



## Morning Call

Geneva, October 21, 2021

### Market Corner

Most Asian stocks fell Thursday as investors weighed corporate earnings, elevated inflation and the outlook for China's property sector. Japan's yen strengthened.

Equities retreated in Japan and Hong Kong but gained modestly in China. While ailing China Evergrande Group sank on a worsening cash squeeze, other developers rallied after regulators said real-estate risks are controllable. U.S. and European futures were in the red following a mixed Wall Street session in which the S&P 500 neared a record and the tech-heavy Nasdaq 100 slipped.

Longer term Treasury yields trimmed an advance. The 10-year breakeven rate -- a proxy for where investors see annual inflation rates over the next decade -- touched the highest since 2013. A similar measure for Japan reached a three-year high.

The dollar was little changed, crude oil was steady and Bitcoin edged back from an all-time peak. Chinese coal futures plunged amid efforts by officials to contain power costs.

Corporate results have tempered but not dissipated worries that cost pressures -- stoked by an energy crunch and supply-chain snarls -- could slow the pandemic recovery. Investors are also grappling with the prospect of reduced central bank support and watchful of the travails in China's real-estate sector.

In the latest Federal Reserve comments, Governor Randal Quarles said he favors an initial move to slow monetary stimulus next month and is concerned by a broadening of inflationary pressures that could require a policy response.

US 10Y Govt Bond		Net Change
Price	Yield	-0.05
96.4688	1.6409	
EU 10Y Govt Bond		Net Change
Price	Yield	0.05
101.2540	-0.1270	
Indices		% Change
Euro Stoxx 50	4 172.17	0.13
CAC40	6 705.61	0.54
FTSE	7 223.10	0.08
DAX	15 522.92	0.05
SMI	12 013.15	0.59
Dow Jones	35 609.34	0.43
S&P500	4 536.19	0.37
Nasdaq Comp.	15 121.68	0.05
VIX (Volatility Index)	15.49	-1.34

Source: Refinitiv / Bloomberg



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## Crypto Corner

Bitcoin fell slightly in Asian hours on Thursday, a day after marking an all-time high on optimism around the launch of the first U.S. bitcoin futures ETF.

The world's largest cryptocurrency BTC was last down 1.3% at \$65,184 after hitting a record \$67,016 on Wednesday, but still above a previous peak of \$64,895 seen in April.

Ether ETH, the world's second largest cryptocurrency, rose 1% to \$4,203 and there were also sharper gains in smaller tokens. Market players say the latest wave of buying has been supported by the launch of the first U.S. bitcoin futures-based exchange-traded fund (ETF) with investors betting this will open a path to greater investment from both retail and institutional investors.

Existing bitcoin exchange-traded funds and products have seen sharp inflows since September. Average weekly flows to bitcoin funds totaled \$121.1 million in October, up from \$31.2 million a month earlier, data from London-based CryptoCompare shows. The three months prior to September had seen outflows following steep losses for bitcoin in May and June.

Crypto Market Cap: [\\$2.64T](#)

24h Vol: [\\$105.1B](#)

Dominance: [BTC: 47.3%](#) [ETH: 18.3%](#)

<b>Bitcoin</b>	<b>64 541.52</b>
<b>Support</b>	<b>Resistance</b>
64 001.99	77 072.59
52 420.19	78 561.39
<b>Circulating Supply (BTC)</b>	
18 849 293.00	
<b>Market Cap</b>	
\$	1 252 057 217 291.00

<b>Ethereum</b>	<b>4 152.73</b>
<b>Support</b>	<b>Resistance</b>
3 892.98	4 658.98
3 249.23	4 781.23
<b>Circulating Supply (ETH)</b>	
118 006 802.00	
<b>Market Cap</b>	
\$	484 386 094 279.00



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



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## Commodity Corner

**Gold** prices rose for a third straight session on Thursday as a softer dollar lifted bullion's appeal, while investors assessed whether higher inflation would prompt central banks to raise interest rates sooner than expected.

Spot gold rose 0.2% to \$1,785.79 per ounce by 0355 GMT.

**Spot silver** XAG rose 0.5% to \$24.39 an ounce.

**Platinum** XPT gained 0.8% to \$1,058.49.

**palladium** XPD rose 0.9% to \$2,089.60.

**Oil** prices fell on Thursday as some investors scooped up profits from the recent rally, though solid demand in the United States and a switch to fuel oil from coal and gas amid surging prices capped losses.

**Brent** crude futures fell 54 cents, or 0.6%, to \$85.28 a barrel by 0649 GMT, turning down from earlier gains that took the benchmark to the highest since October 2018. It rose 0.9% the previous day.

**U.S. West Texas Intermediate** (WTI) crude futures for December dropped 33 cents, or 0.4%, to \$83.09 a barrel. November WTI crude, which expired on Wednesday, settled up 91 cents, or 1.1%, after touching the highest since October 2014 earlier in the session.

<b>Gold</b>	<b>1782.30</b>
<b>Support</b>	<b>Resistance</b>
1757	1808
1727	1830

<b>Silver</b>	<b>24.20</b>
<b>Support</b>	<b>Resistance</b>
23.73	25.83
21.98	26.18

<b>Oil - WTI</b>	<b>83.07</b>
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<b>Nat Gas (HH)</b>	<b>5.1290</b>
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<b>Copper</b>	<b>4.6460</b>
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<b>Baltic Dry Ind.</b>	<b>4751.00</b>
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<b>Corn</b>	<b>538.50</b>
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<b>Wheat</b>	<b>747.75</b>
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<b>Soybean</b>	<b>1244.00</b>
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<b>Arabica Coffee</b>	<b>208.35</b>
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<b>Cotton</b>	<b>107.12</b>
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<b>Sugar</b>	<b>18.97</b>
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Source: Refinitiv / fxstreet.com / Bloomberg





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## FX Corner

Commodity currencies slipped from multi-month highs on Thursday after their rally on strong raw material prices was sideswiped by sudden selling against the yen, in what many traders described as inevitable profit-taking after a long rally. Traders saw no clear trigger for the move, though some traders mentioned unsubstantiated speculation that cash-strapped China Evergrande 3333.HK could make an announcement soon as it battles with possibility of default.

The Chinese property giant abandoned plans to sell a \$2.6 billion stake in one of its key units on Wednesday.

The **Australian dollar** turned 0.2% lower against the dollar at \$0.7501 AUD after reaching a 3 1/2-month high of \$0.75465 earlier in the day. Against the yen, the Aussie dropped 0.5% to 85.58 yen after hitting a near four-year high of 86.25.

The **New Zealand dollar**, which had risen for the past 10 consecutive days against the Japanese currency in its longest rising streak since 2014, also dropped 0.3% to 82.04 yen.

The **U.S. dollar** slipped 0.2% versus the yen to 114.12 yen JPY, veering off its four-year peak of 114.695 hit on Wednesday.

**European currencies** were firmer, with the **euro** trading flat at \$1.1664 EUR, staying close to Tuesday's three-week peak of \$1.1670.

**Sterling** dipped 0.1% to \$1.3807 GBP but was supported on firming perceptions the Bank of England (BoE) will raise interest rates as soon as next month to curb inflation, despite softer-than-expected UK price data on Wednesday. Against the euro, sterling was near its highest levels since February 2020, at 84.33 pence per euro EURGBP.

EURUSD	1.1645
Support	Resistance
1.1612	1.1758
1.1495	1.1787
1.1377	1.1815

GBPUSD	1.3803
Support	Resistance
1.3765	1.4032
1.3532	1.4066
1.3300	1.4101

AUDUSD	0.7483
Support	Resistance
0.7478	0.7734
0.7244	0.7756
0.7010	0.7778

EURCHF	1.0706
Support	Resistance
1.0684	1.0771
1.0638	1.0812
1.0591	1.0852

USDJPY	113.9600
Support	Resistance
113.98	117.45
110.87	117.81
107.75	118.16

USDCAD	1.234
Support	Resistance
1.2062	1.2356
1.2037	1.2625
1.2011	1.2893

USDCHF	0.9191
Support	Resistance
0.9103	0.9233
0.9078	0.9338
0.9053	0.9443

EURJPY	132.7200
Support	Resistance
132.79	137.66
128.27	138.01
123.74	138.35

USDTRY	9.2604
Support	Resistance
9.1253	9.6714
8.7026	9.7948
8.2799	9.9182

Source: Refinitiv / fxstreet.com / Bloomberg



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## Event Corner

Date	Time	Country	Indicator Name	Period	Reuters Poll	Actual	Prior	SmartEstimate®	Predicted Surprise
21 oct 2021	08:45	France	Business Climate Mfg	Oct	105		106	105.0	0.0
21 oct 2021	09:30	Sweden	Unemployment Rate	Sep			8.5%		
21 oct 2021	12:00	United Kingdom	CBI Trends - Orders	Oct	18		22	16.6	-1.4
21 oct 2021	14:30	United States	Initial Jobless Clm	16 Oct, w/e	300k		293k	299.1k	-0.9k
21 oct 2021	14:30	United States	Cont Jobless Clm	9 Oct, w/e	2.550M		2.593M	2.5635M	0.0135M
21 oct 2021	14:30	United States	Philly Fed Business Indx	Oct	25.0		30.7	24.00	-1.00
21 oct 2021	16:00	United States	Existing Home Sales	Sep	6.09M		5.88M	6.091M	0.001M
21 oct 2021	16:00	United States	Exist. Home Sales % Chg	Sep			-2.0%		

Source: Refinitiv

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