

# Value of Dollar Falls as Foreign Investors See Deficits Climbing

“What is going to prop up the sliding dollar?

“... Currency strategists say the dollar’s inability to capitalize on news of 337,000 jobs created in October reveals the market’s skepticism about whether a second term for President Bush will reverse deficit spending and a record current-account deficit, the broadest gauge of the nation’s balance of payments.

“Many outside the U.S. fear that last week’s election results, which returned Mr. Bush to the White House and gave Republicans firm control of Congress, will give the government even more latitude to spend, worsening the deficit.”

–*Wall Street Journal*, “Dollar Lacks Backers as Deficit Worries Dominate”  
By Silvia Ascarelli and Tom Sims  
November 8, 2004