

# AUSTRALIAN DOLLAR: 5 DRIVERS

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# Agenda: Where next for the Australian dollar?

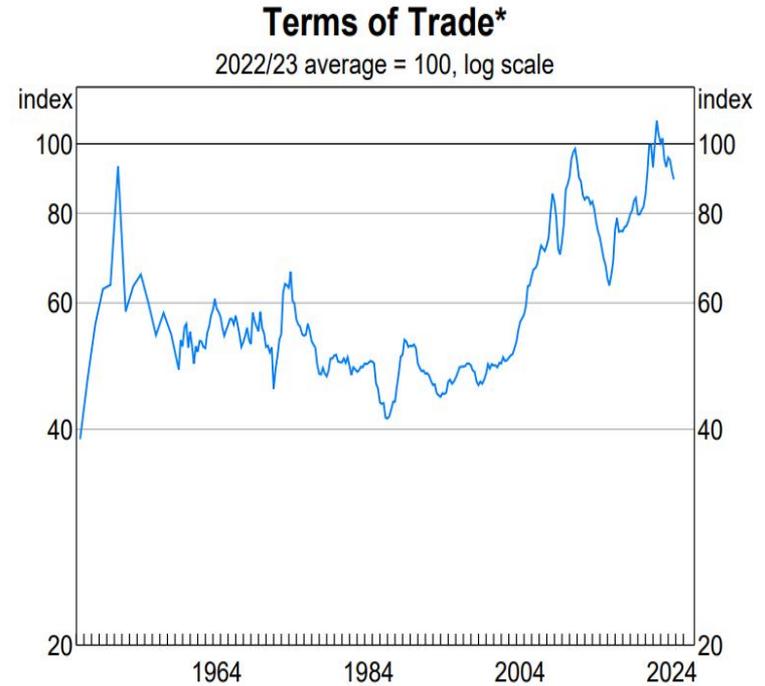
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5 drivers:

- Terms of trade
- Interest rate spreads
- Global versus local growth
- Positioning and sentiment
- US dollar

# Terms of trade

- Still crazy high
- Bulks 55% falling fast
- 2026/27 likely to challenge 2015 lows

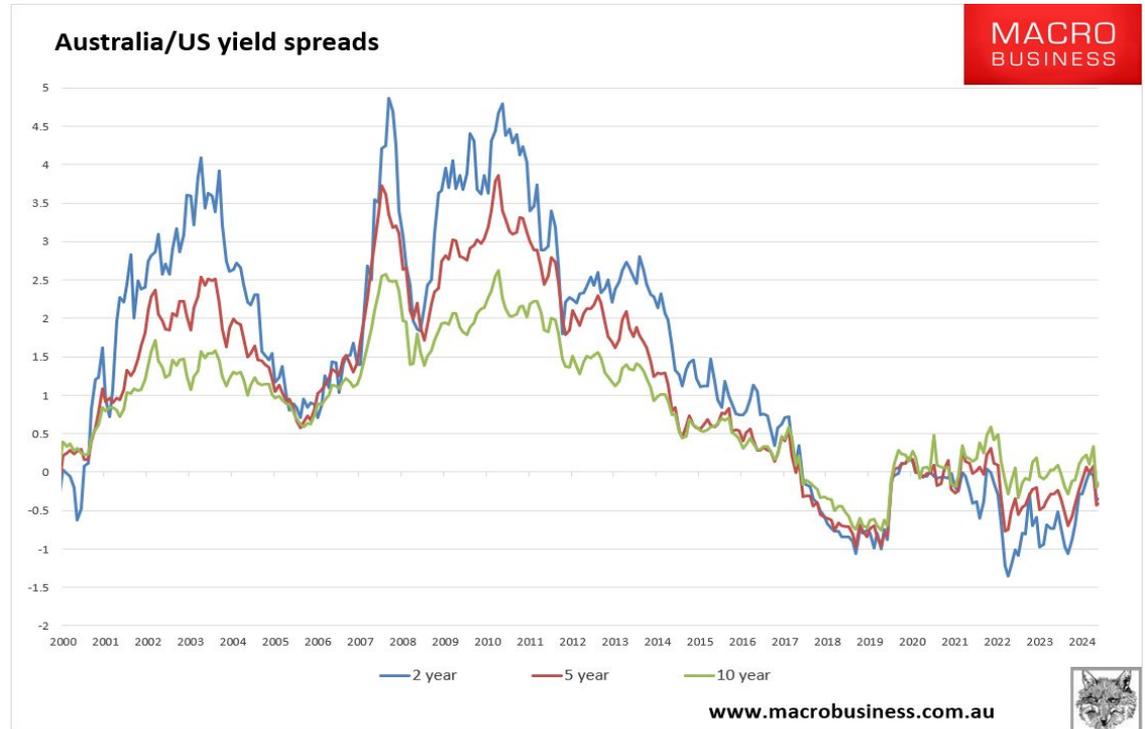


\* Annual data are used prior to 1960.

Sources: ABS; RBA.

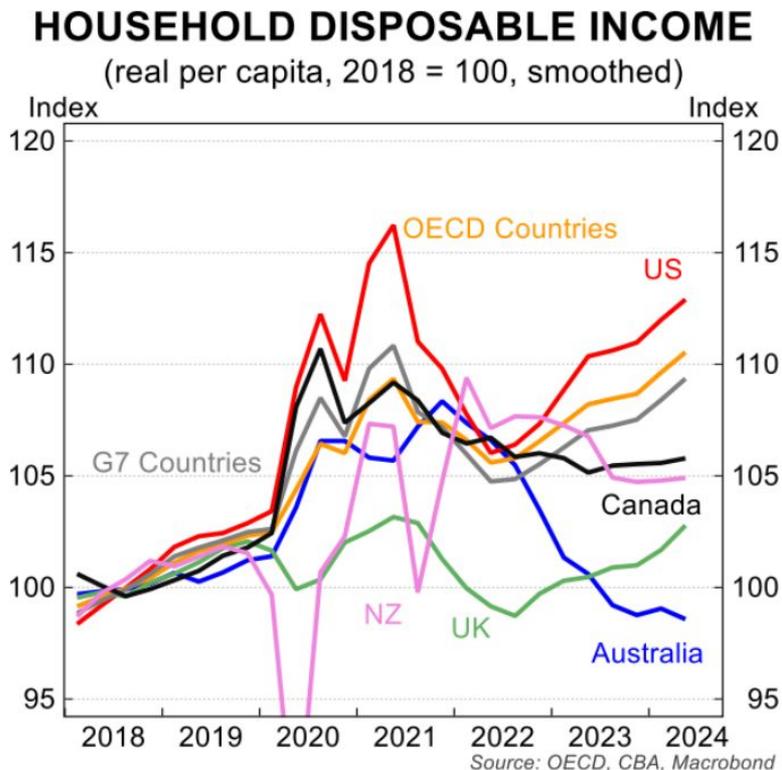
# Interest rate spreads

- Lifted from Mag7 lows
- Recently narrowed
- Likely to keep narrowing as Fed pauses and RBA cuts



# Global versus local growth

- Weak local economy
- Unlikely to rebound with immigration-led model
- Rate cuts will be slow to lift activity with weak income growth
- Poor policy big headwind



# Positioning and sentiment

- CFTC short is bullish
- Tariffs, China and falling CNY very bearish



# US dollar

- Raging bull overbought
- Still strong underpinning on Trump agenda
- But, some shifts as bond vigilantes bring the heat
- Productivity superboom as China goes bust
- Scott Bessent the unknown?



## Choose themes to screen from your portfolio away from (i.e. remove stocks)

Climate Change

War

Human Rights

Health

Vices

Animal Rights

Religion

Asset Class

Thematic

### Climate Change

- No Fossil Fuels (Worst Offenders) ⊙
- No Fossil Fuels (Any) ⊙
- No Coal Seam Gas or Fracking ⊙
- No Nuclear Power ⊙
- No Old Growth Forest Logging ⊙

# Personalise Your Portfolio

## Screens

You can exclude the below to customise your portfolio

Climate Change	War	Human Rights	Health	Vices
Animal Rights	Religion	Asset Class	Thematic	

- No Fossil Fuels (Worst Offenders) ?
- No Fossil Fuels (Any) ?
- No Coal Seam Gas or Fracking ?
- No Nuclear Power ?
- No Old Growth Forest Logging ?

## Tilts

You can add the below to customise your portfolio

Investment Style Factors	Climate Change	Technology	
Consumption	Commodities	Military	GICS Sectors

- Quality Stocks ?
- Value Stocks ?
- Growth Stocks ?
- Defensives ?



Personalise your portfolio now >



# Build Your Portfolio

Need help with this page? Video Tutorial

Account Selection

Investment Choice

Risk Profile

**Build Your Portfolio**

Ethical Overlay

Review

Applicants

Bank Details

Compliance

Final Review

## Portfolio Tilts



Quality Stocks

Value Stocks

Growth Stocks

Oil & Gas Stocks

Gold Stocks

Agribusiness

Large Technology Stocks

Cloud Computing Stocks

Robotics/AI

Video Gaming

Cybersecurity

Clean Energy

Defensives

Battery Supply Chain

Nuclear Power

Defense Contractors

Travel

Luxury Goods

Logistics

Global Communication Services

Global Consumer Discretionary

Global Consumer Staples

Global Energy

Global Financials

Global Health Care

Global Industrials

Global Information Technology

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