



Morning Call

Geneva, August 25, 2021

Market Corner

Asian shares held onto their recent gains on Wednesday after last week's pummeling, as global equities rebounded thanks to a combination of positive COVID-19 vaccine news and easing worries over tapering of Federal Reserve stimulus.

MSCI's broadest index of Asia-Pacific shares outside Japan was last off slightly, but still up 3.7% so far this week. The index fell to its lowest in 2021 at the end of the previous week.

Markets were mixed with **Australian** shares gaining 0.16%, but **Chinese** blue chips losing 0.24%.

Japan's **Nikkei** were flat. A Reuters poll of analysts and fund managers showed Japanese shares are expected to recover from their eight-month low marked on Friday to near a 30-year high by the end of this year.

The Hong Kong benchmark jumped nearly 1% on opening but was last down 0.5%, after posting its best day in a month the day before as the market pulled further away from last week's finish of its lowest close for this year.

The Hang Seng TECH Index rose soon after the bell gaining over 3%, building on this week's strong gains as investors piled into oversold stocks, but later gave up those gains to trade flat.

On Friday, the Federal Reserve will have its annual economic symposium, traditionally held at Jackson Hole, though this year it will take place virtually due to the spread of COVID-19 in the county.

The focus remains squarely on Fed Chair Jerome Powell's remarks at the event for any clues regarding the timeline for Fed's tapering of asset purchases, an issue that has buffeted financial markets in recent months.

Here are some events to watch this week:

- 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	0.00
99.6250	1.2902	
EU 10Y Govt Bond		Net Change
Price	Yield	-0.11
104.7650	-0.4660	
Indices		% Change
Euro Stoxx 50	4 178.08	0.04
CAC40	6 664.31	-0.28
FTSE	7 125.78	0.24
DAX	15 905.85	0.33
SMI	12 436.66	-0.32
Dow Jones	35 366.26	0.09
S&P500	4 486.23	0.15
Nasdaq Comp.	15 019.80	0.52
VIX (Volatility Index)	17.22	0.41

Source: Refinitiv / Bloomberg



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Crypto Corner

The hashrate for the Bitcoin network has made a remarkable recovery since it crashed following China's crypto mining clampdown earlier this year.

The Bitcoin hashrate has now topped 150 Exahashes, or one quintillion hashes, per second according to data from analytics provider CryptoQuant.

On Aug. 24, the metrics provider reported a hashrate of 152 EH/s which has tripled since it bottomed out this year on June 28 at 52 EH/s.

The recovery of the BTC hashrate means that the network is much more secure and harder to attack.

The average Bitcoin hashrate — the amount of computing power in the network — hit an all-time high of 197.6 EH/s on May 13 according to Bitinfocharts. Over the six weeks or so that followed, it slumped by more than 65% as mining rigs across China were powered down for the "great miner migration".

The metric is now approaching early June levels and, if the trend continues, could hit a new all-time high within the next couple of months.

In early May, Cointelegraph reported that there was already evidence that hashrate was moving away from China. Details on the migration are difficult to come by: Cambridge University's well-sourced "mining map" has not been updated since April when it reported 65% of the hashrate residing in China.

Crypto Market Cap: **\$2.08T**

24h Vol: **\$116.3B**

Dominance: **BTC: 43.8% ETH: 18.1%**

Bitcoin	48 560.59
Support	Resistance
46 732.34	53 327.85
42 035.91	55 226.93
Circulating Supply (BTC)	
18 796 675.00	
Market Cap	
\$	912 449 720 506.00

Ethereum	3 217.85
Support	Resistance
3 101.76	3 533.00
2 810.91	3 673.39
Circulating Supply (ETH)	
117 245 599.00	
Market Cap	
\$	377 014 432 549.00



Source: Refinitiv / fxstreet.com / Bloomberg/Coinmarketcap.com/TradeView.com



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Commodity Corner

old prices fell on Wednesday as the dollar ticked higher, with investors awaiting Federal Reserve Chair Jerome Powell's speech this week for possible guidance on tapering of the pandemic-era stimulus.

Spot gold fell 0.4% to \$1,796.03 per ounce by 01:06 GMT

The dollar index inched 0.1% higher, denting gold's appeal for those holding other currencies.

SPDR Gold Trust GLD, the world's largest gold-backed exchange-traded fund, said its holdings fell 0.2% to 1,004.63 tonnes on Tuesday from 1,006.66 tonnes on Monday.

Silver eased 0.4% to \$23.73 per ounce, while **platinum** fell 0.5% to \$1,005.97.

Palladium was down 0.6% to \$2,459.89.

Oil prices fell on Wednesday, taking a breather after a strong rally this week spurred by the loss of a quarter of Mexico's production and signs that China, the world's biggest importer, has curbed a recent coronavirus outbreak.

Brent crude futures dropped 25 cents, or 0.4%, to \$70.80 a barrel by 05:25 GMT, while **U.S. West Texas Intermediate (WTI)** crude futures fell 28 cents, or 0.4%, to \$67.26. Both benchmark contracts rose by about 8% over the previous two days, erasing most of the slump from a seven-day losing streak.

American Petroleum Institute data showed crude inventories fell 1.6 million barrels for the week ended Aug. 20, while gasoline stockpiles fell 1 million barrels, according to sources, who spoke on condition of anonymity.

Analysts were expecting crude stockpiles to fall by 2.7 million barrel and gasoline stocks to drop by 1.6 million barrels, according to a Reuters poll. Official data from the U.S. Energy Information Administration is due to be released on Wednesday at 1430 GMT.

<u>Gold</u>	1793.69
Support	Resistance
1798	1884
1717	1890

<u>Silver</u>	23.71
Support	Resistance
23.57	24.67
22.66	24.86

<u>Oil - WTI</u>	67.34
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<u>Nat Gas (HH)</u>	3.8770
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<u>Copper</u>	4.2600
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<u>Baltic Dry Ind.</u>	4201.00
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<u>Corn</u>	542.00
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<u>Wheat</u>	713.75
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<u>Soybean</u>	1331.75
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<u>Arabica Coffee</u>	185.75
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<u>Cotton</u>	93.70
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<u>Sugar</u>	19.58
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Source: Refinitiv / fxstreet.com / Bloomberg



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FX Corner

The safe-haven dollar traded near a one-week low versus major peers on Wednesday as concerns eased that the highly contagious Delta coronavirus variant could derail a global economic recovery, lifting commodity-linked currencies like the Aussie.

Risk appetite in global markets has strengthened since the U.S. Food and Drug Administration granted full approval to the COVID-19 vaccine developed by Pfizer PFE.N and BioNTech 22UAY.DE in a move that could accelerate U.S. inoculations.

The dollar index, which tracks the currency against six rivals, was little changed at 92.955, after dipping to 92.804 the previous day for the first time since Aug. 17.

Australia's dollar, which isn't part of the index, was roughly flat at \$0.7254 after climbing as high as \$0.7271 on Tuesday, also a one-week high.

The greenback has rallied in recent weeks, with the dollar index hitting a 9 1/2-month high of 93.734 on Friday, not just on fear about Delta's economic impact, but also the Federal Reserve signaled a tapering of stimulus was likely this year.

However, with Delta clouding the outlook, expectations are diminished that Fed Chair Jerome Powell will indicate a timeline when he speaks at the Fed's annual economic symposium at Jackson Hole, Wyoming, on Friday.

Against the euro, the dollar slipped 0.08% to \$1.17475 on Wednesday, after touching a one-week low of \$1.17655 overnight.

It edged up 0.13% to 109.82 yen, another safe-haven currency, but remained around the middle of the trading range since early July.

EUR/USD is edging lower towards 1.1700, snapping three-day uptrend ahead of the European open. The US dollar tracks firmer Treasury yields amid indecision over Fed's tapering and growing covid woes. German IFO and US Durable Goods Orders awaited.

GBP/USD remains pressured towards 1.3700, as the US dollar rebounds amid souring risk sentiment. Rising Delta covid variant concerns and anxiety ahead of Fed's Jackson Hole Symposium keep investors away from the higher-yielding pound. US data in focus.

Gold drops for second consecutive day as firmer USD adds to the bearish impulse. Market sentiment sours as virus woes escalate, mixed data raise concern over Fed's tapering ahead of Jackson Hole Symposium.

EURUSD	1.1740
Support	Resistance
1.1691	1.1833
1.1605	1.1889
1.1520	1.1946

GBPUSD	1.3720
Support	Resistance
1.3557	1.3844
1.3435	1.4009
1.3313	1.4174

AUDUSD	0.7242
Support	Resistance
0.7094	0.7379
0.6957	0.7527
0.6819	0.7674

EURCHF	1.0734
	Resistance
1.0602	1.0748
1.0575	1.0867
1.0548	1.0986

USDJPY	109.7000
Support	Resistance
108.48	110.17
107.94	111.32
107.41	112.48

USDCAD	1.2616
Support	Resistance
1.2267	1.2731
1.2144	1.3072
1.2020	1.3412

USDCHF	0.9142
Support	Resistance
0.9003	0.9147
0.8979	0.9267
0.8954	0.9386

EURJPY	128.8100
Support	Resistance
127.89	129.77
126.97	130.73
126.04	131.68

USDTRY	8.4093
Support	Resistance
8.1296	8.5530
7.9812	8.8280
7.8328	9.1030

Source: Refinitiv / fxstreet.com / Bloomberg



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Event Corner

Date	Country	Indicator Name	Period	Reuters Poll	Actual	Prior	SmartEstimate®	Predicted Surprise
25 août 2021	10:00	Germany	Ifo Business Climate New	Aug	100.4	100.8	100.34	-0.06
25 août 2021	10:00	Germany	Ifo Curr Conditions New	Aug	100.8	100.4	100.72	-0.08
25 août 2021	10:00	Germany	Ifo Expectations New	Aug	100.0	101.2	100.10	0.10
25 août 2021	13:00	United States	MBA 30-Yr Mortgage Rate	20 Aug, w/e		3.06%		
25 août 2021	14:30	United States	Durable Goods	Jul	-0.3%	0.9%	-0.11%	0.19%
25 août 2021	14:30	United States	Durables Ex-Transport	Jul	0.5%	0.5%	0.54%	0.04%
25 août 2021	14:30	United States	Durables Ex-Defense MM	Jul		1.1%		
25 août 2021	14:30	United States	Nondefe Cap Ex-Air	Jul	0.5%	0.7%	0.58%	0.08%
25 août 2021	15:00	Belgium	Leading Indicator	Aug		10.1		

Source: Refinitiv

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