



Morning Call

Geneva, August 10, 2021

Market Corner

Asian stocks drifted Tuesday and commodity markets steadied after Monday's selloff as investors weighed talk of stimulus withdrawal and a resurgence in the delta variant. The dollar held overnight gains, while 10-year Treasury yields dipped.

Equities rose modestly in Japan, which reopened after a holiday. Stocks fluctuated in Hong Kong and China and dipped in South Korea. U.S. futures edged lower. Earlier, the S&P 500 closed little changed, while the Nasdaq 100 ticked up. Crude oil pared a decline after it touched the lowest in three weeks on concern the delta strain will hamper demand growth.

Investors mulled comments from Federal Reserve Bank of Atlanta President Raphael Bostic that the central bank should move to taper its asset purchases with another strong month or two of employment gains and proceed faster than in past episodes. U.S. inflation data this week will be closely watched after Friday's jobs report fanned expectations that unwinding will start soon.

At the same time, the spread of the highly contagious delta in corners of the world has raised concern the recovery from the pandemic will be derailed. New coronavirus cases in the U.S. surged to the highest weekly level since early February, while deaths increased the most since December.

Here are some key events to watch out for this week:

- Cleveland Fed President Loretta Mester; Kansas City Fed President Esther George among Fed speakers through the week
- The U.S. consumer price index on Wednesday is forecast to show prices increased again in July
- OPEC Monthly Oil Market Report due Thursday

US 10Y Govt Bond		Net Change
Price	Yield	0.02
102.8281	1.3152	
EU 10Y Govt Bond		Net Change
Price	Yield	0.05
104.7500	-0.4630	
Indices		% Change
Euro Stoxx 50	4 177.15	0.06
CAC40	6 813.02	-0.06
FTSE	7 132.30	0.13
DAX	15 745.41	-0.10
SMI	12 310.75	1.10
Dow Jones	35 101.85	-0.30
S&P500	4 432.35	-0.09
Nasdaq Comp.	14 860.18	0.16
VIX (Volatility Index)	16.72	3.73

Source: Refinitiv / Bloomberg



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Crypto Corner

Bitcoin (BTC) price soared to a 3-month high at \$46,293 after bulls confirmed that they intend to take full control of the market. While crypto traders might be in the green again and pro traders are looking to add larger leveraged positions, not every class of investors is looking to obtain direct exposure to Bitcoin.

Ethereum's London hard fork revives a bullish bias among retail traders, the altcoin's price struggles to keep up with the trend. On-chain analysts raise concerns as ETH price hovers around \$3000 despite market-wide euphoria. Josh Cincinnati, developer advocate BlockCypher states that ETH supply is now tied to gas demand; therefore, EIP 1559's implementation does not imply that ETH is now a deflationary asset.

Crypto Market Cap: [\\$1.84T](#)

24h Vol: [\\$109.40B](#)

Dominance: [BTC: 46.4%](#) [ETH: 19.7%](#)

Bitcoin	45 560.14
Support	Resistance
43 343.99	52 619.31
35 656.67	54 207.31
Circulating Supply (BTC)	
18 781 581.00	
Market Cap	
\$	856 296 310 356.00

Ethereum	3 111.90
Support	Resistance
2 909.28	3 692.35
2 269.79	3 835.93
Circulating Supply (ETH)	
117 043 176.00	
Market Cap	
\$	364 209 179 238.00



Source: Refinitiv / [fxstreet.com](#) / [Bloomberg/Coinmarketcap.com](#) / [TradeView.com](#)



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Commodity Corner

Gold prices rose on Tuesday after sharp sell-offs in the last two sessions, as demand for the safe-haven metal was spurred by a pause in the dollar's rally, although fears of a sooner-than-expected U.S. interest rate hike capped bullion's gains.

Spot gold was up 0.4% at \$1,735.58 per ounce by 05:23 GMT.

Elsewhere, silver gained 0.8% to \$23.62 per ounce after falling to an eight-month low on Monday. Platinum gained 1% to \$989.65, and palladium rose 0.7% to \$2,618.71.

Oil prices rose on Tuesday, edging up from a three-week low in the previous session, but gains are likely to be limited on worries that rising COVID-19 cases and restrictions in China will dent fuel demand.

Brent crude was up by 29 cents, or 0.4%, at \$69.33 a barrel by 03:59 GMT, after falling 2.3% on Monday. U.S. oil was up by 46 cents, or 0.7%, at \$66.94 a barrel, having fallen by 2.6% in the previous session.

China on Monday reported more COVID-19 infections in the latest outbreak of the disease that was first detected in the country in late 2019, in what analysts said was the biggest test of Beijing's zero-infection strategy.

Some cities in China, the world's top crude oil importer, have stepped up mass testing as authorities try to stamp out locally transmitted infections of the highly transmissible Delta variant of the coronavirus.

In the United States, the Senate is set to vote on the passage of a \$1 trillion infrastructure bill later on Tuesday, which, if passed would boost the economy and demand for oil products, analysts said. But surging cases of COVID-19 are blighting the outlook for economic growth and overall consumption.

<u>Gold</u>	1733.34
Support	Resistance
1620	1768
1578	1874

<u>Silver</u>	23.60
Support	Resistance
20.85	24.36
19.92	26.94

<u>Oil - WTI</u>	67.25
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<u>Nat Gas (HH)</u>	4.0410
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<u>Copper</u>	4.2955
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<u>Baltic Dry Ind.</u>	3371.00
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<u>Corn</u>	547.75
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<u>Wheat</u>	711.25
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<u>Soybean</u>	1439.50
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<u>Arabica Coffee</u>	182.45
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<u>Cotton</u>	91.78
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<u>Sugar</u>	18.47
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Source: Refinitiv / fxstreet.com / Bloomberg



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FX Corner

The dollar was buoyant on Tuesday, pushing the euro to a four-month low, as a run of strong U.S. job figures solidified expectations the U.S. Federal Reserve could soon start tapering its massive coronavirus-driven stimulus.

The prospect of the Fed's reduced bond-buying pushed down U.S. bond prices, lifting their yields and hitting other safe-haven assets that had benefited from low returns from U.S. debt, such as the Swiss franc and gold.

The Swiss franc has lost about 1.6% over the last two sessions against the dollar to trade at 0.9196 franc to the dollar. The franc weakened even against the single currency to 1.08045 per euro, reversing its rise earlier this month to a nine-month high of 1.0720.

Gold licked its wounds at \$1,736.5 per ounce, having lost 4% in the last two sessions and briefly falling to as low as \$1,667.6 on Monday, its weakest since April 2020.

The euro slipped to a four-month low of \$1.1732 and last stood at \$1.1739.

EUR/USD is languishing in four-month lows near 1.1730, as the US dollar clings onto the recent upside amid mixed market mood and a retreat in the Treasury yields. Hawkish Fed'speak and earlier Fed's tapering expectations buoy the greenback. German ZEW Survey awaited.

The selling pressure around GBP/USD remains unabated, as the bears seek a test of the 1.3800 level amid resurfacing Brexit concerns and persistent US dollar's strength. The dollar's price action and Brexit updates will continue to influence the pair amid a data-light calendar.

Gold attempts a bounce but not out of the woods yet. Gold is turning positive for the first time in four days, consolidating the previous recovery from five-month lows of \$1688. The bears take a breather, allowing a tepid bounce above the \$1700 mark.

EURUSD	1.1737
Support	Resistance
1.1583	1.1759
1.1570	1.1922
1.1557	1.2085

GBPUSD	1.3848
Support	Resistance
1.3735	1.3953
1.3641	1.4077
1.3547	1.4201

AUDUSD	0.7331
Support	Resistance
0.7256	0.7367
0.7230	0.7452
0.7204	0.7537

EURCHF	1.0799
	Resistance
1.0752	1.0855
1.0683	1.0889
1.0615	1.0924

USDJPY	110.3500
Support	Resistance
110.04	111.72
108.53	111.89
107.03	112.07

USDCAD	1.257
Support	Resistance
1.2521	1.2707
1.2377	1.2749
1.2232	1.2790

USDCHF	0.9195
Support	Resistance
0.9156	0.9346
0.8991	0.9371
0.8826	0.9396

EURJPY	129.5400
Support	Resistance
128.47	129.89
128.09	130.93
127.70	131.96

USDTRY	8.6402
Support	Resistance
8.6005	8.9993
8.2358	9.0334
7.8712	9.0676

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 août 2021	01:50	Japan	Current Account NSA JPY	Jun	779.8B		1 979.7B	815.97B	36.17B
10 août 2021	06:30	Netherlands	Manufacturing Output MM	Jun			1.4%		
10 août 2021	09:30	Sweden	Household Consumption YY	Jun			8.8%		
10 août 2021	09:30	Sweden	Household Consumption MM	Jun			2.6%		
10 août 2021	09:30	Sweden	New Orders Manuf. YY	Jun			32.7%		
10 août 2021	09:30	Sweden	Private Production YY	Jun			9.7%		
10 août 2021	09:30	Sweden	Private Production MM	Jun			-0.2%		
10 août 2021	09:30	Sweden	Ind Production Val YY	Jun			24.2%		
10 août 2021	09:30	Sweden	Ind Production Val MM	Jun			0.1%		
10 août 2021	09:30	Sweden	Construction Prod YY	Jun			-5.2%		
10 août 2021	09:30	Sweden	Construction Prod MM	Jun			-0.7%		
10 août 2021	11:00	Germany	ZEW Economic Sentiment	Aug	58.0		63.3	56.04	-1.96
10 août 2021	11:00	Germany	ZEW Current Conditions	Aug	32.0		21.9	32.27	0.27
10 août 2021	12:00	United States	NFIB Business Optimism Idx	Jul			102.50		
10 août 2021	14:30	United States	Labor Costs Prelim	Q2	0.9%		1.7%	0.63%	-0.27%
10 août 2021	14:30	United States	Productivity Prelim	Q2	3.5%		5.4%	3.48%	-0.02%
10 août 2021	14:55	United States	Redbook YY	7 Aug, w/e			17.2%		

Source: Refinitiv

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