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## ASX Flat as Aussie Dollar Gains on US Tariff Relief

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— Categories: Finance



The Australian share market closed flat as the Australian dollar rose to \$0.647, driven by optimism over Australia's exemption from new United States (US) tariffs, though global trade concerns persist.

On August 4, 2025, the S&P/ASX 200 index, representing the Australian Stock Exchange (ASX), ended the day nearly unchanged at 8,662 points, reflecting cautious investor sentiment despite the Australian dollar climbing to \$0.647, according to ABC News. The currency's strength followed Australia's exemption from escalated US tariffs, with the White House maintaining a 10% baseline rate on Australian exports, as confirmed by Trade Minister Don Farrell on July 31, 2025, per The Guardian. This decision, sparing Australia from harsher levies faced by Canada (35%) and China (34%), bolstered market

confidence, particularly for exporters like CSL Limited, whose pharmaceutical products remain tariff-exempt, per a company statement to the ASX.

However, the flat ASX performance signals lingering concerns over global trade disruptions. Commonwealth Bank of Australia (CBA) analysts noted that only 6% of Australia's exports go to the US, limiting direct tariff impacts, but a slowdown in China, hit with a 34% US tariff, could indirectly hurt Australian miners like BHP Group Limited and Rio Tinto Limited, as highlighted by Morningstar. ANZ Bank's commodity strategist Mark Hansen told Reuters that falling copper prices, spared from a 50% US tariff, could still pressure Australian miners due to global demand shifts. Liberal Party Member of Parliament (MP) Angus Taylor criticized the Australian Labor Party government's \$315 billion in new spending since 2022, arguing it fuels inflation and undermines economic stability, per Treasury data.

Despite the tariff relief, investor caution prevailed. The Australian Industry Group (Ai Group) reported a deepening contraction in industrial activity in July 2025, citing trade policy uncertainties. National Farmers Federation President David Jochinke emphasized the beef sector's \$4.16 billion US export market, urging diversification to mitigate risks, per Reuters. Meanwhile, ResMed shares hit a record high after reporting \$2.09 billion in quarterly revenue, up 10% from 2024, showing resilience in tariff-exempt sectors like medical devices, per ABC News. As global trade tensions persist, with China's retaliatory tariffs on US goods adding uncertainty, the ASX's flat close reflects a market balancing relief with vigilance.