



## Future Of Reserve Currencies – The Myth Of Safe Assets

John Plender, Journalist, Financial Times

Tuesday, 05 April 2022, 10:00 BST



## A Word From Today's Chairman

**Professor Michael Mainelli**  
Executive Chairman  
Z/Yen Group





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# Today's Agenda

- 10:00 – 10:05 Chairman's Introduction
- 10:05 – 10:25 Keynote Presentation – John Plender
- 10:25 – 10:45 Question & Answer



## Today's Speaker

**John Plender**  
Journalist  
Financial Times







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# Future Of Reserve Currencies – The Myth Of Safe Assets

John Plender



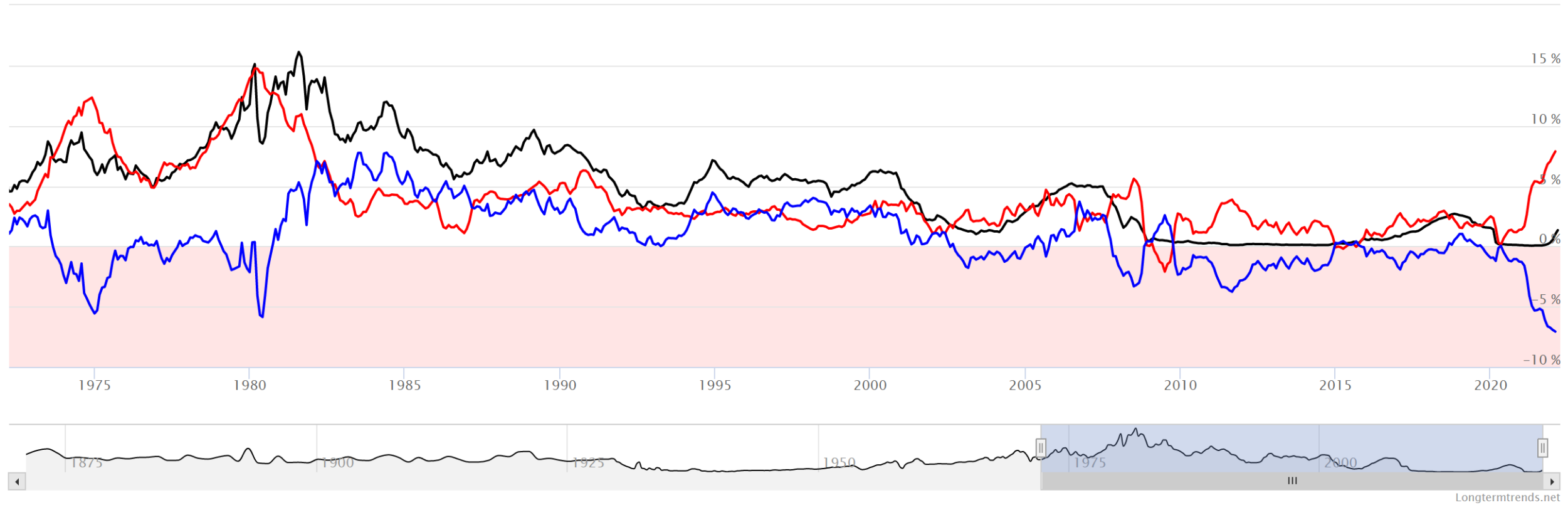
# Long term US real interest rates on one year Treasuries

Nominal vs. Real Interest Rate vs. Inflation



Zoom 10y 30y **50y** 80y 100y All

Mar 31, 1972 → Mar 31, 2022

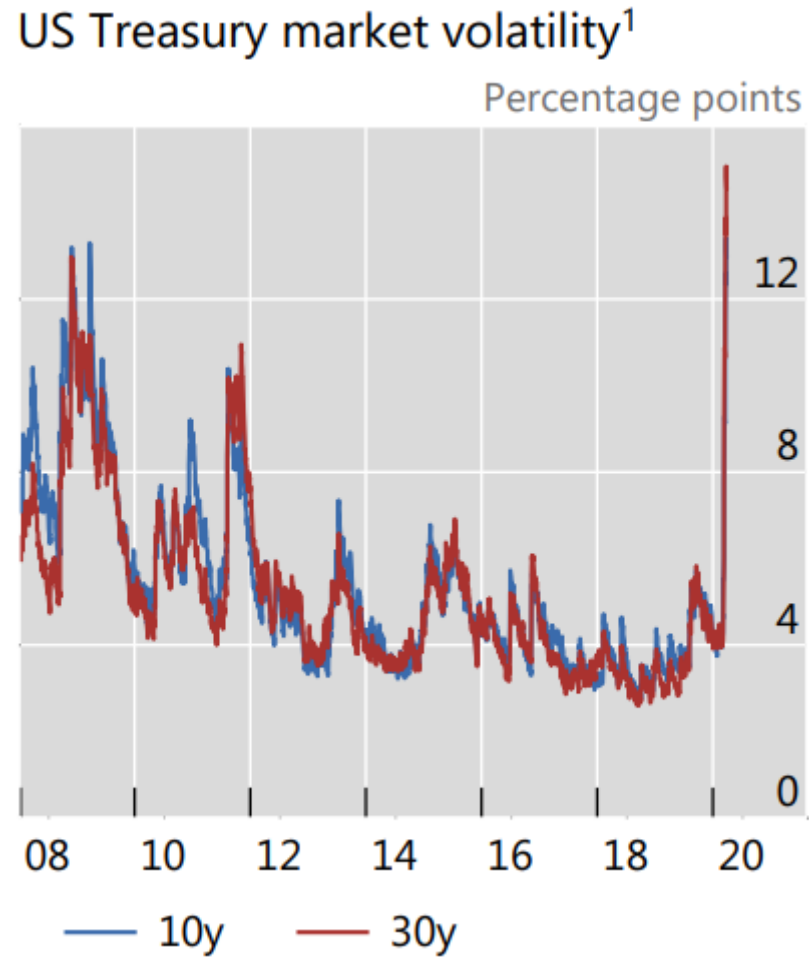


<https://www.longtermtrends.net/real-interest-rate/>

04/04/2022



# Volatility in the US Treasury market



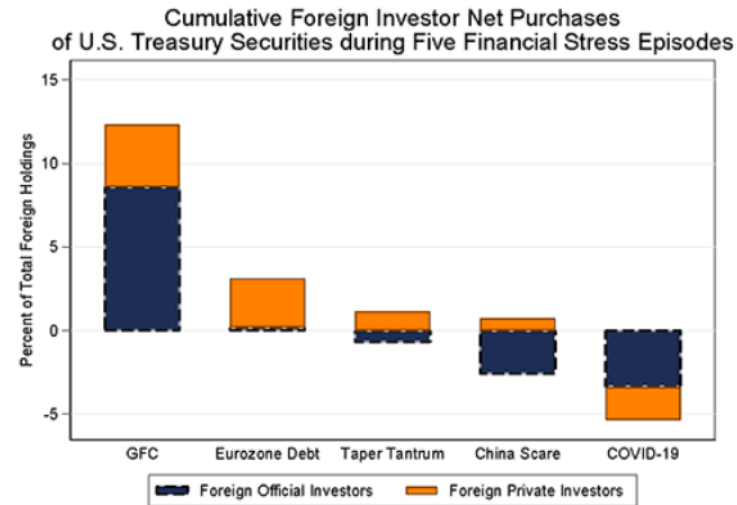
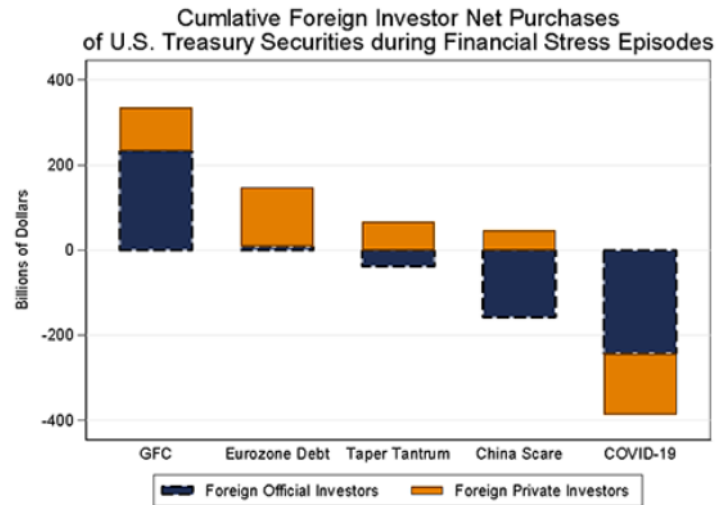
<https://www.bis.org/publ/bisbull02.pdf>

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# Foreign Investor Net Purchases/Sales during Financial Stress Episodes



Note: GFC months are September-November 2008, Eurozone Debt crisis months are August-October 2011, Taper Tantrum months are June-August 2013, China Scare months are July-September 2015, COVID-19 crisis months are March-May 2020.

Source: Staff estimates using Treasury International Capital data

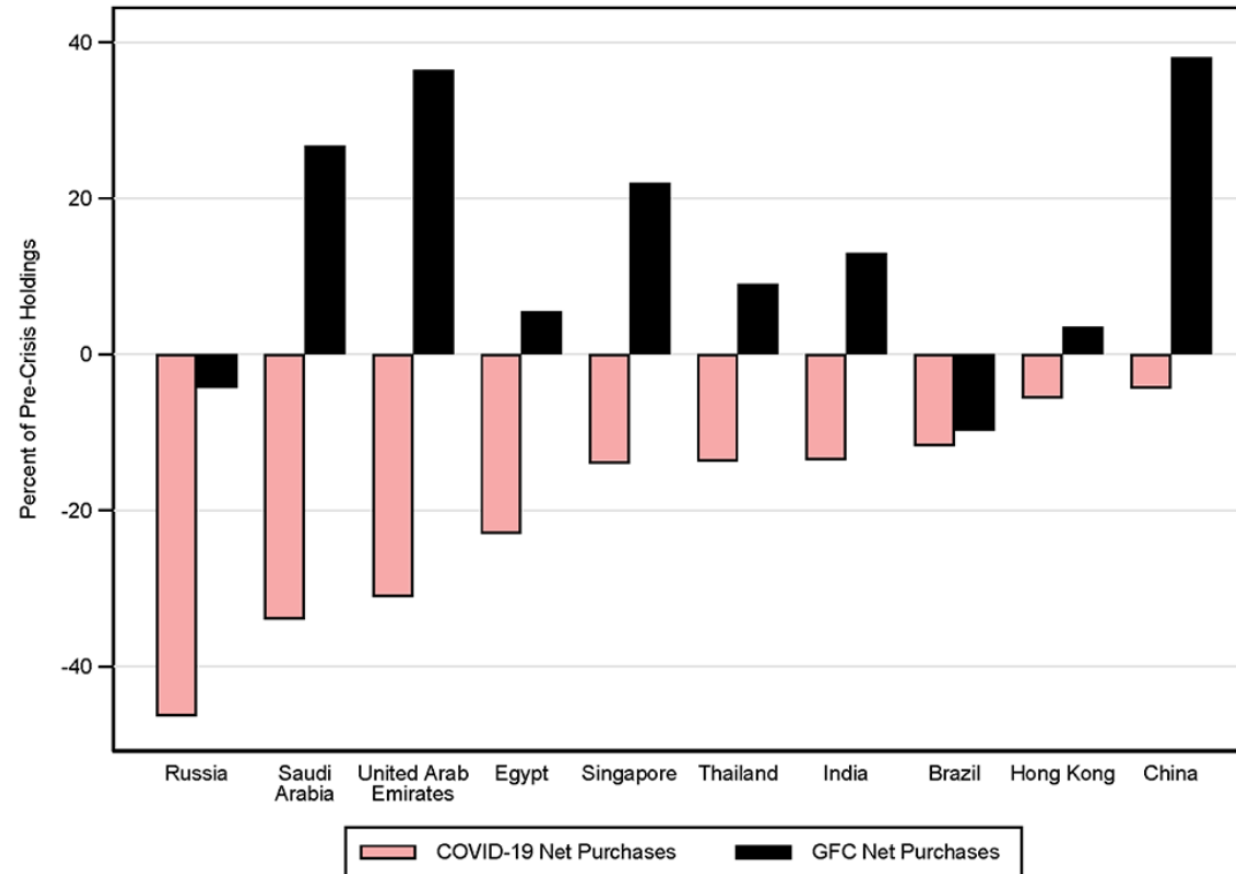
[Accessible version](#)

<https://www.federalreserve.gov/econres/notes/feds-notes/foreign-demand-for-us-treasury-securities-during-the-pandemic-20220128.htm>

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# Major EME sellers of US Treasury Securities, Spring 2020



Notes: COVID-19 months are March and April 2020; GFC months are September-November 2008.

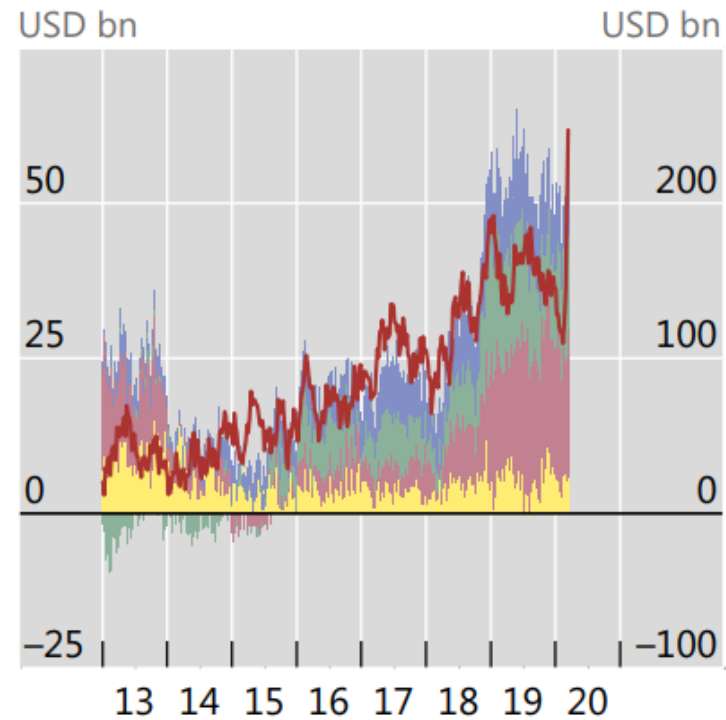
<https://www.federalreserve.gov/econres/notes/feds-notes/foreign-demand-for-us-treasury-securities-during-the-pandemic-20220128.htm>

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# Primary dealer net Treasury positions

Primary dealer net treasury positions



Lhs:

— >11yrs

Rhs:

■ T-bills

■ < 3 years

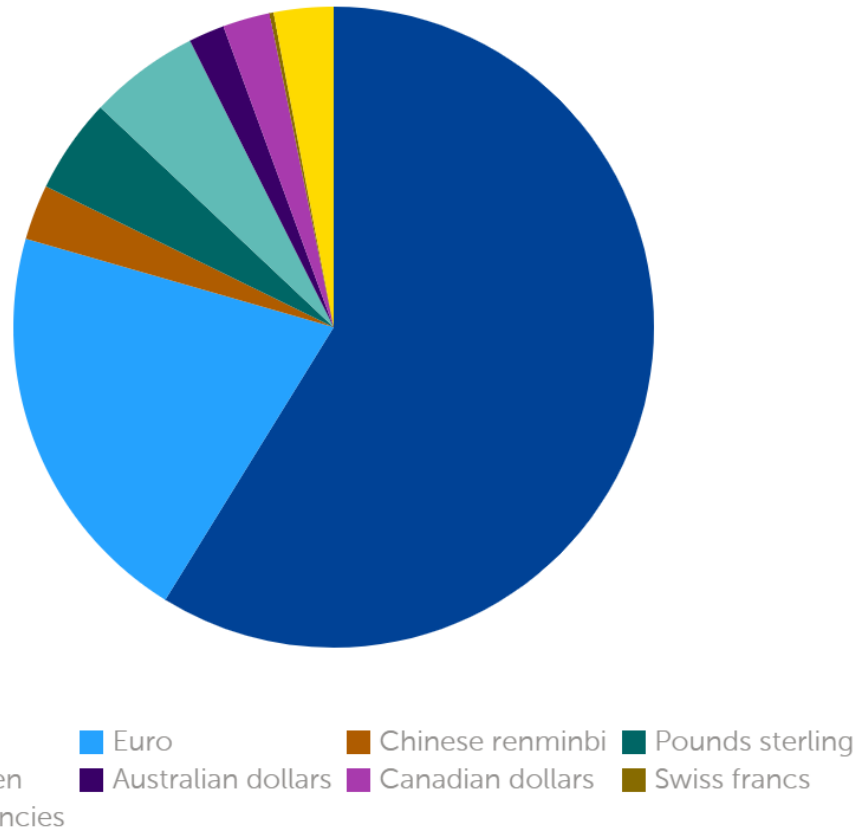
■ 3 - 11 years

■ > 11 years

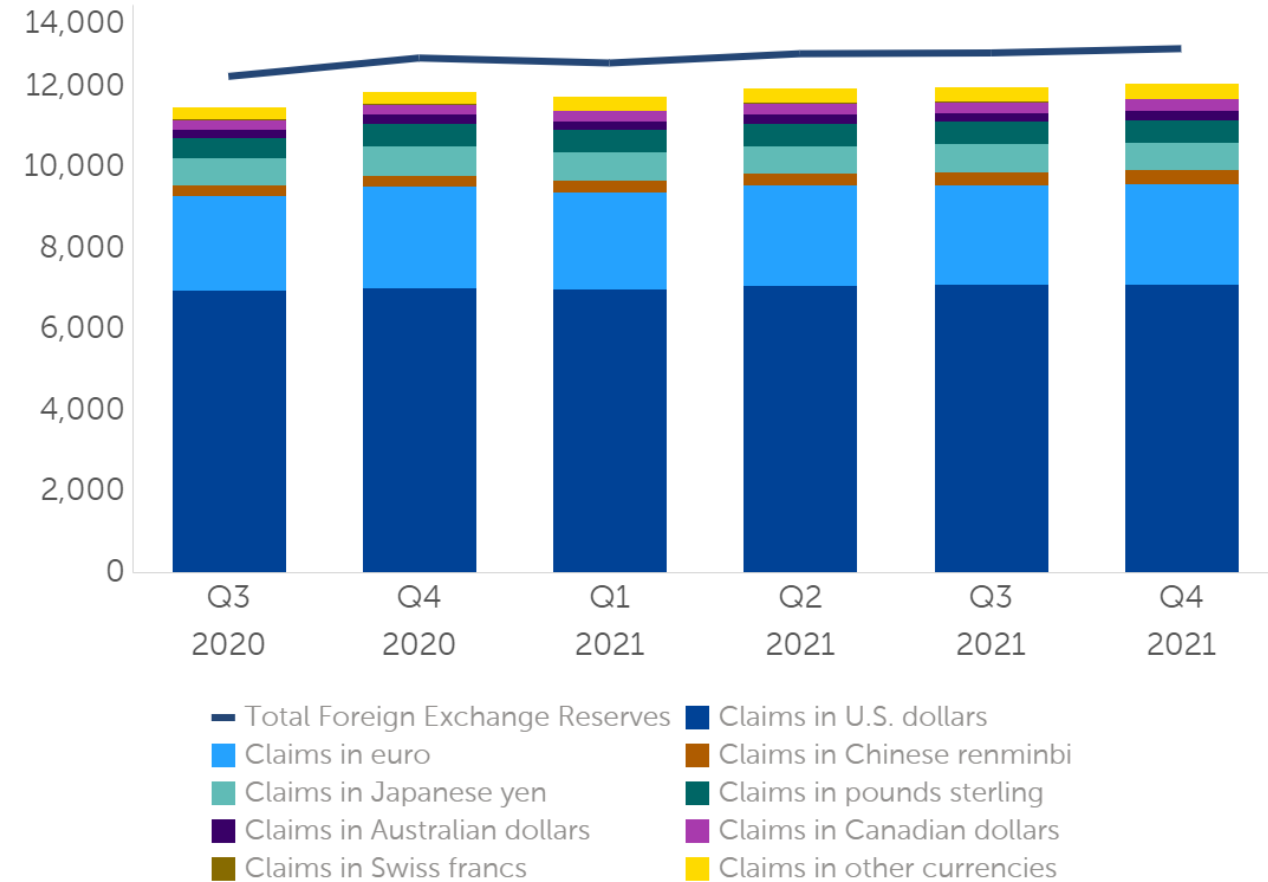


# Currency composition of official reserves

## World - Allocated Reserves by Currency for 2021Q4



## World - Official Foreign Exchange Reserves by Currency (US Dollars, Billions)





# Comments, Questions & Answers





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# Thank You For Listening

## Forthcoming Events

- Wed, 06 Apr (13:30-17:15) British Isles Share Plans Symposium 2022
- Tue, 12 Apr (11:00-11:45) Art Verses Analytics: Can Art Enable You To See More?
- Wed, 13 Apr (11:00-11:45) Authorised Push Payment Fraud Innoculation
- Wed, 20 Apr (15:00-15:45) Finance & The Fishing Industry Post-Brexit

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