

In Gold We Trust[®]
Report

Special

**Gold Oktoberfest
Beer Ratio**



incrementum

October 2023

We would like to express our gratitude
to our **Premium Partners** for supporting
the *In Gold We Trust* report 2023



O'zapft is! – The Gold/Oktoberfest Beer Ratio 2023



Photo courtesy of: [Exithamster](#)

The mouth of perfectly happy man is filled with beer.

Egyptian proverb

This year, 1 ounce of gold buys 119 Maß of beer, just one less than last year.

This year, too, beer flowed in great quantities at the Oktoberfest. At the halfway point, beer consumption was 6% higher than last year. In 2023, the Oktoberfest even got a holiday-related extension. The *Day of German Unity* on October 3rd, which fell on a Tuesday this year, meant that the Theresienwiese was besieged by Oktoberfest attendees for two more days.

However, there was one bitter pill to be found in every Maß. High inflation has also been felt this year at the Oktoberfest. **Compared to last year, the euro price for a Maß of Oktoberfest beer rose by 8.0% to as much as EUR 14.90.** That has certainly dampened the party mood. Already in 2022 the beer price had increased substantially after two subsequent cancellations due to Covid-19, reducing the drinking joy of visitors. The amount of beer drunk fell 2022 by almost 25% compared to 2019.

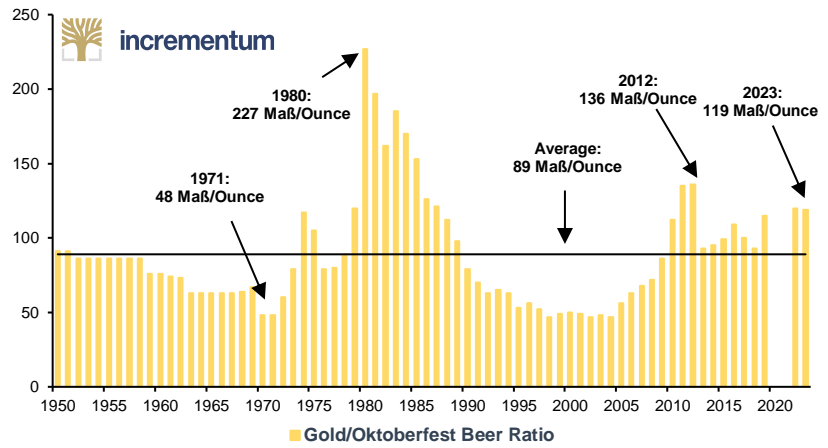
The renewed sharp price increase this year has though not led to a revolution like the one in 1844. At that time, the increase in the price of beer from 5 to 6 1/2 Kreuzer led to serious unrest. The military, which was called in to help, however, did not take action against the rebels, but showed solidarity with them. King Ludwig I was then forced to withdraw the beer price increase. That being said, 2023 is not 1844, as Bavarian Prime Minister Markus Söder is not King Ludwig I.

Gold investors, however, had no reason to revolt anyway. The gold price in euros has almost completely absorbed the massive price increase this year. With 119 Maß Oktoberfest beer per ounce of gold, gold investors could afford this year only one Maß less than last year. Compared to 2019 – in 2020 and 2021 the Oktoberfest fell victim to the Covid-19 restrictions - gold even buys 4 Maß more. In euros, on the other hand, the price has risen by 26.3% since 2019. In other words: Those who paid their Maß not with gold but with fiat money, their beer mug was this year no longer filled with one liter of Oktoberfest beer, as in 2019, but with not even 0.75 liter. Consequently, the paper money lover is forced into sobriety by inflation.

Gold has thus protected the gold-affine beer lover very well against (Oktoberfest beer price) inflation in recent years, and therefore even in times of inflation the gold-affine beer lover in the euro area was not left high and dry.¹

¹ While tradition is upheld at the Oktoberfest, the annual presentation of the new iPhone is all about innovation. But the iPhone also demonstrates that gold investors need not fear the price increases that come with innovation. See our [In Gold We Trust special on the iPhone/gold ratio](#), which is updated every year at the start of sales in the US at the end of September.

Gold/Oktobertfest Beer Ratio, 1950-2023



Source: Reuters Eikon, Statista, Incrementum AG
As of September 16, 2023

Key Takeways

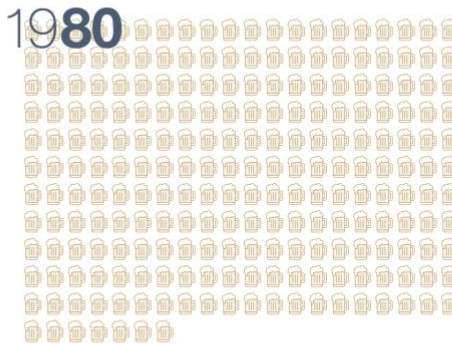
- For many Oktoberfest visitors who paid in euros, the price increase, up to EUR 14.90 for a Maß, was certainly a shock. A Maß was 8% more expensive than last year. Compared to 2019 – in 2020 and 2021 the Oktoberfest fell victim to Covid-19 – the Maß was this year 26% more expensive.
- Things look quite different for a gold investor. With 119 Maß/oz, the gold-affine beer lover could this year only buy one Maß less than 2022. Compared to 2019, it's even 4 Maß more.
- Despite sustained high inflation, gold thus did not leave the gold-savvy beer lover high and dry.



Gold/Oktoberfest Beer Ratio



1950-2023



227
Oktoberfest Beer
1 oz. gold

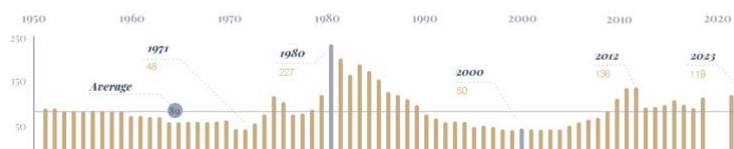


50
Oktoberfest Beer
1 oz. gold



119
Oktoberfest Beer
1 oz. gold

Source: Reuters Eikon, Statista, Incrementum AG



Appendix

Year	Beer price in EUR	Beer price increase yoy	Gold price performance yoy	Maß/Ounce
1950	0.82	–	–	91
1955	0.87	6.1%	0.3%	86
1960	0.97	11.5%	-1.0%	76
1965	1.12	15.5%	-4.2%	63
1970	1.38	23.2%	-6.3%	48
1975	1.92	39.1%	202.7%	105
1980	2.51	30.7%	180.5%	227
1985	3.12	24.3%	-16.1%	153
1990	3.86	23.7%	-33.6%	79
1995	5.32	37.8%	-11.2%	53
2000	6.44	21.1%	10.1%	50
2001	6.54	1.6%	0.0%	49
2002	6.80	4.0%	3.9%	47
2003	6.80	0.0%	2.2%	48
2004	7.10	4.4%	1.8%	47
2005	7.25	2.1%	21.5%	56
2006	7.50	3.4%	16.7%	63
2007	7.90	5.3%	14.1%	68
2008	8.30	5.1%	11.3%	72
2009	8.60	3.6%	23.1%	86
2010	8.90	3.5%	35.4%	112
2011	9.20	3.4%	24.3%	135
2012	9.50	3.3%	4.1%	136
2013	9.98	5.1%	-27.9%	93
2014	10.10	1.2%	2.5%	95
2015	10.35	2.5%	7.3%	99
2016	10.70	3.4%	14.1%	109
2017	10.95	2.3%	-6.4%	100
2018	11.50	5.0%	-2.7%	93
2019	11.80	2.6%	26.8%	115
2020	–	–	–	–
2021	–	–	–	–
2022	13.80	16.9%	22.7%	120
2023	14.90	8.0%	7.3%	119

D-Mark prices up to 2001 were converted into euros. In 2020 and 2021, the Oktoberfest had to be cancelled due to Covid-19 restrictions. Sources: statista.de, <http://www.wbrnet.info/vbhtm/9999-Entwicklung-Bierpreise.html>, Incrementum AG

About Us

Ronald-Peter Stöferle, CMT



Ronnie is managing partner of Incrementum AG and responsible for Research and Portfolio Management.

He studied business administration and finance in the USA and at the Vienna University of Economics and Business Administration, and also gained work experience at the trading desk of a bank during his studies. Upon graduation he joined the research department of *Erste Group*, where in 2007 he published his first *In Gold We Trust* report. Over the years, the *In Gold We Trust* report has become one of the benchmark publications on gold, money, and inflation.

Since 2013 he has held the position as reader at *scholarium* in Vienna, and he also speaks at *Wiener Börse Akademie* (the Vienna Stock Exchange Academy). In 2014, he co-authored the international bestseller *Austrian School for Investors*, and in 2019 *The Zero Interest Trap*. He is a member of the board of directors at *Tudor Gold Corp.* (TUD), and *Goldstorm Metals Corp.* (GSTM). Moreover, he is an advisor to *Matterhorn Asset Management*, a global leader in wealth preservation in the form of physical gold stored outside the banking system.

Mark J. Valek, CAIA



Mark is a partner of Incrementum AG and responsible for Portfolio Management and Research.

While working full-time, Mark studied business administration at the Vienna University of Business Administration and has continuously worked in financial markets and asset management since 1999. Prior to the establishment of Incrementum AG, he was with Raiffeisen Capital Management for ten years, most recently as fund manager in the area of inflation protection and alternative investments. He gained entrepreneurial experience as co-founder of *philoro Edelmetalle GmbH*.

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Incrementum AG



Incrementum AG is a boutique investment and asset management company based in Liechtenstein. Independence and self-reliance are the cornerstones of our philosophy, which is why the five partners own 100% of the company.

Our goal is to offer solid and innovative investment solutions that do justice to the opportunities and risks of today's prevalent complex and fragile environment.

<https://www.incrementum.li/en>

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