



# Morning Call

Geneva, August 23, 2021

## Market Corner

Asian stocks rose Monday as traders sought to take advantage of last week's selloff while keeping a wary eye on risks from the delta virus strain and China's crackdown on private industries.

MSCI Inc.'s gauge of Asia-Pacific shares posted one of its biggest daily rallies this month, led by Japan. Chinese technology stocks rebounded from a prolonged selloff, while South Korea climbed as export data signaled resilient global demand. U.S. and European equity futures were in the green after dip buyers spurred an advance in the S&P 500 and Nasdaq 100 on Friday.

Treasury yields ticked up and the dollar dipped for the first day in six on easing demand for havens. Investors are also looking ahead to the Jackson Hole symposium Thursday, which may offer insights into how the Federal Reserve plans to taper bond purchases.

How long the recent turbulence in stocks will subside remains an open question. China continues to pursue a sweeping regulatory clampdown under President Xi Jinping, whose rhetoric this year signals a commitment to closing the country's yawning wealth gap. Meanwhile, the delta variant and the prospect of reduced Federal Reserve stimulus have sowed doubts about the global economic recovery.

Dallas Fed President Robert Kaplan said he's open to adjusting his view that the Fed should start tapering its asset-purchase program sooner rather than later if the delta strain persists and hurts economic progress. Treasury Secretary Janet Yellen endorsed Jerome Powell for a second term as Fed chair, a move that could reduce uncertainty about the path for monetary policy.

On the virus front, China once again squelched local Covid-19 cases down to zero. Australia and New Zealand are reviewing their strategies of eliminating infections. Australian Prime Minister Scott Morrison said it's highly unlikely his country will ever return to zero cases.

Here are some events to watch this week:

- U.S. Markit manufacturing PMI and existing home sales Monday
- Bank of Korea policy decision; briefing by Governor Lee Ju-yeol Thursday
- Fed officials attend the Jackson Hole Economic Policy Symposium from Thursday through Saturday
- U.S. GDP, initial jobless claims Thursday
- July U.S. personal income and spending data Friday. Investors will scrutinize the personal consumption expenditures price index; an inflation measure closely watched by the Fed.

US 10Y Govt Bond		Net Change
Price	Yield	-0.08
99.8281	1.2684	
EU 10Y Govt Bond		Net Change
Price	Yield	-0.09
104.9970	-0.4880	
Indices		% Change
Euro Stoxx 50	4 147.50	0.55
CAC40	6 626.11	0.31
FTSE	7 087.90	0.41
DAX	15 808.04	0.27
SMI	12 415.66	0.10
Dow Jones	35 120.08	0.65
S&P500	4 441.67	0.81
Nasdaq Comp.	14 714.66	1.19
VIX (Volatility Index)	18.56	-14.35

Source: Refinitiv / Bloomberg



# Morning Call

Geneva, August 23, 2021

## Crypto Corner

The world's largest cryptocurrency by market value is up 2.5% over a 24-hour period and is currently changing hands for around \$50,050, its highest point since May 15. Bitcoin's year-to-date returns now stand at 71.4%, CoinDesk data shows. "It's not the first time we've crossed this legendary milestone, but given the advancements in the industry lately, \$50,000 certainly seems justified at this time," said Mati Greenspan, CEO of Quantum Economics.

Daily trading volume remains relatively flat and has continued to decline from days prior, though price action remains above a key indicator used to gauge the momentum of a given trend.

"The market continues to hover over the 200-day moving average with bulls still in play," Toby Chapple, head of trading at digital asset firm Zerocap, told CoinDesk via Telegram. "Relative outperformance by cardano, ether, polkadot, uniswap and others have provided a supporting bid for BTCUSD in recent days."

Bitcoin is flashing signs of medium-term pricing in the form of long interest from investors. Though the futures pricing is certainly not what it was compared to earlier this year, Chapple added.

Larger global issues including the upcoming U.S. Federal Reserve meetings at the end of August and a Federal Open Market Committee meeting in September may cause the market to consider any possible moves on global liquidity, Chapple said.

"Any move by the Fed would be negative for price action and involve possible contagion from a risk-off event in traditional markets."

Other cryptos in the top 20 by market capitalization also rallied on bitcoin's move with cardano, litecoin, and uniswap clocking the highest gains between 2%-12%.

Crypto Market Cap: [\\$2.15T](#)

24h Vol: [\\$105.1B](#)

Dominance: [BTC: 43.9%](#) [ETH: 18.1%](#)

Bitcoin	50 353.23
<b>Support</b>	<b>Resistance</b>
47 439.78	53 389.28
42 682.64	54 581.64
<b>Circulating Supply (BTC)</b>	
18 794 400.00	
<b>Market Cap</b>	
\$ 945 844 768 543.00	

Ethereum	3 338.50
<b>Support</b>	<b>Resistance</b>
3 024.76	3 416.90
2 791.97	3 576.25
<b>Circulating Supply (ETH)</b>	
117 217 484.00	
<b>Market Cap</b>	
\$ 391 024 158 664.00	



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



## Morning Call

Geneva, August 23, 2021

# Commodity Corner

Gold prices edged higher on Monday after the U.S. dollar retreated from multi-month highs, while investor concerns that the Delta coronavirus variant could dampen the global economic recovery also lifted bullion's safe-haven appeal.

**Spot gold** was up 0.4% at \$1,787.48 per ounce, as of 04:03 GMT

**The dollar index** was down 0.2%, moving away from the 9-1/2-month high hit last week, lifting gold's allure for holders of other currencies.

Elsewhere, **silver** rose 0.8% to \$23.20 per ounce, while **platinum** firmed 1.8% to \$1,014.28.

**Palladium** climbed 1.7% to \$2,313.88, bouncing off a more than five-month low hit earlier in the session.

Oil prices rose on Monday, recovering from a seven-day losing streak as investors hunted for bargains and a softer dollar lent support, though persistent anxiety over surging cases of the Delta coronavirus variant kept sentiment cautious.

**Brent crude** futures climbed \$1.16, or 1.8%, to \$66.34 a barrel by 04:30 GMT, after hitting the lowest level since May 21 of \$64.60 earlier in the session.

**U.S. West Texas Intermediate** (WTI) crude futures for October rose \$1.07, or 1.7%, to \$63.21 a barrel, recovering from \$61.74, the lowest since May 21, touched in Asia's early trade.

Both benchmarks marked their biggest week of losses in more than nine months last week - Brent slid about 8% and WTI fell about 9% - as markets braced for weakened fuel demand worldwide due to the surge in the pandemic.

<u>Gold</u>	1785.24
<b>Support</b>	<b>Resistance</b>
1769	1880
1671	1893

<u>Silver</u>	23.20
<b>Support</b>	<b>Resistance</b>
21.79	23.65
21.21	24.93

<u>Oil - WTI</u>	63.20
------------------	-------

<u>Nat Gas (HH)</u>	3.8640
---------------------	--------

<u>Copper</u>	4.1760
---------------	--------

<u>Baltic Dry Ind.</u>	4092.00
------------------------	---------

<u>Corn</u>	541.50
-------------	--------

<u>Wheat</u>	719.00
--------------	--------

<u>Soybean</u>	1307.00
----------------	---------

<u>Arabica Coffee</u>	181.50
-----------------------	--------

<u>Cotton</u>	93.71
---------------	-------

<u>Sugar</u>	19.58
--------------	-------

Source: Refinitiv / fxstreet.com / Bloomberg





# Morning Call

Geneva, August 23, 2021

## FX Corner

**The safe-haven dollar** retreated from more-than-nine-month highs against major peers on Monday as a bounce in Asian stocks lifted sentiment, despite the continued spread of the Delta coronavirus variant.

**The dollar index**, which measures the currency against six rivals, declined 0.19% to 93.311 from Friday, when it climbed as high as 93.734 for the first time since Nov. 4.

The move came as equities rebounded across the region, with base metals prices up as hopes of an improvement in demand rose after China, the world's top metals consumer, reported no new locally transmitted COVID-19 cases for the first time since July. Wall Street's stronger finish on Friday also underpinned sentiment.

**The Aussie** climbed 0.29% to \$0.71575, after reaching a 9 1/2-month low of \$0.71065 on Friday.

Against **the Canadian dollar**, the greenback slipped 0.25% to C\$1.2776. It surged to an eight-month high of C\$1.2949 at the end of last week.

**The yen**, another safe-haven, was largely unchanged at 109.85 per dollar, consolidating in the center of the trading range of the past month and a half.

**The euro** appreciated 0.18% to \$1.17195, off Friday's 9 1/2-month trough of \$1.1664.

**Sterling** added 0.18% to \$1.36475, up from a one-month of \$1.3602 at the end of last week.

EURUSD	1.1715
Support	Resistance
1.1571	1.1713
1.1545	1.1829
1.1520	1.1946

GBPUSD	1.3655
Support	Resistance
1.3352	1.3646
1.3329	1.3917
1.3306	1.4188

AUDUSD	0.7158
Support	Resistance
0.6874	0.7159
0.6846	0.7416
0.6819	0.7674

EURCHF	1.074
	Resistance
1.0598	1.0744
1.0573	1.0865
1.0548	1.0986

USDJPY	109.9300
Support	Resistance
108.70	110.39
108.05	111.43
107.41	112.48

USDCAD	1.2766
Support	Resistance
1.2771	1.3235
1.2396	1.3324
1.2020	1.3412

USDCHF	0.9166
Support	Resistance
0.9104	0.9248
0.9029	0.9317
0.8954	0.9386

EURJPY	128.7900
Support	Resistance
126.77	128.65
126.41	130.17
126.04	131.68

USDTRY	8.4790
Support	Resistance
8.1875	8.6109
8.0101	8.8569
7.8328	9.1030

Source: Refinitiv / fxstreet.com / Bloomberg



# Morning Call

Geneva, August 23, 2021

## Event Corner

Date	Time	Country	Indicator Name	Period	Reuters Poll	Actual	Prior	SmartEstimate®	Predicted Surprise
23 août 2021	02:30	Japan	Jibun Bank Mfg PMI Flash	Aug			53.0		
23 août 2021	09:15	France	Markit Mfg Flash PMI	Aug			58.0		
23 août 2021	09:15	France	Markit Serv Flash PMI	Aug			56.8		
23 août 2021	09:15	France	Markit Comp Flash PMI	Aug			56.6		
23 août 2021	09:30	Germany	Markit Mfg Flash PMI	Aug	65.0		65.9	65.14	0.14
23 août 2021	09:30	Germany	Markit Service Flash PMI	Aug	61.0		61.8	61.47	0.47
23 août 2021	09:30	Germany	Markit Comp Flash PMI	Aug	62.0		62.4	62.34	0.34
23 août 2021	10:30	United Kingdom	Flash Composite PMI	Aug			59.2		
23 août 2021	10:30	United Kingdom	Flash Manufacturing PMI	Aug			60.4		
23 août 2021	10:30	United Kingdom	Flash Services PMI	Aug			59.6		
23 août 2021	12:00	United Kingdom	CBI Trends - Orders	Aug			17		
23 août 2021	15:45	United States	Markit Comp Flash PMI	Aug			59.9		
23 août 2021	15:45	United States	Markit Mfg PMI Flash	Aug			63.4		
23 août 2021	15:45	United States	Markit Svcs PMI Flash	Aug			59.9		
23 août 2021	16:00	United States	Existing Home Sales	Jul	5.84M		5.86M	5.729M	-0.111M
23 août 2021	16:00	United States	Exist. Home Sales % Chg	Jul			1.4%		

Source: Refinitiv

Disclaimer: "This information, including any opinion, news and reports is based on publicly available source, but its accuracy cannot be guaranteed and may be subject to change without notice. BankMed (Suisse) does not guarantee the accuracy, timeliness, continued availability or completeness of such information. Neither the information provided nor any opinion expressed therein, constitutes a solicitation, offer, personal recommendation or advice. BankMed (Suisse) is not acting as an adviser to you and you are free to rely or not on such information at your own risk. Certain transactions involving securities give rise to substantial risks, including currency and volatility risk, and are not suitable for all investors."