

Global Markets Outlook- 04 Nov 20

Trump surprises markets yet again - risk-fx doesn't like the smell of it. It has been the stairs up and express elevator down for Fx Risk. Stocks reaction less severe though equally choppy

Markets brace for contested or delayed result which will increase volatility - have taken a step back from Democratic sweep scenario. Latest leg down in risk is on betting markets now pricing very much a Trump win. The move extended after a newswire headline cited online betting shop Smarkets showing Trump pulling ahead, implying a 52% chance of winning.

Either a Trump win or a divided Congress that would leave Biden unable to advance his agenda- markets have not factored either of these outcomes . 94.70 objective .

EURUSD swinging wildly in its new range . Break of 1.1618 to see deeper decline . To stay in 1.1620 1.1680 range for the day ?

PBOC has been putting anchors on rapidly rising yuan. First RR move early October- then suspending counter cyclical factor. Dont fight PBOC is the learning . Relentless surge in USD/CNY . Ant IPO suspension uncertainty too- pair may be anchored . But for now , 6.8250 beckons.

EU, UK to continue Brexit talks - key issues unresolved. Bounce off 1.2860 turned the downside bias to neutral but the range stays on tact for now.

USD/JPY as high as 105.35, off some from highs . Kuroda reiterates will ease without hesitation if needed. Reiteration of policy in place, no change in BoJ mantra. Range 104.50 105.50 well anchored despite noise

USD/INR poised to break 74.50 resistance & test 74.83, 50% of Apr-Sept drop. Bids continued despite the risk on fx markets yesterday after on shore close suggesting that markets fear being wrong again . This move could continue farther - significantly strong technical indications for sustained upmove.