

## **Thiagu's Blog Global Market Outlook-19 Nov 20**

Markets are back to pondering short-term negatives vs longer-term vaccine positives and that triggers volatility.

Pandemic continues to aggressively expand -Seven-day average for new cases in US hit 150,000, while the total death toll reached 250,000. Whereas vaccine news is positive medium-term impulse, short term prospect of imminent stalling of global recovery weighs on sentiment.

US housing starts rose 4.9% stronger than the 3.2% expected, and following a 6.3% gain in Sept. 92.64 falling 10dma is pivotal resistance but 92.20 held - indication of firmer dollar but FX seeing cross flows dominating with no single driving factor.

Euro has closed within 5 pips of 1.1855 for the last three days as the market struggles to focus on a single theme. Inter-EU bickering on the budget - possible delay on Recovery Fund at a time when pandemic is raging - EUR vulnerable., more so with Dec ECB set for large accommodation. Lagarde to speak today.

USD/CNY opened with firm tone, rises to 6.5650 from 6.5590. Bearish bias to negate on today close above 6.5875.

EU demands no-deal plans be published - Times. This story does not imply that there will not be deal but seen as precautionary measure. Consensus that a deal will be made, though differences .1.3209 -10dma, a recent trend base - break of which to see larger plunge .1.3269 resistance.

Bear sentiment grows after USD/JPY pierces the 76.4% Fib of 103.18-105.68  
Pair falls further below 10dma -implies bear momentum. Rally sellers have had few chances to sell, bounces have been shallow. 103.18-20 double bottom Nov 6-9, lowest since plunge in March to 101.18

USD/INR-Whipsaws galore as markets fail to second-guess RBI- however no damage to the structure - last piece of the chunky flow today and dips to stay supported. Claw back to 74.35 close to indicate 74.85 test soon.