



IMMEDIATE FX FORECAST AFTER THE US ELECTION RESULT

October 26, 2020

The Blue Wave – The Joe Biden Win

Polling currently sees the chances of a Democrats wins over the three layers of this election – (The Senate, the House of Representative and the Presidency) as the most likely possibility. Currently the Democrats hold the House of Representatives but would need to win both the Senate and the White House to hold control over all elected chambers of the US government. Apparently polling markets are pricing in about 65% chance of this happening on November 3rd.

Immediate forecast after the election outcome

Tentative opening range on Nov 4th

USDINR	72.90 - 73.30
EURUSD	1.1903 - 1.2025
GBPUSD	1.3210 - 1.3345
EURINR	87.10 - 87.75
GBPINR	97.20 - 97.60

Divide and lock – The Biden’s win but may not take-over the Senate

The 2nd scenario looks at the chances that Biden replaces Trump as President but the Republican are able to hold on to the Senate but with the House of Representatives staying in possession of the Democrats. This is currently priced at around 20% probability by polling markets. Typically, we would see at least one chamber remains in opposition control.

Tentative opening range on Nov 4th

USDINR	73.60 -74.10
EURUSD	1.1710 - 1.1800
GBPUSD	1.2950 - 1.3040
EURINR	85.80 - 86.60
GBPINR	94.30 - 95.10

Trump’s Bounce back – A big surprise

The final scenario that we think could happen is Trump and the Republicans holding on to the White House and the Senate respectively. This would be a huge turn-up for the Trump campaign given the state of polling currently and we assign a 15% chance to this outcome. We believe that there is a 0% chance of the Republicans taking control of the House of Representatives.

Tentative opening range on Nov 4th

USDINR	74.50 - 75.00
EURUSD	1.1530 - 1.1590
GBPUSD	1.2580 - 1.2650
EURINR	85.80 - 86.60
GBPINR	94.30 - 95.10

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