

# September FX Markets Monthly Review

## Month in review

### Key developments

- The AUD/USD exchange rose to a year-to-date high of 0.6937 during September.
- The RBA left rates on hold at its September Monetary Policy meeting and are one of the only major central banks retaining a hawkish bias.
- The US Dollar weakened against the major currencies following the US Federal Reserve cutting rates for the first time since early 2020.

### Australian Dollar (AUD)

The AUD/USD exchange rate appreciated by 2.6 per cent in September and was largely driven by the narrowing interest rate differentials between the US and Australia. The other factor driving the exchange rate higher was China announcing a raft of stimulus measures aimed at supporting the domestic property and equity markets. These measures exceeded market expectations in both size and breadth, which triggered a significant rally in China's equity markets. Domestically, the RBA kept its cash rate unchanged at 4.35%, as expected, and noted that they are not ruling *'anything in, or out'*, but that *'near term'* cuts are not likely. Financial markets continue to anticipate a modest easing of AUD interest rates with only 16 basis points priced into the futures markets in 2024.

### US Dollar (USD)

The US Dollar weakened against all G10 currencies during the month following the US Federal Reserve's 50 basis point rate cut. Federal Reserve Chair Jerome Powell stated in the post-meeting press conference that the Fed is not in a hurry to ease policy and emphasized that half-percentage point rate cuts are not the *'new pace'*.

### Euro (EUR)

The EUR/USD exchange rate appreciated by 0.9 per cent in September. The European Central Bank (ECB) lowered borrowing costs by 25 basis points for the second time this year in September, bringing the deposit rate to 3.50%. Economists continue to expect further easing from the ECB, as European economic growth moderates further and inflation pressures continue to ease.

### Great British Pound (GBP)

The GBP/USD exchange rate appreciated by 2.1 per cent over the month. FX market participants are expecting the Bank of England will keep interest rates higher for longer, particularly relative to US and Europe. This is providing some underlying support for GBP in global FX markets. The currency is the best performing G10 currency year to date and is up 10 per cent against the US Dollar over the past year.

### Japanese Yen (JPY)

The Japanese Yen appreciated by 1.8 percent against the USD during the month. The Bank of Japan (BoJ) kept its target for its key rate at 0.25 per cent. The JPY retreated against the USD during BoJ Governor Ueda's press conference — a sign the market took the comments as a dovish surprise. However, this was quickly unwound with FX markets returning to the bigger picture of further adjustments to monetary policy in Japan.

## Market data

	SPOT RATE	ONE MONTH % CHANGE	ONE YEAR % CHANGE
<b>AUSTRALIAN DOLLAR</b>			
AUD/USD	0.6937	2.55%	7.91%
AUD/EUR	0.6215	1.69%	2.36%
AUD/JPY	99.28	0.74%	3.40%
AUD/GBP	0.5171	0.48%	-1.88%
AUD/NZD	1.0902	0.77%	1.68%
AUD/CAD	0.9369	2.72%	7.24%
AUD/CHF	0.5851	1.89%	-0.58%
AUD/SEK	7.0256	1.35%	0.09%
AUD/HKD	5.3880	2.15%	7.05%
AUD/SGD	0.8895	0.85%	1.30%
AUD/INR	58.12	2.42%	8.89%
AUD/KRW	911.38	0.90%	4.80%
AUD/TWD	22.01	1.73%	6.17%
AUD/IDR	10530	0.40%	5.73%
AUD/CNY	4.8684	1.47%	3.79%
<b>MAJOR CURRENCIES</b>			
EUR/USD	1.1161	0.85%	5.42%
GBP/USD	1.3414	2.07%	9.98%
USD/JPY	143.13	-1.76%	-4.18%
USD/CHF	0.8435	-0.65%	-7.87%
USD/CNY	7.0183	-1.05%	-3.82%

## Central bank policy rates

	CURRENT RATE	ONE MONTH CHANGE	ONE YEAR CHANGE
Reserve Bank of Australia	4.35%	0 bps	25 bps
US Federal Reserve	5.00%	-50 bps	-50 bps
European Central Bank	3.50%	-25 bps	-50 bps
Bank of England	5.00%	0 bps	-25 bps
Bank of Japan	0.25%	0 bps	35 bps
Reserve Bank of New Zealand	5.25%	0 bps	-25 bps

Market Data Source: *Macrobond*

## Savings and cost-certainty on transactions for Queensland government clients with QTC FX

### Procurement

- Dual currency quote comparisons
- Hedging guidance for overseas procurement

### Dealing Desk

- Exclusive wholesale FX rates
- FX hedging solutions

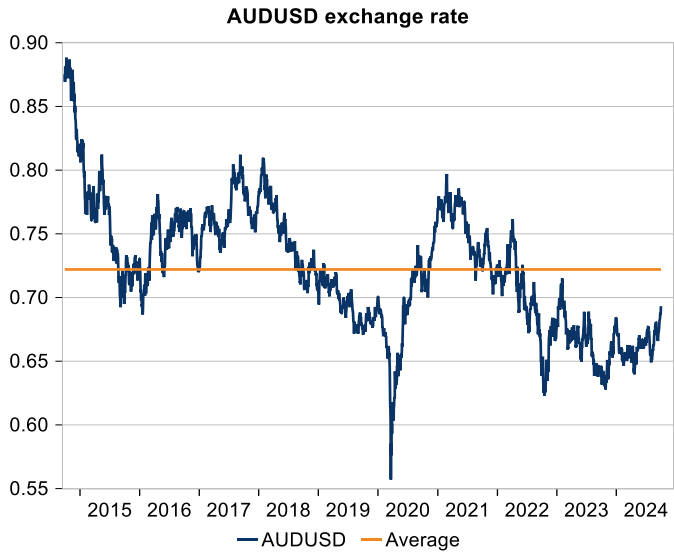
### Online Exchange

- Dedicated payment platform
- Payment tracking technology

Email [fxdesk@qtc.com.au](mailto:fxdesk@qtc.com.au) or phone 07 3842 4764 | [Click to find out more](#)

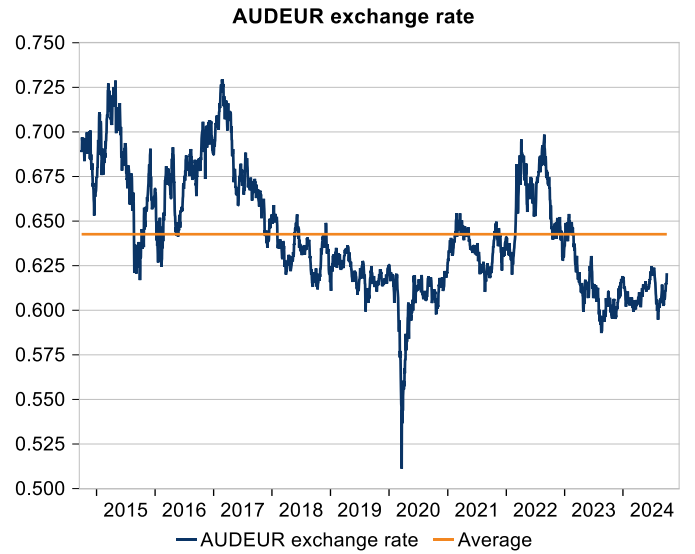
## Foreign Exchange Market Charts

AUD/USD



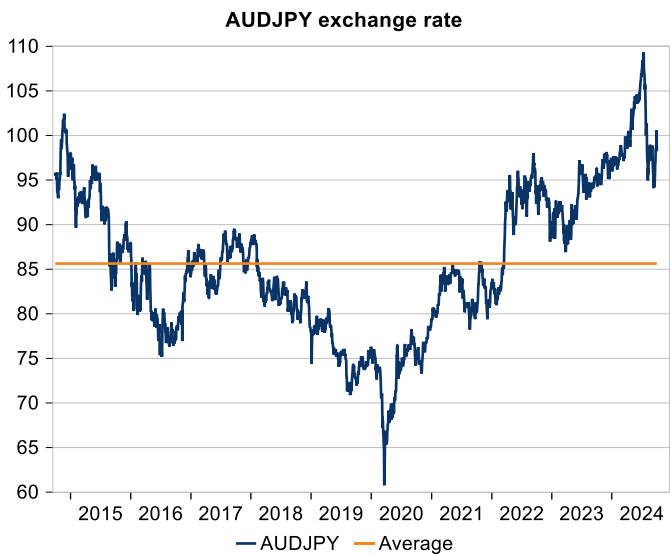
Source: Reserve Bank of Australia, QTC, Macrobond

AUD/EUR



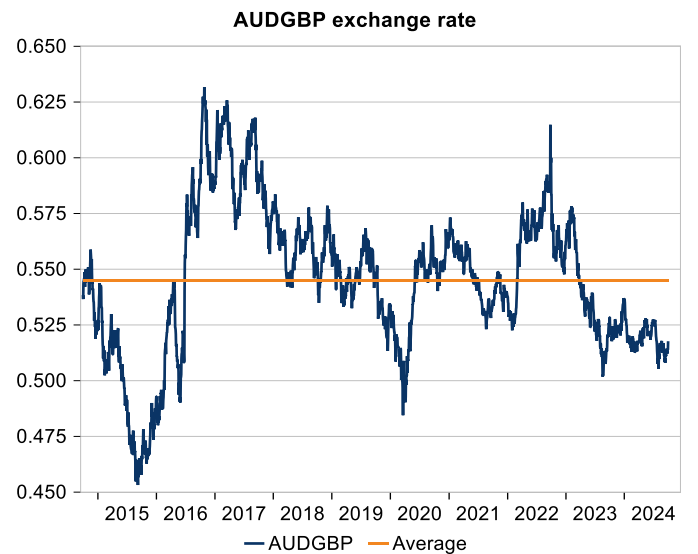
Source: Reserve Bank of Australia, QTC, Macrobond

AUD/JPY



Source: Reserve Bank of Australia, QTC, Macrobond

AUD/GBP



Source: Reserve Bank of Australia, QTC, Macrobond

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