



Trump and the USD Lead the Way to Blue Skies for Australian Gold and Silver Prices

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The anticipated appreciation of the Greenback bodes very well for gold and silver prices on the Australian market. With the Australian Dollar to United States Dollar exchange rate at 0.6518, gold currently trades at \$4,102.34 indicating a 3.5% increase in the last week, silver is at \$47.67 with a 2.6% increase in the same time, and platinum is \$1,501.21. This exchange rate has been a critical indicator for Australian precious metal prices, with both gold and silver enjoying gains above 32% over the last 12 months.

Enter the “Trump Turbulence” factor: Donald Trump has been a consistent source of uncertainty in global politics and finance. His bold and unpredictable actions have often caused disruption in markets, and as he prepares for a second term, it’s expected that his influence will continue to keep both political opponents and financial markets on edge. While much of the media attention around Trump’s leadership focuses on the drama and unpredictability of his decisions, it’s important



to look beyond the mainstream focus when considering the markets—especially for investors in gold and silver.

For those holding precious metals in the Australian market it is not just Trump’s handling of geopolitical events that will influence the price of gold and silver. A key factor to watch is the Australian Dollar (AUD) against the US Dollar (USD), as it directly impacts the local price of gold and silver. The below graphs illustrates the current trend for the AUD/USD exchange rate points to further devaluation of the Australian Dollar. If the trend continues, we could see a breaking point in the coming years where support and resistance intersect. At this point the AUD will either strengthen or weaken significantly against the USD. This is something to watch closely as it could have a direct impact on the value of precious metals in the Australian market.

Australian Dollar to the United States Dollar



When looking at the broader picture, it’s important to consider the US Dollar Index (USDIX), which measures the value of the USD against a basket of major international currencies. As discussed in our **last article**, Trump’s unpredictability, as much as it is welcomed by gold and silver, will have little impact on the macro-economic trends dictating the ebb and flow of the US Dollar Index and the price of



precious metals alike. Right now, the trends within the USDX suggests that the Greenback is more likely to strengthen than weaken in the near term. While Trump's unpredictability may continue to stir volatility in financial markets, it is the macroeconomic forces that will have the most significant impact on the value of the US Dollar. If the USD strengthens, it could put downward pressure on the Australian Dollar leading to a potential decline in value.

For Australian investors, this means that the value of gold and silver is likely to increase in local markets as the AUD weakens against the USD. While we cannot predict exactly how low the Australian currency could go, what is clear is as the AUD declines against the Greenback, the price of gold and silver in Australia is set to rise. This presents a potential opportunity for those looking to hedge against currency risks and protect their wealth in uncertain times.