



Morning Call

Geneva, August 17, 2021

Market Corner

Most Asian stocks fell Tuesday as concerns about the impact of the delta coronavirus variant on global growth eclipsed a record-breaking run in the S&P 500. The dollar and Treasuries rose.

Shares were lower in Australia, Hong Kong and China. U.S. equity futures edged down and European contracts wavered. The S&P 500 closed at another all-time high overnight -- doubling from its pandemic low in March 2020 -- with health-care and utility companies advancing.

Signs of a slowing Chinese recovery, Beijing's regulatory clampdown and mobility curbs to fight the delta strain are souring the mood in Asia. In New Zealand, officials said they are investigating a Covid-19 case, triggering a tumble in the currency and bond yields. Australia's dollar slid after the central bank signaled it's ready to act if lockdowns take a bigger economic toll.

Treasury yields declined, with traders awaiting an address by Federal Reserve Chair Jerome Powell on Tuesday and the Jackson Hole symposium in late August for clues on when and how the Fed might taper stimulus.

Here are some events to watch this week:

- U.S. Fed Chair Powell hosts a town hall discussion with educators Tuesday
- China's top legislative body, the National People's Congress Standing Committee, begins a four-day meeting in Beijing Tuesday
- U.S. retail sales are due Tuesday
- Reserve Bank of Australia minutes are scheduled to be released Tuesday
- Reserve Bank of New Zealand policy decision and briefing by Governor Adrian Orr Wednesday
- FOMC minutes released Wednesday
- Bank Indonesia rate decision and Governor Perry Warjiyo briefing Thursday

US 10Y Govt Bond		Net Change
Price	Yield	
100.0000	1.2500	0.06
EU 10Y Govt Bond		Net Change
Price	Yield	
104.8600	-0.4740	0.06
Indices		% Change
Euro Stoxx 50	4 202.44	-0.64
CAC40	6 838.77	-0.83
FTSE	7 153.98	-0.90
DAX	15 925.73	-0.32
SMI	12 419.14	-0.36
Dow Jones	35 625.40	0.31
S&P500	4 479.71	0.26
Nasdaq Comp.	14 793.76	-0.20
VIX (Volatility Index)	16.12	4.34

Source: Refinitiv / Bloomberg



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Crypto Corner

The double-digit rallies seen from many altcoins shows traders are becoming increasingly bullish with the passing of each day but maintaining this momentum will to some extent depend on Bitcoin's (BTC) short-term price action.

Data from Cointelegraph Markets Pro and TradingView shows that after touching the \$48,000 price level during the early morning trading hours on Aug. 16 the price of BTC dipped below \$45,800 as bulls scrambled to put a halt to the price slide.

Bitcoin's surge from \$29,500 on July 20 to \$48,000 on Aug. 14 has resulted in the price settling in a trading range between \$44,000 and \$48,000, as shown in the following tweet from pseudonymous Twitter analyst Nunya Bizniz.

The equilibrium point identified in the above tweet is found near \$46,123 and the analyst could be hinting that after BTC tests the support, buy volumes could increase because short-term traders would view the current pullback as nothing more than a support/resistance retest.

On the other hand, pseudonymous trader, Gas Fring, suggested that a bounce could also happen at the bottom of a rising channel would provoke the same result but it's worth noting that both analysts are using 1-hour charts, so these suggestions simply refer to the possible price action outcomes of today.

Crypto Market Cap: [\\$1.96T](#)

24h Vol: [\\$120.1B](#)

Dominance: [BTC: 43.7%](#) [ETH: 18.7%](#)

Bitcoin		45 728.76
Support	Resistance	
45 004.45	50 808.05	
40 788.47	52 395.67	
Circulating Supply (BTC)		
		18 788 618.00
Market Cap		
		\$ 859 506 850 108.00

Ethereum		3 142.68
Support	Resistance	
3 083.51	3 561.62	
2 735.37	3 691.59	
Circulating Supply (ETH)		
		117 138 612.00
Market Cap		
		\$ 368 431 695 982.00



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



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Commodity Corner

Gold prices inched lower on Tuesday, as a firmer dollar outweighed safe-haven demand due to intensifying coronavirus Delta variant cases and ease in bets on early tapering by the U.S. Federal Reserve.

Spot gold fell 0.1% to \$1,785.80 per ounce by 03:47 GMT, lingering below an over one-week peak of \$1,788.97 touched on Monday.

Among other precious metals, silver rose 0.1% to \$23.85 per ounce, while platinum eased 0.2% to \$1,020.69.

Palladium fell 0.1% to \$2,603.51, after hitting a near one-month low in the previous session at \$2,575.40.

Oil prices were mixed on Tuesday, paring earlier gains, as expectations that major producers will not boost supply any time soon were offset by worries over slowing global fuel demand amid a spike in the Delta variant of coronavirus infections.

Brent crude was down 2 cents at \$69.49 a barrel as of 04:10 GMT, after rising as high as \$69.77 earlier in the session.

U.S. West Intermediate crude (WTI) edged 2 cents higher to \$67.31 a barrel, after reaching \$67.66 earlier.

Brent slid 1.5% on Monday while WTI fell 1.7%. The prices recovered from the previous day's losses in early Asia trade after four sources told Reuters that OPEC+ - the Organization of the Petroleum Exporting Countries and its allies, including Russia - believes oil markets do not need more crude than they plan to release in the coming months, despite U.S. pressure to add supplies to check an oil price rise.

Last week, U.S. President Joe Biden's administration urged the producer group to boost oil output to tackle rising gasoline prices that they see as a threat to the global economic recovery. But the market ran out of steam mid-session amid concerns over the resurgence in the COVID-19 pandemic.

<u>Gold</u>	1793.14
Support	Resistance
1732	1880
1635	1929

<u>Silver</u>	23.85
Support	Resistance
21.41	24.92
20.20	27.22

<u>Oil - WTI</u>	66.88
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<u>Nat Gas (HH)</u>	3.9170
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<u>Copper</u>	4.3030
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<u>Baltic Dry Ind.</u>	3606.00
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<u>Corn</u>	568.00
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<u>Wheat</u>	759.75
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<u>Soybean</u>	1384.25
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<u>Arabica Coffee</u>	186.25
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<u>Cotton</u>	94.56
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<u>Sugar</u>	20.03
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Source: Refinitiv / fxstreet.com / Bloomberg



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FX Corner

China's yuan edged lower against a firmer dollar on Tuesday, as political tension in Afghanistan hurt already fragile market sentiment.

Signs of economic slowdown in China have piled downside pressure on the yuan this week, and developments in Afghanistan after the Taliban seized the capital Kabul increased risk aversion in global markets to lift the dollar and drag the yuan lower.

In the spot market, onshore yuan opened at 6.4781 per dollar and was changing hands at 6.4796 at midday, 46 pips weaker than the previous late session close.

Despite the recent deterioration in market sentiment, traders said falls in the yuan were rather limited, as investors await minutes from the Federal Reserve's latest meeting due on Wednesday and the annual Jackson Hole policy symposium next week for clues on the timing of Fed tapering.

In global markets, the dollar index rose to 92.709 by midday from the previous close of 92.622, while the offshore yuan was trading at 6.4814 per dollar.

The buying tone around the US dollar keeps EUR/USD undermined towards 1.1750 ahead of the European open. The US dollar benefits from broad risk aversion induced by the covid and geopolitical concerns. Eurozone GDP and US Retail Sales data hold the key.

GBP/USD bears the burden of risk-off mood while pressured towards 1.3800 ahead of the London open. The UK's ILO Unemployment Rate unexpectedly fell to 4.7% in June. Covid concerns and the US dollar's strength continue to weigh on the cable.

Gold eases inside a choppy trading range around \$1,790, down 0.10% intraday near \$1,785 heading into Tuesday's European session. The yellow metal rose during the last four days to consolidate the August 08 slump, before a recent pullback.

EURUSD	1.1763
Support	Resistance
1.1663	1.1858
1.1586	1.1976
1.1509	1.2094

GBPUSD	1.3794
Support	Resistance
1.3745	1.3913
1.3683	1.4019
1.3621	1.4125

AUDUSD	0.7282
Support	Resistance
0.7259	0.7371
0.7230	0.7454
0.7202	0.7538

EURCHF	1.0726
	Resistance
1.0683	1.0805
1.0640	1.0884
1.0596	1.0962

USDJPY	109.1600
Support	Resistance
107.93	110.01
107.28	111.44
106.63	112.87

USDCAD	1.2617
Support	Resistance
1.2520	1.2639
1.2436	1.2674
1.2351	1.2708

USDCHF	0.9115
Support	Resistance
0.9019	0.9245
0.8904	0.9356
0.8790	0.9468

EURJPY	128.4200
Support	Resistance
127.71	129.25
127.33	130.41
126.94	131.56

USDTRY	8.4516
Support	Resistance
8.2524	8.6620
8.0564	8.8756
7.8604	9.0892

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 août 2021	08:00	United Kingdom	Claimant Count Unem Chng	Jul			-114.8k		
17 août 2021	08:00	United Kingdom	ILO Unemployment Rate	Jun	4.8%		4.8%	4.80%	0.00%
17 août 2021	08:00	United Kingdom	Employment Change	Jun			25k		
17 août 2021	08:00	United Kingdom	Avg Wk Earnings 3M YY	Jun	8.7%		7.3%	8.65%	-0.05%
17 août 2021	08:00	United Kingdom	Avg Earnings (Ex-Bonus)	Jun	7.4%		6.6%	7.39%	-0.01%
17 août 2021	09:30	Netherlands	GDP Prelim SA QQ	Q2			-0.8%		
17 août 2021	09:30	Netherlands	GDP Prelim NSA YY	Q2			-2.4%		
17 août 2021	09:30	Netherlands	Trade Balance	Jun			4.812B		
17 août 2021	09:30	Sweden	Industrial Inventories QQ	Q2			1.5B		
17 août 2021	14:15	Canada	House Starts, Annualized	Jul	275.0k		282.1k	269.24k	-5.76k
17 août 2021	14:30	Canada	Securities Cdns C\$	Jun			10.65B		
17 août 2021	14:30	Canada	Securities Foreign C\$	Jun			20.79B		
17 août 2021	14:55	United States	Redbook YY	14 Aug, w/e			16.2%		
17 août 2021	15:15	United States	Industrial Production MM	Jul	0.5%		0.4%	0.59%	0.09%
17 août 2021	15:15	United States	Capacity Utilization SA	Jul	75.7%		75.4%	75.74%	0.04%
17 août 2021	15:15	United States	Manuf Output MM	Jul	0.6%		-0.1%	0.84%	0.24%
17 août 2021	16:00	United States	Business Inventories MM	Jun	0.8%		0.5%	0.78%	-0.02%
17 août 2021	16:00	United States	NAHB Housing Market Indx	Aug	80		80	79.6	-0.4

Source: Refinitiv

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