

Strategic Tension

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One of the very few theoretical frameworks that actually seems to make sense of the geopolitical chaos we see today is that the City of London, and its aligned transnational financial networks, are in the process of liquidating the West, while trying to decamp to China. But things



have not exactly gone according to plan. President Trump is in the process of stymieing the fiscal bleeding out of the US economy into their pockets, and the City of London's plan rather required Chinese leadership to follow the philosophy of old; the one aligned with Hu Jintao's technocratic legacy. The Hu Jintao era (from within China) was very pro-West. That long-term 'China' plan has met a wall. In fact, the wall has been in place disrupting plans for some time now - Xi Jinping and his nationalist faction.

Xi Jinping, since becoming President in 2013, has been on a stated campaign to 'remove' corruption. A great number of analysts assumed this move was just an excuse to root out any possible competition that would block his pursuit to leadership for life. However, few really understood what Xi's goal has truly been. He might not be the best economist to have ever run China, but he is one of the most nationalistic. To him, and his faction within the CCP, the Anti-Corruption Campaign's purpose has been to singularly drive out those prepared to sell out the country for personal profit.

But there are other problems for the aligned transnational financial networks. The ARC alignment (America, Russia and China) is real, and for the most part, about each country dealing with its own sphere of influence on the basis that no one country can deal with all of it, especially if they are fighting each other. However, one particular issue of concern overlapping all their interests is the co-ordinated commodity and currency controls, once fully in the City of London's control.

The three 'superpowers' appear to have agreed they do not want that or the expense of it any longer. They are in alignment: structural control over global financial plumbing, commodity pricing, settlement systems and monetary enforcement power can no longer remain in the hands of the City of London and its networks.

So, what are the possible outcomes:

Scenario one: Xi prevails within ARC

If Xi consolidates power and remains aligned with a Trump-led US and Russia, the outcome is co-ordinated restructuring rather than simple East-West fragmentation. Under ARC logic, the dollar is not weakened but jointly deployed. Commodity repricing, particularly in gold and silver (the pricing of which has already been taken from the City of London), strengthens sovereign balance sheets, while placing pressure on leveraged paper markets historically centred in London. Over time, commodity exchanges in Shanghai, Moscow and the US gain pricing influence, and settlement mechanisms gradually migrate away from legacy intermediaries.

In this environment, the dollar remains strong, but its strength is strategically managed in co-ordination among ARC powers. London's derivatives dominance contracts as pricing benchmarks shift toward sovereign-aligned exchanges. Smaller states find their room for manoeuvre narrowing, as they are increasingly required to choose between settlement ecosystems shaped by sovereign co-ordination, or continued reliance on Atlantic financial structures.

Europe becomes structurally exposed. Without direct control over commodity pricing power and without independent monetary autonomy from the dollar system, European economies risk compression between ARC-controlled resource flows and diminishing financial intermediation margins.

The third-order effects suggest eventual stabilisation after a volatile transition. Once pricing hierarchies reset and commodity leverage embeds within ARC co-ordination, the system becomes clearer and more state centred. Under this scenario, the dollar's political neutrality is not openly questioned by major powers because they are aligned in its use. Instead, scrutiny shifts toward the legitimacy and concentration of London-centric financial governance. Xi's centralised authority provides coherence to this restructuring. The military and security apparatus remain aligned, and sovereign asset leverage reinforces nationalist legitimacy at home.

Scenario two: a Hu Chunhua-type leader prevails

If Xi is removed and a Hu-lineage technocratic figure such as Hu Chunhua rises, the tone of governance shifts immediately. Markets rally in anticipation of regulatory moderation. Capital inflows resume. Hong Kong's intermediary function strengthens. The rhetoric of collective leadership and integration returns. However, within an ARC-aware framework, the implications depend heavily on strategic alignment.

If a Hu Chunhua-type leader quietly maintains commodity co-ordination with Washington and Moscow, ARC survives in softer form. Commodity repricing continues, though less overtly framed in nationalist terms. London's influence contracts more gradually. Financial liberalisation inside China coexists with sovereign commodity discipline. Volatility decreases in the short term, and middle powers integrate more comfortably because the system appears less ideologically polarised. Structural migration of pricing power continues beneath calmer rhetoric. However, this path requires Hu to prioritise sovereign alignment over deeper reintegration with London-based financial networks.

If instead a Hu-led government re-centres Chinese policy toward City of London-linked financial integration by expanding derivatives access, loosening capital controls and restoring deeper clearing ties, ARC cohesion fractures. Washington, under Trump, would likely respond by intensifying visible dollar leverage. Russia would recalibrate immediately, accelerating alternative settlement systems. Commodity co-ordination would weaken and pricing power would become contested terrain once again.

In such a case, financial markets might rally in the short term, but strategic distrust between ARC powers would increase. Commodity markets would become more volatile. The dollar would become more openly politicised, not because of structural weakness, but because alignment between major sovereign actors had dissolved. Internally within China, nationalist backlash would intensify. Military and security elites could question whether sovereign leverage was being surrendered to financial intermediaries. Policy oscillation between reformist gestures and nationalist recalibration would become more likely.

Unlike Xi, a Hu Chunhua-type leader lacks concentrated personal authority. Any perception of external enablement would create legitimacy strain. He would be compelled to balance market reopening, military reassurance and nationalist containment simultaneously, making governance more consensus-dependent and potentially more fragile.

Comparative structural assessment

Xi plus ARC represents high-coherence sovereign consolidation in which commodity and currency power remain unified. The transition may be sharp and disruptive (indeed we are seeing that volatility now), but the resulting architecture becomes clearer and more state-centred once realignment embeds.

Hu plus soft ARC moderates the tone while preserving the structural direction of sovereign coordination. Change proceeds more gradually and depends heavily on elite consensus. Hu plus a London tilt destabilises the system. ARC fractures. Commodity and currency power decouple. Dollar deployment becomes visibly coercive and volatility increases over time.

Conclusion

The core issue is not nationalism versus globalisation in abstract terms. It is whether sovereign commodity power and monetary enforcement remain unified among major states or revert to distributed financial intermediation dominated by legacy networks. Xi offers clarity and consolidation. Hu offers moderation but introduces ambiguity. The decisive variable is ARC cohesion. If unity holds, restructuring continues regardless of tone. If unity breaks, systemic tension intensifies and monetary power becomes openly contested.

That structural question, more than personalities alone, will shape the trajectory of the next decade.

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