



Morning Call

Geneva, October 13, 2021

Market Corner

Asian stocks were mixed Wednesday as traders weighed the impact of elevated inflation on the economic recovery and looked ahead to earnings reports. A gauge of the dollar ticked lower.

Shares in Japan posted modest losses, while South Korea outperformed amid a strong jobs report. S&P 500 and Nasdaq 100 futures dipped as investors wait to see whether the corporate profit outlook will boost sentiment. Apple Inc. slipped on a likely cut in iPhone 13 production targets for 2021 due to chip shortages, putting the focus on pandemic-related supply-chain snarls.

The U.S. 10-year Treasury yield held below 1.60%. Markets are bracing for a U.S. CPI report that is expected to show elevated inflation. A rally in oil paused but crude remained around \$80 a barrel amid a global energy crunch. Chinese thermal coal futures hit another record high.

Traders continue to monitor the debt woes of China Evergrande Group. Standard Chartered Plc Chief Executive Officer Bill Winters said Beijing won't allow the turbulence surrounding the property developer to turn into a systemic crisis. But there remains little clarity on what officials might do next. In Hong Kong, trading was canceled because of a storm. The upcoming flurry of corporate earnings releases will provide a window on whether businesses expect price pressures to crimp profit margins. A backdrop of slowing economic growth and jumping costs, just as key central banks prepare to pare stimulus, is causing investor jitters.

Here are a few events to watch this week:

- 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	-0.05
96.9531	1.5857	
EU 10Y Govt Bond		Net Change
Price	Yield	-0.05
100.9150	-0.0930	
Indices		% Change
Euro Stoxx 50	4 055.09	-0.43
CAC40	6 548.11	-0.34
FTSE	7 130.23	-0.23
DAX	15 146.87	-0.34
SMI	11 756.76	-0.13
Dow Jones	34 378.34	-0.34
S&P500	4 350.65	-0.24
Nasdaq Comp.	14 465.93	-0.14
VIX (Volatility Index)	19.85	-0.75

Source: Refinitiv / Bloomberg



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Crypto Corner

Crypto asset investors may have a longer wait for a Bitcoin futures exchange-traded product according to Todd Rosenbluth, the senior director of ETF and mutual fund research at research firm CFRA.

Speaking on CNBC's "ETF Edge" on Oct. 12, Rosenbluth stated that while a Bitcoin futures product is likely to be the first crypto ETF to gain approval, he cautioned that the current clouded regulatory situation could cause further delays.

There are more than 20 crypto asset-based exchange-traded products waiting for Securities and Exchange Commission approval, and the regulator is yet to pass any, instead kicking the can down the road on multiple occasions.

The researcher suggested that regulators could be waiting for all these products to meet their goals so that they can be approved at the same time to avoid a "first-mover advantage."

Van Eck Associates CEO, Jan van Eck, commented that the primary concern for the SEC is the discrepancy between actual Bitcoin prices and the price of the futures contract, in addition to the potential of funds getting too large.

When there is a Bitcoin rally, futures strategies can underperform by as much as 20% a year, he stated before adding "the SEC wants to have some visibility into the underlying Bitcoin markets."

Van Eck also suggested that the regulator needs to gain more control over crypto trading which it appears to be attempting with its recent threats against Coinbase and the exchange's stablecoin lending product. Other popular trading platforms such as Robinhood are already regulated and registered as broker-dealers.

Any speculation over a possible delay could hit the Bitcoin price as analysts had suggested that big investors may be buying up BTC in anticipation of an ETF approval this month. The asset has rallied 37.5% over the past fortnight to reach a local top of \$58,000 on Oct. 12, but more regulatory procrastination could quash current market momentum.

Crypto Market Cap: **\$2.31T**

24h Vol: **\$104.8B**

Dominance: **BTC: 45.7% ETH: 17.9%**

Bitcoin	55 544.44
Support	Resistance
53 416.71	64 385.45
44 673.98	66 611.46
Circulating Supply (BTC)	
18 842 268.00	
Market Cap	
\$ 1 048 892 173 266.00	

Ethereum	3 473.46
Support	Resistance
3 278.11	3 683.27
3 071.30	3 881.62
Circulating Supply (ETH)	
117 905 206.00	
Market Cap	
\$ 411 445 002 562.00	



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



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Commodity Corner

Gold prices held steady on Wednesday, helped by a slight pullback in dollar, while investors awaited U.S. inflation data to gauge the Federal Reserve's path on normalizing policy.

Spot gold was little changed at \$1,760.26 per ounce by 03:05 GMT.

Silver rose 0.2% to \$22.57 per ounce.

Platinum and Palladium were down 0.2% at \$1,005.00 and \$2,041.24, respectively.

Oil prices edged down on Wednesday on concerns that oil demand growth will fall as major economies suffer through inflation and supply chain issues though surging prices for power generation fuels such as coal and natural gas limited losses.

Brent crude futures fell 11 cents, or 0.1%, to \$83.31 a barrel at 05:02 GMT, extending a 23-cent loss on Tuesday.

U.S. West Texas Intermediate (WTI) crude futures fell 11 cents to \$80.53 a barrel after gaining 12 cents on Tuesday.

Both contracts pared losses after falling as much as 70 cents earlier when China, the world's biggest crude importer, released data showing September imports fell 15% from a year earlier.

However, China, along with Europe and India, remain mired in coal and natural gas shortages that have jacked up prices for the electric generation fuels.

China's thermal coal prices surged to record highs on Wednesday as recent floods in key coal producing province Shanxi worsened a supply crunch, just as new efforts by Beijing to liberalise power prices boosted demand from power generators.

Still, the International Monetary Fund on Tuesday cut its growth outlooks for the United States and other major economies on worries supply chain disruptions and cost pressures are holding back the global economic recovery from the coronavirus pandemic.

Gold	1761.74
Support	Resistance
1738	1799
1699	1820

Silver	22.66
Support	Resistance
21.88	23.69
20.73	24.35

Oil - WTI	80.57
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Nat Gas (HH)	5.4400
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Copper	4.3455
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Baltic Dry Ind.	5378.00
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Corn	522.50
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Wheat	733.75
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Soybean	1206.75
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Arabica Coffee	216.05
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Cotton	103.73
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Sugar	20.07
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Source: Refinitiv / fxtreet.com / Bloomberg



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FX Corner

The dollar eased back from a one-year high versus major peers on Wednesday ahead of U.S. consumer price data that could provide additional clues on when the Federal Reserve will taper stimulus and raise interest rates.

The dollar index, which measures the greenback against six rivals, slipped 0.18% to 94.358 from Tuesday, when it touched 94.563 for the first time since late September 2020.

The U.S. currency weakened 0.13% to 113.465 yen, down from a three-year high of 113.785 yen reached in the previous session.

The euro climbed 0.18% to \$1.1551, off Tuesday's \$1.1522, its lowest in nearly 15 months.

The dollar gained on Tuesday amid rising expectations the Fed will announce a tapering of stimulus next month, with interest rate hikes following next year.

Sterling strengthened 0.19% to \$1.36135 but remained around the middle of this month's range.

The Aussie dollar slipped 0.19% to \$0.73375, retreating from Tuesday's one-month high at \$0.7384.

EURUSD		1.1548
Support	Resistance	
1.1390	1.1557	
1.1373	1.1707	
1.1356	1.1857	

GBPUSD		1.3609
Support	Resistance	
1.3520	1.3783	
1.3333	1.3859	
1.3147	1.3936	

AUDUSD		0.7334
Support	Resistance	
0.7325	0.7541	
0.7138	0.7570	
0.6952	0.7600	

EURCHF		1.0736
	Resistance	
1.0589	1.0751	
1.0564	1.0888	
1.0538	1.1024	

USDJPY		113.4700
Support	Resistance	
113.13	116.10	
110.49	116.43	
107.84	116.75	

USDCAD		1.2452
Support	Resistance	
1.2155	1.2499	
1.2120	1.2808	
1.2086	1.3118	

USDCHF		0.9294
Support	Resistance	
0.9215	0.9354	
0.9152	0.9430	
0.9090	0.9507	

EURJPY		131.0700
Support	Resistance	
130.71	133.66	
128.04	133.94	
125.37	134.22	

USDTRY		9.0325
Support	Resistance	
8.9853	9.2258	
8.7742	9.2552	
8.5630	9.2845	

Source: Refinitiv / fxstreet.com / Bloomberg



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Event Corner

Date	Time	Country	Indicator Name	Period	Reuters Poll	Actual	Prior	SmartEstimate®	Predicted Surprise
13 oct 2021	01:50	Japan	Machinery Orders MM	Aug	1.7%		0.9%	1.38%	-0.32%
13 oct 2021	01:50	Japan	Machinery Orders YY	Aug	14.7%		11.1%	14.35%	-0.35%
13 oct 2021	08:00	United Kingdom	GDP Est 3M/3M	Aug	3.0%		3.6%	2.74%	-0.26%
13 oct 2021	08:00	United Kingdom	GDP Estimate MM	Aug	0.5%		0.1%	0.51%	0.01%
13 oct 2021	08:00	United Kingdom	GDP Estimate YY	Aug	6.7%		7.5%	7.00%	0.30%
13 oct 2021	08:00	United Kingdom	Industrial Output MM	Aug	0.2%		1.2%	0.18%	-0.02%
13 oct 2021	08:00	United Kingdom	Industrial Output YY	Aug	3.1%		3.8%	3.35%	0.25%
13 oct 2021	08:00	United Kingdom	Manufacturing Output MM	Aug	0.0%		0.0%	-0.23%	-0.23%
13 oct 2021	08:00	United Kingdom	Manufacturing Output YY	Aug	4.1%		6.0%	3.46%	-0.64%
13 oct 2021	08:00	Germany	CPI Final MM	Sep	0.0%		0.0%	0.00%	0.00%
13 oct 2021	08:00	Germany	CPI Final YY	Sep	4.1%		4.1%	4.10%	0.00%
13 oct 2021	08:00	Germany	HICP Final MM	Sep	0.3%		0.3%	0.30%	0.00%
13 oct 2021	08:00	Germany	HICP Final YY	Sep	4.1%		4.1%	4.10%	0.00%
13 oct 2021	08:00	Sweden	Money Mkt CPIF Infl 5 Yrs	Oct			1.9%		
13 oct 2021	14:30	United States	Core CPI YY, NSA	Sep	4.0%		4.0%	4.04%	0.04%
13 oct 2021	14:30	United States	CPI MM, SA	Sep	0.3%		0.3%	0.33%	0.03%
13 oct 2021	14:30	United States	CPI YY, NSA	Sep	5.3%		5.3%	5.33%	0.03%

Source: Refinitiv

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