



Morning Call

Geneva, September 13, 2021

Market Corner

Stocks fell Monday as the risk of a slower recovery from the pandemic shadowed global markets and Chinese technology stocks buckled under the weight of Beijing’s regulatory clampdown.

A Hong Kong gauge of Chinese tech names tumbled after a report that officials are seeking to break up Ant Group Co.’s Alipay. China’s online platforms have also been told to protect the rights of workers in the so-called gig economy. China’s overall stock market fluctuated, while Japan slipped.

U.S. futures struggled to make gains after last week’s S&P 500 drop, signaling caution over reopening challenges from the delta virus strain. Oil rose to about \$70 a barrel and aluminum rallied. Commodity markets are having a tough time balancing strong demand with sticky supply, Goldman Sachs Group Inc. said.

Treasury yields pared an advance as traders assess price pressures and their impact on the likely timeline for a reduction in Federal Reserve stimulus. An update on U.S. consumer prices this week will feed into the debate about whether elevated costs are transient. The dollar was little changed.

The ongoing march of Covid-19 even as vaccine rollouts accelerate is undermining confidence in the economic recovery and contributing to supply-shock inflation. Key central banks are also getting closer to paring pandemic-era stimulus, posing risks for financial markets.

Meanwhile, President Joe Biden’s \$3.5 trillion tax-and-spending plan faces challenges. Democrat Senator Joe Manchin has cast doubt on the timeline for pushing Biden’s economic agenda through Congress, and proposed tax rates may be watered down to boost the chances of the package being passed. In the latest tapering comments, Federal Reserve Bank of Philadelphia President Patrick Harker said he’s supportive of moving toward a tapering process “sooner rather than later,” according to a report.

Here are some events to watch this week:

- OPEC monthly oil market report, Monday
- U.S. consumer-price index, Tuesday
- Apple product-launch event, Tuesday
- China retail sales, property prices, industrial production, Wednesday
- Quadruple witching day for U.S. markets, Friday

US 10Y Govt Bond		Net Change
Price	Yield	0.06
99.2188	1.3343	
EU 10Y Govt Bond		Net Change
Price	Yield	0.01
103.3720	-0.3340	
Indices		% Change
Euro Stoxx 50	4 170.35	-0.16
CAC40	6 663.77	-0.31
FTSE	7 029.20	0.07
DAX	15 609.81	-0.09
SMI	12 060.96	-0.46
Dow Jones	34 607.72	-0.78
S&P500	4 458.58	-0.77
Nasdaq Comp.	15 115.49	-0.87
VIX (Volatility Index)	20.95	11.44

Source: Refinitiv / Bloomberg



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Crypto Corner

Solana price appears to be retracing following its all-time high at \$216 recorded on September 9. Although SOL defied market odds and rose to a record high while most cryptocurrencies plunged, the altcoin is correcting as its momentum has shifted to the downside.

Solana price has dropped 25% from its swing high and could be headed for further losses as its correction ensues. On the 4-hour chart, a descending parallel channel has emerged, as SOL continues to create lower highs and lower lows.

While Solana price continues to consolidate, SOL is likely to discover meaningful support at the lower boundary of the governing technical pattern at \$150. Should the altcoin slice below this level that coincides with the breakout line given by the Momentum Reversal Indicator (MRI), the bears could target lower levels.

However, substantial support will emerge at the 100 four-hour Simple Moving Average (SMA), which sits near the 61.8% Fibonacci extension level at \$142. Should Solana price continue to see selling pressure, the MRI suggests that there would be another line of defense at \$137.

Only a major sell-off would see Solana price tag the pessimistic target given by the prevailing chart pattern of a 25% plunge, touching the downside trend line of the lower parallel channel.

Crypto Market Cap: [\\$2.04T](#)

24h Vol: [\\$114.9B](#)

Dominance: [BTC: 41.1%](#) [ETH: 18.8%](#)

Bitcoin	44 705.62
Support	Resistance
38 322.41	48 430.50
35 527.12	55 743.30
Circulating Supply (BTC)	
18 814 331.00	
Market Cap	
\$	840 355 024 605.00

Ethereum	3 273.92
Support	Resistance
2 711.05	3 720.15
2 360.98	4 379.18
Circulating Supply (ETH)	
117 502 057.00	
Market Cap	
\$	384 392 559 623.00



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



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Commodity Corner

Gold prices were stuck in a narrow range on Monday, with cautious investors awaiting readings on U.S. consumer prices that could be crucial to Federal Reserve's decision on when to exit its super-supportive policy.

Spot gold rose 0.2% to \$1,791.01 per ounce by 0318 GMT, after posting a weekly decline of 2.1%.

Platinum rose 0.1% to \$956.70 per ounce and touched its lowest level since November 2020.

Palladium hit its lowest level since August 2020 but recovered some lost ground to trade up 0.3% at \$2,144.98.

Silver was steady at \$23.71.

Oil prices rose for a second session on Monday as concerns over U.S. output following damage from Hurricane Ida supported the market, along with expectations for higher demand.

Brent crude rose 33 cents, or 0.5% to \$73.25 a barrel, and **U.S. West Texas Intermediate (WTI)** crude also added 32 cents, or 0.5%, to \$70.04 at 04:36 GMT. Both markets were at their highest since Sept. 3 earlier in the session.

About three-quarters of the offshore oil production in the U.S. Gulf of Mexico, or about 1.4 million barrels per day, has remained halted since late August, roughly equal to what OPEC member Nigeria produces.

Gold	1790.92
Support	Resistance
1751	1803
1740	1845

Silver	23.71
Support	Resistance
22.92	24.12
22.71	25.11

Oil - WTI	70.26
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Nat Gas (HH)	4.9480
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Copper	4.4585
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Baltic Dry Ind.	3864.00
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Corn	503.50
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Wheat	675.00
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Soybean	1275.25
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Arabica Coffee	188.05
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Cotton	93.02
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Sugar	18.79
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Source: Refinitiv / fxstreet.com / Bloomberg



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FX Corner

The dollar began a busy data week on a firm footing, with immediate focus turning to U.S. inflation figures but investors are also wary of the Federal Reserve priming to exit from its super-supportive policy stance even as COVID-19 cases surge.

The greenback inched higher in Asia after logging its best week in three on Friday, benefiting both from safety flows and the policy outlook lifting U.S. Treasury yields.

Moves were modest but the euro fell back under \$1.18 to \$1.1792. The dollar also made small gains on the Australian and New Zealand dollars and marginal rises against the yen and sterling -- last buying 109.96 yen.

"A couple of dynamics favor the dollar," said Rodrigo Catril, senior currency strategist at National Australia Bank in Sydney, noting growing risk aversion as even highly vaccinated countries such as Singapore and Britain log surges in COVID-19 cases.

By 05:20 GMT the **Australian dollar** was 0.2% weaker at \$0.7337 -- and it has struggled to hold over \$0.74 -- while the **kiwi** was down 0.4% at \$0.71 as a lockdown of Auckland was extended until midnight on Sept. 21.

The dollar index rose 0.1% to 92.739. U.S. consumer price data on Tuesday is the next major focus for FX traders, along with U.S. retail sales and production figures later in the week as they frame the economy's progress in the lead-up to the Federal Reserve's Sept. 21-22 meeting.

Core consumer price inflation is expected to slow a tad to 4.2%.

EURUSD	1.1788
Support	Resistance
1.1739	1.1866
1.1697	1.1951
1.1654	1.2035

GBPUSD	1.3822
Support	Resistance
1.3810	1.3977
1.3683	1.4017
1.3557	1.4058

AUDUSD	0.7348
Support	Resistance
0.7263	0.7457
0.7176	0.7564
0.7089	0.7671

EURCHF	1.084
	Resistance
1.0790	1.0945
1.0690	1.1000
1.0590	1.1055

USDJPY	110.0500
Support	Resistance
109.29	110.16
108.99	110.73
108.70	111.31

USDCAD	1.2671
Support	Resistance
1.2546	1.2818
1.2382	1.2926
1.2217	1.3033

USDCHF	0.9195
Support	Resistance
0.9106	0.9241
0.9035	0.9305
0.8964	0.9369

EURJPY	129.7400
Support	Resistance
129.08	130.35
128.64	131.18
128.20	132.01

USDTRY	8.4694
Support	Resistance
8.3475	8.6179
8.1611	8.7019
7.9746	8.7858

Source: Refinitiv / fxstreet.com / Bloomberg



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Event Corner

Date	Country	Indicator Name	Period	Reuters Poll	Actual	Prior	SmartEstimate®	Predicted Surprise
13 sept 2021	01:50	Japan	Corp Goods Price MM	Aug	0.2%	1.1%	0.22%	0.02%
13 sept 2021	01:50	Japan	Corp Goods Price YY	Aug	5.6%	5.6%	5.60%	0.00%
13 sept 2021	01:50	Japan	Business Survey Index	Q3		-1.4%		
13 sept 2021	20:00	United States	Federal Budget,\$	Aug		-302.00B		

Source: Refinitiv

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