

SEPTEMBER 9, 2025



## The most consequential geopolitical week since the fall of the Berlin Wall

*“Today, humanity is once again faced with critical choices: peace or war? Dialogue or confrontation? Win-win co-operation or zero-sum rivalry?” Xi said.*

**-“Xi Jinping hails ‘unstoppable’ China at landmark military parade”, FT, 9/3/25**

*Please give my warmest regards to Vladimir Putin and Kim Jong Un, as you conspire against The United States of America.*

**-Pres. Trump, via Truth Social, 9/3/25**

*Looks like we’ve lost India and Russia to deepest, darkest China. May they have a long and prosperous future together!*

**– Pres. Trump, via Truth Social, 9/5/25**

*Pentagon officials are proposing the department prioritize protecting the homeland and Western Hemisphere, a striking reversal from the military’s yearslong mandate to focus on the threat from China. A draft of the newest National Defense Strategy, which landed on Defense Secretary Pete Hegseth’s desk last week, places domestic and regional missions above countering adversaries such as Beijing and Moscow, according to three people briefed on early versions of the report. The move would mark a major shift from recent Democrat and Republican administrations, including President Donald Trump’s first term in office, when he referred to Beijing as America’s greatest rival. And it would likely inflame China hawks in both parties who view the country’s leadership as a danger to U.S. security. “This is going to be a major shift for the U.S. and its allies on multiple continents,” said one of the people briefed on the draft document. “The old, trusted U.S. promises are being questioned.”*

**-Politico Magazine, “Pentagon plan prioritizes homeland over China threat”, 9/5/25**

*Looks like Elbridge Colby, the arch Realist who literally wrote the book on containing China, and whom I believe wrote this [FFTT: We hear that is correct], has made his assessment of US capabilities and the geostrategic balance of power, and decided that the US cannot realistically hold the line in the Western Pacific to contain China. Instead, it must focus on controlling the Western Hemisphere in a neo-Monroe Doctrine. If this is accurate, then it is difficult to overstate just how far behind the curve the mainstream commentariat—and the UK foreign policy establishment—is. They are still arguing about how the US could best split its resources to take on Russia in Ukraine and Iran in the Middle East AS WELL AS containing China in the Western Pacific.*

**-“Collingwood”, co-host of “Multipolarity” podcast, via X, 9/5/25**

**Key point:** Last week may have been the most consequential week of geopolitical events since the fall of the Berlin Wall; these events represent the culmination of nearly two decades of BRICS moves and are still not fully grasped, let alone discounted, by western investors and markets.

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**Last week may have been the most consequential week of geopolitical events since the fall of the Berlin Wall in 1989:**

1. Shanghai Cooperation Organization (SCO) meeting outcome, followed by;
2. Russia/China signing a major gas deal that [“could reshape global energy markets” \(FT\)](#), followed by;
3. China unveiling a series of new weapons at a [“landmark military parade” \(FT\)](#) in China attended by Putin and others, followed by;
4. [President Trump accusing](#) Xi, Putin, and Kim of “conspiring against the United States of America”, followed by;
5. Trump seemingly conceding to the BRICS by posting that [“Looks like we’ve lost India and Russia to deepest, darkest China. May they have a long and prosperous future together!”](#), followed by;
6. The US Pentagon seemingly [pivoting away from China](#) to focus on more “Monroe Doctrine”-type policy (shifting focus to the homeland and our own hemisphere.)

Most investors do not seem to have even comprehended what to us clearly just happened, let alone internalized it, let alone repositioned portfolios, let alone put these events into their broader context. **In our view, last week’s events are the culmination of nearly 20 years of geopolitical moves by the BRICS.** In the pages that follow, we will briefly walk you through the history of these moves, before summarizing the implications of their denouement described above.

Let’s begin our walk through history in February 2007, in Munich, Germany where Putin gave a speech that criticized the unipolar world order, NATO’s eastward expansion, and Russian disarmament, among other controversial topics. Putin’s speech was seen as a message to the west that Russia would no longer accept a subordinate role in international affairs, and was ready to defend its interests and take a more active role in shaping the global order:

***Speech and the following discussion at the Munich Conference on Security Policy – 2/10/07***

[\*Speech and the Following Discussion at the Munich Conference on Security Policy • President of Russia\*](#)

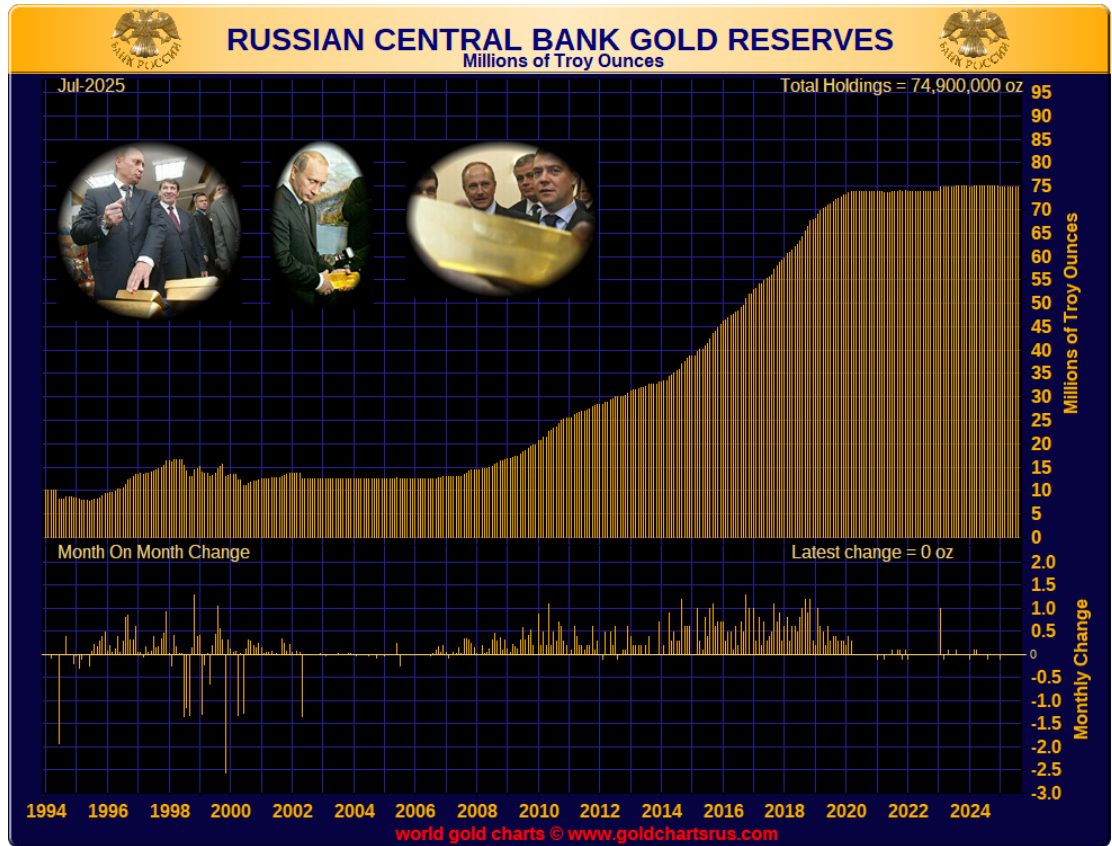
***Putin’s speech at the 43rd Munich Security Conference in 2007*** was delivered on 10 February 2007, at the invitation of the Munich Conference’s Chairman Horst Teltschik.

*It was the first speech by a Russian head of state at the Munich Conference. The main topics of his speech were criticism of the unipolar world order and of the role of the OSCE, NATO’s eastward expansion, disarmament and the Iranian nuclear program.*

*Putin’s speech was seen as Russia’s message to the West that it would not accept a subordinate role in international affairs. The speech heralded a significant change in Russian foreign policy and signaled a more assertive and independent stance on the international stage.*

*Putin made it clear that Russia was ready to defend its interests and take a more active role in shaping the global order. (Source: Wikipedia)*

Shortly thereafter, Russia began buying gold for FX reserves again, in late 2007 or early 2008:



In March 2009, the PBOC told the world via the BIS that the world needed a “super-sovereign reserve currency”, a [neutral] “reserve currency that is disconnected from individual nations and is able to remain stable in the long run, thus removing the inherent deficiencies caused by using credit-based national currencies”:

*The desirable goal of reforming the international monetary system, therefore, is to create an international reserve currency that is disconnected from individual nations and is able to remain stable in the long run, thus removing the inherent deficiencies caused by using credit-based national currencies.*

*Though the super-sovereign reserve currency has long since been proposed, yet no substantive progress has been achieved to date. Back in the 1940s, Keynes had already proposed to introduce an international currency unit named “Bancor”, based on the value of 30 representative commodities. Unfortunately, the proposal was not accepted. The collapse of the Bretton Woods system, which was based on the White approach, indicates that the Keynesian approach may have been more farsighted.*

*A super-sovereign reserve currency not only eliminates the inherent risks of credit-based sovereign currency, but also makes it possible to manage global liquidity. A super-sovereign reserve currency managed by a global institution could be used to both create and control the global liquidity. And when a country’s currency is no longer used as the yardstick for global trade and as the benchmark for other currencies, the exchange rate policy of the country would be far more effective in adjusting economic imbalances.*

**Reform the International Monetary System, Zhou Xiaochuan, PBOC – 3/23/09**  
<https://www.bis.org/review/r090402c.pdf>



By late 2009, rumblings began to float that major changes to the global Petrodollar system were afoot:

*In the most profound financial change in recent Middle East history, Gulf Arabs are planning – along with China, Russia, Japan and France – to end dollar dealings for oil, moving instead to a basket of currencies including the Japanese yen and Chinese yuan, the euro, gold and a new, unified currency planned for nations in the Gulf Co-operation Council, including Saudi Arabia, Abu Dhabi, Kuwait and Qatar.*

*Secret meetings have already been held by finance ministers and central bank governors in Russia, China, Japan and Brazil to work on the scheme, which will mean that oil will no longer be priced in dollars. The plans, confirmed to The Independent by both Gulf Arab and Chinese banking sources in Hong Kong, may help to explain the sudden rise in gold prices, but it also augurs an extraordinary transition from dollar markets within nine years.*

*The transitional currency in the move away from dollars, according to Chinese banking sources, may well be gold. An indication of the huge amounts involved can be gained from the wealth of Abu Dhabi, Saudi Arabia, Kuwait and Qatar who together hold an estimated \$2.1 trillion in dollar reserves.*

*The Americans, who are aware the meetings have taken place – although they have not discovered the details – are sure to fight this international cabal which will include hitherto loyal allies Japan and the Gulf Arabs.*

*Chinese financial sources believe Pres. Barack Obama is too busy fixing the US economy to concentrate on the extraordinary implications of the transition from the dollar in 9 years' time. The current deadline for the currency transition is 2018.*

***Arab states have launched secret moves w/ China, Russia, & France stop settling oil in USD – 10/5/09***

<http://www.independent.co.uk/news/business/news/the-demise-of-the-dollar-1798175.html>

Then, in 2010, World Bank president (and former US Treasury official) Robert Zoellick blessed the same system that both Russia and China did – a “bancor-like” system where a neutral reserve asset (gold) operates as a reference point.

***World Bank president argues leading economies should re-adopt a modified global gold standard – 11/7/10***

<http://www.ft.com/intl/cms/s/0/eda8f512-eaae-11df-b28d-00144feab49a.html#axzz3cgyPkN4y>

*Robert Zoellick, a former US Treasury official, calls for a system that “is likely to need to involve the dollar, the euro, the yen, the pound and a renminbi that moves towards internationalization and then an open capital account”.*

*He adds: “The system should also consider employing gold as an international reference point of market expectations about inflation, deflation and future currency values.”*



Shortly after the preceding stories, Central Banks began buying significant amounts of gold for the first time in decades, and have continued to do so for most of the past decade (right):

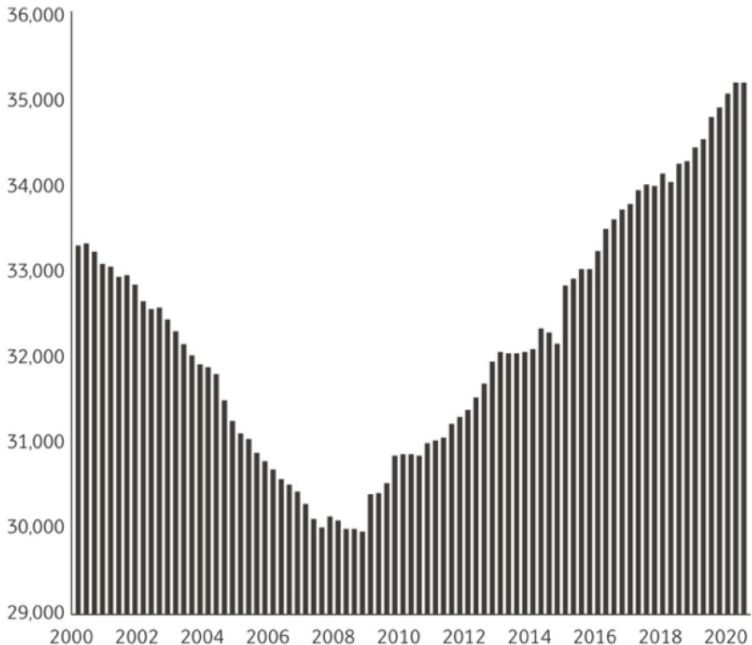
In 2011, the IMF joined what in hindsight appeared to be a growing chorus, suggesting that “commodities like gold and oil could be priced in IMF SDR’s”:

**IMF calls for USD alternative – 2/10/11**  
<http://money.cnn.com/2011/02/10/markets/dollar/>

A move to price oil and gold in SDRs would have been akin to ending post-1971 USD reserve status as structured, as oil debtors would need to settle oil deficits in SDR’s, while oil creditors would be able to settle SDR surpluses in gold.

In so doing, the IMF would be able to balance longstanding global imbalances in the global monetary system by managing the ratio of gold to oil. However, this system obviously did not come to fruition.

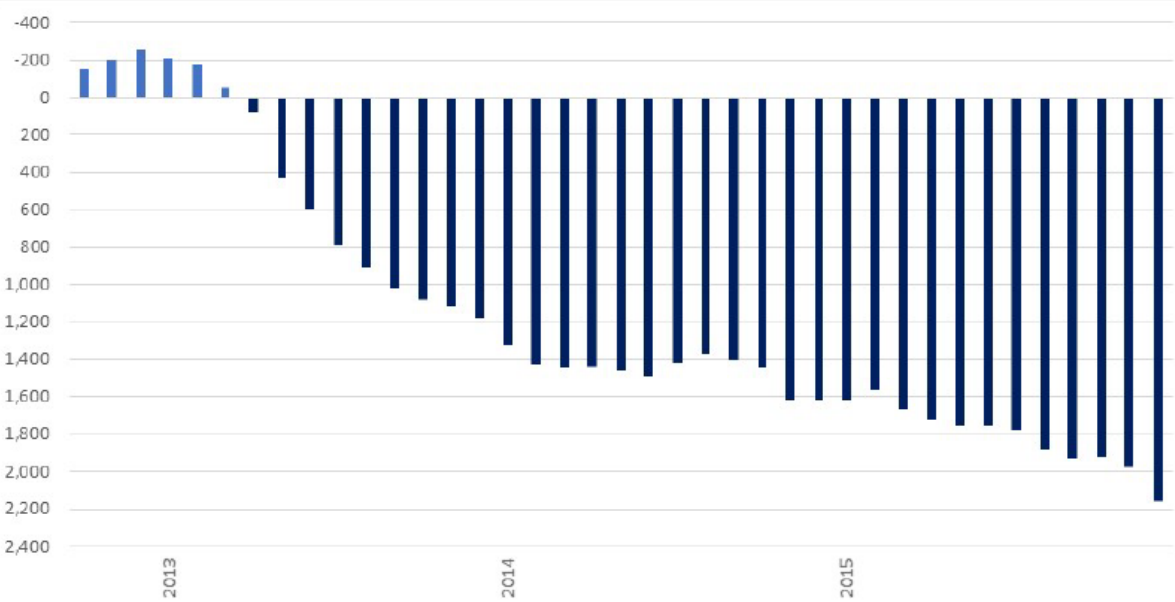
CENTRAL BANK GOLD HOLDINGS (TONNES) – 2000 TO 2020



Source: World Gold Council

Let us now fast forward to early 2013, when English trade statistics make it clear that an unprecedented bank run on physical gold began in early 2013 in the global gold trading hub, London (below, via Paul Mylchreest):

Cumulative net gold exports from UK, October 2012 to December 2015 (tonnes)



Source: UK ONS



There were other incredible anecdotal stories of how strong physical gold demand was in 2013:

*We met with the managing director of the largest refinery in Switzerland and spend about two hours talking to him, we learned some very interesting things. What's going on in the gold market as far as the price, is I think very counter intuitive.*

*Everybody understands, knows and believes the price should be higher than it is, but it isn't. There's confusion in the marketplace, and there are two reactions; the reaction in the west is fear, confusion and uncertainty; the reaction in the east is buying.*

*Now, this gentleman we were talking to probably has a better idea of physical gold flow than anybody else globally. He sees what is coming from the mines, he sees what is coming from the UK, and all over the world, as well as where it's going.*

*He indicated the price didn't make sense because he has got so much fabrication demand. They put on three shifts, they're working 24 hours a day, and originally, he thought that would wind down at some point. Well, they've been doing it all year.*

*Every time he thinks it's going to slow down, he gets more orders, more orders, more orders. They have expanded the plant to where it almost doubles their capacity. 70% of their kilobar fabrication is going to China, at a pace of 10 tons a week. That's from one refinery, now remember there are 4 of these big ones [refineries] in Switzerland.*

*At this Swiss refinery there have been several times this year on which they were unable to source gold, this shocked me. They're bringing in good delivery bars, scrap and dore from the mines, basically all they can get their hands on. This gentleman has been in the business for 37 years, he was there during the last bull market in the late seventies.*

*I asked him when was the last time this has happened, that he was unable to source gold, he said never. And I clarified it, I asked: let me make sure if I understand what you're saying to me, in the last 37 years you've worked in the gold industry this has never happened? He said: This has never happened.*

*There was one other comment that was fascinating, he said sometimes when they get gold in, it's coming from the back corners of the vaults. He knew this because these were good delivery bars marked in the 1960s. This is a huge supply squeeze and its worse than anything that has happened in the last four decades. At some point there is going to be a massive squeeze on the price.*

*All four Swiss refineries combined may be doing as much as [supply China] 2000 tons this year. That doesn't include what the Perth Mint ships to China, it doesn't include the 400 tons the Chinese mined domestically, and it doesn't include what they mined offshore with the mining companies they own all over the world. I suspect that total Chinese demand can reach as much as total global mining production this year.*

*He also noted, in China there are 6 LBMA refineries but he has never seen a Chinese gold bar, they're keeping it all. Gold that goes into China is like going into a black-hole. I don't think it will be available on the market for decades to come, which only tightens the physical supply.*

**Source: Alex Stanczyk – physical gold supply has never been tighter – 12/4/13**

<https://www.bullionstar.com/blogs/koos-jansen/alex-stanczyk-physical-supply-never-been-tighter/>

Bullion Star reported on the strength in physical gold demand in early December 2013 above; Bloomberg TV reported on it in late December 2013 here, noting that "London gold vaults are virtually empty, shipped off to China, never to return":

*Well, I think the bigger story than the decline of gold is what's actually happened to the gold. You could go into a vault in London a couple years ago and they were packed to the rafters with gold, and the gold would trade from me to you to somebody else.*

*You can walk in those vaults today and they are virtually empty. All that gold has been transferred out of London, 26 million ounces, it's gone to Switzerland where it's been recast into a higher grade and shipped off to Hong Kong and then into China, never to return.*



So, the most interesting thing, especially as we look into 2014 is, if there is ever interest in gold again, and I'm not saying there is or isn't, that gold is just not there anymore. It's really amazing.

They're building these 2,000 metric ton vaults for gold all over Asia. And the Chinese, they don't want to have US Dollars anymore, they want to have gold.

**Bloomberg's Ken Hoffman, Bloomberg TV – December 2013**

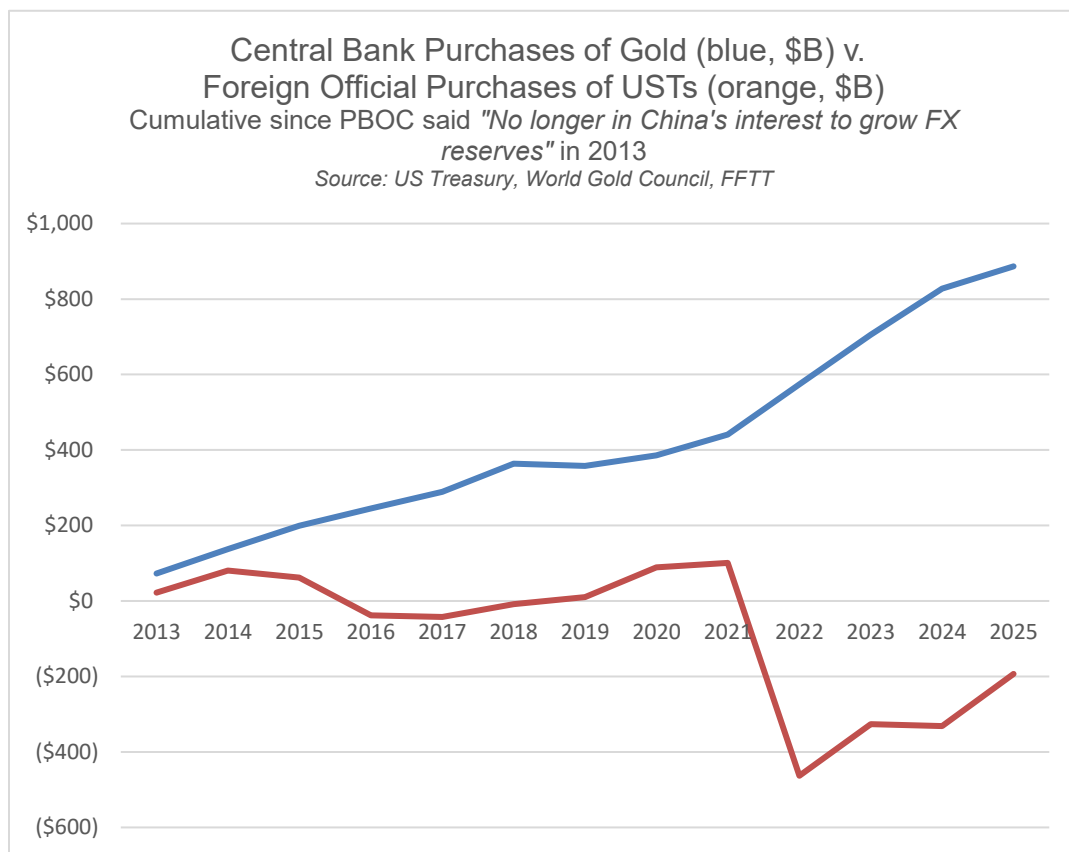
<https://youtu.be/yewuiAJyJco>

China followed this by announcing it would stop buying USTs on net in 2013:

**PBOC says no longer in China's favor to boost record FX reserves [UST holdings] – 11/20/13**

<https://www.bloomberg.com/news/articles/2013-11-20/pboc-says-no-longer-in-china-s-favor-to-boost-record-reserves>

Global Central Banks followed suit shortly thereafter, leading to global Central Bank gold holdings rising \$900B since late 2013 while UST holdings have fallen ~\$200B in that time:



Sometime around then, Russia and China begin transacting energy in CNY, net settling in gold, aided by the 3q14 Chinese move of effectively "re-opening a gold window of sorts in CNY", launching the Shanghai Gold Exchange International board and thereby allowing offshore CNY holdings to be recycled into SGEI gold in Shanghai:

**Shanghai Gold Exchange launches international board – 9/17/14**

<https://www.wsj.com/articles/shanghai-gold-exchange-launches-international-board-1411011031>



Next came a NATO proxy shadow war with Russia in Ukraine that followed political destabilization in Ukraine designed to either forestall Ukraine's entry into NATO (if you ask NATO) or ensure Ukraine's entry into NATO (if you ask Russia)...

Then, said "NATO proxy shadow war in Ukraine" went hot in 1q2022 when Russia invaded Ukraine...

Then, the EU (supported by the US) froze Russia's FX reserves in 1q22...

...after which time global Central Bank gold purchases went into hyperdrive, surpassing 1,000 metric tons per year for each of the ensuing three years...

Then, NATO-backed Ukrainian forces began losing...with Russia in November 2024 deploying a fearsome "Oreshnik" hypersonic missile, for which NATO reportedly has no answers, and which most western investors miss the message of: *Any buildup of western forces on land (as in immediately prior to invading Iraq) or on sea (as in US aircraft carriers) would be threatened with immediate evaporation via Oreshnik were said forces to be deployed too close to Russian "red lines."*

**All of this then brings us to the last 10 months and the denouement of this geopolitical drama:**

In late November 2024, President-elect Trump threatened 100% tariffs on any BRICS nation attempting to de-dollarize:

On April 2, 2024, Trump followed through on his threats at right and implemented "[Liberation Day tariffs.](#)"



The idea that the BRICS Countries are trying to move away from the Dollar while we stand by and watch is OVER. We require a commitment from these Countries that they will neither create a new BRICS Currency, nor back any other Currency to replace the mighty U.S. Dollar or, they will face 100% Tariffs, and should expect to say goodbye to selling into the wonderful U.S. Economy. They can go find another "sucker!" There is no chance that the BRICS will replace the U.S. Dollar in International Trade, and any Country that tries should wave goodbye to America. Source: Truth Social, 11/30/24

And then, to Trump and Bessent's surprise (but not FTTT's), the UST market essentially imploded just seven days later:

***UST bid/ask spreads blow out amid a funding crisis: "We are starting to look a bit like March 2020", Goldman warns – 4/9/25***

[Treasury Bid/Ask Spreads Blow Out Amid Funding Crisis: "We Are Starting To Look A Bit Like March 2020". Goldman Warns | ZeroHedge](#)



Panic update....

**\$MOVE** Index (live) is now at 172, a level only touched in:

- 1) Oct 1998 LTCM collapse
  - 2) Sep 2008 Lehman collapse
  - 3) Mar 2023 SVB collapse
- Note - Mar 2020 Covid peak was 164

This is the bond market "stop out" trade, the Hedge Funds are unwinding all their clever "pairs" trades.

I am not calling a top in rates, but I am calling a top in the **\$MOVE**, human brains cannot handle this sort of volatility.

9:35 AM · Apr 9, 2025 · 141.6K Views



After both Trump and Bessent had bragged repeatedly about having “all the cards” or “all the leverage” v. China in the lead-up to and immediate aftermath of “Liberation Day”, the bond market rupture just seven trading days after “Liberation Day” forced Trump to “TACO” v. China, not once...not twice...but three times in the ensuing 4 months:

*The Trump administration recently extended tariff negotiations with China by another 90 days (which, given the appellate court ruling against the president’s use of the “emergency” clause, may prove moot).*

*This comes on the heels of announced trade deals with Vietnam, Japan, the EU and Indonesia among others, as well as punitive actions against India, Switzerland and Brazil – for whatever reasons.*

*We will not expend too many brain cells trying to divine a method to Trump’s madness. What is fairly obvious is that Trump only clubs baby seals. And China is not a baby seal.*

*The 90-day extension is the third time Trump folded in negotiations with China. The first time was 90 days prior in Geneva, after multiple rounds of escalating tariffs threatened to empty US store shelves and freeze US industries for lack of intermediary industrial inputs.*

*The second time was the US walking back sanctions on Chinese international students, jet engine exports and access to semiconductor design software when China cut off rare earth exports. Rare earth exports have been partially restored and now hang over trade negotiations like a Sword of Damocles. In all of these gambits, the US showed more of its hand. The question is whether the Trump administration has developed a better understanding of the hand that China holds.*

**“Skull Chart” math behind Trump’s climbdown on all things China – 9/8/25**

[‘Skull Chart’ math behind Trump’s climbdown on all things China - Asia Times](#)

Next, Trump, Bessent, Lutnick, and Navarro [threatened India](#) and China about buying Russian oil...and India and China promptly not just ignored the Trump Administration, but [actively bought MORE Russian oil](#) in defiance of Trump. This was then followed by [the largest-ever SCO meeting](#)...

**Xi Jinping outlines China’s ambition to reshape world order in showpiece summit – 9/1/25**

[Xi Jinping outlines China’s ambition to reshape world order in showpiece summit](#)

*Xi Jinping has called on Russia, India and other countries in the region to join China in leveraging their economic influence to challenge the west at a time of rising geopolitical and trade tensions. The Chinese president, hosting a regional security forum on Monday, told more than 20 leaders that with the world undergoing “turbulence and change”, they needed to uphold an “orderly multi-polar world”.*

*This included championing free trade and “a more just and reasonable global governance system”, Xi said in a clear challenge to the current US-led system. “We should expand the scope of co-operation, make the most of each country’s unique strengths, and shoulder together the shared responsibility of promoting regional peace, stability and prosperity,” Xi told world leaders including Russian President Vladimir Putin and Indian Prime Minister Narendra Modi.*

...which was followed by [China and Russia signing a massive gas deal](#) (which [Gazprom’s CEO hinted would be priced in RUB and CNY](#) like other deals)...which was then followed by a Chinese “landmark military parade” that “sent a warning to the US”:

**Xi Jinping hails “unstoppable” China at landmark military parade – 9/3/25**

[Xi Jinping hails ‘unstoppable’ China at landmark military parade](#)

**China’s military parade sends warning to the US – 9/5/25**

[China’s Military Parade Sends Warning to the U.S. - WSJ](#)

..which was then followed by Trump conceding to the BRICS...

**Trump says India and Russia appear "lost" to "deepest, darkest China" – 9/5/25**

[Trump says India and Russia appear "lost" to "deepest, darkest China" | Reuters](#)

*U.S. President Donald Trump on Friday said India and Russia seem to have been "lost" to China after their leaders met with Chinese President Xi Jinping this week, expressing annoyance at New Delhi and Moscow as Beijing pushes a new world order.*

*"Looks like we've lost India and Russia to deepest, darkest, China. May they have a long and prosperous future together!" Trump wrote in a social media post accompanying a photo of the three leaders together at Xi's summit in China.*

*Asked about Trump's post, India's foreign ministry told reporters in New Delhi that it had no comment. The Chinese foreign ministry did not immediately reply to a request for comment, and representatives for the Kremlin could not be immediately reached.*

*Xi hosted more than 20 leaders of non-Western countries for the Shanghai Cooperation Organization (SCO) in the Chinese port city of Tianjin, including Russian President Vladimir Putin and Indian Prime Minister Narendra Modi.*

*Putin and Modi were seen holding hands at the summit as they walked toward Xi before all three men stood side by side.*

*Trump has chilled U.S.-India ties amid trade tensions and other disputes. Trump this week said he was "very disappointed" in Putin but not worried about growing Russia-China ties.*



Looks like we've lost India and Russia to deepest, darkest, China. May they have a long and prosperous future together! President Donald J. Trump



Source: Truth Social

...which was then followed by a surprising US pivot from China to the US homeland:

**Pentagon plan prioritizes homeland over China threat – 9/5/25**

[Pentagon plan prioritizes homeland over China threat - POLITICO](#)

*Pentagon officials are proposing the department prioritize protecting the homeland and Western Hemisphere, a striking reversal from the military's yearslong mandate to focus on the threat from China. A draft of the newest National Defense Strategy, which landed on Defense Secretary Pete Hegseth's desk last week, places domestic and regional missions above countering adversaries such as Beijing and Moscow, according to three people briefed on early versions of the report.*

*The move would mark a major shift from recent Democrat and Republican administrations, including President Donald Trump's first term in office, when he referred to Beijing as America's greatest rival. And it would likely inflame China hawks in both parties who view the country's leadership as a danger to U.S. security.*

*"This is going to be a major shift for the U.S. and its allies on multiple continents," said one of the people briefed on the draft document. "The old, trusted U.S. promises are being questioned."*

*The report usually comes out at the start of each administration, and Hegseth could still make changes to the plan. But in many ways, the shift is already occurring. The Pentagon has activated thousands of National Guard troops to support law enforcement in Los Angeles and Washington, and dispatched multiple warships and F-35 fighter planes to the Caribbean to interdict the flow of drugs to the U.S.*

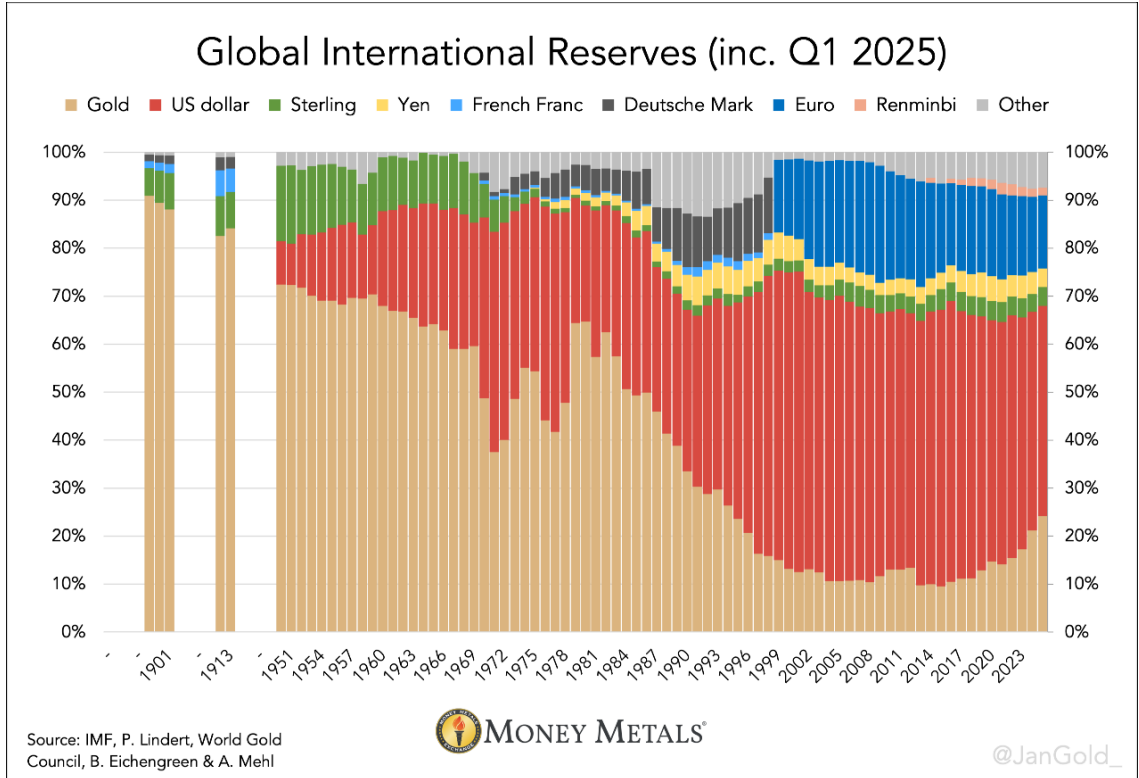


The macro implications of the preceding are almost too big to fully consider and play out; we suspect we will be talking about them for years and probably decades to come. Given that, **we are going to start by highlighting what we think are the most obvious macro investing implications of the above:**

**First: One way or another (peace or war), gold as a % of global FX reserves is likely going back to all-time highs over time.**



**Second: The chart at right suggests that since the USD is the biggest incumbent currency in global FX reserves, and the EUR is the second biggest, as gold resumes gaining share, gold should rise most in USD terms and then in EUR terms as USD and EUR reserves are sold to buy gold (esp. since the US runs the world's biggest fiscal and trade deficits.)**



**The USD and EUR should fall sharply v. both gold AND v. CNY in coming years.**

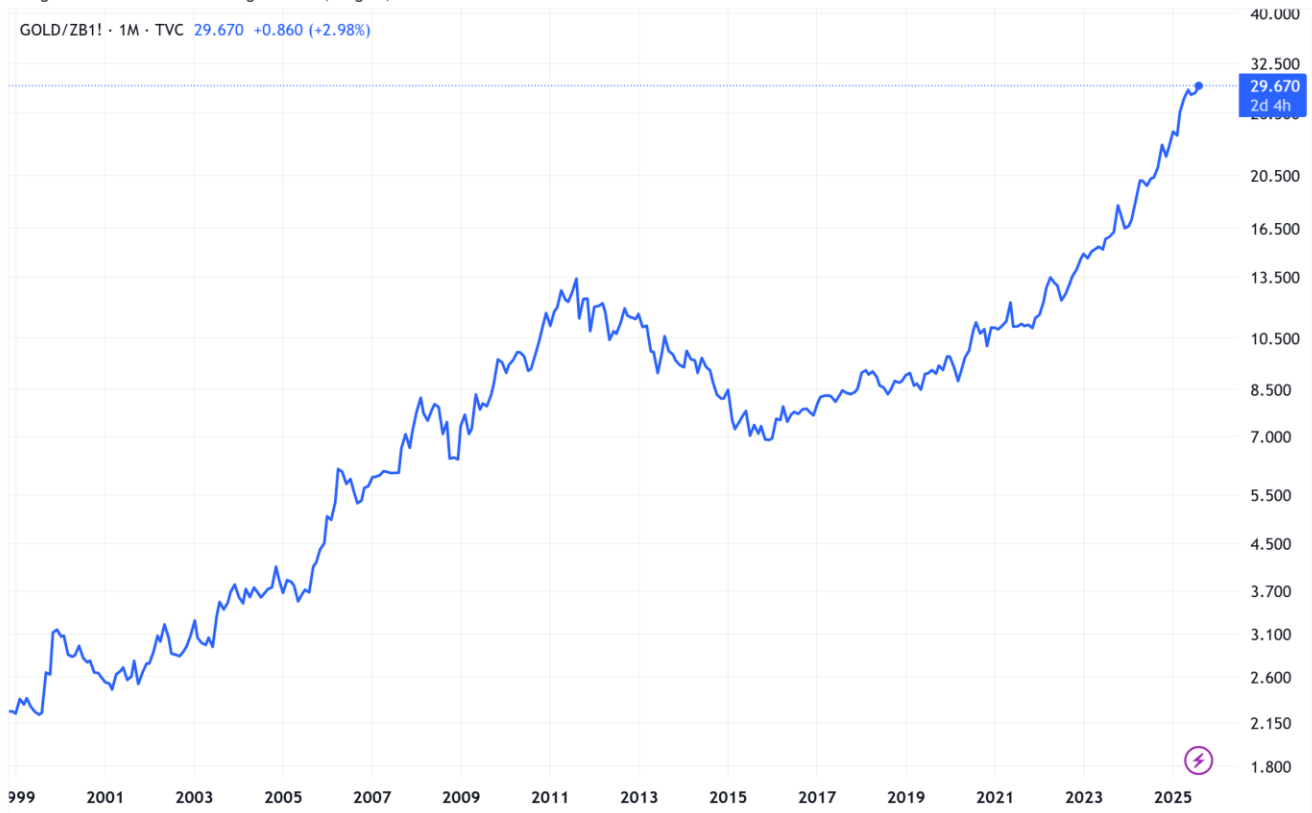


All of the above combined to drive a new all-time record high for the gold/LT USTs (ZB) ratio (below). **Everything in this report suggests this chart should continue to power higher:**

- **If (as) de-dollarization of global FX reserves continues, gold should continue to rise v. LT USTs (per below).**
- **If global trade breaks down in a US attempt to stop de-dollarization, gold will likely go up even faster v. LT USTs (as we saw post-“Liberation Day” tariffs, and post-sanctions of Russian FX reserves in 1q22.)**

**With seemingly “all roads leading to gold”, we would not be surprised to see gold (and gold miners) continue to set new all-time highs in coming months and quarters.**

lukegromen created with TradingView.com, Aug 27, 2025 17:47 UTC



 TradingView



**We would also expect gold to continue to rise rapidly in BRICS currencies:**

*The price of gold has been being allowed to float in Indian rupee (INR), and therefore the rupee has been falling sharply v. gold since 2022...*

lukegromen created with TradingView.com, Sep 03, 2025 18:14 UTC

USDINR\*GOLD · 1W · FX\_IDC 315,014.8738 +11,272.0768 (+3.71%)

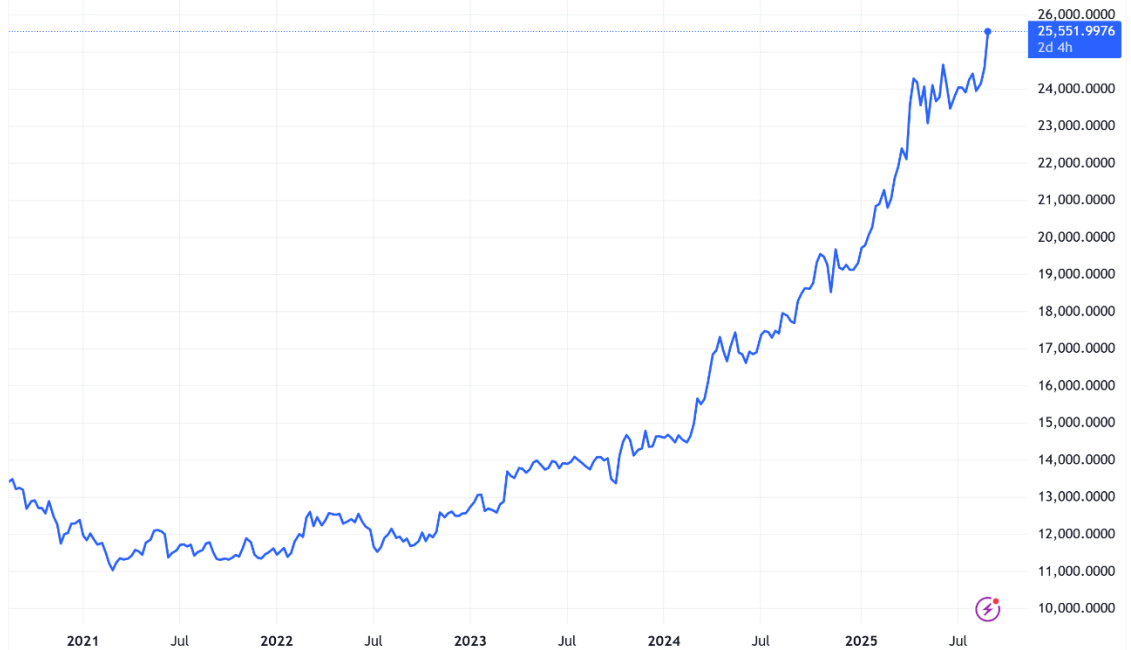


**TradingView**

*...and the price of gold has been being allowed to float in CNY, and therefore the CNY has been falling sharply v. gold since 2022...*

lukegromen created with TradingView.com, Sep 03, 2025 18:15 UTC

USDCNY\*GOLD · 1W · FX\_IDC 25,551.9976 +976.6226 (+3.97%)



**TradingView**



**...and the price of gold has been being allowed to float in Russian ruble (RUB), and therefore the RUB has been falling sharply v. gold since 2022...**



**TradingView**

**...and it all works because the price of gold has ALSO been allowed to float in oil terms, and therefore oil has been falling sharply v. gold since 2022 (oil keeps getting cheaper in gold terms for China and India, while Russian, Chinese, and Indian gold reserves keep rising in oil terms.)**



**TradingView**

By floating their currencies and oil v. gold (by using it as a primary settlement asset at the Central Bank level), China, Russia, and India are forcing USD gold prices up, forcing the west to let gold prices rise in USD terms or else risk becoming even more economically uncompetitive.

**In plain English: China, Russia, and India are using their real economic clout in manufacturing, energy, commodities, and population to force gold back into the system as the world's primary reserve asset, replacing USTs and western sovereign debt. Most western investors do not realize this yet. When they finally do, we expect gold prices to be far higher than they are today, aided by western Central Banks that are likely going to eventually be forced into YCC by the BRICS actions above vis a vis gold.**



## SO HOW DO WE MAKE MONEY WITH THIS?

We end with a quote we have used before in these pages, but it may have never been more apropos than it is after last week:

*Change of a long term or secular nature is usually gradual enough that it is obscured by the noise caused by short-term volatility. By the time secular trends are even acknowledged by the majority, they are generally obvious and mature. In the early stages of a new secular paradigm, most are conditioned to hear only the short-term noise they have been conditioned to respond to by the prior existing secular condition.*

*Moreover, in a shift of secular or long-term significance, the markets will be adapting to a new set of rules, while most market participants will still be playing by the old rules.*

**-Bob Farrell, Merrill Lynch**

**Continue to be overweight gold bullion, gold miners, BTC. Western investor consensus has finally seemed to have noticed gold and gold miners, but it does NOT appear to understand WHY gold and gold miners are rising the way they are. In our view, gold and gold miners have begun playing by “the new rules”, which can be summarized thus:**

***The US does not have the defense industrial base or fiscal position to stop the BRICS from shifting the “Rules Based Global Order” to a system where energy is priced in multiple currencies and any deficits are net settled in physical gold whose price floats in all currencies.***

***The BRICS just established gold as the “bancor” that Keynes called for at Bretton Woods and that the PBOC called for in 2009...and that implies that gold in USD terms needs to be priced an order of magnitude higher than where it trades today, to supply sufficient liquidity for global trade and to re-collateralize global Central Bank balance sheets.***

There will likely be many other implications over time, and we will likely discuss them over time from here.

*Thank you for reading this edition of FFTT. LG*



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