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| **Press release****For immediate release****July 9, 2015** | Michelle HutchisonHead of PR & Money Expertfinder.com.au+61403 192 994+61 2 9299 7602Michelle@finder.com.au |

**Brace yourselves: Australian dollar set to plummet to six-year low by end of 2015**

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| * [finder.com.au](http://www.finder.com.au/) Australian Dollar Survey: experts forecast the future of our national currency
* Australian dollar set to fall to 71 U.S. cents by end of this calendar year, and 67 U.S. cents this cycle
* Australians to brace for impact: higher costs for summer holidaymakers
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**JULY 9, 2015, SYDNEY, AUSTRALIA –** The Australian dollar is forecasted to hit 71 U.S. cents by the year’s end, a level not seen since April 2009, according to a new survey by one of Australia’s biggest comparison websites, [finder.com.au](http://www.finder.com.au/)[[1]](#footnote-1).

The [finder.com.au](http://www.finder.com.au/) Australian Dollar Survey of 13 leading economists and experts expect the Australian dollar to hit 71 U.S. cents by the end of 2015, which would put the dollar at its lowest point in six years – and it’s tipped to sink even further.

According to the average forecast from the survey, by the time the Australian dollar hits the bottom of this cycle it will be trading in at 67 U.S. cents, which would be a 12-year low for the national currency; it was last at 67 U.S. cents in September 2003.

The experts attributed their forecasts based on expected higher interest rates in the U.S., a weakening Chinese economy and a slower local resources sector.

Michelle Hutchison, Money Expert at [finder.com.au](http://www.finder.com.au/), said the survey findings are alarming and warns Australians to brace for higher costs that will occur as a result of a lower trading rate.

“It’s daunting to think of the impact that will come about as a result of our currency falling so dramatically. It was only one year ago (July 2014) when the Australian Dollar was buying almost 95 U.S. cents and we were trading at parity with the United States from June 2012 to May 2013.

“A lower valued currency will have significant knock-on effects for Australians, especially those heading overseas this summer, international money transfers and even overseas property investment all likely to take an even bigger toll on the hip pocket.

“For instance, if the Australian Dollar falls to 71 U.S. cents as expected, spending $2,000 Australian would be worth just $1,420 in US Dollars.”

One expert in the [finder.com.au](http://www.finder.com.au/) Australian Dollar Survey, Shane Oliver, Chief Economist of AMP Capital, is anticipating the longest current downward cycle, forecasting the Australian Dollar to continue falling until hitting 65 U.S. cents in 2018.

While this is the longest forecasted drop, four experts are expecting a more severe drop in value than U.S. 65 cents:

* Garry Shilson-Josling, AAP: 62 U.S. cents
* David Bassanese, BetaShares: 62 U.S. cents
* Ken Sayer, Mortgage House: 60 U.S. cents
* Noel Whittaker, QUT Business School: 60 U.S. cents

But not all experts agree that we’re on a downward cycle, with Linda Janice Phillips of Propell saying Australia’s cash rate is, rather, in the middle of a strengthening cycle. In fact, she expects it to climb until hitting a peak in the fourth quarter of 2015.

With much speculation surrounding the Australian dollar Mrs Hutchison is calling on Australians to start bracing for the impending drop in our currency’s value.

“If you’re one of the many Australians who [sends money internationally](http://www.finder.com.au/international-money-transfers), it could be a good idea to put a lump sum in now, as you’re likely to lose more value-per-dollar if you wait.

“Similarly, if you’ve been putting off that overseas holiday you should aim to jet-set sooner rather than later or exchange currencies now by visiting a currency exchange store or locking in your currencies using a [travel money card](http://www.finder.com.au/travel-money), if you want to receive the full benefits of a higher trading rate.”

**What a falling Australian dollar means for your money:**

* [International money transfers](http://www.finder.com.au/international-money-transfers) are likely to exchange at a lower rate, which could result in a lower amount being received overseas. Transferring sooner rather than later may offset this loss.
* Travelling to the United States is likely to result in a more expensive trip when exchanging currencies and withdrawing funds at an ATM or Bank. Look for the highest exchange rate on offer from providers before making the switch or lock in your currency exchange now using a [travel money card](http://www.finder.com.au/travel-money/cards).
* Using a [credit card for international purchases](http://www.creditcardfinder.com.au/foreign-currency-international-fees-for-credit-cards.html), such as shopping online at a foreign store, may end up costing significantly more in Australian dollars than the U.S. Dollar purchase price. Make sure to work out the conversions beforehand and use a card with no foreign transaction fees.
* [U.S. investment properties](http://www.finder.com.au/buying-overseas-property) may be harder for Australians to afford due to the difference in trading rates. Transferring savings into the States beforehand could fast track your savings and build your deposit sooner.

**What our experts had to say in the** [**finder.com.au**](http://www.finder.com.au/) **Australian Dollar Survey:**

* **Garry Shilson-Josling, AAP:** “Australian interest rates will stay steady or even fall lower while the U.S. interest rate rises. China's economy is weaker, our commodity prices weaker, and there's been chronically soft economic growth in Australia. There is also a good chance that weak employment growth, slower population growth, low confidence, buyer resistance to high prices and financial instability in China could combine to weaken housing prices in Australia.”
* **Shane Oliver, AMP Capital:** “The Australian dollar is being dragged down by the declining trend in commodity prices (i.e. our main exports) and falling interest rates in Australia relative to the U.S.”
* **David Bassanese, BetaShares:** “Our terms have got room to fall over the next year or so, our interest rates are going to lag behind the U.S., so the differential will be working against us. Our economy needs a substantively bigger currency to drive growth.”
* **Chris Caton, BT Group:** “The momentum is in the direction of hitting at its lowest level, and when the U.S. begins raising rates it will put downward pressure on the Australian dollar.”
* **Andrew Wilson, Domain Group:** “I think with the concerns around China – of course China remains a big driver of our economy – and the weakening in resource prices particularly due to concern and less demand from China will bring a lower dollar for Australia.”
* **Shane Garrett, Housing Industry Association:** “The gap between here and overseas – particularly in the U.S. – are narrow. By the end of the year, interest rates in the U.S. are likely to start going up by the end of the year, at the same time interest rates here are likely to remain very low and even decline over the same period. The second factor is commodity prices – Iron Ore is down again and this will weigh negatively on demand for Australian Dollars.”
* **Peter Jones, Master Builders Association:** “The main factors responsible for the Australian dollar hitting its lowest point include a combination of terms of trade and interest rate differentials.”
* **Katrina Ell, Moody’s Analytics:** “Assuming that China continues at the levels they're at, they're expecting a 7 percent target GDP growth – assuming that happens, we're not going to see a rebound in Iron Ore prices and that will really keep downward pressure on the Australian Dollar.
* **Ken Sayer, MortgageHouse:** “The demand for resources is low, which also brings down the pricing of said resources.”
* **Jessica Darnbrough, MortgageChoice:** “We have seen the Australian dollar slide significantly off the back of the Greek debt crisis, so really where it will end up is anybody's guess at this point. What we see from here on in – the result of the Greek crisis, what that 'no' vote in the referendum means – will determine a lot of how our dollar will go.”
* **Linda Janice Phillips, Propell:** “Everyone is discussing interesting interest rates in the U.S. – I'm inclined to think they'll take longer to start raising interest rates, and when they do the increments are going to be quite small. I don't see them significantly raising rates until mid-next year.
* **Noel Whittaker, QUT Business School:** “The U.S. economy is strengthening, with their rates also rising, which will be a main factor responsible for the Australian Dollar hitting its lowest level in this cycle.”
* **Janu Chan, St. George Bank:** “The U.S. Dollar’s strength and the Federal Reserve looking to raise interest rates later this year will be main factors responsible for the Australian Dollar reaching a low point.”

**Please note:** the above respondents are ordered alphabetically by name of organisation.

**Disclaimer:** the comments, forecasts, projections and other predictive statements by the panel of experts are assumptions based on currently available information. These forecasts are based on industry trends and economic factors that involve risks, variables and uncertainties. No guarantee is presented or implied as to the accuracy of these forecasts and consumers are advised to read product disclosure statements and understand if financial products are right for them before signing up.

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1. Experian Hitwise since 2013 [↑](#footnote-ref-1)