



Morning Call

Geneva, October 15, 2021

Market Corner

Asian shares advanced on Friday, warmed by the embers of a strong day on Wall Street which also supported risk-friendly currencies and hurt the safe-haven yen, though worries about the Chinese economy capped gains.

Oil prices were also back testing new multi-year highs, a drag on growth in energy-importing markets in north Asia, but good news for energy-exporting markets in Southeast Asia.

MSCI's broadest index of Asia-Pacific shares outside Japan gained 0.6%, and **Japan's Nikkei** rose 1.08%.

U.S. stocks powered ahead overnight after data showed a fall in new claims for unemployment benefits, lower-than-expected factory gate price inflation and forecast-beating results for the four largest U.S. consumer banks.

The Dow Jones Industrial Average jumped 1.57%, **the S&P 500** climbed 1.46%, and the **Nasdaq Composite** leapt 1.68%, though analysts said Asia looked unlikely to match these rises.

Chinese blue chips dropped soon after the bell, but were last flat, while **Hong Kong shares** returned from a one-day break to open higher before retreating also to be flat.

A data dump from China due Monday is high on investors' minds, with the world's second-largest economy due to report third-quarter GDP figures as well as monthly investment and activity figures.

On Thursday, China's September factory-gate inflation rose to a record on soaring commodity prices, but weak demand capped consumer inflation, leaving policymakers to walk a tight rope between supporting the economy and further stoking producer prices.

US 10Y Govt Bond		Net Change
Price	Yield	-0.09
97.4531	1.5301	
EU 10Y Govt Bond		Net Change
Price	Yield	-0.01
101.8200	-0.1840	
Indices		% Change
Euro Stoxx 50	4 149.06	1.61
CAC40	6 685.21	1.33
FTSE	7 207.71	0.92
DAX	15 462.72	1.40
SMI	11 892.52	0.66
Dow Jones	34 912.56	1.56
S&P500	4 438.26	1.71
Nasdaq Comp.	14 823.43	1.73
VIX (Volatility Index)	16.86	-9.55

Source: Refinitiv / Bloomberg



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Crypto Corner

Bitcoin hit a six-month high on Friday, approaching the record hit in April, as traders became increasingly confident that U.S. regulators would approve the launch of an exchange-traded fund based on its futures contracts.

The world's biggest cryptocurrency rose nearly 4% to as high as \$59,664, its highest since mid-April. It has doubled in value this year and is near April's record high of \$64,895.

The U.S. Securities and Exchange Commission (SEC) is poised to allow the first U.S. bitcoin futures ETF to begin trading next week, Bloomberg News reported on Thursday, citing people familiar with the matter.

Cryptocurrency investors have been waiting for news of approval of the country's first bitcoin ETF, and some of bitcoin's rally in recent months has been in anticipation of that move and how it could speed up its mainstream adoption and trading. Several fund managers, including the VanEck Bitcoin Trust, ProShares, Invesco, Valkyrie and Galaxy Digital Funds have applied to launch bitcoin ETFs in the United States. Cryptocurrency ETFs have been launched this year in Canada and Europe. SEC Chair Gary Gensler has previously said the crypto market involves many tokens which may be unregistered securities and leaves prices open to manipulation and millions of investors vulnerable to risks.

The Bloomberg report said that the proposals by ProShares and Invesco are based on futures contracts and were filed under mutual fund rules that Gensler has said provide "significant investor protections".

The SEC did not immediately respond to a request for comment on the Bloomberg report.

Crypto Market Cap: **\$2.44T**

24h Vol: **\$106.6B**

Dominance: **BTC: 45.9% ETH: 18.6%**

Bitcoin	59 446.10
Support	Resistance
56 634.27	66 645.97
47 567.11	67 590.51
Circulating Supply (BTC)	
18 844 106.00	
Market Cap	
\$ 1 123 493 643 942.00	

Ethereum	3 833.72
Support	Resistance
3 603.54	4 086.17
3 232.10	4 197.36
Circulating Supply (ETH)	
117 931 787.00	
Market Cap	
\$ 453 453 194 570.00	



Source: Refinitiv / rxstreet.com / Bloomberg/coinmarketcap.com / Tradeview.com



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Commodity Corner

Gold was set on Friday for its best week in more than five months as a retreat in the U.S. dollar and Treasury yields lifted the metal's appeal despite a looming Federal Reserve taper.

Spot gold held steady at \$1,794.85 per ounce by 03:34 GMT but was up 2.2% for the week so far.

Spot silver fell 0.3% to \$23.48 per ounce but was headed for its biggest weekly gain in seven.

Platinum rose 0.2% to \$1,057.20.

Palladium rose 0.2% to \$2,132.33. Both metals were headed for a second week of gains.

Oil prices climbed on Friday, heading for gains of more than 2% for the week, on increasing signs of robust demand and tighter supplies over the next few months as rocketing gas and coal prices stoke a switch to oil products.

Brent crude futures rose 62 cents, or 0.7%, to \$84.62 a barrel at 06:22 GMT, after picking up 82 cents in the previous session. Front-month prices are set to rise for the sixth straight week, up 2.7% this week.

U.S. West Texas Intermediate (WTI) crude futures rose 56 cents, or 0.7%, to \$81.87 a barrel, adding to an 87-cent jump on Thursday. The contract is heading for a 3.2% gain on the week, up for the eighth consecutive week.

Analysts pointed to a sharp drop in OECD oil stockpiles, to their lowest level since 2015. Demand has picked up with recovery from the COVID-19 pandemic, with a further boost coming from industry turning away from expensive gas and coal to fuel oil and diesel for power.

The International Energy Agency on Thursday said the energy crunch is expected to boost oil demand by 500,000 barrels per day (bpd). That would result in a supply gap of around 700,000 bpd through the end of this year, until the Organization of the Petroleum Countries and allies, together called OPEC+, add more supply, as planned in January.

<u>Gold</u>	1792.19
Support	Resistance
1787	1843
1738	1849

<u>Silver</u>	23.45
Support	Resistance
23.07	24.72
21.69	24.99

<u>Oil - WTI</u>	82.00
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<u>Nat Gas (HH)</u>	5.6410
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<u>Copper</u>	4.6270
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<u>Baltic Dry Ind.</u>	5062.00
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<u>Corn</u>	516.75
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<u>Wheat</u>	726.00
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<u>Soybean</u>	1209.25
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<u>Arabica Coffee</u>	212.15
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<u>Cotton</u>	108.85
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<u>Sugar</u>	19.59
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Source: Refinitiv / fxstreet.com / Bloomberg



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FX Corner

The dollar headed for its first weekly decline versus major peers since the start of last month, falling back from a one-year high as traders turned their attention to when the U.S. Federal Reserve will start raising interest rates.

The dollar index, which measures the greenback against six rivals, was little changed at 94.034 on Friday. It is on track for about a 0.1% decline this week despite hitting the highest since Sept. 25 of last year at 94.563 on Tuesday.

Improved market sentiment, which has lifted global stocks, commodity prices and bond yields, is also weighing on the safe-haven dollar.

Only against the yen - another safe haven - has the dollar managed to maintain the momentum of the past five weeks, rising 0.16% on Friday and touching 113.885 yen for the first time since December of 2018.

The greenback had rallied since early September on expectations the U.S. central bank would tighten monetary policy more quickly than previously expected amid an improving economy and surging energy prices. Minutes of the Fed's September meeting confirmed this week that a tapering of stimulus is all but certain to start this year, although policymakers are sharply divided over inflation and what they should do about it.

The euro slipped 0.09% to \$1.1588 after touching \$1.1624 on Thursday for the first time since Sept. 4.

Sterling was little changed at \$1.36705 following its climb to the highest since Sept. 24 at \$1.3734 overnight.

The risk-sensitive Aussie dollar edged down 0.07% to \$0.74105, after reaching a more than one-month high of \$0.74265 in the previous session.

New Zealand's kiwi dollar lost 0.06% to \$0.7033, holding most of Thursday's 1% surge, which took it to the highest since Sept. 24 at \$0.70415.

EURUSD	1.1604
Support	Resistance
1.1560	1.1677
1.1483	1.1717
1.1406	1.1757

GBPUSD	1.3676
Support	Resistance
1.3639	1.3941
1.3384	1.3988
1.3130	1.4036

AUDUSD	0.7422
Support	Resistance
0.7381	0.7617
0.7168	0.7640
0.6954	0.7662

EURCHF	1.0713
	Resistance
1.0595	1.0725
1.0572	1.0832
1.0548	1.0938

USDJPY	114.1300
Support	Resistance
113.25	116.24
110.53	116.51
107.82	116.79

USDCAD	1.2352
Support	Resistance
1.2041	1.2426
1.2005	1.2775
1.1968	1.3123

USDCHF	0.9227
Support	Resistance
0.9110	0.9254
0.9080	0.9368
0.9049	0.9481

EURJPY	132.4500
Support	Resistance
131.41	134.95
128.10	135.18
124.78	135.40

USDTRY	9.2053
Support	Resistance
9.0781	9.4742
8.7428	9.5350
8.4074	9.5957

Source: Refinitiv / fxstreet.com / Bloomberg



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Event Corner

Date	Time	Country	Indicator Name	Period	Reuters Poll	Actual	Prior	SmartEstimate®	Predicted Surprise
15 oct 2021	08:45	France	CPI (EU Norm) Final MM	Sep	-0.2%		-0.2%	-0.20%	0.00%
15 oct 2021	08:45	France	CPI (EU Norm) Final YY	Sep	2.7%		2.7%	2.69%	-0.01%
15 oct 2021	10:00	Italy	Consumer Prices Final MM	Sep	-0.1%		-0.1%	-0.10%	0.00%
15 oct 2021	10:00	Italy	Consumer Prices Final YY	Sep	2.6%		2.6%	2.60%	0.00%
15 oct 2021	10:00	Italy	CPI (EU Norm) Final MM	Sep	1.4%		1.4%	1.40%	0.00%
15 oct 2021	10:00	Italy	CPI (EU Norm) Final YY	Sep	3.0%		3.0%	3.00%	0.00%
15 oct 2021	14:30	United States	NY Fed Manufacturing	Oct	27.00		34.30	26.037	-0.963
15 oct 2021	14:30	United States	Import Prices MM	Sep	0.6%		-0.3%	0.55%	-0.05%
15 oct 2021	14:30	United States	Retail Sales MM	Sep	-0.2%		0.7%	-0.16%	0.04%
15 oct 2021	14:30	United States	Retail Sales Ex-Autos MM	Sep	0.5%		1.8%	0.51%	0.01%
15 oct 2021	14:30	United States	Retail Control	Sep	0.4%		2.5%	0.36%	-0.04%
15 oct 2021	14:30	Canada	Wholesale Trade MM	Aug	0.5%		-2.1%	0.44%	-0.06%
15 oct 2021	16:00	United States	Business Inventories MM	Aug	0.6%		0.5%	0.61%	0.01%
15 oct 2021	16:00	United States	U Mich Sentiment Prelim	Oct	73.1		72.8	73.09	-0.01

Source: Refinitiv

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