



## Morning Call

Geneva, August 11, 2021

### Market Corner

Asian stocks were mixed Wednesday as investors awaited a key report on U.S. inflation. Treasuries and the dollar were steady.

Shares rose in Japan and saw modest gains in Australia and Hong Kong. China was little changed, while stocks in South Korea retreated after the country posted a record number of coronavirus cases. U.S. futures fluctuated.

Earlier, the S&P 500 climbed to an all-time high, while the tech-heavy Nasdaq 100 declined. Crude oil was steady after bouncing from a three-week low as a report showed shrinking inventories.

Data out Wednesday are expected to show prices paid by U.S. consumers grew in July at the slowest pace in five months, though remain elevated.

Investor focus on U.S. price data comes as Federal Reserve officials talk up the prospects of unwinding some of the fiscal stimulus that has helped the recovery from the pandemic. Chicago Fed President Charles Evans said he expects substantial further progress later this year on the central bank's tapering intentions.

Meanwhile, the Senate passed a \$550 billion infrastructure plan, sending the legislation to the House for a vote, though investors believe it will take years for the impact of the spending to be felt.

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	-0.16
102.4219	1.3591	
EU 10Y Govt Bond		Net Change
Price	Yield	0.00
104.6780	-0.4560	
Indices		% Change
Euro Stoxx 50	4 187.82	0.26
CAC40	6 820.21	0.10
FTSE	7 161.04	0.40
DAX	15 770.71	0.16
SMI	12 361.69	0.41
Dow Jones	35 264.67	0.46
S&P500	4 436.75	0.10
Nasdaq Comp.	14 788.09	-0.49
VIX (Volatility Index)	16.79	0.42

Source: Refinitiv / Bloomberg



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## Crypto Corner

Global investment manager VanEck has filed for a new exchange-traded fund (ETF) tied to Bitcoin after its BTC ETF has been under review and delayed by the US Securities & Exchange Commission (SEC).

VanEck filed for a new Bitcoin Strategy ETF earlier this week that would provide investors with exposure to BTC future contracts.

According to the asset manager, the Bitcoin Strategy ETF would allow exposure to cryptocurrency ETFs traded in Canada, including the crypto products from Purpose Investments and Evolve Funds Group.

VanEck previously was unsuccessful in listing a similar fund with the SEC in 2017, and the investment company has amended the application, and it has been resubmitted given the recent developments with the regulator.

SEC chair Gary Gensler recently stated that he would be more open to accepting Bitcoin-related ETFs if they are based on BTC futures rather than direct exposure to the new asset class. Gensler may have given the strongest sign of support for crypto ETFs so far.

In response to Gensler's statement, Invesco also announced its intention to launch a Bitcoin ETF without direct exposure to the leading cryptocurrency.

So far, the SEC has not accepted any Bitcoin ETF proposals and has delayed decisions and extended the window for deliberation on the matter.

Crypto Market Cap: [\\$1.89T](#)

24h Vol: [\\$110.9B](#)

Dominance: [BTC: 45.4%](#) [ETH: 19.6%](#)

Bitcoin	45 802.15
<b>Support</b>	<b>Resistance</b>
44 602.49	54 109.31
36 170.17	55 183.81
<b>Circulating Supply (BTC)</b>	
18 782 587.00	
<b>Market Cap</b>	
\$ 860 929 101 269.00	

Ethereum	3 180.50
<b>Support</b>	<b>Resistance</b>
3 048.70	3 844.04
2 347.91	3 938.59
<b>Circulating Supply (ETH)</b>	
117 055 567.00	
<b>Market Cap</b>	
\$ 372 076 833 577.00	



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



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# Commodity Corner

Gold prices edged higher on Wednesday, as worries over a surge in cases of the Delta coronavirus variant outweighed pressure from a stronger dollar and bond yields, with investors awaiting U.S. inflation data due later in the day.

Spot gold was up 0.2% at \$1,732.61 per ounce by 04:54 GMT.

Silver gained 0.2% to \$23.38 per ounce. Platinum gained 0.7% to \$1,001.76 and palladium was steady at \$2,642.69.

Oil prices dipped on Wednesday as analysts cut their forecasts for fuel demand in China following mobility curbs from the spread of the highly infectious Delta variant of the coronavirus, offsetting a bullish outlook for U.S. fuel demand.

U.S. West Texas Intermediate (WTI) crude futures fell 18 cents, or 0.3%, to \$68.11 a barrel at 05:00 GMT, after a 2.7% jump on Tuesday.

Brent crude futures dropped 16 cents to \$70.47 a barrel, following a 2.3% gain on Tuesday.

Industry data showed U.S. crude oil and gasoline inventories fell last week, while the U.S. Energy Information Administration raised its forecast for fuel demand in 2021 and said consumption in May through July was higher than expected, supporting prices.

U.S. crude stocks fell by 816,00 barrels and gasoline stocks fell by 1.1 million barrels in the week ended Aug. 6, according to two market sources, citing data from the American Petroleum Institute. Both drawdowns were a bit smaller than analysts polled by Reuters had expected.

Weekly figures from the EIA are due on Wednesday.

<u>Gold</u>	1733.62
<b>Support</b>	<b>Resistance</b>
1623	1771
1580	1876

<u>Silver</u>	23.39
<b>Support</b>	<b>Resistance</b>
20.79	24.30
19.89	26.91

<u>Oil - WTI</u>	68.17
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<u>Nat Gas (HH)</u>	4.1090
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<u>Copper</u>	4.3265
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<u>Baltic Dry Ind.</u>	3375.00
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<u>Corn</u>	551.25
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<u>Wheat</u>	722.50
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<u>Soybean</u>	1457.25
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<u>Arabica Coffee</u>	185.10
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<u>Cotton</u>	92.15
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<u>Sugar</u>	19.59
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Source: Refinitiv / fxstreet.com / Bloomberg



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## FX Corner

The dollar was poised just below this year's high against the euro on Wednesday and it struck a five-week peak against the yen ahead of U.S. inflation data, with the prospect a strong number could pressure the Federal Reserve to wind back policy support.

The greenback has enjoyed a lift from last week's impressive U.S. jobs data and from remarks by Fed officials about tapering bond buying and, eventually, raising rates, sooner than policymakers elsewhere.

Six straight sessions of gains against the euro EUR=EBS sent the common currency to its lowest since late March on Tuesday. At around \$1.1718 through the Asia session, the year's low of \$1.1704 is now within range.

The dollar index, at 92.139, is at a three-week top and near its 2021 high of 93.439. The inflation data may determine whether it tests those peaks, with a hot reading likely to stoke hike expectations and provide support, while downside surprise could reel those in.

The yen, which has dropped for five consecutive sessions against the dollar, fell marginally to 110.69 per dollar in early trade, its lowest since mid July. The dollar also touched a two-week high on sterling \$1.3820 and held by a one-month high of 0.9234 Swiss francs.

EUR/USD remains sidelined around five-month lows above 1.1700 ahead of the US inflation. The pair defends the 1.1700 threshold, as bears take a breather amid a steady US dollar and the cautious market mood. Firmer Treasury yields could cap the upside attempts.

GBP/USD is extending its bearish momentum towards 1.3800 this Wednesday. The pair eyes deeper losses amid renewed Brexit concerns, a broadly firmer US dollar and mixed sentiment. US CPI awaited.

Gold price is attempting a bounce towards 21-SMA on 4H. After a tumultuous start to a relatively light week on Monday, gold price licked its wounds and tried to stabilize around \$1720-\$1730 levels. US stimulus optimism and Delta covid woes lend support to gold price.

EURUSD	1.1717
<b>Support</b>	<b>Resistance</b>
1.1536	1.1737
1.1522	1.1924
1.1507	1.2110

GBPUSD	1.3828
<b>Support</b>	<b>Resistance</b>
1.3710	1.3868
1.3689	1.4005
1.3667	1.4141

AUDUSD	0.7339
<b>Support</b>	<b>Resistance</b>
0.7254	0.7366
0.7228	0.7452
0.7202	0.7538

EURCHF	1.081
	<b>Resistance</b>
1.0799	1.0899
1.0708	1.0908
1.0618	1.0918

USDJPY	110.6700
<b>Support</b>	<b>Resistance</b>
110.35	112.23
108.59	112.35
106.83	112.47

USDCAD	1.2528
<b>Support</b>	<b>Resistance</b>
1.2477	1.2663
1.2355	1.2727
1.2232	1.2790

USDCHF	0.9227
<b>Support</b>	<b>Resistance</b>
0.9199	0.9417
0.8999	0.9435
0.8798	0.9452

EURJPY	129.6600
<b>Support</b>	<b>Resistance</b>
128.56	129.98
128.13	130.97
127.70	131.96

USDTRY	8.5951
<b>Support</b>	<b>Resistance</b>
8.5401	8.9390
8.2056	9.0034
7.8711	9.0678

Source: Refinitiv / fxstreet.com / Bloomberg



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## Event Corner

Date	Time	Country	Indicator Name	Period	Reuters Poll	Actual	Prior	SmartEstimate®	Predicted Surprise
11 août 2021	13:00	United States	MBA 30-Yr Mortgage Rate	6 Aug, w/e			2.97%		
11 août 2021	14:30	United States	Real Weekly Earnings MM	Jul			-0.9%		
11 août 2021	20:00	United States	Federal Budget,\$	Jul	-307.00B		-174.00B	-287.962B	19.038B
11 août 2021		Sweden	Reg Unemployment Rate	Jul			7.9%		

Source: Refinitiv

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