

# FUNNY MONEY

Atrios provides some crack former econ professor analysis on the dollar ...

WHEEEEEEEEEEEEEEEEEEE

Dollar sinking.

*The dollar fell as low as \$1.4426 per euro, the weakest since the introduction of the 13-nation common currency in 1999, before trading at \$1.4420 as of 6:29 a.m. in Tokyo from \$1.4393 in late New York on Oct. 26. It may drop as low as \$1.4530 this week, Gibbs said.*

And gjohnsit offers a really excellent eulogy for the petrodollar.

The news came out yesterday when few would notice.

CARACAS (Reuters) — OPEC is likely to discuss creating a basket of currencies for oil pricing at its next summit due to the steady decline in the dollar, Venezuela's Energy Minister Rafael Ramirez said on Friday.

"The need to establish a basket of currencies ... will probably be a point of discussion in the next OPEC summit," Ramirez told reporters during an evening event in the presidential

palace.

"The dollar as a benchmark currency has been weakening quite a lot and it creates distortions in oil markets."

While disturbing, it wouldn't mean much except for the fact that this is merely the latest step in a trend away from the dollar by OPEC nations. For example:

- *UAE central bank diversifies away from dollars*
- *Kuwait unhooks the currency peg to the dollar*
- *Syria (not an OPEC nation) unhooks currency peg to the dollar*
- *Saudi Arabia refuses to cut interest rates with Federal Reserve*
- *Iran sells oil in Euros*
- *Venezuela currency peg is in danger, and plans to sell oil priced in Euros*

(There's lots more in gjohnsit's diary, so click through and read it all.)

I'm not surprised that any of this is happening—it was all predictable at least four years ago (and I'm not an economist). What's surprising is the acceleration of this process—and of the decline of the dollar. Like I said, I'm not an economist, but the acceleration of this process sure seems to make it a lot more likely that we're going to end up like

Argentina, with a massive meltdown, in the near future.

And it surely will make the wedding I'm going to in Scotland next spring a lot more expensive to attend.

|| Â