



# Morning Call

Geneva, September 15, 2021

## Market Corner

Most Asian stocks fell Wednesday while Treasuries retained gains amid concerns about a slower recovery from the pandemic as well as the impact of elevated price pressures on the global economy.

Shares retreated in Japan and Hong Kong and fluctuated in China, where the economy weakened on steps to curb a Covid-19 outbreak. Macau casino stocks slid on steps to boost oversight, the latest escalation in Beijing's regulatory overhaul.

U.S. futures wavered after declines in the S&P 500 and Nasdaq 100.

Chinese data showed a sharp slowdown in retail sales growth as virus curbs hit consumer spending and travel during the peak summer holiday break. The figures will feed into anxiety that the world economic recovery has peaked.

The 10-year U.S. Treasury yield held a fall below 1.30%.

U.S. inflation was less than forecast in August while remaining elevated, leaving the argument about whether price pressures are transitory unresolved.

While the inflation print could be seen as easing pressure on the Fed to start pulling back on loose monetary policy, investors remain wary of the impact of the delta virus variant and rising costs on economic reopening. Sovereign debt in Australia and New Zealand climbed following the rally in Treasuries.

Here are some events to watch this week:

- China retail sales, property prices, industrial production, Wednesday
- Quadruple witching day for U.S. markets, Friday

<u>US 10Y Govt Bond</u>		<u>Net Change</u>
<b>Price</b>	<b>Yield</b>	<b>-0.02</b>
99.7188	1.2803	
<u>EU 10Y Govt Bond</u>		<u>Net Change</u>
<b>Price</b>	<b>Yield</b>	<b>-0.03</b>
103.4040	-0.3370	
<u>Indices</u>		<u>% Change</u>
<b>Euro Stoxx 50</b>	4 191.67	<b>0.05</b>
<b>CAC40</b>	6 652.97	<b>-0.36</b>
<b>FTSE</b>	7 034.06	<b>-0.49</b>
<b>DAX</b>	15 722.99	<b>0.14</b>
<b>SMI</b>	12 097.28	<b>0.19</b>
<b>Dow Jones</b>	34 577.57	<b>-0.84</b>
<b>S&amp;P500</b>	4 443.05	<b>-0.57</b>
<b>Nasdaq Comp.</b>	15 037.76	<b>-0.45</b>
<b>VIX (Volatility Index)</b>	19.46	<b>0.46</b>

Source: Refinitiv / Bloomberg



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## Crypto Corner

**Cathie Wood**, CEO and cofounder of Ark Invest, spoke at a conference in New York about the potential of cryptocurrencies. Despite the recent drop in Bitcoin prices, she continues to remain bullish and predicts that the price of Bitcoin will be in the six-figure range. She anticipates that Bitcoin prices will more than tenfold and trade nearly \$500,000, up from nearly \$47,000 now. She did, however, emphasize the importance of institutional investors allocating at least 5% of their portfolios to digital assets. She added that while Bitcoin remains her preferred cryptocurrency, she is also keeping a close eye on Ethereum, which has risen significantly and is transitioning from "proof-of-work to proof-of-stake."

Bitcoin prices have moved back above the 50 and 200-day SMA on the daily time frame which is certainly positive for the price. Something which is also immensely positive for the Bitcoin price is the golden cross which is taking today i.e. the 50-day SMA crossing above the 200-day SMA on the daily time frame. If price continues to trade above these moving averages, we could potentially see a major rally for the Bitcoin price.

Crypto Market Cap: [\\$2.12T](#)

24h Vol: [\\$109.1B](#)

Dominance: [BTC: 41.6%](#) [ETH: 18.8%](#)

Bitcoin		46 890.61
Support	Resistance	
39 365.64	49 473.73	
36 048.73	56 264.91	
Circulating Supply (BTC)		18 816 318.00
Market Cap		\$ 884 086 305 675.00

Ethereum		3 394.67
Support	Resistance	
2 708.04	3 682.99	
2 376.55	4 326.45	
Circulating Supply (ETH)		117 528 929.00
Market Cap		\$ 399 386 670 567.00



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



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## Commodity Corner

**Gold** held above the key psychological level of \$1,800 on Wednesday, after a tamer-than-expected rise in U.S. inflation led to uncertainty on when the U.S. central bank would begin tapering its asset purchases.

**Spot gold** was steady at \$1,802.92 per ounce as of 03:18 GMT, after hitting a one-week peak of \$1,808.50 on Tuesday.

**The dollar index** was steady after hitting a two-week high on Monday.

**Holdings of SPDR Gold Trust**, the world's largest gold-backed exchange-traded fund, rose 0.2% to 1,000.21 tons on Monday from 998.17 tons on Friday.

**Silver** fell 0.3% to \$23.76 per ounce.

**Platinum** hit an over nine-month low of \$926.26 and was last down 0.4% at \$935.52.

**Palladium** dipped 0.3% to \$1,971.91. Prices touched their lowest level since July 2020 at \$1,935 in the previous session.

**Oil** prices climbed on Wednesday after industry data showed a larger than expected drawdown in crude oil stocks in the United States, the world's largest oil consumer, and on expectations that demand will recover as vaccine roll-outs widen.

But a fall in China's crude oil throughput in August with daily refinery runs hitting the lowest since last May, and overall factory output faltering, capped oil price gains.

**Brent crude oil** rose 49 cents, or 0.7%, to \$74.09 a barrel by 05:24 GMT, while **U.S. West Texas Intermediate (WTI)** crude climbed 48 cents, or 0.7%, to \$70.94 a barrel.

U.S. crude oil, gasoline and distillate stocks all fell last week, according to two market sources, citing American Petroleum Institute figures on Tuesday, after Hurricane Ida shut numerous refineries and offshore drilling production.

Crude stocks fell by 5.4 million barrels for the week ended on Sept. 10. Analysts on average had been expecting a drop of 3.5 million barrels.

<u>Gold</u>	1802.40
Support	Resistance
1762	1815
1745	1851

<u>Silver</u>	23.69
Support	Resistance
22.59	24.13
22.20	25.28

<u>Oil - WTI</u>	70.98
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<u>Nat Gas (HH)</u>	5.3070
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<u>Copper</u>	4.3300
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<u>Baltic Dry Ind.</u>	4221.00
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<u>Corn</u>	524.25
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<u>Wheat</u>	698.25
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<u>Soybean</u>	1288.50
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<u>Arabica Coffee</u>	185.45
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<u>Cotton</u>	93.16
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<u>Sugar</u>	18.96
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Source: Refinitiv / fxstreet.com / Bloomberg



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## FX Corner

The **dollar** drifted within recent ranges against major peers on Wednesday after softer-than-expected U.S. inflation raised doubts about a taper of Federal Reserve stimulus this year.

The **dollar index** stood at 92.632, little changed from Tuesday, when it dropped following the inflation data only to recover on haven demand as stocks slid on Wall Street.

The index has meandered between 92.3 and 92.9 over the past week as several Fed officials have suggested the U.S. central bank could reduce its buying of debt securities by the end of the year, even after a much-weaker-than-expected payrolls report at the start of the month.

While elevated inflation has kept pressure on policymakers, data overnight showed the U.S. consumer price index, excluding the volatile food and energy components, edged up just 0.1% last month. The Fed holds a two-day monetary policy meeting next week, with investors keen to find out whether a tapering announcement will be made. Tapering tends to benefit the dollar as it suggests the Fed is one step closer toward tighter monetary policy. It also means the central bank will be buying fewer debt assets, effectively reducing the number of dollars in circulation.

Even so, NAB predicts that the focus of global growth is shifting away from the United States, pushing the currency down to \$1.23 **versus the euro** by year-end. One euro bought \$1.1808 on Wednesday, mostly flat from the previous session. European Central Bank Chief Economist Philip Lane speaks at the IMFS webinar later in the global day.

The dollar slipped slightly to 109.595 **yen**, keeping close to the center of the trading range of the past two months. The U.S. currency edged higher against its antipodean rivals though, adding 0.1% to \$0.7316 **per Aussie** and rising about the same margin to \$0.7088 to **New Zealand's kiwi**.

EURUSD	1.1808
Support	Resistance
1.1722	1.1862
1.1675	1.1955
1.1628	1.2048

GBPUSD	1.3823
Support	Resistance
1.3767	1.3955
1.3652	1.4028
1.3536	1.4100

AUDUSD	0.7323
Support	Resistance
0.7191	0.7362
0.7163	0.7505
0.7135	0.7648

EURCHF	1.086
Support	Resistance
1.0840	1.0941
1.0771	1.0973
1.0702	1.1005

USDJPY	109.5600
Support	Resistance
109.11	110.04
108.85	110.71
108.58	111.37

USDCAD	1.2688
Support	Resistance
1.2564	1.2836
1.2390	1.2934
1.2217	1.3033

USDCHF	0.9199
Support	Resistance
0.9165	0.9292
0.9076	0.9330
0.8987	0.9368

EURJPY	129.3800
Support	Resistance
128.61	130.00
128.28	131.06
127.96	132.13

USDTRY	8.4379
Support	Resistance
8.3388	8.6092
8.1567	8.6975
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
15 sept 2021	01:00	Japan	Reuters Tankan Man'f Idx	Sep		33		
15 sept 2021	01:00	Japan	Reuters Tankan N-Man Idx	Sep		5		
15 sept 2021	01:50	Japan	Machinery Orders MM	Jul	3.1%	-1.5%	2.55%	-0.55%
15 sept 2021	01:50	Japan	Machinery Orders YY	Jul	15.7%	18.6%	14.99%	-0.71%
15 sept 2021	06:30	Japan	Tertiary Ind Act NSA	Jul		5.8%		
15 sept 2021	08:00	United Kingdom	PPI Input Prices MM NSA	Aug	0.2%	0.8%	0.61%	0.41%
15 sept 2021	08:00	United Kingdom	PPI Input Prices YY NSA	Aug	10.3%	9.9%	10.60%	0.30%
15 sept 2021	08:00	United Kingdom	PPI Output Prices MM NSA	Aug	0.4%	0.6%	0.47%	0.07%
15 sept 2021	08:00	United Kingdom	PPI Output Prices YY NSA	Aug	5.4%	4.9%	5.48%	0.08%
15 sept 2021	08:00	United Kingdom	PPI Core Output MM NSA	Aug		0.7%		
15 sept 2021	08:00	United Kingdom	PPI Core Output YY NSA	Aug		3.9%		
15 sept 2021	13:00	United States	MBA 30-Yr Mortgage Rate	10 Sep, w/e		3.03%		
15 sept 2021	14:30	United States	NY Fed Manufacturing	Sep	18.00	18.30	18.708	0.708
15 sept 2021	14:30	United States	Import Prices MM	Aug	0.3%	0.3%	0.19%	-0.11%
15 sept 2021	14:30	United States	Export Prices MM	Aug	0.4%	1.3%	0.57%	0.17%
15 sept 2021	14:30	United States	Import Prices YY	Aug		10.2%		
15 sept 2021	15:15	United States	Industrial Production MM	Aug	0.4%	0.9%	0.44%	0.04%
15 sept 2021	15:15	United States	Capacity Utilization SA	Aug	76.4%	76.1%	76.43%	0.03%
15 sept 2021	15:15	United States	Manuf Output MM	Aug	0.4%	1.4%	0.36%	-0.04%
15 sept 2021	15:15	United States	Industrial Production YoY	Aug		6.56%		
15 sept 2021	16:30	United States	EIA Ethanol Ref Stk	10 Sep, w/e		20 390k		
15 sept 2021	16:30	United States	EIA Ethanol Fuel Total	10 Sep, w/e		923k		

Source: Refinitiv

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