
Carlsquare/Vontobel weekly trading note: USD and interest rates in focus

This week's US presidential election could have an impact on the SEK against the USD. In our view, a Trump victory would trigger a short SEK/USD position, while the opposite, a Harris victory, would call for a long SEK/USD position. This week will also be influenced by interest rate announcements from the Fed, the Bank of England and Sweden's Riksbanken.

US interest rates have risen, and the US dollar has strengthened in October ahead of the presidential election. The market has thus partially priced in a Trump victory, which is expected to lead to inflationary policies and higher budget deficits. The general view is that if Trump wins, the USD will become more attractive, leading to a sell-off in other smaller currencies such as the SEK. If Harris wins, the opposite would be true, with traders likely to jump into smaller currencies such as the SEK.

For Q3 2024 (with around 350 S&P500 companies reporting), 75% of companies have reported a positive earnings surprise, while 60% have reported a positive revenue surprise. We have also received Q3 2024 results from 80 Swedish OMX companies as of Thursday 31 October 2024. Of these, only 46% beat consensus estimates, while 51% missed expectations.

Please find out more in our weekly letter on certificates Vontobel.com: [Read the weekly newsletter here](#)

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