

The Great Dollar Dump: Russia Liquidates US Treasury Holdings

By [RT News](#)

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Russia is continuing to diversify state reserves away from US debt. The latest data from the US Treasury shows that Russia's share hit an 11-year minimum and totaled only \$14.9 billion.

The share of US sovereign debt bonds in Russia's portfolio has been [reduced](#) dramatically in recent months. Russia held \$96.1 billion in US Treasuries in March before selling half its holdings in April, dropping to 22nd place among major foreign holders of American treasury securities at \$48.7 billion.

In 2010, Russia was among the top 10 holders of US Treasuries at \$176.3 billion. With its holdings falling to \$14.9 billion in May, the country is now below the \$30 billion threshold for inclusion on the Treasury Department's monthly report of major holders. On Tuesday, the Treasury released a list of 33 countries which includes the biggest holder China to the smallest Chile. Russia is no longer on the list.

A treasury bond is a fixed-interest government debt security with a maturity of more than 10 years. Treasury bonds make interest payments twice a year. The gradual sell-off of US sovereign debt started in 2011, and has intensified over recent years amid numerous rounds of sanctions imposed by the White House against Russia.

The head of the Central Bank of Russia (CBR) Elvira Nabiullina said in May that slashing of the holdings was result of the systematic assessment of all kinds of risks, including financial, economic and geopolitical.

Meanwhile, Russia's gold holdings have been steadily increasing, bringing its share of the precious metal to its highest level in nearly two decades. Russia's gold holdings in May grew by one percent to 62 million troy ounces, worth \$80.5 billion, according to the CBR. According to Nabiullina, gold purchases helped to diversify reserves.

Should we all invest in gold now? <https://t.co/OOiQhmZj8H>

— RT (@RT_com) [April 20, 2018](#)

Global geopolitical conflicts along with trade tensions triggered by the US earlier this year

have made some countries follow suit. Turkey nearly halved its US Treasury holdings from almost \$62 billion in November to \$32.6 billion in May. Germany has reduced its holdings from \$86 billion in April to \$78.3 billion in May.

Asked about Russia's absence, a US Treasury spokesman said the Treasury market is the deepest and most liquid in the world, and demand remains robust, reports Bloomberg. He added that the department doesn't comment on individual investors or investments.

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