



Morning Call

Geneva, October 11, 2021

Market Corner

Asian stocks climbed Monday, helped by rallies in Japan and Chinese technology shares, while crude oil surged past \$80 a barrel amid a global energy crunch.

Japanese shares were boosted by a weaker yen and Prime Minister Fumio Kishida's comments that he isn't considering capital-gains tax changes at present. A Hong Kong gauge of Chinese tech equities jumped more than 3% on easing concerns about Beijing's crackdown on internet platforms after food delivery giant Meituan received a lower-than-expected antitrust fine.

U.S. futures fell after Wall Street declined Friday on disappointing jobs growth data that also showed a jump in earnings. Wage gains and higher energy costs are stoking inflation and supporting the case for tighter monetary policy to tackle inflation, including a looming reduction in Federal Reserve stimulus.

West Texas Intermediate crude was at the highest since 2014, while China's coal futures reached a record as flooding shuttered mines. Treasury futures fell, after the 10-year U.S. Treasury yield advanced past 1.6% Friday. There's no cash Treasuries trading Monday due to a U.S. holiday.

Here are a few events to watch this week:

- IMF/World Bank annual meetings start in Washington. Though Oct. 17
- Bank of Korea policy decision and briefing. Tuesday
- Atlanta Fed President Raphael Bostic speaks on inflation. Tuesday
- U.S. FOMC minutes and CPI. Wednesday
- JPMorgan Chase & Co. kicks off the reporting season. Wednesday
- China PPI, CPI. Thursday
- U.S. initial jobless claims, PPI. Thursday

US 10Y Govt Bond		Net Change
Price	Yield	0.00
96.7188	1.6118	
EU 10Y Govt Bond		Net Change
Price	Yield	-0.16
101.3000	-0.1310	
Indices		% Change
Euro Stoxx 50	4 073.29	-0.61
CAC40	6 559.99	-0.61
FTSE	7 095.55	0.25
DAX	15 206.13	-0.29
SMI	11 764.99	0.01
Dow Jones	34 746.25	-0.03
S&P500	4 931.34	-0.19
Nasdaq Comp.	14 579.54	-0.51
VIX (Volatility Index)	18.77	-3.94

Source: Refinitiv / Bloomberg



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Crypto Corner

Ethereum price action saw bulls flocking it at \$3.250, around the 55-day Simple Moving Average (SMA) and the monthly pivot, as favorable tailwinds hovered in cryptocurrencies. For the second week in a row, ETH price action broke above a few significant resistance levels and is building momentum for another leg higher with a possible new all-time high in Ethereum price action.

More than \$30 billion was settled on the Bitcoin blockchain in a single day last week.

The value settled on the Bitcoin network has been surging recently, reaching a new daily all-time high last week.

Bitcoin's daily settlement value hit an all-time high on Oct. 6, with \$31 billion worth of transactions being settled on-chain using the Bitcoin network.

The record high marks an increase in the network's daily settlement volume of approximately 40 times since the beginning of 2020.

According to data from Coin Metrics, daily settlement volume has since pulled back sharply, with the Bitcoin network settling \$11.6 billion worth of transactions on Oct. 10.

Crypto Market Cap: [\\$2.32T](#)

24h Vol: [\\$98.1B](#)

Dominance: [BTC: 45.8%](#) [ETH: 17.9%](#)

Bitcoin		56 630.16
Support	Resistance	
54 214.95	67 157.69	
42 236.55	68 122.03	
Circulating Supply (BTC)		
		18 840 587.00
Market Cap		
\$		1 067 578 992 627.00

Ethereum		3 520.25
Support	Resistance	
3 401.08	4 113.04	
2 825.98	4 249.90	
Circulating Supply (ETH)		
		117 879 619.00
Market Cap		
\$		414 986 754 726.00



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



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Commodity Corner

Gold prices were flat on Monday after weak jobs growth numbers failed to temper expectations that the U.S. Federal Reserve would start paring its stimulus this year.

Spot gold was flat at \$1,757.71 per ounce by 03:26 GMT.

Spot silver rose 0.3% to \$22.72 per ounce.

Platinum eased 0.1% to \$1,025.18.

Palladium gained 2.6% at \$2,132.12.

Oil prices surged again on Monday, extending multiweek gains as an energy crisis gripping major economies shows no sign of easing amid a pickup in economic activity and restrained supplies from major producers.

Brent crude was up \$1.18 cents, or 1.4%, at \$83.57 a barrel by 06:03 GMT, after gaining nearly 4% last week.

U.S. oil was up \$1.49, or 1.9%, at \$80.84 a barrel, the highest since late 2014. U.S. crude rose 4.6% through Friday.

Prices have risen as more vaccinated populations are brought out of coronavirus lockdowns, supporting a revival of economic activity, with Brent advancing for five weeks and U.S. crude for seven. Coal and gas prices have also been surging as economies recover, making oil more attractive as a fuel for power generation, pushing crude markets higher.

In India, some states are experiencing electricity blackouts because of coal shortages, while in China the government has ordered miners to ramp up coal production as power prices surge.

The energy crisis sweeping the world is raising the prospect of a difficult northern winter as heating demand rises. Fund managers increased their net long positions in U.S. crude futures and options in the week to Oct. 5, the Commodity Futures Trading Commission said on Friday. The speculator group increased combined futures and options position in New York and London by 8,902 contracts to 325,578 during the period, the commissions said.

Gold	1756.31
Support	Resistance
1746	1806
1703	1824

Silver	22.66
Support	Resistance
22.31	24.12
20.94	24.56

Oil - WTI	80.81
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Nat Gas (HH)	5.7250
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Copper	4.3230
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Baltic Dry Ind.	5526.00
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Corn	530.50
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Wheat	735.00
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Soybean	1249.00
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Arabica Coffee	204.25
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Cotton	108.24
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Sugar	20.29
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Source: Refinitiv / fxstreet.com / Bloomberg



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FX Corner

The dollar rose to its highest in nearly three years versus the yen on Monday as investors remained confident the U.S. Federal Reserve will announce a tapering of its massive bond-buying next month despite softer U.S. payrolls figures.

That jobs data released on Friday pushed U.S. bond yields higher, and so the yen, which is known to be most sensitive to yield differentials, **slipped to as low as 112.725 yen per dollar** in Asian hours on Monday - a level last seen in December 2018.

"The dollar could rise to around 113 yen. But to extend its gains further to 114 yen would require a much larger rise in the 10-year U.S. Treasuries to nearly 2%, which I don't think likely at this stage," said Jun Arachi, senior strategist at Rakuten Securities.

The Japanese currency was also hurt by a slight tilt towards riskier currencies as sterling and the Australian dollar both gained slightly on the greenback, leaving the dollar's index little changed at 94.154, not far from its one-year high of 94.504 touched earlier this month. U.S. currency and fixed income markets are closed on Monday for a holiday, but benchmark 10-year Treasuries yield hit a four-month high of 1.617% on Friday, even after data showed the U.S. economy created the fewest jobs in nine months in September, significantly underperforming economists' forecasts.

The Australian dollar firmed a little edging nearer to its highest in a month, helped by strong commodities prices and a partial reopening of Sydney, Australia's largest city. (Full Story) Concern about inflation is not limited to the United States, with supply disruptions and rising commodity prices affecting many other countries.

The British pound held firmer at \$1.3634, extending its recovery from a nine-month low set late last month, on growing expectations that the Bank of England could raise interest rates to curb soaring inflation.

The Canadian dollar changed hands at C\$1.2466 per U.S. dollar, having hit a two-month high of C\$1.24525 on Friday thanks to surprisingly strong Canadian payrolls data and lofty oil prices.

EURUSD	1.1578
Support	Resistance
1.1401	1.1600
1.1364	1.1762
1.1328	1.1925

GBPUSD	1.3653
Support	Resistance
1.3504	1.3822
1.3298	1.3934
1.3092	1.4046

AUDUSD	0.7333
Support	Resistance
0.7282	0.7452
0.7140	0.7480
0.6998	0.7508

EURCHF	1.0741
	Resistance
1.0602	1.0766
1.0569	1.0897
1.0536	1.1028

USDJPY	112.6800
Support	Resistance
111.73	113.46
110.26	113.72
108.79	113.98

USDCAD	1.2457
Support	Resistance
1.2211	1.2538
1.2166	1.2820
1.2120	1.3101

USDCHF	0.9276
Support	Resistance
0.9188	0.9327
0.9139	0.9417
0.9090	0.9507

EURJPY	130.4700
Support	Resistance
128.66	130.81
127.42	131.72
126.17	132.62

USDTRY	8.9378
Support	Resistance
8.8676	9.0556
8.7383	9.1143
8.6090	9.1730

Source: Refinitiv / fxstreet.com / Bloomberg



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Event Corner

Date	Time	Country	Indicator Name	Period	Reuters Poll	Actual	Prior	SmartEstimate®	Predicted Surprise
11 oct 2021	10:00	Italy	Industrial Output MM SA	Aug			0.8%		
11 oct 2021	10:00	Italy	Industrial Output YY WDA	Aug			7.0%		
11 oct 2021	16:00	United States	Employment Trends	Sep			110.37		

Source: Refinitiv

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