



Morning Call

Geneva, August 3, 2021

Market Corner

Most Asian stocks dipped Tuesday and Treasury yields held a retreat amid concerns the economic recovery from the pandemic is losing momentum.

MSCI Inc.'s Asia-Pacific equity index fell, with shares in China and Hong Kong still feeling the effects of Beijing's clampdown on private industries. Internet giant Tencent Holdings Ltd. slumped on fears the authorities will set their sights on online entertainment next. S&P 500 and Nasdaq 100 contracts posted modest gains while European futures declined.

The spread of the delta Covid-19 variant and signs of robust but softer U.S. manufacturing growth contributed to an overnight S&P 500 dip. The 10-year U.S. Treasury yield remained below 1.20% after falling as low as 1.15%. The real yield on 10-year Treasuries -- which strips out the expected impact of inflation -- was close to a record low.

Oil held a plunge as the virus and indications of a slower Chinese economic rebound hurt the outlook for consumption. New Zealand's dollar jumped on policy tightening bets. Australia's currency advanced after its central bank kept a plan to taper bond purchases despite a protracted lockdown in Sydney.

The months-long advance in Treasuries for some commentators points to worries that a weaker period lies ahead for the economic reopening from the health crisis. Traders are awaiting key U.S. jobs data this week to gauge the recovery and monitoring the impact of price pressures sparked by pandemic-related disruption and bottlenecks.

Here are some key events to watch this week:

- Earnings are due this week from Alibaba, BP, Toyota, Uber, Roku, Moderna, KKR
- Reserve Bank of Australia policy decision Tuesday
- Bank of England is expected to keep its benchmark interest rate and its bond-buying target unchanged Thursday
- Reserve Bank of India monetary policy decision, briefing Friday
- The U.S. jobs report is expected to show another robust month of hiring Friday

US 10Y Govt Bond		Net Change
Price	Yield	-0.09
104.0781	1.1821	
EU 10Y Govt Bond		Net Change
Price	Yield	0.04
104.9790	-0.4830	
Indices		% Change
Euro Stoxx 50	4 116.62	0.67
CAC40	6 675.90	0.95
FTSE	7 081.72	0.70
DAX	15 568.73	0.16
SMI	12 171.02	0.45
Dow Jones	34 838.16	-0.28
S&P500	4 387.16	-0.18
Nasdaq Comp.	14 681.07	0.06
VIX (Volatility Index)	19.46	6.69

Source: Refinitiv / Bloomberg



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Crypto Corner

Bitcoin price ends three-month decline with a compelling 18.35% gain in July while Ethereum price is working on a historic 13 consecutive up days. XRP price closed last week with the best weekly return since the end of April.

Over ten days, from July 21 to July 30, Bitcoin price rallied 41.76%, marking the best ten-day period since the February gain of 43.14% and the January gain of 48.60%. However, it is the most profitable rebound off a major low since the February 2018 gain of 46.80%. Similar BTC gains occurred during established advances and often marked a local top or the final high.

There is no doubt that Bitcoin price has formed an impulsive rebound that notably deviates from other major lows due to the magnitude of the gain and sustainability. It is essential to note the comparative from 2018 was just an oversold bounce after the first leg lower from the 2017 high. BTC did go on to a major decline before finally bottoming in December 2018. Thus, investors should be mindful of that precedent as the flagship cryptocurrency confronts heavy resistance.

The magnitude and sustainability of this rally pushed Bitcoin price to a quadfecta of resistance that is now influencing BTC and may continue for several days or weeks. The first resistance point is the Ichimoku Cloud that was surpassed on July 30 after two days of struggle. Beyond the Ichimoku Cloud is the June 15 high of \$41,322, the 38.2% Fibonacci retracement of the April-June correction at \$42,589 and the February 28 low of \$43,016. Combined, those final three levels are now being engaged by Bitcoin price with negative results.

Crypto Market Cap: **\$1.55T**

24h Vol: **\$78.2B**

Dominance: **BTC: 46.3% ETH: 18.6%**

Bitcoin		38 242.00
Support	Resistance	
36 765.15	46 906.80	
29 541.55	49 824.85	
Circulating Supply (BTC)		
		18 774 762.00
Market Cap		
\$		720 000 550 539.00

Ethereum		2 471.49
Support	Resistance	
2 502.95	3 165.41	
1 938.99	3 263.91	
Circulating Supply (ETH)		
		116 949 439.00
Market Cap		
\$		290 102 052 980.00



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



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Commodity Corner

Gold prices inched lower on Tuesday as investors avoided taking big positions ahead of key U.S. non-farm payroll data due later this week, an important parameter to determine the U.S. Federal Reserve's future policy stance.

Spot gold fell 0.1% to \$1,810.96 per ounce by 03:48 GMT

Silver fell 0.5% to \$25.30 per ounce, palladium rose 0.1% to \$2,678.89, while platinum was down 0.5% at \$1,051.65.

Crude oil prices reversed course after an early bounce on Tuesday, as concerns over coronavirus curbs combined with slowing factory activity in key markets weighed on sentiment.

Brent crude oil futures shed 5 cents, or 0.1%, to \$72.84 a barrel, as of 03:09 GMT. U.S. West Texas Intermediate (WTI) crude was down 8 cents, or 0.1%, at \$71.18 a barrel.

Both markets dropped more than 3% on Monday.

Meanwhile, Iran will respond promptly to any threat against its security, the foreign ministry said on Monday, after the United States, Israel and Britain blamed Tehran for an attack on an Israeli-managed tanker off the coast of Oman.

Elsewhere, U.S. crude and product inventories likely declined last week with both distillates and gasoline stockpiles predicted to have fallen for a third straight week, a preliminary Reuters poll showed on Monday.

<u>Gold</u>	1810.76
Support	Resistance
1792	1835
1770	1855

<u>Silver</u>	25.30
Support	Resistance
25.08	26.42
24.10	26.78

<u>Oil - WTI</u>	71.10
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<u>Nat Gas (HH)</u>	3.9920
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<u>Copper</u>	4.4245
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<u>Baltic Dry Ind.</u>	3282.00
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<u>Corn</u>	554.50
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<u>Wheat</u>	725.00
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<u>Soybean</u>	1408.00
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<u>Arabica Coffee</u>	175.75
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<u>Cotton</u>	89.20
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<u>Sugar</u>	17.95
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Source: Refinitiv / [fxstreet.com](https://www.fxstreet.com/) / [Bloomberg](https://www.bloomberg.com/)



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FX Corner

The dollar was on the back foot against the safe-haven yen and Swiss franc on Tuesday after soft U.S. manufacturing data and rising concerns about the coronavirus Delta variant prompted traders to wind back bets on a strong economic recovery.

The Australian dollar spiked higher after the Reserve Bank of Australia stuck with its plan to taper its bond-buying programme, shrugging off concerns about economic impacts of rising coronavirus cases.

The dollar slipped 0.15% to 109.16 yen, near its July 19 low of 109.07, which was its lowest level since late May. Against the Swiss franc, the dollar traded at 0.9054 franc, having hit a 1-1/2-month low of 0.9038 in the previous session.

The euro was subdued at \$1.1880, having lost a bit of momentum after hitting a one-month high of \$1.1909 on Friday while sterling slipped to \$1.3889 from Friday's one-month high of \$1.39835.

EUR/USD extends bearish consolidation inside a choppy range below 1.1900. Covid woes battle stimulus hopes but EU data favor corrective pullback. The US dollar shrugs off Treasury yields' recovery amid a rebound in the risk sentiment. US data and Fed speech awaited.

GBP/USD keeps its range around 1.3900 amid a steady US dollar and risk recovery. Brexit optimism and fall in daily covid cases in the UK underpin the pound. BOE monetary policy decision and US NFP data hold the key this week.

Gold edges lower towards \$1800 heading into Tuesday's European session, amid mixed clues. The yellow metal posted a Doji candlestick for Monday's daily chart amid indecision as the coronavirus woes battled the stimulus hopes.

EURUSD	1.1873
Support	Resistance
1.1838	1.1997
1.1714	1.2032
1.1591	1.2068

GBPUSD	1.3893
Support	Resistance
1.3808	1.4221
1.3483	1.4309
1.3157	1.4396

AUDUSD	0.7395
Support	Resistance
0.7299	0.7425
0.7230	0.7482
0.7161	0.7539

EURCHF	1.0753
Support	Resistance
1.0642	1.0761
1.0631	1.0869
1.0619	1.0976

USDJPY	109.2100
Support	Resistance
108.23	109.64
108.00	110.82
107.76	111.99

USDCAD	1.2519
Support	Resistance
1.2195	1.2563
1.2123	1.2859
1.2050	1.3154

USDCHE	0.9056
Support	Resistance
0.8873	0.9069
0.8856	0.9248
0.8840	0.9428

EURJPY	129.6700
Support	Resistance
129.30	131.26
127.96	131.88
126.62	132.50

USDTRY	8.3523
Support	Resistance
8.1271	8.4445
8.0589	8.6937
7.9906	8.9428

Source: Refinitiv / fxstreet.com / Bloomberg



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Event Corner

Date	Time	Country	Indicator Name	Period	Reuters Poll	Actual	Prior	SmartEstimate®	Predicted Surprise
3 août 2021	14:55	United States	Redbook YY	31 Jul, w/e			16.0%		
3 août 2021	15:30	Canada	Markit Mfg PMI SA	Jul			56.5		
3 août 2021	16:00	United States	Durables Ex-Def, R MM	Jun			1.0%		
3 août 2021	16:00	United States	Durable Goods, R MM	Jun			0.8%		
3 août 2021	16:00	United States	Factory Orders MM	Jun	1.0%		1.7%	1.01%	0.01%
3 août 2021	16:00	United States	Durables Ex-Transp R MM	Jun			0.3%		
3 août 2021	16:00	United States	Nondef Cap Ex-Air R MM	Jun			0.5%		
3 août 2021	16:00	United States	Factory Ex-Transp MM	Jun			0.7%		

Source: Refinitiv

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