

Global Markets

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It is understandable that investors shy away from all risky corners ahead of election. It is hard to forget Bush vs. Gore election in 2000 which was undecided until December 12th. At that time, the recount involved only one state, whereas the mail in ballots in the current context is much bigger issue - more than 96 million casted ballots early and in some states, that exceeds total votes cast on Election day.

Potential for a contested election could outweigh sentiment. Simply put, Tight election contest a risk negative, a clear result risk positive. However S&P 500's ability to hold above Sept lows foster confidence - providing a ray of hope for risk

Beyond Politics, Economic data asserted its relevance yesterday - Oct ISM reading of 59.3, the highest new orders index since 2004 and the first above-50 emp index reading since July 2019 - makes headlines .

USD rose but pace slowed. Technically, Positive setup targets test of 94.77 Sept high (50% Fibo 97.81-1.74 at 94.75/77)

Interestingly, three-quarters of Euro 8.9 trillion of EZ govt bonds had negative yields at the end of October but no growth and no inflation. Europe's curbs added economic contrast with U.S. - not headed toward lockdown despite disquieting pandemic spread .Euro fell to five-week low and traded in range below 100dma - first time since May. Exp decline on break of 1.1618 for 1.1480.

USD/CNY smothered to 6.6807 as PBOC fix slipped - Bollinger downtrend channel at 6.6734 - today's close below to confirm re entry into bearish bias .

GBP/USD usually falls in the month of November -13 of the past 20 Novembers - so the omens aren't great. Brexit headlines - familiar refrain .1.2860/67 Oct range base & 61.8% Sep-Oct held on close. Close above 1.2977 -21dma to negate downside .

USD/JPY -quasi-triple-bottom near 104 in July, Sept & Oct - 104.65-104.79 now . Japan holiday. 38.2% Fibo @104.77/82 -break for move past 105.05 into 105.50 .

USDINR stays around 74 40 pivot - evident reluctance of the market to accelerate the rise whereas overextended shorts - hence isolated from the global stream- bullish bias in tact - close abv 74.43 200 dma to sustain. bids : Obj 74.89 so long abv 74.20