



The Role of Gold in a De-Dollarized World

HUBBIS PHILIPPINES WEALTH MANAGEMENT FORUM 2024

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J. ROTBART & CO.

P R E C I O U S M E T A L S

De-Dollarization

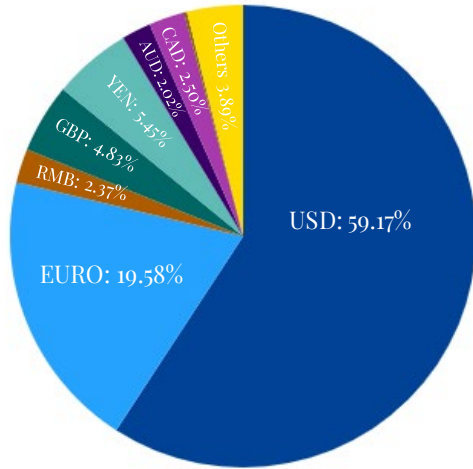
Reducing reliance on the US dollar

Reasons

- Geopolitics – “weaponization of US dollar”
- US ballooning debt
- Diversification
- Trade Agreements and new regional currencies
- Rising alternatives – RMB, EUR, digital currencies

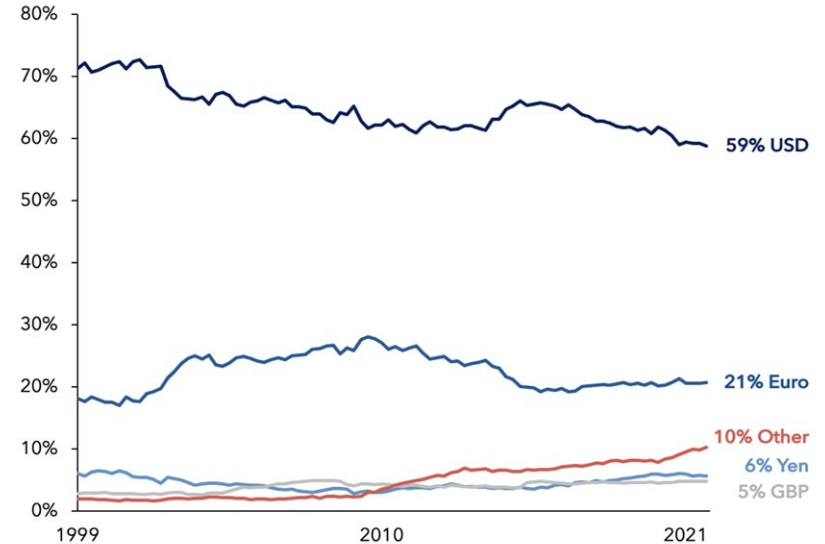


20% Drop in USD Share in Foreign Exchange Reserves



- U.S. dollars
- Euro
- Chinese renminbi
- Pounds sterling
- Japanese yen
- Australian dollars
- Canadian dollars
- Swiss francs
- Other currencies

Source: IMF



Sources: IMF Currency Composition of Official Foreign Exchange Reserves (COFER). Note: The "other" category contains the Australian dollar, the Canadian dollar, the Chinese renminbi, the Swiss franc and other currencies not separately identified in the COFER survey. China became a COFER reporter between 2015 and 2018.

IMF



What is the Reserve
Currency of the Future?

Is gold the answer?



What is the Reserve Currency of the Future?

- Open and liquid markets
- Track record, trust
- Can be converted to other currencies
- Geopolitically neutral



Why Gold?

- Intrinsic and historical value

- Stable price appreciation

8% per annum

- High global liquidity

US\$ 6T per year volume

- Hedge in times of crisis

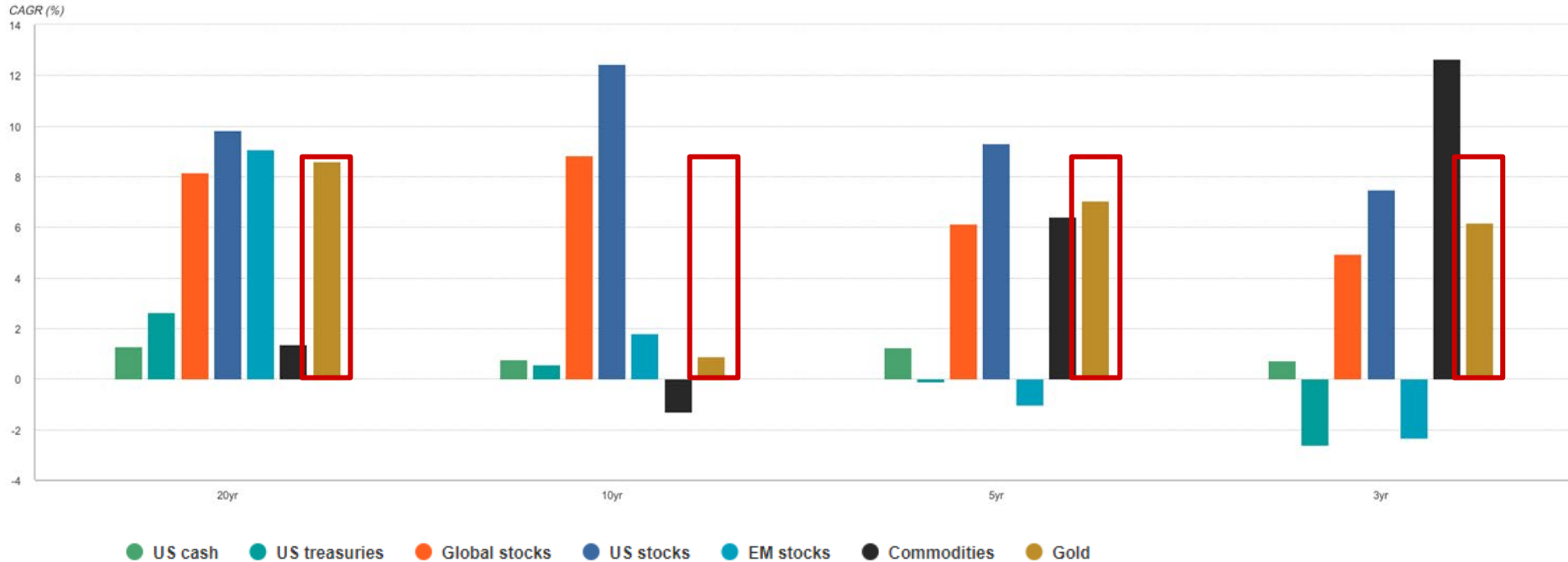
- Maintains purchasing power

- The asset central banks hold

Record High Demand



Returns in past 3, 5, 10 and 20 Years



Sources: Bloomberg, ICE Benchmark Administration, World Gold Council; Disclaimer

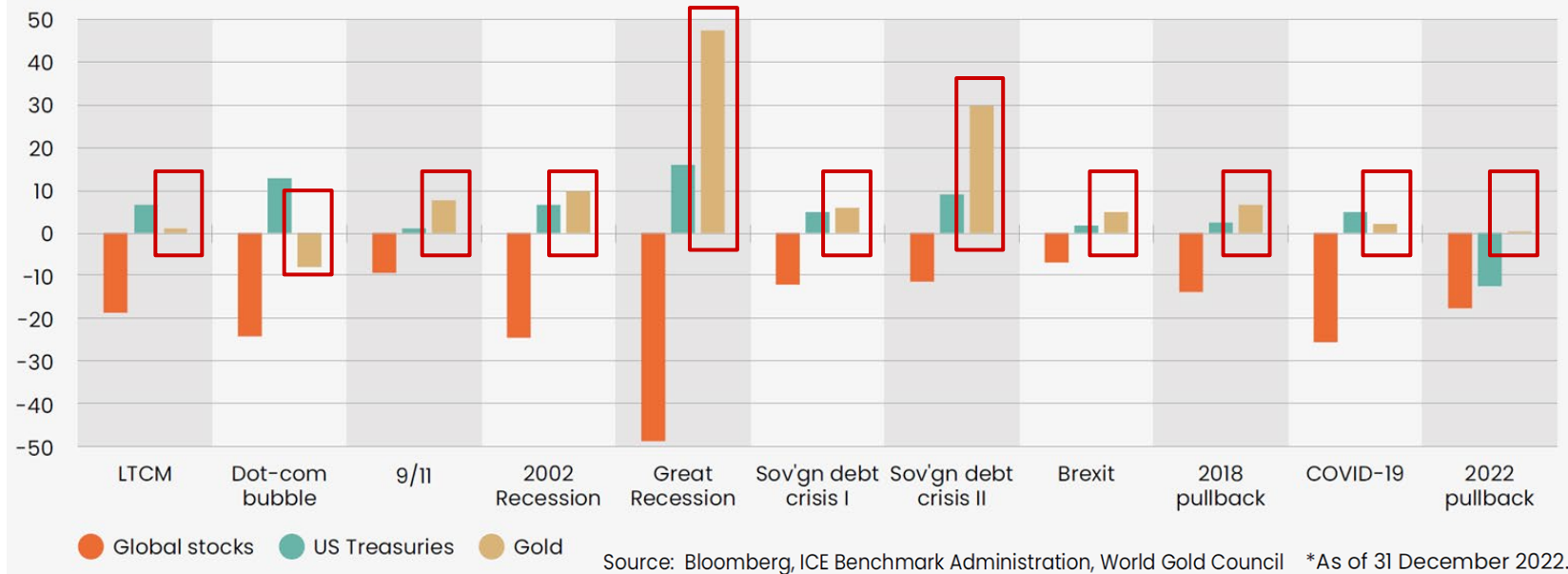
*Returns from 31 December 2002 to 31 December 2022



Gold Shines During Crises

Global stocks, US treasuries and gold during various crises

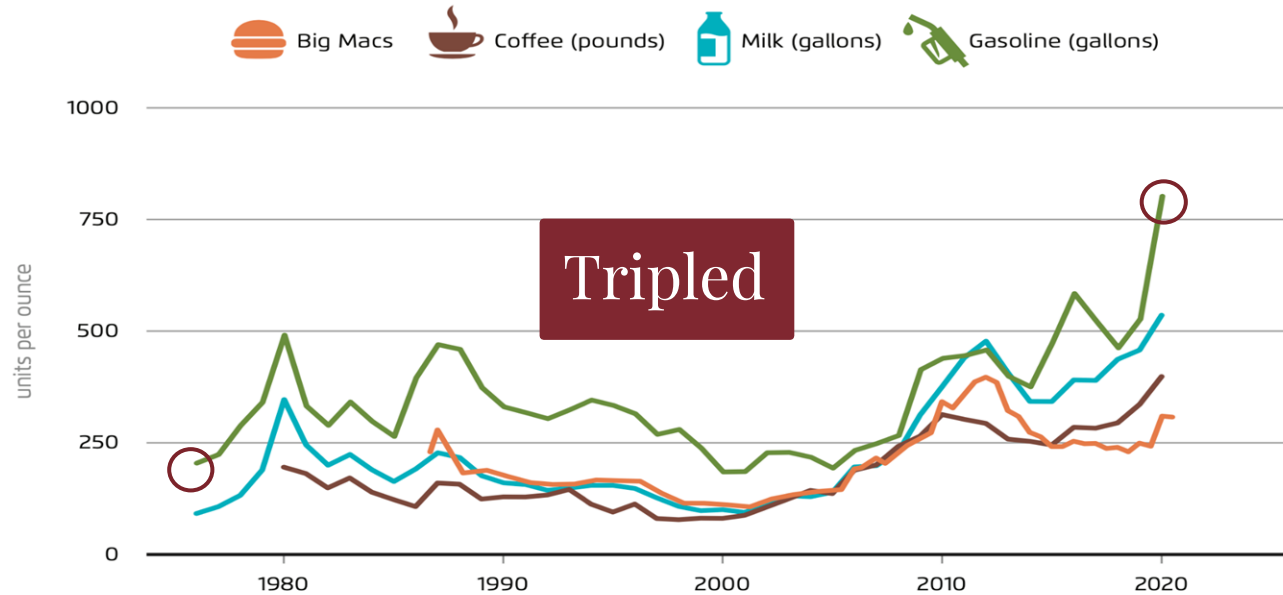
CAGR %



Gold is a “Store of Value”

WHAT COULD AN OUNCE OF GOLD BUY?

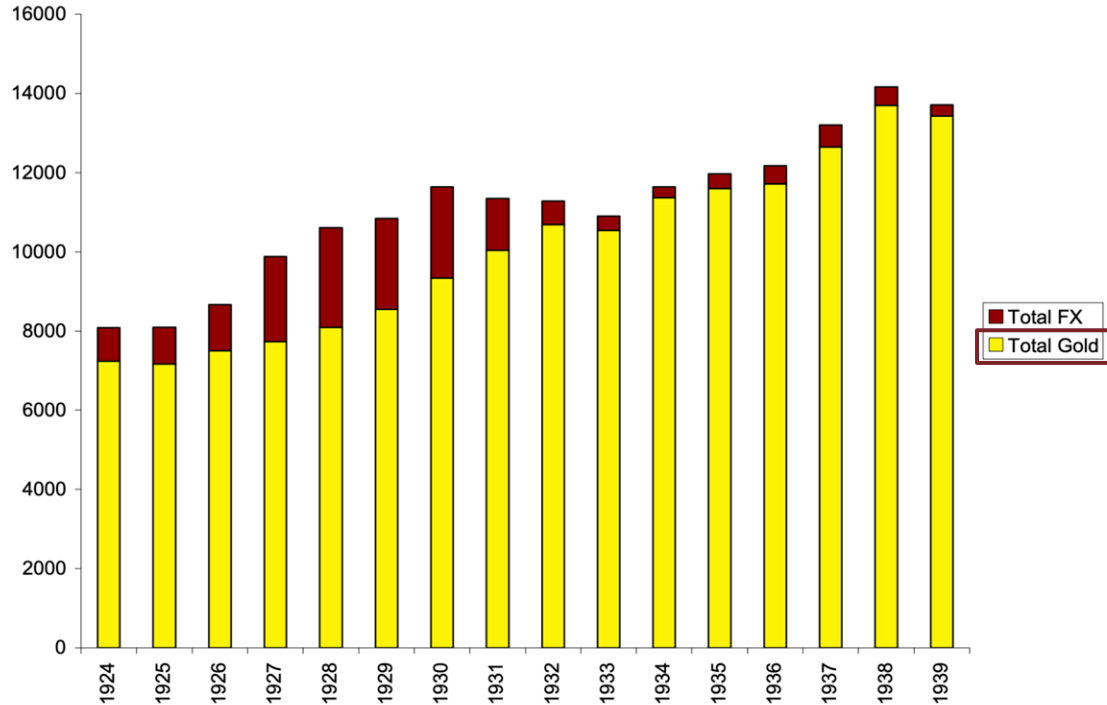
the purchasing power of an ounce of gold in the United States over the years



data: BLS, Federal Reserve



Gold & FX Reserves - 1939



Source: Authors' estimates, based on Nurkse 1944 (gold and foreign exchange reserves pre-1932), Board of Governors of the Federal Reserve System (gold post 1932) and League of Nations *Memoranda on Central Banks* (foreign exchange reserves post 1932).



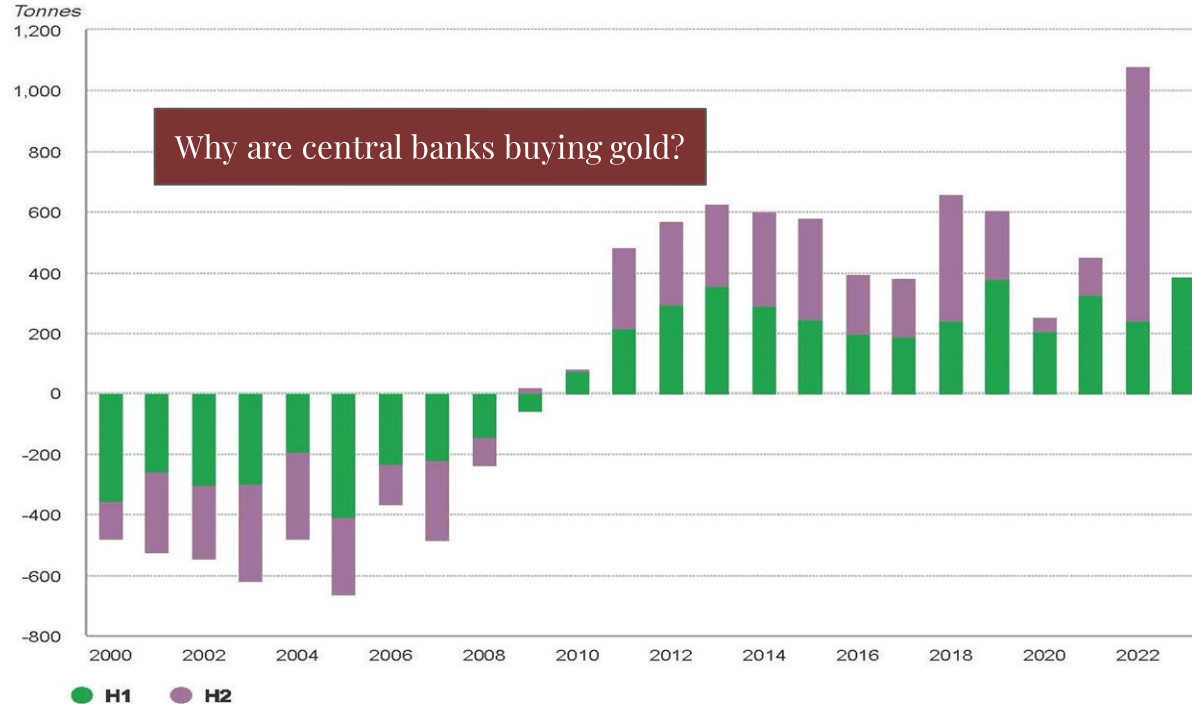
Top 10 Reported Official Gold Holdings

Top 10 Countries by Gold Reserves			
		Tonnes	% of Reserves
1	United States	8,133.50	69.90%
2	Germany	3,352.60	68.60%
3	Italy	2,451.80	65.80%
4	France	2,437.00	67.10%
5	Russian Federation	2,332.70	26.00%
6	China	2,235.40	4.30%
7	Switzerland	1,040.00	8.10%
8	Japan	846.00	4.40%
9	India	803.60	8.70%
10	Netherlands	612.50	57.90%
...28	Philippines	164.80	10.07%

Source: World Gold Council, as of February 2024



Central Banks Buy Tons of Gold



*Data as of 30 June 2023. Quarterly data available from Q1 2000.
Source: Metals Focus, Refinitiv GFMS, World Gold Council



Use of Gold as a Currency



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World

Muslim nations consider gold, barter trade to beat sanctions

Bloomberg US Edition

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Markets

Ghana in Talks With Dubai Oil Refiner to Barter Gold for Fuel

- Ghana spends about \$4.8 billion annually to buy fuel
- West African nation's reserves have fallen 38% to \$6.7 billion

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African nations offer India barter deal: Copper, gold for infra projects

Struck by liquidity crunch, low foreign exchange, African nations want to swap copper, gold for infra projects



Iran's Turkish Gold Rush

This "gas-for-gold" scheme allowed the Iranians to replenish their dwindling foreign exchange reserves, which had been hit hard by the international sanctions placed on their banking system.



Physical Gold Vs. "Paper" Gold / Gold ETF

Physical Gold

100% underlying assets. Ownership is with the client.

No counterparty risk / No default risk.

Held confidentially and privately.

Secure holdings for medium to long term.
Tool to pass wealth and succession planning.

"Paper" gold / Gold ETF

Not fully backed with physical gold. Ownership is with counterparty.

Counterparty risk with the issuer.

Regulated product, part of the financial system - subjected to reporting.

Good for short term trading.

The J. Rotbart & Co. Solution

- Buy, sell gold, silver, platinum and palladium bars and coins

Access to globally recognised refiners

- Secure storage and transportation

Insurance. Safety. Efficiency

- Lombard loans

Get more out of your investments

- Crypto to gold



One-Stop Service





12 Secure Storage Locations
Mitigate risk with geographical diversification





“Gold is money.
Everything else is credit.”

– J.P. Morgan

Testifying to congress in 1912





J.ROTBART & CO.

PRECIOUS METALS

Thank you

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