dr. Alexandra Janssen**

Stiftungsrätin Progress Foundation

## **Dr. Thomas Moser**

Stellvertretendes Mitglied des Direktoriums der Schweizerischen  
Nationalbank

## **Moderation: Mark Dittli**

Geschäftsführer und Redaktor, The Market NZZ

# Vielen Dank !

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