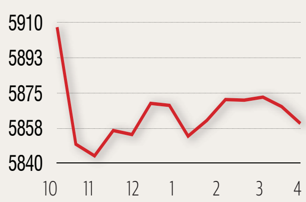
ASX 200	ALL ORDINARIES	BEST ASX 50	WORST ASX 50	$A	OIL BRENT	IRON ORE
		SONIC HEALTH	OIL SEARCH LTD	US CENTS	$US PER BARREL	$US PER TONNE
5859.40	6038.90	$32.53	$2.85	72.82¢	$39.72	$126.77
-49.10 -0.83%	-51.10 -0.83%	+.53 1.66%	-.11 -3.72%	+0.04 +0.05%	-0.90 -2.21%	-0.01 -0.00%

Australia's share market has finished lower after US markets fell on more selling of big-name stocks.



struction of the rock shelters.

It has stripped Mr Jacques, Mr Salisbury and Ms Niven of about $7m worth of short-term bonuses.

Mr Thompson said the question for the group was "who was best placed to lead the necessary changes?"

"And the point of our engagement over the last couple of weeks was to listen to the views of our stakeholders, and it became clear in our engagement that this question of individual accountability really was hindering our ability to rebuild trust," he said.

"And if those three individuals do not have the confidence of critical stakeholders to lead the required changes, then clearly we have to move on and we have to make sure we put people in those roles who will have that confidence; and we can start repairing the damage that has been done to our reputation and to our relations with the traditional owners."

The management shake-up came after the federal government's $160bn Future Fund added its voice to the push for stronger action from the Rio board.

In a rare move, Future Fund representatives are understood to have confronted Mr Thompson with their concerns in recent days.

Heavyweight superannuation fund AustralianSuper had also agitated for a stronger response to the scandal.

In a statement on Friday, chief executive Ian Silk said the fund was "satisfied that appropriate responsibility has now been taken by executives at Rio Tinto".

"Rio can now work with traditional owners to guarantee that its processes are appropriate for the protection of culturally important sites, and that it has the right internal accountabilities," he said.

THE AUSTRALIAN

Strength in Aussie at whim of greenback

ANDREW MACKEN

IS the Aussie strong or the greenback weak? Large moves in global currency markets are always worth pondering.

They don't happen all too often and usually reflect large, global, macroeconomic changes that investors ought to keep an eye on.

The recent strength in the Aussie dollar is an interesting case in point.

Putting aside the large dip and rebound in March and April, the Aussie has continued to appreciate by about 10 per cent in the past three months against the US dollar.

This is a significant move and, as noted by RBA governor Philip Lowe recently, the Aussie dollar "has appreciated to be around its highest level in nearly two years".

As always, there are a number of countervailing forces on the Aussie dollar.

First, with travel restrictions in place, foreign visitors cannot easily come to Australia and consume — a clear headwind for the currency.

On the other hand, Australia's exports of commodities — especially our high-quality iron ore which has no global substitute and the demand for which is quite inelastic (meaning the quantity demanded is not materially impacted by higher prices) — have been booming.

China, the world's largest customer of iron ore, has been stimulating investment in infrastructure and real estate to help boost its economy post COVID-19, pushing up demand for steel and, in turn, iron ore.

At the same time, production out of Brazil was negatively impacted by the pandemic, pushing iron ore prices to levels not seen since 2013.

The net result was an Australian trade balance that increased to its highest-ever surplus, providing upward pressure on the currency as importers demanded more Aussie dollars to pay for their purchases.

It is interesting to observe, however, that the Aussie dollar hasn't really appreciated against other major currencies, such as the euro or the renminbi, over the last three months.

Indeed, the primary driver of Aussie "strength" over this period has in fact been US dollar "weakness".

Why is this?

ONE important reason relates to the enormous degree of US government fiscal spending in the wake of COVID-19.

In recent days, the Congressional Budget Office projected a federal budget deficit of $US3.3 trillion in 2020 — more than triple the shortfall recorded in 2019.

At 16 per cent of GDP, this annual budget deficit would be the largest since 1945.

Fiscal spending of this magnitude typically kills the national savings rate (defined in this case as aggregate production, less aggregate consumption) since the spending is a form of government consumption.

And this typically results in downward pressure on the economy's current account (which, in turn, is dominated by the trade account), which is the difference between national savings and national investment.

It is perhaps not surprising, therefore, that the US trade balance has plummeted.

In July, the US trade deficit increased to its highest level in 12 years. And this excess demand for foreign purchases typically pushes down the US dollar against foreign currencies.

So where to from here? The truth is: no one really knows. But here are some general guidelines to making sense of possible future developments.

If US politicians pass another multitrillion-dollar stimulus package, this would likely add further downward pressure to the US dollar.

If the US dollar continues to weaken, it remains to be seen if non-US economies, particularly export-led economies, can sustain their recoveries with elevated domestic currencies — or if they will choose to intervene in their currency markets.

And finally, if any tail risks emerge, a flight to "safety" would likely see the US dollar appreciate yet again.

Whatever happens in the future, Australian investors can at least enjoy the increase in their global purchasing power for the time being.

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Banks admit silencing harassment claims

LEGAL

GERARD COCKBURN

TWO of the nation's major banks have admitted to issuing gag orders for sexual harassment complaints made by employees in at least the past three years.

Westpac and National Australia Bank have confirmed nondisclosure agreements were put in place for a number of staff who reported claims of sexual misconduct and harassment. The admission was made at a House of Representatives economic hearing on Friday.

The revelation follows sexual misconduct scandals at both AMP and QBE, which led to two executives being toppled last month.

Senator Deborah O'Neill told parliament in August that a former AMP employee was threatened with being sacked if she did not sign a nondisclosure agreement.

NAB chief executive Ross McEwan told the hearing, nine such agreements were signed by employees in the past three years, of which five of the orders were requested by the complainant.

The other four were either at the request of the bank or mutually agreed upon, he said.

Westpac chief Peter King said the bank would not force employees to sign binding nondisclosure agreements, but he was unaware how many gag orders were in place.

The Commonwealth Bank and ANZ told the same committee on September 4 they had no known nondisclosure agreements relating to sexual misconduct.

Suncorp to swing axe

JOBS

SUNCORP is expected to cut up to 550 jobs following its announcement it will close 19 branches.

On Wednesday the bank and insurance group announced the closures, saying in-branch transactions had dived 10 per cent since the start of the year and 60 per cent since June 2016.

It will leave Suncorp with 93 branches and comes after the bank announced a new operating model in July that emphasises a focus on "greater digital capability".

On Friday, the Finance Sector Union said that as part of this new operating model, a major restructure of the Brisbane-based group would result in 550 roles being made redundant.