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AUSTRALIAN DOLLAR, A SCENT OF ANXIETY AS DOMESTIC DATA AND NEW LOCKDOWN UNDERWHELMING

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"Whatever you are, be a good one." — Abraham Lincoln

The News

The Australian Dollar languished to \$0.7160 from the recent 18-month peak at \$0.7242 last week on recent renaissance of the U.S dollar, while sluggish domestic data underlined the economic damage being done by the new lockdown in Victoria, Australia's second most populous state.

The sour economic news from Australia unleashed a scent of anxiety this week, with NAB business survey out Tuesday showed confidence took a turn for the worse in July and consumer confidence falling sharply in August, while Annual wage growth data on Wednesday slowed to its lowest on record in the June quarter, highlighting the weak outlook for incomes and spending power in the domestic economic recovery.

Elsewhere in the financial markets, the U.S dollar has trimmed some of its losses, as risk sentiment took a toll after a top U.S senate official said negotiations in Congress on an additional stimulus package for the virus pandemic have not progressed, while U.S.-China tensions stayed frosty after President Donald Trump's ban on TikTok and WeChat last week.

Technical outlook - The AUD/USD Chart highlights scope for a deep corrective decline

