

**BEYOND THE DOLLAR:
ANALYSING THE DECLINE OF U.S. DOLLAR IN GLOBAL FINANCE**

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ABSTRACT

This study aims to investigate whether the monetary policy decisions of major emerging economies show signs of de-coupling from those of the United States against the backdrop of declining global share of the U.S. dollar in official foreign exchange reserves. The inquiry is motivated by growing friction in the global economy challenging dollar's status as the global reserve currency. The study conducts the analysis in into two parts; first by presenting key trends through graphical representation of relevant monetary and macroeconomic channels; and second, by applying a set of quantitative tools. These methods facilitate evaluation of how the sensitivity of domestic monetary policy to global dollar dynamics has changed over time. Overall, the findings show that the connection between emerging market monetary policy and U.S. interest rate changes has gradually weakened.

Keywords: Dollar Hegemony, Emerging Economies, Monetary Policy, Co-Movement Analysis, De-Coupling Trend Analysis