

# DIVIDE

*of the*

# DOLLAR



HOW TO PROTECT YOUR IRA  
& 401(K) ACCOUNTS AGAINST  
THE WEAKENING US DOLLAR



Colonial Metals Group





# THE US DOLLAR AS THE WORLD'S RESERVE CURRENCY

The US dollar's journey to becoming the world's primary reserve currency began after World War II with the 1944 Bretton Woods Agreement. It established a system where all other currencies were pegged to the dollar, while the dollar itself was convertible to gold.

When President Nixon ended this gold convertibility in 1971, the dollar remained dominant through what economists call an "exorbitant privilege"—allowing Americans to borrow cheaply abroad and purchase imports at lower effective costs.

This reserve status has profoundly benefited American wealth by enabling lower interest rates, reducing transaction costs for international trade, and providing substantial "seigniorage" (profit earned from issuing currency). It has also allowed the US to finance large budget and trade deficits "with fewer immediate repercussions than many other nations typically face."

The dollar still accounts for nearly 60% of global reserves, fundamentally underpinning American economic power and the average citizen's purchasing power and standard of living.



## CHANGE IS COMING.

We might be seeing the dawn of the end of the dollar's dominance as the world's reserve currency, a reign that has lasted for decades. And some of the world's largest economies are already taking steps to accelerate its decline.

In 2024, China and Brazil agreed to forego the dollar and settle their bilateral transactions in their local currencies—yuan and reais.



Russia and India have been actively doing the same with significant trade volume. In 2024 alone, trade between these two powers hit a record \$66 billion, and 90% of the transactions were conducted without using the dollar.

Even one of America's closest allies for decades—Saudi Arabia—is shifting course. The Saudi Central Bank (SAMA) just signed a massive three-year currency swap deal with the People's Bank of China to enable direct yuan–riyal transactions.

For decades, the world's superpowers have been watching the US leverage the dollar's central role in global finance to enforce sanctions and influence global markets. Now, a growing number of countries are considering shifting away from the dollar.



## WHAT THE FALL OF THE BRITISH POUND CAN TEACH US TODAY

They said the Sun would never set on the British Empire, until it did.

In 1944, the world's 44 leading nations convened in New Hampshire with the goal of dethroning the British pound.

Within months, the "unsinkable" British Empire crumbled and effectively lost its status as the world's superpower. Even basic necessities—food, fuel, clothing—were no longer affordable in England and had to be rationed until 1954.

By the 1970s, with the added impact of the post–World War II economy and surging inflation, many saw their life savings nearly slashed in half.

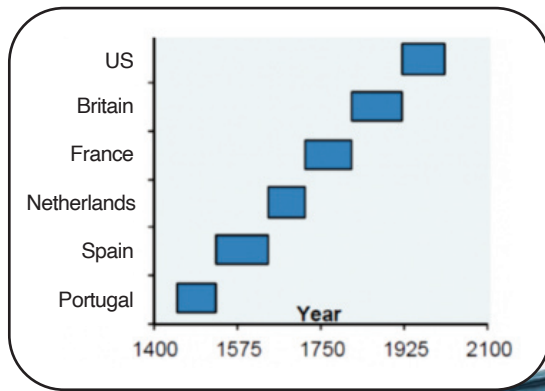
History suggests that no reserve currency has remained dominant forever.

And another harsh lesson throughout history: this is inevitable. Every reserve currency has come and gone. Whenever the rest of the world lost confidence in a currency and its government, another "fresh off the block" currency took over.

So, when you examine the history of reserve currencies over the centuries, the only question that arises is: How long will the reserve currency maintain its dominance?

Here's how reserve currencies have come and gone in the last 600 years.

## RESERVE CURRENCY STATUS DOES NOT LAST FOREVER



## IS BRICS CHALLENGING THE DOLLAR'S DOMINANCE?

In 2024, the BRICS organization (founded by Brazil, Russia, India, China, and South Africa) welcomed new members Saudi Arabia, Iran, Ethiopia, Egypt, Indonesia, and the United Arab Emirates.

And during their October 2024 Kazan Summit, 13 nations were added as partners, while 24 countries have applied and are waiting to join.

Today, BRICS represents nearly half the world in size and a combined GDP larger than the entire Western G7 bloc.

What started out as a coalition of just five nations has sparked into a global movement to counterweight the US dominance and challenge US dollar dominance in global trade and finance.

And it's rapidly evolving into a new financial order.





The BRICS alliance often speaks of "sovereign equality" and a "fair global financial system"...


But their actions suggest a different agenda:

BRICS founder Russia invaded Ukraine...

They are developing a unified currency to rival the US dollar...

And they're encouraging some of the world's largest oil producers like Saudi Arabia to abandon the dollar entirely.

## **IMAGINE A WORLD WHERE THE DOLLAR IS NO LONGER THE WORLD'S RESERVE CURRENCY.**



**This could potentially place downward pressure on the dollar, increase the cost of imports, and challenge key aspects of the US economy.**

## **SO WHY IS THIS HAPPENING NOW?**

Everything changed in February 2022 when the US unleashed sweeping sanctions on Russia and froze its dollar-denominated assets after Russia's invasion of Ukraine. This may have influenced many nations to begin questioning the dollar's influence on their economy: If it happened to Russia—a nuclear power—why wouldn't it happen to me? Why should I hold dollars if they can be frozen by a US decision?



## THIS US MOVE ACCELERATED A GLOBAL REBELLION AGAINST THE DOLLAR.

What started as a US decision impacting just Russia has now spiraled into a global shift.

And this trend could gradually impact the global financial influence that the US has held for decades.

“We won’t have to talk about sanctions in five years because there will be so many countries transacting in currencies other than the dollar that we won’t have the ability to sanction them.”

– MARCO RUBIO

## THE CHINA-US BATTLE FOR DOMINANCE

There are several factors reinforcing the BRICS alliance, driven by shared interests. One key factor is the ongoing tensions between the US and China, which continue to influence the global economic landscape and strengthen BRICS cooperation.

The *Wall Street Journal* reports that China has become a crucial economic lifeline for Russia. And Russian President Vladimir Putin has embraced a new foreign policy that places greater emphasis on strengthening ties with India and China. He made this announcement just days after a Xi Jinping visit to Russia, further solidifying the "no limits" partnership between Moscow and Beijing.





Fox News reported Putin and Xi “sent an ominous message to the West during their 3-day summit” in Moscow and “they are looking to undermine the US dollar.”

Shortly after the summit, Russia and China took steps to increase bilateral trade in yuan.

“We support the use of Chinese yuan in payments between Russia and countries of Asia, Africa, and Latin America.”

– VLADIMIR PUTIN

➔ **And the result:** The dollar recently dropped to a 3-year low, according to Reuters. Not only has the dollar fallen to a record low, but a Bloomberg gauge of the dollar's health shows that the measure has reached its worst year-to-date performance since the 2008 crash.

The Bank of America Global Fund Manager Survey reports that institutional investors are now more bearish on the dollar than at any point since 2006, with over 60% expecting further depreciation.

## THAT'S THE LOWEST SENTIMENT IN NEARLY TWO DECADES.

At the time of writing this report, the dollar has been losing ground against nearly every major currency like the euro, the yen, and the pound, reflecting broader concerns about global monetary trends.





# CHINA'S "DOLLAR DUMP" MOVE IS IN MOTION

With nearly \$760 billion in US Treasuries still on the books, China is now the second-largest foreign holder of US Treasury debt.

According to CNBC, China is now converting US Treasuries into euros and German bonds, a shift one analyst described as "entirely consistent with what we've seen over the past several weeks."

Forbes just confirmed that China may be executing these sell-offs during US midnight hours, taking advantage of lower liquidity and minimal market resistance—when most American institutions are asleep at the wheel.

China's dollar holdings have now dropped to a 15-year low, according to official data. And according to Fox Business, this stealth "China Dollar Dump" could pose a severe threat to the American economy and further weaken the dollar's global standing.

## CENTRAL BANKS ARE MOVING AGAINST THE DOLLAR AND INTO GOLD

According to the World Gold Council, the BRICS nations' central banks have become the largest buyers of gold on the planet, stockpiling the precious metal like never before and sending gold prices soaring to all-time highs.

They're also diversifying their reserves in a way that reduces their reliance on dollar-denominated assets.

China alone has been the top gold buyer since 2022, piling up over 300 tonnes of gold.





Russia isn't holding back either as it has taken an even more aggressive stance. Not only is Russia one of the world's largest gold producers, but its daily gold purchases have also skyrocketed by 700%, reaching 8.2 billion rubles (over \$88 million) per day.

The push has propelled Russia's gold reserves past \$200 billion for the first time in history.

With growing rumors of a gold-backed BRICS currency...

The question now isn't whether the dollar is under attack...

But how much longer can it hold the line?

## **AND IT GETS WORSE...**

China is spearheading the launch of a digital currency, an interesting move that may be an intention to move away from the dollar.



This is more than a new form of cryptocurrency. It may be designed to compete with the American international payment system SWIFT, which has been the dominant global payment system for decades.

China's new digital currency could have significant implications for global finance, potentially providing adversarial actors with more freedom to operate outside of traditional oversight mechanisms.

For example, North Korea could ramp up its nuclear weapons program with resources shielded from oversight.

## **THE WEAKER DOLLAR AND YOU**

In this report, we have laid out the fact that no reserve currency is invincible to a downfall. And we have explained the reasons why the dollar is weakening now. But you may already notice the impact of the weakening dollar every day when you go to your grocery store, pay for gas, or shop for household products.

### **THIS IS A BIG REASON WE'RE SEEING SO MANY AMERICANS TURNING TO GOLD.**

**According to *The New York Times*...**

**Costco is selling a jaw-dropping \$200  
million in gold bars every month...**

*The New York Times*

And it makes perfect sense why.

Gold has been the go-to safe haven for centuries because it protected American wealth through major crisis like the 2008 Crash and two World Wars.





The Smart Money and savvy Americans know that physical gold:

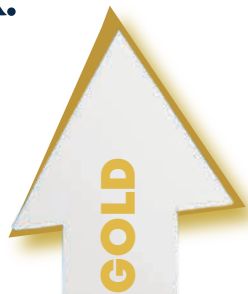
- **THRIVES** in inflationary periods (gold is up over 1,000% since 2000)...
- **PROTECTS** wealth during recessions (just like in 2008 and 2020)...
- **SECURES** your savings and your grandkids' money against an economic shock

Plus, gold is real money in your hands, not just some numbers on a computer screen that you may not be able to access.

In fact, many experts are forecasting an additional possible gold rally in 2025 as more people turn to gold for wealth protection in this uncertain economy.

“The US Dollar will come under downward pressure. Gold will be a great hedge against the declining greenback.”

– **DAVID ROSENBERG**



Goldman Sachs predicts gold to hit new heights of up to \$4,000 by the end of 2025.

And Robert Kiyosaki, author of *Rich Dad Poor Dad*, has publicly stated his belief that gold could potentially reach \$30,000 by 2035. These expert predictions show that now may be a good time to consider owning gold.

And with the ability to move a portion of your savings into a Gold IRA with no tax consequences or penalties, you'll have:

- ✓ real, physical wealth in your control,
- ✓ a safe-haven asset that tends to grow in value during periods of high uncertainty, particularly if nations begin to abandon the dollar, and
- ✓ an asset that historically soars during crises and economic meltdowns.

## WHAT TO DO NEXT

At this point, you may have questions, and we're here to help. For clear, detailed answers, we invite you to schedule a 100% FREE consultation with a Colonial Metals Specialist.

There's no obligation or cost—just a relaxed, informative conversation to help you determine if establishing a Gold IRA is right for you.

Call **800-465-6009** now for your free consultation. You'll be so glad you did!







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