



Morning Call

Geneva, August 6, 2021

Market Corner

Most Asian stocks dipped Friday as traders weighed the spread of the delta coronavirus strain against a record Wall Street close while awaiting key U.S. payrolls data. A gauge of the dollar climbed.

Shares fell in China, where Beijing's regulatory crackdown and a warning about a possible downward spiral at China Evergrande Group -- the world's most indebted developer -- subdued sentiment. Japan fluctuated, with Nintendo Co. weighing after a profit miss. U.S. contracts were little changed in the wake of fresh peaks for the S&P 500 and Nasdaq 100 on solid earnings.

Trader focus is firmly on the U.S. payrolls report. Weak data could exacerbate concerns that the bounce back from the pandemic is losing steam. A robust number stands to benefit reflation trades linked to economic reopening -- providing markets aren't spooked by the argument that such data strengthen the case for the Federal Reserve to taper massive stimulus support.

In the latest Fed comments, Governor Christopher Waller said he's positive about the outlook and that accommodative policy could be pulled back sooner than some people expect. Minneapolis President Neel Kashkari expects a strong labor market in the fall but also flagged risks from the delta virus variant.

Here are some key events to watch this week:

- 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	-0.19
103.5625	1.2366	
EU 10Y Govt Bond		Net Change
Price	Yield	0.02
105.1200	-0.4970	
Indices		% Change
Euro Stoxx 50	4 161.08	0.39
CAC40	6 781.19	0.52
FTSE	7 120.43	-0.05
DAX	15 744.62	0.33
SMI	12 199.82	0.17
Dow Jones	35 064.25	0.78
S&P500	4 429.10	0.60
Nasdaq Comp.	14 895.12	0.78
VIX (Volatility Index)	17.28	-3.84

Source: Refinitiv / Bloomberg



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Crypto Corner

Ether, the second largest cryptocurrency by market capitalization, was in the spotlight on Thursday as the latest hard fork upgrade, which was dubbed “London,” officially activated on the Ethereum blockchain network. The upgrade contributed to bullish price action as ether rose about 5% over the past 24 hours, compared with a 3% rise in bitcoin during the same period.

Despite ETH’s rally, some analysts expect widespread institutional adoption to take a few years. Institutional interest boosted bitcoin’s investment appeal over the past year, which contributed to a crypto rally during the fourth quarter of 2020.

Crypto Market Cap: [\\$1.66T](#)

24h Vol: [\\$101.58B](#)

Dominance: [BTC: 45.7%](#) [ETH: 19.6%](#)

Bitcoin	40 486.87
Support	Resistance
37 088.15	43 322.02
33 610.83	46 078.57
Circulating Supply (BTC)	
18 777 593.00	
Market Cap	
\$	761 133 168 943.00

Ethereum	2 779.81
Support	Resistance
2 612.31	3 292.78
2 041.74	3 402.68
Circulating Supply (ETH)	
116 989 074.00	
Market Cap	
\$	325 681 188 706.00

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 COINBASE:BTCUSD, 1D 40465.11 ▼ -423.63 (-1.04%) O:40888.73 H:41034.40 L:39876.74 C:40464.18



TradingView

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



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Commodity Corner

Gold edged down Friday, lingering near the key level of \$1,800 an ounce, pressured by a stronger dollar as investors eyed a U.S. jobs report for cues on the Federal Reserve's future policy stance.

Spot gold fell 0.3% to \$1,799.46 per ounce by 05:17 GMT.

Indicative of sentiment, holdings in SPDR Gold Trust GLD, the world's largest gold-backed exchange-traded fund, fell to 1,027.61 tonnes on Thursday.

Silver was steady at \$25.12 per ounce and was down about 1.4% for the week.
 Platinum fell 0.4% to \$1,001.66 and was on track for its biggest weekly fall since June.
 Palladium XPD rose 0.2% to \$2,652.93.

Elsewhere, silver was little changed at \$25.34 per ounce, having hit a near three-week peak on Wednesday.
 Platinum earlier hit an over seven-month low of \$1,005.50 and was last down 1.5% at \$1,010.51.
 Palladium eased 0.1% to \$2,644.58.

U.S. crude oil futures edged up on Friday but remained on track for their biggest weekly decline since late October on demand concerns as top consumers impose travel restrictions to curb the spread of the COVID-19 Delta variant.

However, rising tensions in the Middle East provided a floor under the market.

U.S. West Texas Intermediate (WTI) crude futures have dropped 6.4% this week, the biggest weekly loss since the end of October. They were up 10 cents at \$69.19 a barrel, as at 04:00 of GMT.

Brent crude oil futures have given up 6.5%, the most since March and prices were up 11 cents at \$71.40 a barrel on Friday.

Gold	1801.25
Support	Resistance
1778	1821
1763	1848

Silver	25.17
Support	Resistance
24.46	26.01
23.69	26.79

Oil - WTI	69.37
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Nat Gas (HH)	4.1580
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Copper	4.3295
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Baltic Dry Ind.	3376.00
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Corn	551.00
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Wheat	710.25
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Soybean	1398.50
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Arabica Coffee	179.90
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Cotton	90.82
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Sugar	18.62
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Source: Refinitiv / fxtreet.com / Bloomberg



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FX Corner

The dollar was supported on Friday in the lead up to the release of U.S. employment data, as markets braced for the numbers that could make the case for faster U.S. policy tightening at a time when action in Europe and Japan remains distant.

The euro has lost about 0.3% on the dollar this week and was last drifting lower at \$1.1825. It has failed in a few recent attempts to breach resistance around \$1.1910. The dollar is also perched at a one-week high of 109.84 Japanese yen, after bouncing solidly from a low of 108.72 that it touched on Wednesday. The U.S. dollar index inched up to 92.316 and is 0.26% higher so far this week.

Fed Vice Chair Richard Clarida's comments this week that conditions for a rate hike could be met in late 2022 have only served to underscore the focus on jobs.

Consensus expectations, from a Reuters survey of 80 economists, is for 870,000 jobs to have been added last month, though predicting hiring amidst a pandemic is a guessing game and estimates range from 350,000 to 1.6 million.

Adding to the murkiness has been a mixed bag of U.S. data through the week, with a surprisingly weak ADP report on private hiring, but an encouraging dip in jobless claims and the strongest ever reading for services activity.

The data is due at 1230 GMT.

EUR/USD remains pressured towards 1.1800, renewing weekly bottom ahead of the European open. Firmer Treasury yields back the US dollar amid covid woes, stimulus deadlock. US data keeps tapering tantrums alive amid the pre-NFP trading lull.

GBP/USD remains vulnerable below 1.3950 on NFP Friday. US dollar index stays firm above 92.30 on upbeat economic data and Fed's tapering expectations. Sterling remains unaffected by a mild BOE's hawkish tilt.

After a volatile Wednesday, gold price resumed its downtrend on Thursday and breached the \$1800 level before recovering to \$1804.48 at the close. Gold's daily setup points to deeper losses if the death cross gets confirmed.

EURUSD	1.1825
Support	Resistance
1.1768	1.1925
1.1681	1.1995
1.1595	1.2066

GBPUSD	1.3920
Support	Resistance
1.3848	1.4113
1.3650	1.4180
1.3453	1.4248

AUDUSD	0.7391
Support	Resistance
0.7369	0.7480
0.7287	0.7509
0.7204	0.7537

EURCHF	1.0732
	Resistance
1.0617	1.0740
1.0606	1.0852
1.0595	1.0964

USDJPY	109.8300
Support	Resistance
108.69	110.56
107.77	111.51
106.84	112.45

USDCAD	1.2502
Support	Resistance
1.2409	1.2598
1.2319	1.2697
1.2229	1.2796

USDCHE	0.9075
Support	Resistance
0.8913	0.9118
0.8862	0.9272
0.8811	0.9426

EURJPY	129.8600
Support	Resistance
129.09	130.51
128.40	131.24
127.70	131.96

USDTRY	8.5390
Support	Resistance
8.4068	8.7622
8.1607	8.8715
7.9146	8.9808

Source: Refinitiv / fxstreet.com / Bloomberg

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Event Corner

Date	Time	Country	Indicator Name	Period	Reuters Poll	Actual	Prior	SmartEstimate®	Predicted Surprise
6 août 2021	01:30	Japan	Overtime Pay	Jun			19.9%		
6 août 2021	01:50	Japan	Foreign Reserves	Jul			1 376.5B		
6 août 2021	08:00	Germany	Industrial Output MM	Jun	0.5%		-0.3%	0.42%	-0.08%
6 août 2021	08:45	France	Current Account	Jun			-2.3B		
6 août 2021	08:45	France	Non-Farm Payrolls QQ	Q2			0.3%		
6 août 2021	08:45	France	Reserve Assets Total	Jul			186 242M		
6 août 2021	08:45	France	Trade Balance, EUR, SA	Jun			-6.80B		
6 août 2021	08:45	France	Imports, EUR	Jun			46.16B		
6 août 2021	08:45	France	Exports, EUR	Jun			39.36B		
6 août 2021	09:00	Switzerland	Forex Reserves CHF	Jul			941 125.00M		
6 août 2021	10:00	Italy	Industrial Output MM SA	Jun	1.0%		-1.5%	0.98%	-0.02%
6 août 2021	10:00	Italy	Industrial Output YY WDA	Jun			21.1%		
6 août 2021	14:30	United States	Non-Farm Payrolls	Jul	870k		850k	864.4k	-5.6k
6 août 2021	14:30	United States	Private Payrolls	Jul	700k		662k	746.6k	46.6k
6 août 2021	14:30	United States	Manufacturing Payrolls	Jul	25k		15k	24.3k	-0.7k
6 août 2021	14:30	United States	Government Payrolls	Jul			188k		
6 août 2021	14:30	United States	Unemployment Rate	Jul	5.7%		5.9%	5.68%	-0.02%
6 août 2021	14:30	United States	Average Earnings MM	Jul	0.3%		0.3%	0.31%	0.01%
6 août 2021	14:30	United States	Average Earnings YY	Jul	3.8%		3.6%	3.83%	0.03%
6 août 2021	14:30	United States	Average Workweek Hrs	Jul	34.7		34.7	34.71	0.01
6 août 2021	14:30	United States	Labor Force Partic	Jul			61.6%		
6 août 2021	14:30	United States	U6 Underemployment	Jul			9.8%		
6 août 2021	14:30	Canada	Employment Change	Jul	177.5k		230.7k	174.08k	-3.42k
6 août 2021	14:30	Canada	Unemployment Rate	Jul	7.4%		7.8%	7.34%	-0.06%
6 août 2021	14:30	Canada	Full Time Employment Chng SA	Jul			-33.2k		
6 août 2021	14:30	Canada	Part Time Employment Chng SA	Jul			263.9k		
6 août 2021	14:30	Canada	Participation Rate	Jul			65.2%		
6 août 2021	16:00	United States	Wholesale Invt(y), R MM	Jun	0.8%		0.8%	0.93%	0.13%
6 août 2021	16:00	United States	Wholesale Sales MM	Jun	0.8%		0.8%	0.80%	0.00%
6 août 2021	16:00	Canada	Ivey PMI	Jul			67.7		
6 août 2021	16:00	Canada	Ivey PMI SA	Jul			71.9		

Source: Refinitiv

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