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GLOBAL MARKETS · OIL, THE DOLLAR & HARD ASSETS

Why the Global Monetary Reset Has Just Begun

A missile on Riyadh, a 50 year oil for dollars deal under strain, and one Saudi number that has not moved in years

FELIX PREHN

Economist and former investment banker
The Prehn Institute

REPORT SCOPE

Educational explanation of the companion video.

RATING

None

PRICE TARGET

None

For half a century, Saudi Arabia has priced its oil in dollars and recycled the proceeds into American assets. That one arrangement is a large part of why the dollar holds its value. After a week of missiles on Riyadh and only a cautious “we may” from Washington, the kingdom is quietly asking whether it can still count on America. This report explains the machine behind that question, and what an ordinary saver can check tonight.

323t

Saudi Arabia's gold reserves, frozen for years while the kingdom stacked over $450bn in currency and lent America its IOUs

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About Felix Prehn and The Prehn Institute

Felix Nikolas Prehn

Felix Nikolas Prehn is an economist and former investment banker. During that career he gained a close view of the strategies and principles professional investors use to build and protect wealth. He takes no sponsorships or endorsements, ever, and keeps the analysis away from party politics, focusing on what the money itself is doing.

The Prehn Institute

Felix Nikolas Prehn is the founder of The Prehn Institute, an independent research institution that publishes research on the financial markets and provides instruction in how they work. The Institute exists to demystify the strategies usually reserved for the City and Wall Street, and to make them usable by ordinary savers.

Winston

Winston is the markets app built by the Prehn Institute team, a plain English “personal newspaper” for your own money. It follows the assets you actually hold, including gold, the dollar and your own shares, and separates what matters from the noise.

Mission

The aim is to help regular investors protect their savings and understand the forces that shape the value of money, rather than chasing short term trends. This report is written in that spirit. It explains a mechanism, it does not sell a trade.

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How to use this report.

Read it beside the video. The sections follow the script's information and order. The goal is not to predict the exact next market move. It is to explain the machine: how one oil deal, the dollar in your pocket and the value of your savings are wired together right now.

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BOTTOM LINE

Not the war. The money underneath it.

A missile out of Yemen came down on the main airport of the Saudi capital. The headlines will cover the war. But the part that matters for your savings is quieter.

The one country that has underwritten the dollar since 1974 is now phoning Paris and Islamabad for help. It is trimming its holdings of American debt. And it is watching gold the way the rest of the world watches the news.

Missile on Riyadh, and only "we may" from Washington → **Saudi Arabia hedges: new allies, less US debt** → **Central banks buy gold, one Saudi number waits to move**

THE TRIGGER

The security half of the 1974 oil for dollars deal is the part now in doubt. And when the bodyguard looks unreliable, the client starts shopping around.

THE CHAIN

To hold that peg, Riyadh shadows Washington on interest rates. And for 40 years, Saudi Arabia has effectively taken its orders on money from America.

THE DRIFT

New defence pacts, a single month of selling American IOUs, and a careful look at a dollar free payment system. No single morning, just a drift.

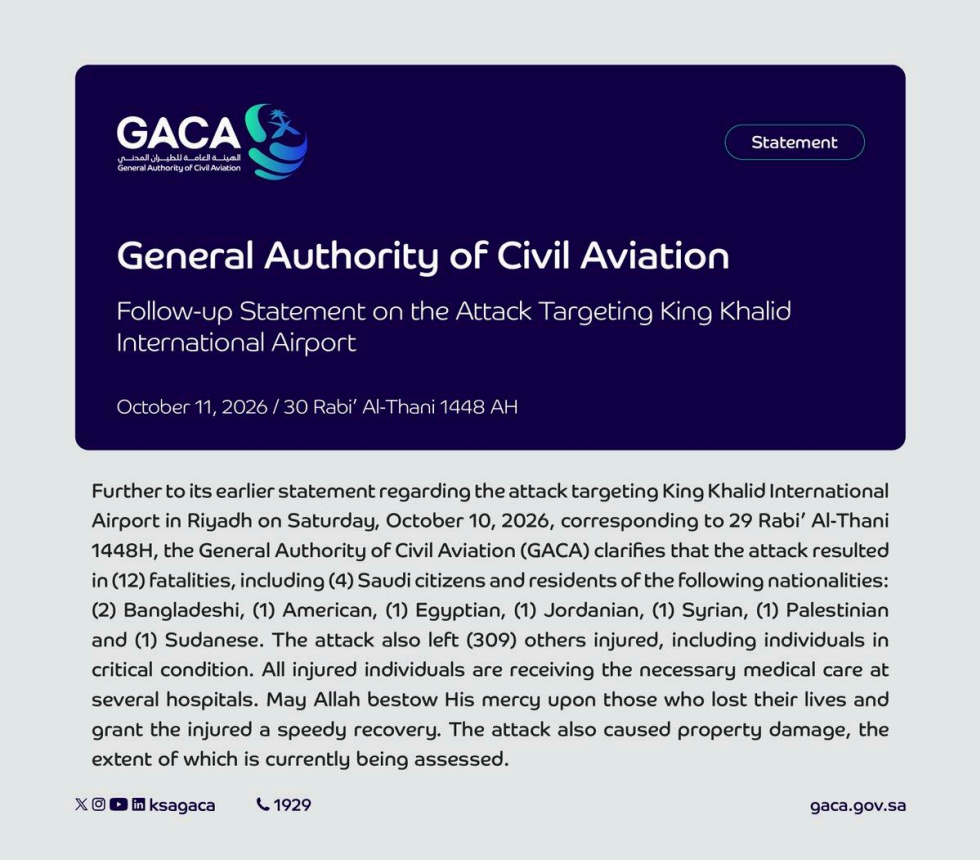
THE TELL

And central banks bought gold straight through its worst quarter in 13 years. One frozen Saudi number is the single clearest signal to watch.

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WHAT ACTUALLY HAPPENED

Saudi Arabia shut its own capital's airport



GACA
الهيئة العامة للطيران المدني
General Authority of Civil Aviation

Statement

General Authority of Civil Aviation

Follow-up Statement on the Attack Targeting King Khalid International Airport

October 11, 2026 / 30 Rabi' Al-Thani 1448 AH

Further to its earlier statement regarding the attack targeting King Khalid International Airport in Riyadh on Saturday, October 10, 2026, corresponding to 29 Rabi' Al-Thani 1448H, the General Authority of Civil Aviation (GACA) clarifies that the attack resulted in (12) fatalities, including (4) Saudi citizens and residents of the following nationalities: (2) Bangladeshi, (1) American, (1) Egyptian, (1) Jordanian, (1) Syrian, (1) Palestinian and (1) Sudanese. The attack also left (309) others injured, including individuals in critical condition. All injured individuals are receiving the necessary medical care at several hospitals. May Allah bestow His mercy upon those who lost their lives and grant the injured a speedy recovery. The attack also caused property damage, the extent of which is currently being assessed.

ksagaca 1929 gaca.gov.sa

Source: GACA, the Saudi aviation authority. A ballistic missile fired out of Yemen came down on Terminal 3 at King Khalid International, the main airport serving Riyadh.

12
people killed, including one American

309
injured, across eight countries

300+
flights cancelled, 200+ delayed

THE DETAIL THAT MATTERS

The dead came from eight different countries. The New York Times calls it the deadliest attack on a Gulf Arab country since the war with Iran began in February.

And this was not a one off. Two days earlier a parked plane was destroyed and three more people killed.

THE DISRUPTION

Several countries issued travel warnings, and major airlines suspended flights. But a showpiece investment summit, due within two weeks, had not been called off as of filming.

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WHO RIYADH RANG FOR HELP

Everyone except Washington

Saudi Arabia is short of interceptors, the missiles whose only job is to shoot other missiles down. America's own stocks have been run down too, per CNBC. So Riyadh went looking elsewhere, and only after an American died did Washington offer a cautious “we may”.

France · Britain · Pakistan · Egypt called for help → **New defence pact signed with Turkey and Pakistan** → **Washington: “We may. We move very quickly.”**

THE NEW BODYGUARDS

Riyadh had already gone to Washington and been turned away. So the defence pact with Turkey and Pakistan matters more than the missiles do. The 1974 bargain was oil money in exchange for American security.

THIS IS WHERE IT REACHES YOU

Brent, the world's benchmark oil price, is sitting around $104. And an oil shock does not stay in Saudi Arabia. It gets on a plane and comes to your house.

At the pump. In the weekly shop. On the heating bill. And last of all, in your pension statement.

Winston Daily includes a filter that flags when the shares you actually own start sliding into a danger zone, so you are not finding out from the ten o'clock news. More on the four things you can check in a few pages.

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WHY THIS IS A CURRENCY STORY

One handshake that has run the world ever since

Oil and protection, going one way to the world → **Dollars and loyalty, coming back to America**

THE DEAL

In 1974 Saudi Arabia agreed to price its oil in dollars and plough the earnings back into American assets. And in return, America provided the security. So that one arrangement has run the world ever since.

THE CASINO WINDOW

So if you need oil, and almost every country does, you have to get hold of dollars first.

It is like a casino. Before you can play at any table, you buy the house chips at the window. America owns the window. And the whole world queues at it. That is the quiet superpower behind the note in your wallet.

1974
the oil for dollars handshake

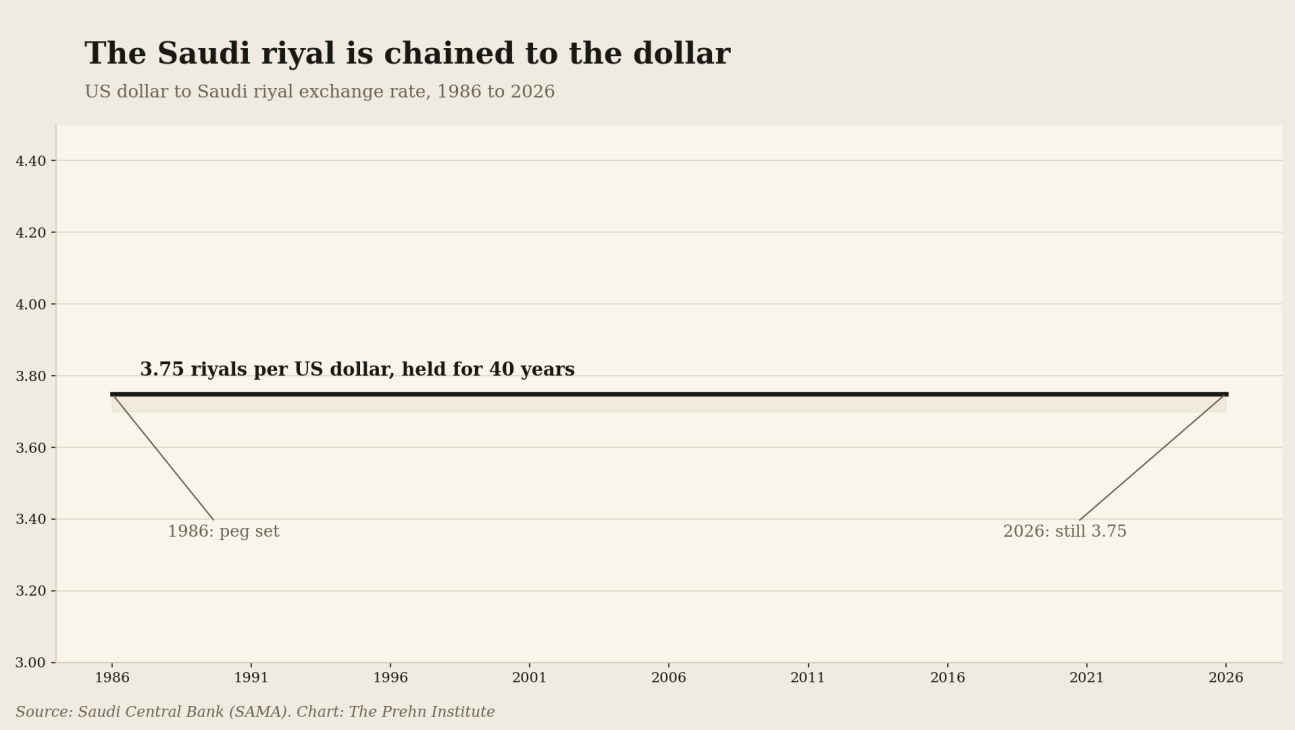
~90%
of global transactions run on dollars

50 yrs
of Saudi money pointed at America

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THE PART MOST PEOPLE MISS

3.75 riyals to the dollar, unmoved since 1986



Source: Saudi Central Bank (SAMA). The riyal has been chained to the dollar at the same fixed rate, 3.75 to one, for roughly four decades. A dead flat line.

NOT A FREE CURRENCY

So to keep that chain from snapping, the Saudi central bank has to shadow America's almost move for move. When Washington raises interest rates, Riyadh raises them too. And when Washington cuts, Riyadh cuts.

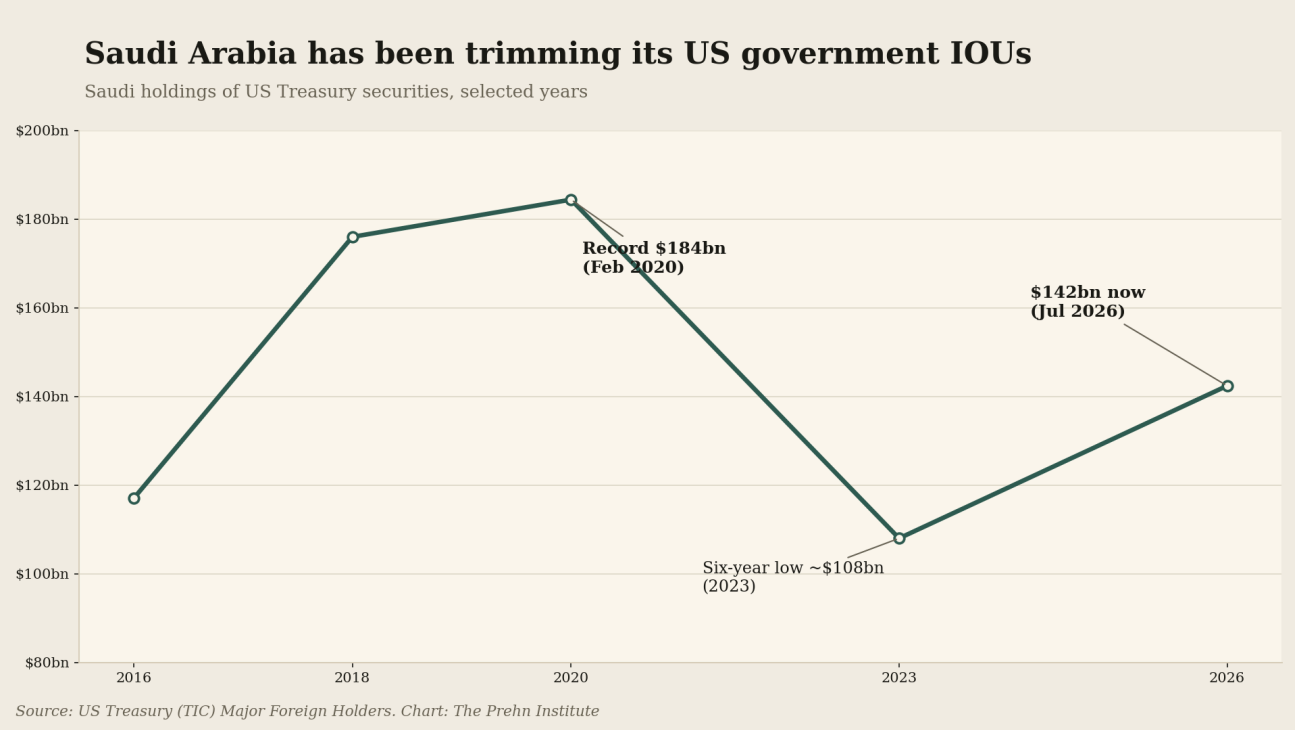
WHY IT MATTERS

In a very real sense, Saudi Arabia has been taking its monetary orders from America for four decades. And that is the thing to hold in your head. Because it is exactly the arrangement now under quiet strain.

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A LITTLE LESS POINTED AT AMERICA

$142bn of US IOUs, and a month of selling



Source: US Treasury (TIC) data. Saudi Arabia holds about $142bn of US government IOUs. Earlier this year, in a single month, it quietly sold nearly $11bn of them.

$451bn
foreign currency reserves (SAMA)

$900bn+
sovereign wealth fund (PIF)

~$11bn
US Treasuries sold in a single month

ONE MONTH IS NOT A TREND

This is not evidence that Saudi Arabia is dumping America, and it would be wrong to say so. But it belongs next to everything else on the table.

THE HONEST QUESTION

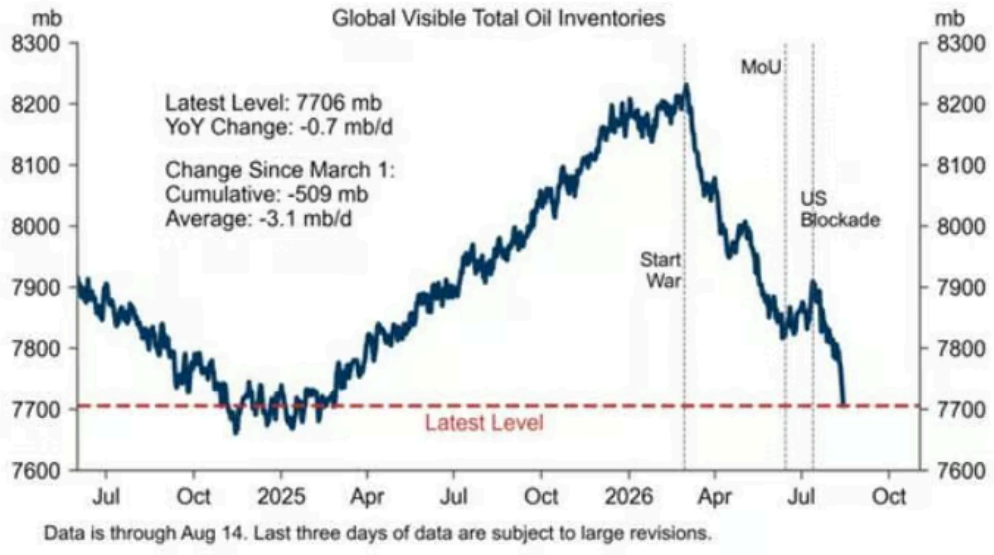
The 1974 deal was oil money in exchange for security. If the security now comes from Pakistan, Turkey, France and Britain, what is holding up the other side of the bargain? What keeps all that Saudi money pointed at America, if America is no longer the one keeping Saudi Arabia safe?

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OIL PRICED ON FEAR, NOT SUPPLY

Gulf tanker rates, the highest ever recorded

Exhibit 8: Global Oil Inventories Still Set to Reach Historic Lows If the Strait Doesn't Reopen Soon



Source: shipping data. The cost of hiring a tanker to carry oil out of the Gulf has gone vertical, to the highest level ever recorded. It feeds straight into the price of everything that moves by sea.

THE PHYSICAL ROAD

But the same fighters who hit the airport have been gaining ground along the coast. So they can watch that backup route too.

And if the main road and the diversion are both under threat at once, oil stops being priced on supply and demand. It gets priced on fear.

THE TARGET LIST

A refinery at Jizan in August. Facilities near Yanbu and Riyadh in late September. A claimed strike on a Riyadh facility in early October, which the Saudi side called misleading, so treat it as disputed.

But the pattern is not disputed. The thing that earns Saudi Arabia its dollars is now a target.

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THE QUIET FINANCIAL EXIT

Pay each other directly, no dollar in the middle

Central banks pay each other in their own currencies → **Real goods change hands, no dollar required** → **No queue at the casino window**

WHAT MBRIDGE DOES

mBridge lets central banks settle payments directly, in their own currencies, without the dollar in the middle. More than $55bn has already gone through it, and the traffic has grown about 2,500 times over since 2022.

THE HONEST VERSION

It took part in the trial, then stepped back out when the pilot wrapped up last year. The members today are China, Thailand and the UAE, with Macau joining.

So this is not Saudi Arabia pulling a trigger. It is Saudi Arabia making very sure it knows where the emergency exit is, with one hand near the handle.

THE PETROYUAN

Saudi Arabia has flirted with selling some oil to China priced in yuan, though not at scale.

One analyst warned that Iran could start demanding yuan for safe passage through Hormuz. And if that happens, a petroyuan does not get politely negotiated into existence. It gets created at gunpoint.

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THE CLUE HIDING IN PLAIN SIGHT

The crowd sold. The smart money bought.



Source: LBMA gold price; World Gold Council. On paper, gold has had its worst quarter since 2013, at one point more than 20% below its January high. Ordinary investors sold. Central banks did not.

THE STRANGE PART

And all the way down, through the worst stretch in 13 years, the people who manage nations' money carried on buying. So when the smart money and the crowd do opposite things, you have to ask what the smart money can see that the crowd cannot.

THE ONE LINE TO WATCH

That is the only price level worth stating plainly. As long as gold holds above $4,000, this story is intact. So no targets and no predictions beyond that, just the floor to watch.

TWO DIFFERENT GAMES

Sovereign buyers do not chase prices and do not panic. Retail sells after a bad three months. A central bank uses that same bad quarter to buy more cheaply.

One is playing this quarter. And the other is playing the next 20 years.

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THE NUMBER THAT HAS NOT BUDGED

323 tonnes, and not moving

323t	$450bn+	$142bn
Saudi gold reserves, frozen for years	currency reserves stacked beside it	of American IOUs held

A gigantic pile of dollars and American debt, and only a modest, frozen stack of gold beside it. And that is the physical shape of the 1974 deal. A country that chose paper promises over metal. Because it trusted the system those promises run on.

WHY THIS IS THE SIGNAL

The day Saudi Arabia's gold reserves start to climb is the day the richest oil nation on earth tells you, without a press conference, that it trusts the paper a little less than it used to. And no announcement will come. The number will just start to move.

WHY NOW

But after the week Riyadh has just had, the odds that this number sits still much longer look lower, not higher. It is a view, not a certainty. And it is the single number this report would ask you to watch.

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JUST SO YOU ARE NOT LOST ON THE WORDS

Three ways to own gold

Tool	What it is	The trade off
Physical gold	A coin or bar you hold yourself	No counterparty, but you store and insure it
Gold ETF	Gold held for you inside your normal investment account	Convenient, but someone else holds the metal
Gold miners	The companies that dig it out of the ground	Can rise faster than gold, and fall harder

This is a glossary, not a recommendation. And what matters tonight is not which tool you pick. It is that you understand why the most powerful money in the world is quietly moving in one direction, while the evening news is still talking about the airport.

THE POINT OF THE DEFINITIONS

People always ask what these terms mean, so they are set out plainly here. Three different tools, three different risks. That is all they are.

UNDERSTANDING FIRST

So decide whether the story makes sense first. The mechanics of how to hold any of these come second, and are easy to learn once the direction is clear.

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AT THE KITCHEN TABLE, NO COST

Four things you can check tonight

CHECK ONE: DO YOU KNOW WHAT YOU OWN?

Most people have a pension here, an old workplace scheme there, a few funds picked years ago. In Winston, the “Add what you own” button pulls your holdings in all at once, no typing them in one by one. And you cannot manage what you cannot see.

CHECK TWO: THE 2022 TEST

And 2022 is the closest rehearsal there is for what might be coming. Winston lets you run your actual holdings back through it and ask one blunt question: when everything got more expensive, which of my companies held up, and which fell apart?

CHECK THREE: THE DANGER ZONE

Every morning Winston Daily looks at the shares you own and flags the ones drifting into trouble, so a slow decline does not quietly become a disaster while you are busy living your life. And you still decide what to do. You just find out in time.

CHECK FOUR: HOW MUCH OF YOU IS TIED TO THE DOLLAR?

Your bonds, and any income that only ever arrives in dollars. For most people, added honestly, the answer is almost all of me.

That is fine when the dollar is the unquestioned centre of the world. It is a different thing on a night like this one.

They show you where you are exposed, and how much of your future is riding on one country's promises. But what they cannot do on their own is tell you what to do about it. The what to do is a skill, and that is what the free session is for.

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THE WHOLE PICTURE

One machine, in one place

An airport in the Saudi capital is hit, and Washington offers only “we may”

↓

The kingdom that underwrote the dollar phones Paris and Islamabad, and sells a little US debt

↓

It keeps one hand near a dollar free emergency exit

↓

The smart money buys gold into a crash, and one Saudi number waits to move

It is rarely the people who saw it coming. It is the careful ones. The savers who did everything right, sat in cash and dollar assets, and watched their money quietly buy less while they were not looking.

And a reset like this does not knock on the door. It is a tax that never gets announced.

WHAT TO HOLD ONTO

You do not need to predict the exact month of the next move. But you need to understand the machine well enough to stop holding all your wealth in the one thing this story is about.

DO NOT PANIC

So know what you own, and make sure you are genuinely diversified against the risk described here. Calm beats dramatic, every time.

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TURN UNDERSTANDING INTO A PLAN

Before the next move, ask yourself

- ✓ Do I actually know everything I own, in one place, including old pensions and workplace schemes?
- ✓ How my holdings behaved in the 2022 inflation and oil shock, the closest rehearsal there is?
- ✓ Which of the shares I own are already drifting into a danger zone right now?
- ✓ How much of my wealth, including cash, bonds and income, is tied to a single currency?
- ✓ Do I understand why central banks are buying gold into a crash, and whether that logic applies to me?

The Prehn Institute

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REFERENCES

Sources & disclosures

1. **Video:** “Why the Global Monetary Reset Has Just Begun (Saudi, Yemen & Gold)” by Felix Nikolas Prehn, The Prehn Institute.
2. **The attack:** casualty figures (12 killed, 309 injured, eight nationalities) per GACA, the Saudi aviation authority; described by the New York Times as the deadliest attack on a Gulf Arab country since the war with Iran began in February; flight disruption data per Flightradar24.
3. **Interceptors & response:** reporting that Saudi and American interceptor stocks have been run down, per CNBC (10 Oct 2026); Washington's “we may, we move very quickly” per newswire reporting; defence pact with Turkey and Pakistan.
4. **Oil:** Brent up more than 5% on the day of the attack, near $104.
5. **The 1974 deal & the dollar:** oil priced in dollars and proceeds recycled into American assets; the dollar used in roughly 90% of global transactions, per Fortune (21 Sep 2026).
6. **The peg:** the riyal fixed at 3.75 to the dollar since 1986, per the Saudi Central Bank (SAMA).
7. **Reserves & Treasuries:** roughly $451bn in foreign currency reserves (SAMA) and a sovereign wealth fund above $900bn (PIF); about $142bn of US Treasuries held, with nearly $11bn sold in a single month, per US Treasury (TIC) data.
8. **Shipping & strikes:** Gulf tanker rates at the highest level ever recorded, per shipping data; reported strikes on Saudi oil facilities at Jizan, Yanbu and Riyadh, with the early October Riyadh claim disputed by the Saudi side.
9. **mBridge & petroyuan:** more than $55bn settled and roughly 2,500 times growth since 2022, with members China, Thailand, the UAE and Macau; Saudi Arabia a former trial participant; petroyuan risk via Hormuz per one analyst, per Fortune (21 Sep 2026) and social media reports.
10. **Gold:** worst quarter since 2013 and more than 20% below the January high per LBMA gold price and the World Gold Council; central bank buying through the fall; Saudi gold reserves of 323 tonnes per the World Gold Council / IMF.
11. **Winston app: winstondaily.com**, markets tracking referenced in the video.

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Analyst: Winston, Lead Analyst for The Prehn Institute Research.

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