

Morning Call

Geneva, June 10, 2021

Market Corner

Asian stocks rose Thursday as U.S.-China talks helped sentiment and bolstered the offshore yuan. Treasuries rallied ahead of a U.S. inflation report that may provide clues on the monetary policy outlook.

Japanese, Chinese and Hong Kong shares advanced along with U.S. equity contracts. The S&P 500 again flirted with a record before slipping, continuing a pattern of range-bound trading also evident at a global level.

The offshore yuan climbed after the Chinese and U.S. commerce ministers agreed to push forward trade and investment links in their first call since the start of President Joe Biden's administration. Separately, Biden revoked Trump-era bans on TikTok and WeChat. He ordered a review of software apps from foreign adversaries and action against those that pose a security risk.

The 10-year Treasury yield extended a slide below 1.5%, signaling support for the view that the rebound from the pandemic will stoke only a transient bout of elevated inflation. Australia's 10-year yield declined.

Traders are waiting to see if the upcoming U.S. inflation print changes perceptions of when the Federal Reserve might begin talks about tapering asset purchases. Global equities for now are hovering around an all-time high. Meme-stock frenzy and gyrations in cryptocurrencies are among the few sources of pronounced volatility.

Here are key events to watch this week:

- Apple holds its annual Worldwide Developers Conference (WWDC) virtually for a second year, to announce new hardware and software and work with developers. Through June 11.
- European Central Bank decision on Thursday and press conference with President Christine Lagarde.
- Iran nuclear deal talks reconvene in Vienna Thursday.
- U.S. consumer price index on Thursday.
- Group of Seven leaders' summit starts in Cornwall, England Friday.

US 10Y Govt Bond		Net Change
Price	Yield	0.08
101.3281	1.4806	
EU 10Y Govt Bond		Net Change
Price	Yield	0.03
102.4630	-0.2510	
Indices		% Change
Euro Stoxx 50	4 096.85	0.02
CAC40	6 563.45	0.19
FTSE	7 081.01	-0.20
DAX	15 581.14	-0.38
SMI	11 788.10	1.13
Dow Jones	34 447.14	-0.44
S&P500	4 219.55	-0.18
Nasdaq Comp.	13 911.75	-0.09
VIX (Volatility Index)	17.89	4.80

Source: Refinitiv / Bloomberg



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Crypto Corner

While a Senate Banking Committee hearing ostensibly focused on central bank digital currencies, bitcoin's role in the ecosystem drew much of the attention.

U.S. lawmakers may be warming to a central bank digital currency (CBDC).

But while CBDCs drew some of the attention during Wednesday's Senate Banking Committee hearing, the issues around bitcoin (BTC, +13.6%) drew far more attention from the group of lawmakers, led most vocally by Sen. Elizabeth Warren (D-Mass.).

The Subcommittee on Economic Policy, chaired by Warren is likely going to hold further hearings on the cryptocurrency sector as well, the lawmaker told Bloomberg.

The hearing presented one of the sharpest criticisms of bitcoin from U.S. lawmakers to date, even as smaller countries like El Salvador move to accept the cryptocurrency as legal tender. Warren's views are likely a preview of how the issue may be discussed in other upcoming hearings, with counterparts in the House of Representatives holding a similar discussion next week.

Crypto Market Cap: [\\$1.59T](#)

24h Vol: [\\$123.2B](#)

Dominance: [BTC: 43.0%](#) [ETH: 18.4%](#)


Bitcoin		36 826.12
Support	Resistance	
31 034.73	39 497.78	
26 798.34	43 724.44	
Circulating Supply (BTC)		
		18 731 306.00
Market Cap		
\$		686 736 978 917.00

Ethereum		2 536.15
Support	Resistance	
2 170.65	2 791.07	
1 911.81	3 152.65	
Circulating Supply (ETH)		
		116 228 927.00
Market Cap		
\$		294 071 242 033.00

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 COINBASE:BTCUSD, 1D 36823.34 ▼ -580.52 (-1.55%) O:37404.75 H:37685.00 L:36555.00 C:36824.23



Source: Refinitiv / fxstreet.com / Bloomberg/Coinmarketcap.com/TradeView.com



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Commodity Corner

Gold prices were on the back foot on Thursday as the dollar ticked higher but traded in a narrow range as investors turned cautious ahead of the European Central Bank meeting and U.S. inflation data later in the day.

Spot gold was down 0.1% at \$1,886.66 per ounce, as of 03:05 GMT.

Elsewhere, silver dipped 0.2% to \$27.68 per ounce, palladium was steady at \$2,777.02, while platinum slipped 0.6% to \$1,142.93.

Oil prices fell on Thursday as inventory data in the United States, the world's top oil consumer, showed a surge in gasoline stocks that indicates weaker-than-expected fuel demand at the start of summer, the country's peak season for motoring.

Brent crude oil futures were down 55 cents, or 0.8%, at \$71.67 a barrel by 03:41 GMT, while U.S. oil futures declined by 53 cents, or 0.8%, at \$69.43 a barrel.

U.S. crude oil stockpiles that include the Strategic Petroleum Reserve (SPR) fell for the 11th straight week as refiners ramped up output, but fuel inventories grew sharply due to weak consumer demand, the Energy Information Administration (EIA) said on Wednesday.

Crude inventories that exclude the SPR fell by 5.2 million barrels in the week to June 4 to 474 million barrels, the third consecutive weekly drop. But fuel stocks were up sharply, with product supplied falling to 17.7 million barrels per day (bpd) versus 19.1 million the week before.

Gasoline demand fell to 8.48 million bpd in the week to June 4, down from 9.15 million bpd from the week before, but up from 7.9 million bpd a year ago, EIA data showed.

<u>Gold</u>	1883.71
Support	Resistance
1866	1926
1830	1952

<u>Silver</u>	27.63
Support	Resistance
26.95	28.49
26.21	29.29

<u>Oil - WTI</u>	69.50
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<u>Nat Gas (HH)</u>	3.1560
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<u>Copper</u>	4.5110
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<u>Baltic Dry Ind.</u>	2481.00
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<u>Corn</u>	693.50
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<u>Wheat</u>	679.00
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<u>Soybean</u>	1567.25
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<u>Arabica Coffee</u>	159.30
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<u>Cotton</u>	88.18
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<u>Sugar</u>	17.73
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Source: Refinitiv / fxstreet.com / Bloomberg



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FX Corner

The dollar hovered near a five-month low versus major peers on Thursday as investors looked to U.S. inflation data and a European Central Bank meeting later in the day to provide a spur for lacklustre currency markets.

Investors have adopted a wait-and-see attitude all week, sucking volatility from the market and leaving major currencies mostly range-bound.

The dollar index has fluctuated narrowly around the psychologically important 90 level and was last at 90.206 - not too far from last month's low of 89.533, a level not seen since early January.

The euro rose to a one-week high at \$1.2218 on Wednesday only to finish little changed and was mostly flat at \$1.21635 in Asia.

The yen traded at 109.565 per dollar, also little changed from Wednesday and near the middle of the 109.19-110.325 range of the past two weeks.

Deutsche Bank's Currency Volatility Index languished at its lowest level since February 2020. The U.S. Labor Department's consumer prices data has been much anticipated after last month's report showed consumer prices increased by the most in nearly 12 years in April.

That has stoked bets that higher prices could last longer than some anticipate, potentially calling into question the Federal Reserve's insistence that current inflation pressures are transitory and monetary stimulus should stay in place for some time yet.

EUR/USD remains on the back foot below 1.2200 ahead of a busy docket. The US dollar shrugs off weaker Treasury yields. The ECB eyed for economic outlook. The US CPI needs stronger-than-forecast print to keep the dollar afloat.

GBP/USD treads water above 1.4100 ahead of the London open. The US dollar remains steady and exerts pressure on the pair. Brexit concerns, Delta strain added to the British pound struggle. US inflation awaited.

Gold remains pressured for the third consecutive day below \$1900 as sellers attack weekly bottom. US dollar trades firmer while Treasury yields nurse losses, as traders await the key US Consumer Price Index (CPI) and the European Central Bank (ECB) outcomes.

EURUSD	1.2164
Support	Resistance
1.2123	1.2275
1.2036	1.2340
1.1950	1.2406

GBPUSD	1.4106
Support	Resistance
1.4029	1.4196
1.3971	1.4305
1.3914	1.4415

AUDUSD	0.7733
Support	Resistance
0.7703	0.7833
0.7608	0.7868
0.7513	0.7903

EURCHF	1.0899
	Resistance
1.0824	1.0923
1.0814	1.1012
1.0804	1.1101

USDJPY	109.5400
Support	Resistance
108.65	109.97
108.17	110.81
107.69	111.65

USDCAD	1.2114
Support	Resistance
1.2046	1.2185
1.1954	1.2232
1.1863	1.2280

USDCHF	0.8959
Support	Resistance
0.8848	0.8977
0.8821	0.9079
0.8795	0.9182

EURJPY	133.2700
Support	Resistance
132.77	134.02
132.20	134.70
131.62	135.37

USDTRY	8.5849
Support	Resistance
8.3865	8.7575
8.2110	8.9530
8.0355	9.1485

Source: Refinitiv / fxstreet.com / Bloomberg

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Event Corner

Date	Time	Country	Indicator Name	Period	Reuters Poll	Actual	Prior	SmartEstimate®	Predicted Surprise
10 juin 2021	01:01	United Kingdom	RICS Housing Survey	May	77		75	77.1	0.1
10 juin 2021	01:50	Japan	Foreign Invest JP Bonds	5 Jun, w/e			-30.1B		
10 juin 2021	01:50	Japan	Foreign Stock Investment	5 Jun, w/e			129.4B		
10 juin 2021	01:50	Japan	Corp Goods Price MM	May	0.5%		0.7%	0.58%	0.08%
10 juin 2021	01:50	Japan	Corp Goods Price YY	May	4.5%		3.6%	4.54%	0.04%
10 juin 2021	06:30	Netherlands	Manufacturing Output MM	Apr			3.1%		
10 juin 2021	07:30	France	Non-Farm Payrolls Rev	Q1			0.3%		
10 juin 2021	08:45	France	Industrial Output MM	Apr	0.5%		0.8%	0.74%	0.24%
10 juin 2021	10:00	Italy	Industrial Output MM SA	Apr	0.3%		-0.1%	0.21%	-0.09%
10 juin 2021	10:00	Italy	Industrial Output YY WDA	Apr	72.2%		37.7%	72.06%	-0.14%
10 juin 2021	14:30	United States	Real Weekly Earnings MM	May			0.2%		
10 juin 2021	14:30	United States	Initial Jobless Clm	5 Jun, w/e	370k		385k	366.5k	-3.5k
10 juin 2021	14:30	United States	Jobless Clm 4Wk Avg	5 Jun, w/e			428.00k		
10 juin 2021	14:30	United States	Cont Jobless Clm	29 May, w/e	3.602M		3.771M	3.6502M	0.0482M
10 juin 2021	20:00	United States	Federal Budget,\$	May			-226.00B		

Source: Refinitiv

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Earnings Corner

Source: Refinitiv

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