

Market Corner

Asian stocks and U.S. futures declined Thursday after Federal Reserve officials sped up their expected pace of policy tightening. The dollar and Treasury yields held gains.

An MSCI gauge of Asian shares was on track for its biggest slide in a month, though the number of stocks that rose and fell was evenly split.

Japanese stocks underperformed, while Hong Kong shares fluctuated, and Chinese equities ticked up. S&P 500 futures slipped after the benchmark closed, but off its lows as Fed Chair Jerome Powell downplayed the risk of an immediate rate increase. Policy makers disclosed that they expect two hikes by the end of 2023 and would begin a discussion about scaling back bond purchases.

Bonds sank in Australia and New Zealand after Treasury yields jumped as the market repriced the timing of rate increases. Emerging market currencies in Asia tumbled, led by the South Korean won, after a dollar index had its biggest jump in a year. Yield premiums on investment-grade dollar bonds from borrowers in Asia ex-Japan widened.

Investors Surprised But Not Shocked by Fed's Hawkish Pivot.

Investors had been looking for some clarity on the Fed's plans to dial back some of the stimulus that is helping the recovery from the pandemic. Powell said officials had begun a discussion about scaling back bond purchases after releasing forecasts projecting a faster-than-anticipated pace of tightening.

Here are some key events to watch this week:

- U.S. Treasury Secretary Janet Yellen testifies before a House panel Thursday on the federal budget
- Rate decisions come from Switzerland and Norway on Thursday
- The Bank of Japan's monetary policy decision is on Friday

US 10Y Govt Bond		Net Change
Price	Yield	-0.13
100.3906	1.5822	
EU 10Y Govt Bond		Net Change
Price	Yield	-0.48
101.5700	-0.1530	
Indices		% Change
Euro Stoxx 50	4 151.76	0.20
CAC40	6 652.65	0.20
FTSE	7 184.95	0.17
DAX	15 710.57	-0.12
SMI	11 982.03	0.50
Dow Jones	34 033.67	-0.77
S&P500	4 223.70	-0.54
Nasdaq Comp.	14 039.68	-0.24
VIX (Volatility Index)	18.15	6.64

Source: Refinitiv / Bloomberg



Morning Call

Geneva, June 17, 2021

Crypto Corner

Bitcoin dropped closer to a key support level and the Dow, and the S&P 500 pulled back after the Federal Reserve moved forward its plan for 2 interest rate hikes in 2023.

Bitcoin (BTC) price extended its losses shortly after Federal Reserve Chair Jerome Powell announced that the Fed would move forward its timeline and schedule two interest rate hikes in 2023.

Bitcoin price was already seeing weakness in the early trading hours after losing the \$40,000 level to mark an intra-day low at \$38,300. The Dow and S&P 500 also pulled back 0.77% and 0.54% respectively.

The decision comes as economists worry about rising inflation in the United States and Powell said that the Fed had raised its inflation expectation from 2.4% to 3.4%. While Powell described the current inflation spike as “transitory”, consumer prices are at a 13-year high, and analysts worry that rising inflation will impact the post-covid economic recovery.

Powell did not directly address whether, or when the Fed would begin tapering its \$120 billion monthly bond purchases but the decision to begin raising rates in 2023 suggests that the program will see cuts way in advance of 2023 in order to be carried out in a moderate fashion.

Crypto Market Cap: [\\$1.61T](#)

24h Vol: [\\$88.7B](#)

Dominance: [BTC: 45.1%](#) [ETH: 17.5%](#)

Bitcoin		38 824.93
Support	Resistance	
36 880.01	47 178.07	
28 803.47	49 399.59	
Circulating Supply (BTC)		
		18 736 843.00
Market Cap		
\$		727 037 526 860.00


Ethereum		2 421.39
Support	Resistance	
2 046.28	2 638.22	
1 855.68	3 039.56	
Circulating Supply (ETH)		
		116 324 233.00
Market Cap		
\$		281 596 181 063.00

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 COINBASE:BTCUSD, ID 38840.76 ▲ +489.76 (+1.28%) O:38351.00 H:39133.37 L:38200.04 C:38840.76



TradingView

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



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Commodity Corner

Gold prices rose on Thursday, recouping some of the losses made in the previous session after the U.S. Federal Reserve signaled it might raise interest rates sooner than expected.

Spot gold was up 0.5% at \$1,820.34 per ounce, as of 05:04 GMT. U.S. gold futures GCv1 were down 2.1% to \$1,822.

Silver gained 0.4% to \$27.08 per ounce, while palladium dropped 1% to \$2,769.98 and platinum eased 0.2% to \$1,120.77.

Crude oil prices fell on Thursday as the U.S. dollar strengthened after the U.S. Federal Reserve signaled it might raise interest rates faster than expected, but losses were limited by a big drop in U.S. crude oil inventories.

Brent crude oil futures dropped by 41 cents, or 0.6%, to \$73.98 a barrel by 0400 GMT after reaching its highest since April 2019 in the previous session.

U.S. crude oil futures fell by 39 cents, or 0.5%, to \$71.76 a barrel, after reaching its highest since October 2018 the previous day.

Gold	1813.41
Support	Resistance
1742	1848
1720	1932

Silver	26.95
Support	Resistance
26.05	27.64
25.58	28.76

Oil - WTI	71.84
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Nat Gas (HH)	3.2420
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Copper	4.3050
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Baltic Dry Ind.	3176.00
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Corn	663.00
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Wheat	662.25
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Soybean	1443.75
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Arabica Coffee	155.45
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Cotton	86.66
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Sugar	17.04
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Source: Refinitiv / fxstreet.com / Bloomberg

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FX Corner

The dollar rose to its highest level in almost two months versus major peers on Thursday after the Federal Reserve unexpectedly brought forward its projections for interest rate hikes into 2023.

The dollar index, which tracks the currency against six rivals, rose to as high as 91.484 in Asia for the first time since April 19, following a nearly 1% surge overnight, the biggest gain since March of last year.

Only New Zealand's kiwi made any meaningful headway against the dollar among major currencies on Thursday, climbing 0.6% after data showed New Zealand's economy grew much faster than expected in the first quarter. The kiwi had tumbled more than 1% on Wednesday.

The Federal Reserve on Wednesday began closing the door on its pandemic-driven monetary policy as officials projected an accelerated timetable for interest rate increases, opened talks on how to end crisis-era bond-buying, and said the 15-month-old health emergency was no longer a core constraint on U.S. commerce.

A majority of 11 Fed officials pencilled in at least two quarter-point interest rate increases for 2023, even as they pledged in their statement to keep policy supportive for now to encourage a labor market recovery.

The projections also showed higher forecasts for inflation this year, though the price increases were still described as "transitory." Overall economic growth is expected to hit 7%.

EUR/USD keeps its range around 1.2000, struggling to extend the recovery from monthly lows. US Treasury yields and the dollar consolidate recent gains as markets recheck Fed-led blow. The greenback shrugs off the US infrastructure stimulus updates. Eurozone CPI and US data eyed for fresh impulse.

The appreciative move in the US dollar keeps GBP/USD gains under check below 1.4000. The pair accumulated heavy losses after the Fed's hawkish view lifted the demand for the greenback. Delayed UK economic reopening and Brexit chaos undermine the pound.

Gold prices edge lower with substantial losses following the higher US 10-year benchmark yields. The spot price came under selling pressure after Fed Chair Jerome Powell on Wednesday spoke about inflation, the Fed's dot plot, and tapering plans.

EURUSD	1.1987
Support	Resistance
1.1862	1.2088
1.1814	1.2266
1.1766	1.2444

GBPUSD	1.3984
Support	Resistance
1.3864	1.4086
1.3811	1.4255
1.3758	1.4424

AUDUSD	0.7617
Support	Resistance
0.7512	0.7682
0.7473	0.7813
0.7435	0.7945

EURCHF	1.0901
	Resistance
1.0817	1.0927
1.0787	1.1007
1.0758	1.1088

USDJPY	110.7100
Support	Resistance
110.08	111.62
108.86	111.94
107.63	112.25

USDCAD	1.228
Support	Resistance
1.2191	1.2448
1.1980	1.2494
1.1769	1.2540

USDCHF	0.9093
Support	Resistance
0.9011	0.9175
0.8885	0.9213
0.8760	0.9252

EURJPY	132.7100
Support	Resistance
132.12	133.40
131.73	134.29
131.35	135.19

USDTRY	8.6235
Support	Resistance
8.3886	8.8868
8.0702	9.0666
7.7518	9.2464

Source: Refinitiv / fxstreet.com / Bloomberg

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Event Corner

Date	Time	Country	Indicator Name	Period	Reuters Poll	Actual	Prior	SmartEstimate®	Predicted Surprise
17 juin 2021	01:00	Japan	Reuters Tankan Man'f Idx	Jun			21		
17 juin 2021	01:00	Japan	Reuters Tankan N-Man Idx	Jun			2		
17 juin 2021	01:50	Japan	Foreign Invest JP Bonds	12 Jun, w/e			489.2B		
17 juin 2021	01:50	Japan	Foreign Stock Investment	12 Jun, w/e			67.5B		
17 juin 2021	06:30	Netherlands	Unem Rate Monthly SA	May			3.4%		
17 juin 2021	08:00	Germany	Car Registration MM	May			-21.4%		
17 juin 2021	08:00	Germany	Car Registration YY	May			90.0%		
17 juin 2021	08:00	France	Car Registration MM	May			-23.2%		
17 juin 2021	08:00	France	Car Registration YY	May			568.8%		
17 juin 2021	08:00	United Kingdom	Car Registration MM	May			-50.1%		
17 juin 2021	08:00	United Kingdom	Car Registration YY	May			3 176.6%		
17 juin 2021	08:00	Italy	Car Registration MM	May			-14.5%		
17 juin 2021	08:00	Italy	Car Registration YY	May			3 276.8%		
17 juin 2021	08:00	Netherlands	Car Registration MM	May			-1.4%		
17 juin 2021	08:00	Netherlands	Car Registration YY	May			55.6%		
17 juin 2021	08:00	Switzerland	Trade	May			3 837M		
17 juin 2021	09:30	Switzerland	SNB Policy Rate	Q2	-0.75%		-0.75%	-0.750%	0.000%
17 juin 2021	10:00	Italy	Trade Balance EU	Apr			0.384B		
17 juin 2021	10:00	Italy	Global Trade Balance	Apr			5.190B		
17 juin 2021	14:30	United States	Initial Jobless Clm	12 Jun, w/e	359k		376k	356.3k	-2.7k
17 juin 2021	14:30	United States	Jobless Clm 4Wk Avg	12 Jun, w/e			402.50k		
17 juin 2021	14:30	United States	Cont Jobless Clm	5 Jun, w/e	3.430M		3.499M	3.4386M	0.0086M
17 juin 2021	14:30	United States	Philly Fed Business Indx	Jun	31.0		31.5	31.40	0.40
17 juin 2021	14:30	United States	Philly Fed 6M Index	Jun			52.70		
17 juin 2021	14:30	United States	Philly Fed Capex Index	Jun			37.40		
17 juin 2021	14:30	United States	Philly Fed Employment	Jun			19.30		
17 juin 2021	14:30	United States	Philly Fed Prices Paid	Jun			76.80		
17 juin 2021	14:30	United States	Philly Fed New Orders	Jun			32.50		
17 juin 2021	14:30	Canada	Securities Cdns C\$	Apr			21.22B		
17 juin 2021	14:30	Canada	Securities Foreign C\$	Apr			3.25B		

Source: Refinitiv

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Earnings Corner

No Earning Scheduled

Source: [Refinitiv](#)

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