

Dollar Monopoly Slips as China and Japan Dump US Treasuries

By [RT News](#)

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China and Japan – the two main holders of the US Treasury securities – have trimmed their ownership of notes and bonds in August, according to the latest figures from the US Treasury Department, released on Tuesday.

China's holdings of [US sovereign debt](#) dropped to \$1.165 trillion in August, from \$1.171 trillion in July, marking the third consecutive month of declines as the world's second-largest economy bolsters its national currency amid trade tensions with the US. China remains the biggest foreign holder of US Treasuries, followed by long-time US ally Japan.

Tokyo cut its holdings of US securities to \$1.029 trillion in August, the lowest since October 2011. In July, Japan's holdings were at \$1.035 trillion. According to the latest figures from the country's Ministry of Finance, Japanese investors opted to buy British debt in August, selling US and German bonds. Japan reportedly liquidated a net \$5.6 billion worth of debt.

Liquidating US Treasuries, one of the world's most actively-traded financial assets, has recently become a trend among major holders. Russia dumped 84 percent of its holdings this year, with its remaining holdings as of June totaling just \$14.9 billion. With relations between Moscow and Washington at their lowest point in decades, the Central Bank of Russia explained the decision was based on financial, economic and geopolitical risks.

Turkey and India have followed suit. Like Russia, Turkey has dropped out of the top-30 list of holders of American debt following a conflict with Washington over the attempted military coup in the country two years ago. While India remains among the top-30, the country has cut its US Treasury holdings for the fifth consecutive month, from \$157 billion in March to \$140 billion in August.

Earlier this week, Goldman Sachs said that US policy of sanctions and tariffs against major economies, including Russia, China and Iran, dragged down the dollar's share of global central-bank reserves. Meanwhile, the data from the International Monetary Fund confirms that the US dollar's share in the global central-bank reserves dropped to 62.3 percent from April to June, while holdings in the euro, yen and yuan gained as a share of allocated reserves.

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