



Hearing on “Pricing the Future: China’s Ambitions for Commodity Derivatives Markets”

April 16, 2026

Opening Statement of Commissioner Taylor Budowich

Thank you, Commissioner Shmavonian, and thank you to our witnesses for joining us today and for the work you have put into your testimonies.

U.S. preeminence in global financial markets was built over centuries. From the founding of the Chicago Mercantile Exchange in the 19th century to today's U.S.-dollar-linked stablecoins, the United States has always been at the cutting edge of financial innovation.

Deep, liquid markets reduce volatility. They let buyers and sellers agree on a fair price — not one dictated by the government of a non-market economy. Investors come to the United States because they trust in the rule of law, smart regulators, and fair competition.

The United States has opened its markets to the world. China has not returned the favor. U.S. financial players remain walled off from Chinese markets — while Chinese capital moves freely through ours.

That asymmetry is beginning to shift, but on Beijing's terms. At the start of 2020, only six Chinese futures contracts were accessible to foreign investors. Today there are around 100. China is accelerating its effort to bring global futures trading — and with it, the ability to set global prices — to China.

What would a shift in pricing power to China mean for the United States? Three things.

First, market manipulation. An RMB benchmark set in Shanghai could reflect CCP interventions designed to advantage Chinese companies — directives to state-owned traders, contract terms structured to favor Chinese producers, and price interventions that serve political rather than market objectives.

Second, currency risk. Contracts priced in yuan are exposed to China's currency policy — including deliberate devaluation when it serves Beijing's interests.

Third, sanctions evasion. A yuan-denominated commodity system would let Chinese traders and their partners conduct global transactions entirely beyond the reach of U.S. financial tools — undermining one of the most important instruments of American statecraft.

The Commission prides itself on identifying threats and advising Congress on risks before it is too late to respond. U.S. futures exchanges still play a dominant role in price discovery for the commodities that matter most. But China is ramping up its efforts to change that, and the direction of travel is clear.

Our witnesses today will offer different perspectives on how far China has come, how serious the threat is, and how the United States should respond. I look forward to their testimony.