



Morning Call

Geneva, August 19, 2021

Market Corner

Asian stocks fell to the lowest this year, crude oil sank, and the dollar rallied on a weakening global growth outlook and the prospect of reduced Federal Reserve stimulus.

MSCI Inc.'s gauge of Asia-Pacific shares fell more than 1%, with Hong Kong equities leading the slide as Chinese technology stocks struggled, including a plunge in Alibaba Group Holding Ltd. to a record low. U.S. futures wavered after the S&P 500 and Nasdaq 100 retreated overnight.

Stocks are under pressure after the latest minutes showed most Fed officials agreed they could start slowing the pace of bond purchases later this year given the progress made toward inflation and employment goals.

The global equity rally has paused as investors consider the likely time-line for a reduction in the Fed's massive bond purchases as well as the challenges for economic reopening from the fast-spreading delta coronavirus variant. The Jackson Hole symposium next week, the U.S. central bank's most prominent conference, may provide further clues on the stimulus outlook.

Elsewhere, Robinhood Markets Inc. warned that a revenue surge fueled by a boom in cryptocurrency trading might not last. Its shares sank in extended trading.

Here are some events to watch this week:

- Bank Indonesia rate decision and Governor Perry Warjiyo briefing Thursday
- U.S. initial jobless claims, leading index Thursday

<u>US 10Y Govt Bond</u>		<u>Net Change</u>
Price	Yield	0.13
99.9063	1.2600	
<u>EU 10Y Govt Bond</u>		<u>Net Change</u>
Price	Yield	0.04
104.9590	-0.4840	
<u>Indices</u>		<u>% Change</u>
Euro Stoxx 50	4 189.42	-0.17
CAC40	6 770.11	-0.73
FTSE	7 169.32	-0.16
DAX	15 965.97	0.28
SMI	12 545.35	0.54
Dow Jones	34 960.69	-1.08
S&P500	4 400.27	-1.07
Nasdaq Comp.	14 525.91	-0.89
VIX (Volatility Index)	21.57	20.44

Source: Refinitiv / Bloomberg



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Crypto Corner

Ethereum price climbed over 3,100% from the March 2020 close to the May 2021 high, logging just three negative months, including a long-legged doji candlestick on the monthly chart. Before closing with a doji candlestick, ETH busted the resistance of the 261.8% Fibonacci extension of the 2018 correction at \$3,587 and came within 10% of the 361.8% extension at \$4,926.

A long-legged doji candlestick pattern often signals a high for an advance as indecision and uncertainty curtail upside momentum. The pattern carries more importance after an extended advance and on a longer timeframe, such as the monthly chart. In this case, the bearish transition was confirmed by the highest volume for a negative month since 2016. Ethereum price tested the 61.8% retracement at \$1,730 in May. It successfully retested the critical Fibonacci level in June and July before catapulting higher in late July and into August, keeping the secular advance in force. ETH never touched the 12-month SMA or 2020 ascending trend line during the correction.

By respecting various support levels, Ethereum price has positioned the smart contracts token for higher ETH prices, including a new all-time high.

Crypto Market Cap: [\\$1.90T](#)

24h Vol: [\\$109.7B](#)

Dominance: [BTC: 43.7%](#) [ETH: 18.5%](#)

Bitcoin	44 376.28
Support	Resistance
41 681.05	47 057.50
39 553.92	50 306.82
Circulating Supply (BTC)	
18 790 337.00	
Market Cap	
\$	834 361 160 988.00

Ethereum	3 005.01
Support	Resistance
2 713.79	3 163.71
2 578.70	3 478.54
Circulating Supply (ETH)	
117 164 474.00	
Market Cap	
\$	352 451 034 225.00



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



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Commodity Corner

Gold prices fell on Thursday, as dollar strengthened after U.S. Federal Reserve's policy meeting minutes showed that its officials were largely on board to start easing bond purchases this year.

Spot gold fell 0.7% to \$1,774.41 per ounce by 03:15 GMT, heading for its biggest one-day percentage decline since Aug. 9.

Holdings in SPDR Gold Trust GLD, the world's largest gold-backed exchange-traded fund, on Wednesday fell to their lowest level since mid-April 2020.

Silver fell 1.6% to \$23.10 per ounce.

Platinum dropped 0.8% to \$986.49.

Palladium fell 0.3% to \$2,418.86, after hitting its lowest level since March 16 at \$2,409.68.

Oil prices fell for a sixth day, the longest losing streak since February 2020, as a spike in COVID-19 cases worldwide fueled fears over slower fuel demand while a surprise build in U.S. gasoline inventories added to pressure.

Brent crude was down 87 cents, or 1.3%, at \$67.36 a barrel by 04:47 GMT, after touching the lowest since May 24 at \$67.10 earlier in the session.

U.S. West Intermediate crude (WTI) fell \$1.05, or 1.6%, to \$64.41 a barrel after falling to as low as \$64.24, also the lowest since May 24.

WTI has dropped over 7% while Brent has slumped more than 5% during the six-day losing streak, the longest since a six-day decline for both contracts that ended on Feb. 28, 2020. Prices have fallen as investors remained worried over the increase in infections caused by the Delta variant of the coronavirus worldwide, with virus-related deaths in the United States, the world's largest oil user, spiking over the past month.

Gold	1777.76
Support	Resistance
1757	1888
1656	1917

Silver	23.24
Support	Resistance
21.52	24.55
20.50	26.56

Oil - WTI	64.46
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Nat Gas (HH)	3.8140
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Copper	4.0920
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Baltic Dry Ind.	3833.00
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Corn	559.00
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Wheat	734.00
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Soybean	1352.00
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Arabica Coffee	182.85
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Cotton	94.32
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Sugar	20.17
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Source: Refinitiv / fxstreet.com / Bloomberg



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FX Corner

The dollar rose to a nine-month high against its major peers on Thursday, on expectations that the Federal Reserve will start tapering its huge stimulus this year.

The dollar index, which measures the U.S. currency against six rivals, climbed as high as 93.502, its strongest since Nov. 5, before trading 0.26% higher at 93.464.

The euro fell as low as \$1.16655 for the first time since Nov. 4, while the Aussie sank to \$0.7198, a level not seen since Nov. 5, and the kiwi slid to \$0.68465, the weakest since Nov. 13.

The greenback rose as high as 110.225 yen.

In minutes of the Federal Open Market Committee's July 27-28 meeting released on Wednesday, Fed officials saw the potential to ease bond-buying stimulus this year if the economy continues to improve as expected, although the condition of "substantial further progress" toward maximum employment had not yet been met.

Sterling touched a four-week low of \$1.3712. Canada's loonie also reached a four-week low of C\$1.2699 per greenback. China's yuan slid to a three-week low in offshore trading of 6.4996 per dollar.

EUR/USD is trading below 1.1700, sitting at the lowest level since November 2020 on broad US dollar strength. Coronavirus fears underpin greenback's safe-haven demand, DXY technical breakout adds fuel to rally amid Fed's tapering expectations. US Jobless Claims awaited.

GBP/USD edges lower towards 1.3700 ahead of the London open. The US dollar continues to stay strong on risk aversion and hawkish FOMC minutes. Sterling struggles with slowing inflation, which suggests BOE could be in no hurry to raise the interest rate.

Gold continued with its two-way price moves on Wednesday and was influenced by a combination of diverging forces. COVID-19 jitters, the risk-off mood might help limit the downside for the safe-haven metal.

EURUSD	1.1675
Support	Resistance
1.1572	1.1737
1.1550	1.1880
1.1527	1.2022

GBPUSD	1.3714
Support	Resistance
1.3561	1.3785
1.3531	1.3979
1.3500	1.4172

AUDUSD	0.7189
Support	Resistance
0.7069	0.7258
0.7053	0.7431
0.7037	0.7604

EURCHF	1.0735
	Resistance
1.0621	1.0763
1.0589	1.0873
1.0556	1.0982

USDJPY	110.1700
Support	Resistance
108.72	110.41
108.06	111.44
107.41	112.48

USDCAD	1.2702
Support	Resistance
1.2611	1.2803
1.2445	1.2829
1.2278	1.2854

USDCHF	0.9194
Support	Resistance
0.9084	0.9276
0.8971	0.9355
0.8858	0.9434

EURJPY	128.6200
Support	Resistance
127.08	128.90
126.73	130.37
126.38	131.84

USDTRY	8.4757
Support	Resistance
8.2095	8.5286
8.1254	8.7636
8.0414	8.9987

Source: Refinitiv / fxstreet.com / Bloomberg



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Event Corner

Date	Time	Country	Indicator Name	Period	Reuters Poll	Actual	Prior	SmartEstimate®	Predicted Surprise
19 août 2021	01:00	Japan	Reuters Tankan Man'f Idx	Aug			25		
19 août 2021	06:30	Netherlands	Unem Rate Monthly SA	Jul			3.2%		
19 août 2021	08:00	Switzerland	Trade	Jul			5 529M		
19 août 2021	14:30	United States	Initial Jobless Clm	14 Aug, w/e	363k		375k	364.3k	0.5k
19 août 2021	14:30	United States	Jobless Clm 4Wk Avg	14 Aug, w/e			396.25k		
19 août 2021	14:30	United States	Cont Jobless Clm	7 Aug, w/e	2.800M		2.866M	2.8079M	0.0079M
19 août 2021	14:30	United States	Philly Fed Business Indx	Aug	23.0		21.9	22.97	-0.03
19 août 2021	14:30	United States	Philly Fed 6M Index	Aug			48.60		
19 août 2021	14:30	United States	Philly Fed Capex Index	Aug			41.20		
19 août 2021	14:30	United States	Philly Fed Employment	Aug			29.20		
19 août 2021	14:30	United States	Philly Fed Prices Paid	Aug			69.70		
19 août 2021	14:30	United States	Philly Fed New Orders	Aug			17.00		

Source: Refinitiv

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