

November FX Markets Monthly Review

Month in review

Key developments

- The AUD fell to a 4-month low of 0.6432 after US President-elect Donald Trump flagged his intention to impose a 25 per cent tariff on all products from Mexico and Canada, and an additional 10 per cent on goods from China.
- The US Dollar strengthened against most of the major currencies during the month and especially against the Euro.
- FX market volatility is likely to increase over the next few months as markets adjust to the incoming Trump administration.

Australian Dollar (AUD)

The AUD/USD exchange rate fell to a 4-month low in November due to rising US yields following Trump's re-election. China's weak economy, looming tariff threats and fears of a trade war between the US and China also weighed on the local currency. Incoming global headlines and events are likely to increase AUD volatility over the next few months. Meanwhile, domestic interest rate markets have pushed out the first rate cut by the RBA to May 2025.

US Dollar (USD)

The US Dollar strengthened against most of the major currencies during November. The US economy was outperforming even before the US election and president-elect Donald Trump's win and associated economic policies added to the bullish dollar case.

Euro (EUR)

The EUR exchange rate depreciated by 2.8 per cent in November. Markets have fully priced in a 25-basis-point rate cut by the European Central Bank (ECB) in December. This reflects increasing market concerns about the EU economic outlook.

Great British Pound (GBP)

The GBP exchange rate depreciated by 1.3 per cent over the month, despite the UK's higher-than-expected inflation data which has likely ruled out a December rate cut by the Bank of England. Currently only 2 basis points are priced in for this year. Bank of England Deputy Governor Clare Lombardelli said she needs to see more evidence of cooling price pressures before she backs another interest-rate cut.

Japanese Yen (JPY)

The JPY appreciated by 1.3 per cent in November amid heightened expectation of a rate hike next month. In addition, increasing FX market volatility also puts the so-called Yen carry trade under pressure, which adds to the Japanese Yen buying particularly across key Yen cross rates such as AUDJPY, EURJPY and GBPJPY.

Other notable developments

The international economic and political climate is still highly uncertain, and the potential implications of a Trump Presidency are continuing to dominate markets. China's economic activity data for October were mixed, with no clear sign of a stimulus-driven improvement in economic conditions.

Market data

	SPOT RATE	ONE MONTH % CHANGE	ONE YEAR % CHANGE
AUSTRALIAN DOLLAR			
AUD/USD	0.6513	-0.59%	-1.68%
AUD/EUR	0.6171	2.28%	1.66%
AUD/JPY	97.87	-1.90%	-0.09%
AUD/GBP	0.5127	0.69%	-2.04%
AUD/NZD	1.1015	0.07%	2.65%
AUD/CAD	0.9121	-0.11%	1.47%
AUD/CHF	0.5740	1.29%	-0.51%
AUD/SEK	7.1088	1.48%	2.49%
AUD/HKD	5.0685	-0.50%	-2.04%
AUD/SGD	0.8734	0.78%	-1.27%
AUD/INR	55.10	0.01%	-0.26%
AUD/KRW	911.04	0.91%	5.87%
AUD/TWD	21.17	1.11%	1.95%
AUD/IDR	10328	0.28%	0.26%
AUD/CNY	4.7168	1.13%	0.41%
MAJOR CURRENCIES			
EUR/USD	1.0555	-2.81%	-3.28%
GBP/USD	1.2703	-1.27%	0.37%
USD/JPY	150.27	-1.31%	1.62%
USD/CHF	0.8813	1.90%	1.19%
USD/CNY	7.2417	1.73%	2.13%

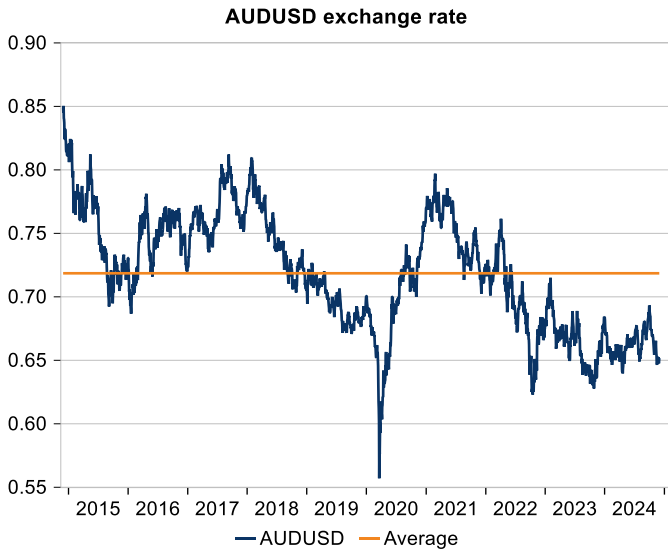
Central bank policy rates

	CURRENT RATE	ONE MONTH CHANGE	ONE YEAR CHANGE
Reserve Bank of Australia	4.35%	0 bps	0 bps
US Federal Reserve	4.75%	-25 bps	-75 bps
European Central Bank	3.25%	0 bps	-75 bps
Bank of England	4.75%	-25 bps	-50 bps
Bank of Japan	0.25%	0 bps	35 bps
Reserve Bank of New Zealand	4.25%	-50 bps	-125 bps

Prices sourced from Macrobond and are correct at the time of publication

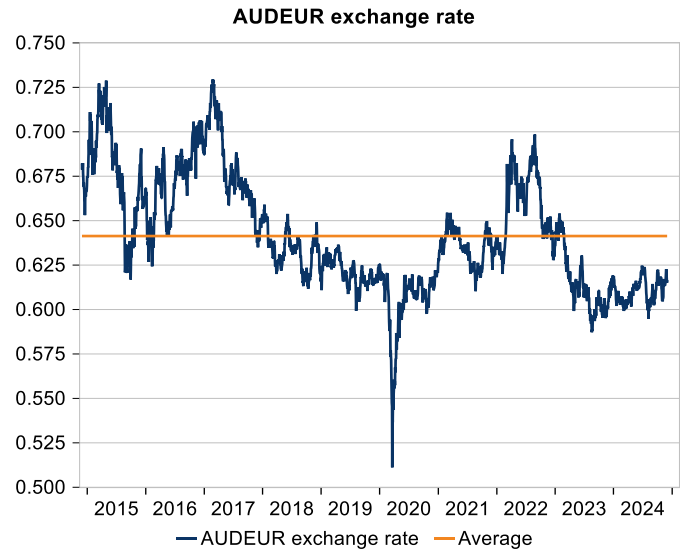
Foreign Exchange Market Charts

AUD/USD



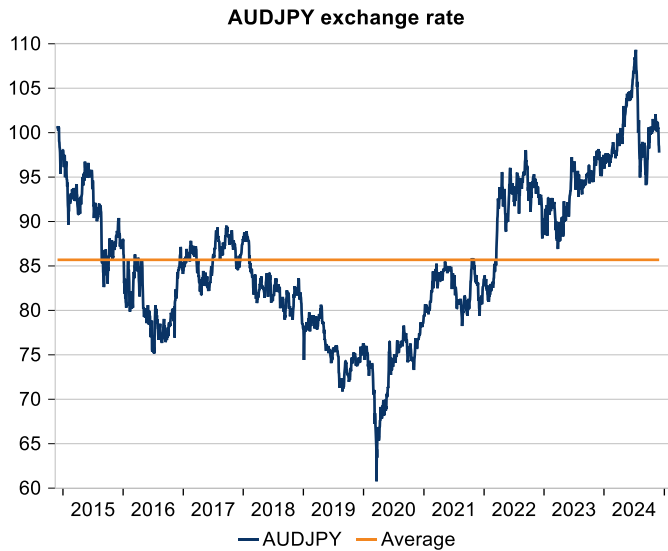
Source: Reserve Bank of Australia, QTC, Macrobond

AUD/EUR



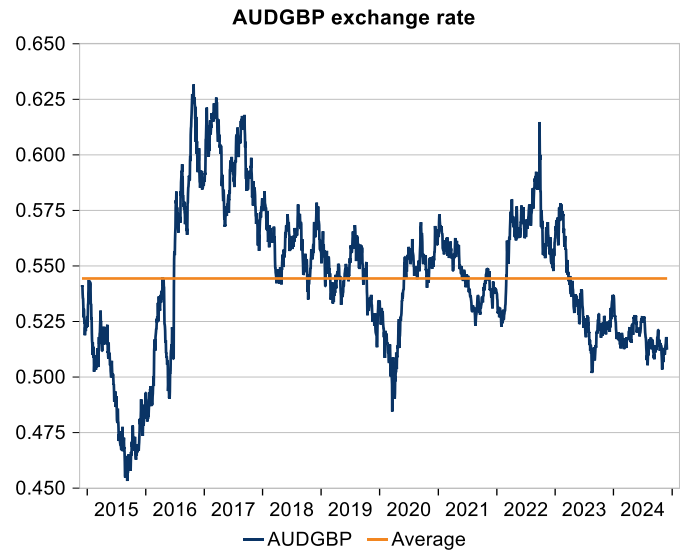
Source: Reserve Bank of Australia, QTC, Macrobond

AUD/JPY



Source: Reserve Bank of Australia, QTC, Macrobond

AUD/GBP



Source: Reserve Bank of Australia, QTC, Macrobond

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