

China is quietly destroying the dollar — and that'll cost you.

When the U.S. dollar loses its monopoly on pricing the world's critical resources, Americans' purchasing power weakens.

Charlie Garcia's Street Sense, Dec. 16, 2025 at 7:19 p.m. ET



As more commodities get priced in yuan instead of dollars, demand for dollars softens.

China controls the rare earths. China controls the cobalt. China, through its Belt and Road spending spree, now controls most of the mines in Africa that produce the stuff inside your phone, your car and your refrigerator.

And now China has figured out how to price and settle all of it without using a single U.S. dollar and nobody's told you.

South African banking giant Standard Bank Group SBK, Africa's largest lender, has quietly integrated with China's Cross-Border Interbank Payment System (CIPS). In June, Standard Bank secured its CIPS license; in September the new rail went live, and by November Africa's first direct yuan, or renminbi, channel was open — a seemingly dry banking milestone that in reality shifted a crucial line on the hidden map of global power.

The financial press buried it under Federal Reserve noise and earnings reports. Everyone kept scrolling. But the dollar's monopoly is cracking.

It matters to you. Not because you trade cobalt futures. Because when the U.S. dollar loses its monopoly on pricing the world's critical resources, your purchasing power shrinks. That shows up at the grocery store, at the gas pump and in every aisle of every store. You just won't know why.

Here's what happened: A payment that used to take three to five days now takes seven seconds. Costs dropped 98%. A cobalt shipment from Congo to Shanghai now settles in Chinese yuan, without touching New York, without anyone in Washington getting a vote. The dollar just got cut out of the transaction entirely.

This isn't about banking plumbing. It's about power. Who sets commodity prices. Who controls sanctions. Who gets to define the term risk-free. For 50 years, that's been the U.S. Not anymore.

Here's what happened while America was busy with Fed meetings.

Africa holds about 30% of the world's critical minerals. Congo has most of the cobalt. South Africa has the platinum. The continent is loaded with copper, chromium, lithium and rare earths. This is not optional stuff. Cobalt goes in every EV battery. Rare earths go in every semiconductor. Platinum goes in hydrogen fuel cells.

If the 21st century runs on anything besides oil, it runs on African rocks. China noticed. Beijing has spent the past decade writing checks to Africa. Its Belt and Road initiative poured money into African mining, railways to the mines, ports to ship the ore, refineries to process it — and contracts that guarantee Chinese buyers get first dibs on the output.

By the first half of 2025, Chinese investment in African mining was up almost 400% from a year before. Mining now represents 20% of all Chinese projects in Africa, up from 8% five years ago. This isn't foreign aid. This is vertical integration. China bought the warehouse. Now they're changing the currency on the cash register.

Standard Bank operates in 21 African countries. It handles trade finance across the continent. When it plugs into CIPS, every mining company, commodity trader and

central bank in its network now has a direct line to settle in yuan. No dollars. No permission required from Washington.

The monopoly doesn't die screaming

For 50 years, if you wanted to buy oil, you paid in dollars. If you wanted to buy copper, you paid in dollars. If you wanted to buy anything that crossed a border, you probably paid in dollars. That wasn't because the dollar was magical. It was because the plumbing only worked in dollars. Every international payment ran through SWIFT, and SWIFT ran through New York.

Then America started using that plumbing as a weapon. Iran got cut off. Russia got cut off. In 2022, when the U.S. froze Russian foreign-exchange reserves, every country that watched started asking the same question: What happens when Washington decides we're next?

China built an alternative. In 2024, CIPS handled \$24 trillion worth of transactions, up 43% from the year before. And now African banks are plugging into it.

This is how monopolies die. Not with a bang, but with better plumbing that routes around you.

The man behind the curtain buys insurance

If this were just one bank in South Africa, you could ignore it. But central banks around the world are acting like something big is shifting.

Nigeria pulled its gold reserves out of American vaults and brought them home. Ghana increased gold reserves by 35% in one year. Namibia announced it's moving 3% of foreign reserves into gold, up from nearly zero. The dollar's share of global central-bank reserves has dropped below 47%, down from 65% two decades ago. Gold's share is climbing toward 20%, highest since the 1960s.

And in November the BRICS moved ahead with an initiative to develop a precious-metals exchange that would allow trade settlements in gold, platinum, diamonds and rare earths. South Africa, Egypt and Ethiopia are full members. Nigeria and Uganda are partners.

Central bankers are paid to be boring and cautious. When they start hoarding gold and building alternative settlement systems, something real is happening. They see

what China sees: The dollar's monopoly made sense when there were no alternatives. Now there are alternatives. And they work.

This is not random. This is coordinated preparation for a world where the dollar shares the throne instead of sitting on it alone.

The market is screaming. The headlines aren't.

You don't have to take my word for it. Look at what capital is doing.

Gold is up more than 60% this year. Silver is up over 100%. Some gold-miner stocks and exchange-traded funds are up over 150%. Meanwhile the S&P 500 is up 16%. That's not a rounding error. That's a stampede.

The dollar index is breaking down, slipping 8% over the past year and falling. The ratio of tech stocks to gold miners just reversed a decade-long trend.

This is what regime change looks like in real time. Capital is rotating out of one world and into another. The question is whether you rotate with it or get left holding the old playbook.

America's free ride is ending

Here's where it gets personal.

When the dollar had monopoly power over global commodity pricing, America got a subsidy. The U.S. printed dollars. The world needed dollars to buy stuff. So the world bought U.S. debt, kept its interest rates low and let Washington run deficits that would have sunk anyone else. Economists call it "exorbitant privilege." America's enjoyed it since 1945.

That privilege is shrinking. Not disappearing but shrinking.

As more commodities get priced in yuan instead of dollars, demand for dollars softens. As central banks diversify into gold, they buy fewer Treasuries.

As fewer foreigners buy U.S. debt, interest rates drift higher. As the dollar's purchasing power erodes, everything you import costs more.

You don't need to understand currency markets to feel this. You feel it when your grocery bill creeps up. When your car costs more. When that vacation abroad costs what it shouldn't. The dollar losing monopoly power is a slow leak, not a blowout. But slow leaks still leave you flat.

Portfolio changes to make before everyone else figures this out

This isn't a reason to panic. It's a reason to adjust your investments.

- First, own more gold and silver, including mining stocks. Not 2% as a token hedge, but more like 10% to 15% of your portfolio. Split it this way: 6% to 8% in physical gold, 2% or 3% in silver and 3% or 4% in the miners (GDX for the big producers, GDXJ for the smaller explorers, or SIL for silver miners). Gold is the one asset that works in every monetary system. When central banks are buying it by the ton, you should own some, too. This is insurance, not speculation.
- Second, own shares of the companies that dig up what China needs. Big globally diversified miners such as BHP, Rio Tinto, RIO and Vale sell into Chinese supply chains. As commodities shift to yuan pricing, these companies maintain pricing power. A small allocation to materials and mining gives you exposure to the trend instead of exposure to the damage.
- Third, rethink long-term U.S. bonds. Long-duration U.S. Treasury funds operate on the assumption that foreign demand for U.S. debt is endless. That assumption is weakening. If you own 20-plus-year Treasury funds, consider trimming to 5% to 7% of your portfolio and moving the rest to shorter-duration bonds. You keep the income without betting everything on foreign central banks funding American deficits forever.

That's it. Three moves. Gold, silver, mining stocks — less long-term bond exposure. You don't need exotic funds or complex hedges. You just need to recognize that the ground shifted and position accordingly.