



Morning Call

Geneva, October 4, 2021

Market Corner

Asian stocks and U.S. equity futures started the week on the back foot, as investors weighed the prospects for growth against concern over inflationary pressures.

Japanese and Hong Kong shares dropped alongside contracts on the S&P 500. Earlier gains vanished after trading of China Evergrande Group shares was suspended in Hong Kong, along with those of its property management unit. Mainland Chinese markets are closed through Thursday for the Golden Week holidays. Australian shares bucked the trend, and European futures were steady.

The dollar steadied after two sessions of losses. Treasuries fluctuated, with 10-year yields inching up to 1.47%. The S&P 500 closed higher Friday after promising results for a Covid-19 pill and positive manufacturing data triggered a rally in companies that stand to benefit from an economic reopening.

Asia investors are watching for further news on Evergrande, which faces a maturing bond with little wiggle room for payment. Hopson Development Holdings Ltd. -- whose shares were also suspended Monday morning -- plans to acquire a 51% stake in the beleaguered lender's property-management unit for more than HK\$40 billion (\$5.1 billion), Cailian reported, citing unidentified people.

As investor fears mount about slowing economic growth, U.S. labor data at the end of the week will also be a key focus for markets. Last month global stocks posted their worst performance since March 2020 amid concern about elevated inflation, supply-chain bottlenecks, a global energy crunch and a slowdown in China.

Here are some events to watch this week:

- OPEC+ meets virtually Monday to review output policy amid a global energy crunch.
- Reserve Bank of Australia policy decision Tuesday
- Rate decision in New Zealand on Wednesday
- Reserve Bank of India monetary policy decision on Friday
- The U.S. Labor Department releases unemployment and job creation data Friday
- Annual Nobel announcements start on Monday, with the Peace Prize being awarded on Friday

US 10Y Govt Bond		Net Change
Price	Yield	0.06
98.0781	1.4599	
EU 10Y Govt Bond		Net Change
Price	Yield	0.13
102.3280	-0.2330	
Indices		% Change
Euro Stoxx 50	4 035.30	-0.32
CAC40	6 517.69	-0.04
FTSE	7 027.07	-0.84
DAX	15 156.44	-0.68
SMI	11 575.37	-0.58
Dow Jones	34 326.46	1.43
S&P500	4 357.04	1.15
Nasdaq Comp.	14 566.70	0.82
VIX (Volatility Index)	21.15	-8.60

Source: Refinitiv / Bloomberg



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Crypto Corner

The US dollar pulled back slightly after its remarkable rally last week. On Friday, data published by the US government showed that personal consumption expenditure rose to a 30-year high in August. This was a notable number since the data is often called the most important inflation number by the Federal Reserve. Additional data showed that the country's personal consumption rose in August while incomes declined. At the same time, data by the Institute of Supply Management (ISM) revealed that the manufacturing index rallied in September.

Bitcoin and other cryptocurrency prices rallied during the weekend as optimism about the industry rose. Bitcoin rose to more than \$48,000, which was more than \$5,000 above the lowest level last week. Ethereum rose to more than \$3,400 while the combined market capitalization of cryptocurrencies rose to more than \$2.14 trillion. This growth happened as on-chain data showed that Bitcoin's hashrate rose close to its all-time high during the weekend. This is a positive number for Bitcoin and other cryptocurrencies.

Crypto Market Cap: [\\$2.10T](#)

24h Vol: [\\$87.9B](#)

Dominance: [BTC: 42.6%](#) [ETH: 18.8%](#)

Bitcoin	47 597.17
Support	Resistance
47 552.15	56 085.86
39 847.29	56 914.71
Circulating Supply (BTC)	
18 834 156.00	
Market Cap	
\$ 897 766 712 268.00	

Ethereum	3 353.88
Support	Resistance
3 380.56	4 126.52
2 684.66	4 176.58
Circulating Supply (ETH)	
117 785 805.00	
Market Cap	
\$ 394 948 032 971.00	



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



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Commodity Corner

Gold prices edged down on Monday, with a firmer dollar dimming bullion's appeal, as investors eye a key U.S. jobs report later this week that could influence the Federal Reserve's timeline for tapering its asset purchases.

Spot gold fell 0.1% to \$1,758.48 per ounce by 03:32 GMT, after hitting \$1,765.54, its highest since Sept. 23.

Silver was down 0.1% at \$22.51 an ounce.

Platinum fell 0.1% to \$971.22.

Palladium dropped 0.5% to \$1,908.80.

Oil fell on Monday ahead of a meeting by OPEC and its allies which may determine whether a recent rally in prices amid supply shocks and a recovery from the COVID-19 pandemic will be sustained.

Brent crude was down 14 cents or 0.2% at \$79.14 per barrel by 05:05 GMT. It rose 1.5% last week, its fourth weekly gain in a row.

U.S. oil dropped by 15 cents or 0.2% to \$75.73, after gaining for the past six weeks.

Oil prices have risen due to the supply disruptions and a rise in global demand, pushing Brent last week above \$80 to a near three-year high.

OPEC+, which groups the Organization of the Petroleum Exporting Countries (OPEC) and allies including Russia, is facing pressure from some countries to produce more to help lower prices as demand has recovered faster than expected in certain parts of the world. OPEC+ agreed in July to boost output by 400,000 barrels per day (bpd) every month until at least April 2022 to phase out 5.8 million bpd of existing cuts. Four OPEC+ sources told Reuters recently that producers were considering adding more than that deal envisaged

Gold	1760.10
Support	Resistance
1729	1795
1691	1824

Silver	22.57
Support	Resistance
21.56	23.31
20.60	24.10

Oil - WTI	75.63
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Nat Gas (HH)	5.7370
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Copper	4.1980
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Baltic Dry Ind.	5202.00
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Corn	537.50
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Wheat	749.75
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Soybean	1236.75
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Arabica Coffee	206.90
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Cotton	104.81
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Sugar	20.06
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Source: Refinitiv / fxstreet.com / Bloomberg



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FX Corner

The safe-haven dollar found support just below last week's peaks on Monday as renewed concerns about China's property sector and looming U.S. labour data put investors in a cautious mood.

The greenback scaled a 14-month high on the euro and a 19-month top on the yen last week as markets reckoned U.S. interest rates could rise ahead of global peers.

The euro dipped back below \$1.16 and at \$1.1598 is not far from last week's trough at \$1.1563.

The yen was little changed at 111.065 per dollar.

The offshore yuan fell about 0.3%. Shares in embattled developer China Evergrande 3333.HK were halted in Hong Kong, rekindling market nerves about the possibility of contagion.

Investors are concerned that a collapse at Evergrande could hurt an already fragile Chinese economy and drag on global growth.

The U.S. dollar index edged up 0.08% to 94.029.

The Australian dollar was about flat at \$0.72685, and **the New Zealand dollar** was little changed at \$0.6941.

The pound was about flat from last week at \$1.3540.

EURUSD	1.1598
Support	Resistance
1.1420	1.1614
1.1393	1.1781
1.1367	1.1949

GBPUSD	1.3539
Support	Resistance
1.3284	1.3625
1.3176	1.3858
1.3069	1.4092

AUDUSD	0.7260
Support	Resistance
0.7165	0.7313
0.7093	0.7389
0.7020	0.7464

EURCHF	1.0788
	Resistance
1.0641	1.0806
1.0623	1.0953
1.0605	1.1100

USDJPY	110.9700
Support	Resistance
110.21	113.17
108.18	114.10
106.15	115.03

USDCAD	1.264
Support	Resistance
1.2444	1.2750
1.2364	1.2976
1.2283	1.3201

USDCHF	0.9302
Support	Resistance
0.9249	0.9404
0.9153	0.9463
0.9058	0.9523

EURJPY	128.6900
Support	Resistance
127.08	129.64
126.21	131.33
125.35	133.03

USDTRY	8.8517
Support	Resistance
8.7526	9.1433
8.4634	9.2448
8.1743	9.3464

Source: Refinitiv / fxstreet.com / Bloomberg



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Event Corner

Date	Time	Country	Indicator Name	Period	Reuters Poll	Actual	Prior	SmartEstimate®	Predicted Surprise
1 oct 2021	15:00	United States	All Truck Sales	Sep			10.040M		
4 oct 2021	01:50	Japan	Monetary Base YY	Sep			14.88%		
4 oct 2021	08:30	Switzerland	CPI MM	Sep			0.2%		
4 oct 2021	08:30	Switzerland	CPI YY	Sep			0.9%		
4 oct 2021	08:30	Switzerland	CPI NSA	Sep			101.3		
4 oct 2021	08:30	Switzerland	Retail Sales YY	Aug			-2.6%		
4 oct 2021	14:30	Canada	Building Permits MM.	Aug			-3.9%		
4 oct 2021	16:00	United States	Durables Ex-Def, R MM	Aug			2.4%		
4 oct 2021	16:00	United States	Durable Goods, R MM	Aug			1.8%		
4 oct 2021	16:00	United States	Factory Orders MM	Aug	0.5%		0.4%	0.58%	0.08%
4 oct 2021	16:00	United States	Durables Ex-Transpt R MM	Aug			0.2%		
4 oct 2021	16:00	United States	Nondef Cap Ex-Air R MM	Aug			0.5%		
4 oct 2021	16:00	United States	Factory Ex-Transp MM	Aug			0.8%		

Source: Refinitiv

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