



# Morning Call

Geneva, October 7, 2021

## Market Corner

Stocks rose along with U.S. equity futures Thursday, bolstered by progress on the debt-ceiling impasse in Washington and a rebound in Chinese technology shares. Treasuries dipped as traders await key jobs data.

MSCI Inc.'s index of Asia-Pacific stocks was on track for its biggest gain since Aug. 31. Hong Kong jumped as a technology gauge bounced from a record low. U.S. and European futures rose after the S&P 500 and Nasdaq 100 swung higher on a possible deal to boost the debt ceiling into December.

Russia's offer to ease Europe's energy crunch and President Joe Biden plans to meet virtually with Chinese President Xi Jinping also aided sentiment, as did the European Central Bank's study of a new bond-buying program to prevent any market turmoil when emergency purchases get phased out.

The yield on the U.S. 10-year Treasury note edged up and the dollar was steady. Investors are continuing to weigh the economic recovery against inflation risks from a jump in energy costs. A robust U.S. nonfarm payrolls report Friday could cement predictions of a reduction in Federal Reserve stimulus starting next month.

The climb in stocks brings some relief as investors grapple with a panoply of risks, including monetary-policy tightening to tackle price pressures and the impact on Chinese growth of Beijing's curbs on a debt-laden property sector.

On the geopolitical front, U.S. Secretary of State Antony Blinken criticized China's recent military maneuvers around Taiwan. Pressed on the financial woes of property developer China Evergrande Group, Blinken said the U.S. is looking to China "to act responsibly and to deal effectively with any challenges."

Crude oil retreated from a seven-year high partly in the wake of growing U.S. inventories. In cryptocurrencies, Bitcoin fluctuated between \$54,000 and \$55,000. Chinese markets are shut for a holiday and reopen on Friday.

Here are some events to watch this week:

- 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	-0.17
97.3281	1.5433	
EU 10Y Govt Bond		Net Change
Price	Yield	-0.11
101.6970	-0.1710	
Indices		% Change
Euro Stoxx 50	4 012.65	-1.30
CAC40	6 493.12	-1.26
FTSE	6 995.87	-1.15
DAX	14 973.33	-1.46
SMI	11 569.39	-0.15
Dow Jones	34 416.99	0.30
S&P500	4 363.55	0.55
Nasdaq Comp.	14 501.91	0.47
VIX (Volatility Index)	21.00	-0.30

Source: Refinitiv / Bloomberg



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## Crypto Corner

**Bitcoin** supply shocks have historically pushed the asset's price higher. Bitcoin's previous rallies have been triggered by a drop in supply across exchanges and a spike in whale accumulation.

As more institutions throw their weight behind the largest cryptocurrency, BTC has rallied to \$50,000. The asset has been making gains since El Salvador's acceptance of BTC as legal tender.

Bitcoin balance across exchanges is considered a key indicator of a bullish trend reversal. The asset's on-chain activity across exchanges is fairly neutral and there are no significant BTC inflows over the past week.

Interestingly, the supply of BTC is on a downward trend. Since there is no increase in exchange BTC balance, sell-side pressure on Bitcoin is relatively low. Low sell-side pressure is generally considered an indicator of a bullish reversal in BTC price.

Crypto Market Cap: [\\$2.29T](#)

24h Vol: [\\$147.6B](#)

Dominance: [BTC: 45.0%](#) [ETH: 18.2%](#)

Bitcoin	54 855.86
<b>Support</b>	<b>Resistance</b>
51 680.80	66 396.19
38 856.60	68 287.38
<b>Circulating Supply (BTC)</b>	
18 836 893.00	
<b>Market Cap</b>	
\$	1 032 780 694 420.00

Ethereum	3 548.77
<b>Support</b>	<b>Resistance</b>
3 392.51	4 242.27
2 662.09	4 361.61
<b>Circulating Supply (ETH)</b>	
117 824 936.00	
<b>Market Cap</b>	
\$	417 787 451 598.00

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Bitcoin / U.S. Dollar, 1D, COINBASE O55346.95 H55356.85 L54111.00 C54833.59 -505.89 (-0.91%)



Source: Refinitiv / [fxstreet.com](#) / [Bloomberg/Coinmarketcap.com/TradeView.com](#)



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## Commodity Corner

**Gold prices** edged lower on Thursday as the dollar held firm, while investors were cautious ahead of a U.S. payrolls report that is expected to provide clues on the Federal Reserve's tapering timeline. Spot gold fell 0.2% to \$1,758.93 per ounce by 03:45 GMT.

**Silver** fell 0.2% to \$22.55 per ounce.

**Platinum** dropped 0.5% to \$979.46.

**Palladium** rose 1.1% to \$1,910.38.

**Oil prices** dropped for a second session Thursday, under pressure from an unexpected rise in U.S. crude stocks that raised concerns over demand after prices rallied to multi-year highs.

**U.S. crude** slid 0.43%, or 33 cents, to \$77.10 a barrel after the market climbed on Wednesday to \$79.78, the highest since November 2014. **Brent crude** 2 cents, to \$81.06 a barrel.

U.S. crude inventories rose by 2.3 million barrels last week, the U.S. Energy Information Administration (EIA) said, against expectations for a modest dip of 418,000 barrels. Gasoline inventories also rose, while distillate inventories were down slightly.

Global oil prices have jumped more than 50% this year, adding to inflationary pressure that could slow recovery from the COVID-19 pandemic and impact consumer demand. Natural gas and coal prices have also climbed. The Organization of the Petroleum Exporting Countries and allies (OPEC+) said on Monday it would stick to its pact for a gradual increase in oil output, sending crude prices to multi-year highs.

OPEC+'s decision raise to oil output modestly and gradually, despite this year's surge in prices, was partly driven by concern that demand and prices could weaken, sources close to the group told Reuters.

<b>Gold</b>	<b>1758.55</b>
<b>Support</b>	<b>Resistance</b>
1739	1794
1702	1813

<b>Silver</b>	<b>22.57</b>
<b>Support</b>	<b>Resistance</b>
22.11	23.60
21.00	23.98

<b>Oil - WTI</b>	<b>77.03</b>
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<b>Nat Gas (HH)</b>	<b>5.7320</b>
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<b>Copper</b>	<b>4.1725</b>
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<b>Baltic Dry Ind.</b>	<b>5647.00</b>
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<b>Corn</b>	<b>532.25</b>
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<b>Wheat</b>	<b>748.50</b>
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<b>Soybean</b>	<b>1242.50</b>
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<b>Arabica Coffee</b>	<b>196.40</b>
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<b>Cotton</b>	<b>112.36</b>
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<b>Sugar</b>	<b>19.77</b>
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Source: Refinitiv / fxstreet.com / Bloomberg



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## FX Corner

**The dollar** held close to a 14-month high against the euro on Thursday, as a surge in energy prices raised the risk for the Federal Reserve to act sooner to normalize policy.

The U.S. currency was steady at \$1.15525 **per euro** after strengthening to \$1.1529 on Wednesday for the first time since July of last year.

**The dollar index**, which measures the greenback against a basket of six rivals, was little changed at 94.252 following a nearly 0.5% climb over the past two sessions. That brought it back near the one-year high of 94.504 reached last week.

**The Japanese yen**, another safe haven, was mostly flat at 111.44 per dollar, near the middle of its range of the past week and a half. Overnight, crude oil rallied to a seven-year high before taking a breather from its recent torrid gains, while natural gas jumped to a record peak in Europe and coal prices from major exporters also hit all-time highs.

The Federal Reserve, which has till now mainly contended that inflationary pressures will prove transitory, has said it is likely to begin reducing its monthly bond purchases as soon as November, before following up with interest rate increases, which could come as early as next year.

The closely watched non-farm payrolls report on Friday could provide additional clues to the timing of the Fed's next moves. Economists expect continued improvement in the labor market, with a consensus forecast for 473,000 jobs to have been added in September, a Reuters poll showed.

<u>EURUSD</u>	<b>1.1551</b>
Support	Resistance
1.1375	1.1597
1.1340	1.1784
1.1305	1.1971

<u>GBPUSD</u>	<b>1.3580</b>
Support	Resistance
1.3421	1.3761
1.3246	1.3926
1.3070	1.4090

<u>AUDUSD</u>	<b>0.7279</b>
Support	Resistance
0.7211	0.7359
0.7116	0.7412
0.7020	0.7464

<u>EURCHF</u>	<b>1.0716</b>
	Resistance
1.0597	1.0755
1.0572	1.0888
1.0548	1.1022

<u>USDJPY</u>	<b>111.4700</b>
Support	Resistance
110.85	113.18
109.13	113.79
107.41	114.40

<u>USDCAD</u>	<b>1.2576</b>
Support	Resistance
1.2409	1.2663
1.2348	1.2856
1.2287	1.3049

<u>USDCHF</u>	<b>0.9276</b>
Support	Resistance
0.9197	0.9352
0.9128	0.9438
0.9058	0.9523

<u>EURJPY</u>	<b>128.7700</b>
Support	Resistance
127.24	129.41
126.68	131.02
126.13	132.64

<u>USDTRY</u>	<b>8.8708</b>
Support	Resistance
8.8136	9.1643
8.5340	9.2354
8.2543	9.3064

Source: Refinitiv / fxstreet.com / Bloomberg



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## Event Corner

Date	Time	Country	Indicator Name	Period	Reuters Poll	Actual	Prior	SmartEstimate®	Predicted Surprise
7 oct 2021	06:30	Netherlands	CPI YY NSA	Sep			2.4%		
7 oct 2021	07:45	Switzerland	Unemployment Rate Adj	Sep	2.8%		2.9%	2.82%	0.02%
7 oct 2021	08:00	United Kingdom	Halifax House Prices MM	Sep			0.7%		
7 oct 2021	08:00	Germany	Industrial Output MM	Aug	-0.4%		1.0%	-0.52%	-0.12%
7 oct 2021	08:45	France	Reserve Assets Total	Sep			213 930M		
7 oct 2021	09:00	Switzerland	Forex Reserves CHF	Sep			929 292.00M		
7 oct 2021	14:30	United States	Initial Jobless Clm	2 Oct, w/e	348k		362k	346.1k	-1.9k
7 oct 2021	14:30	United States	Cont Jobless Clm	25 Sep, w/e	2.780M		2.802M	2.7733M	-0.0067M
7 oct 2021	16:00	Canada	Ivey PMI	Sep			63.8		
7 oct 2021	16:00	Canada	Ivey PMI SA	Sep			66.0		
7 oct 2021	21:00	United States	Consumer Credit	Aug	17.50B		17.00B	17.257B	-0.243B

Source: Refinitiv

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