

Ascent of the Petro-Yuan: Russia and China to Kneecap Petrodollar in 2018?

By [RT News](#)

Global Research, December 26, 2017

[RT Business News](#) 23 December 2017

Region: [Asia](#)

Theme: [Global Economy](#)

The world's largest crude oil importer China is likely to roll out the petro-yuan next year predicts Saxo Bank. Beijing's largest oil supplier Russia would gladly accept the yuan to phase out the dollar in trade with China.

“China is by far the world’s largest oil importer, and many producer nations are already more than happy to transact in yuan terms. With the US’ global power and reach waning, and given the success of CNY-based commodity futures in general, the Shanghai International Energy Exchange’s decision to launch a yuan-based crude oil future is a runaway success,” reads one of Saxo’s ‘outrageous’ predictions for 2018.

Saxo Bank expects the Chinese yuan-denominated oil contract to be *“a move with tremendous geopolitical and financial consequences.”*

The US West Texas Intermediate and European benchmark Brent have a joint daily turnover of more than two billion barrels or 20 times the total daily world oil demand. However, the US WTI oil standard is losing its role in the oil market, notes Saxo.

“China, meanwhile, has already become far and away the world’s largest crude oil importer and many key exporters – led by Iran and Russia – are more than happy to transact in yuan terms,” the bank’s analysts conclude.

Saxo expects the Chinese oil contract to become *“a raging success,”* while the yuan is set to appreciate 10 percent against the dollar, taking the dollar-yuan exchange rate below 6.0 for the first time.

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