



# Morning Call

Geneva, October 8, 2021

## Market Corner

Most Asian Stocks climbed Friday aided by a rise in Chinese shares and easing concerns about the U.S. debt ceiling. Treasury yields ticked up ahead of a key American jobs report.

Japanese shares outperformed and China advanced after reopening from a long holiday. S&P 500, Nasdaq 100 and European futures fluctuated in the wake of a third day of gains for U.S. stocks. The Senate voted to temporarily increase the debt ceiling, breaking a prolonged stalemate that had buffeted markets.

China's stock gauges weathered the ongoing debt woes in the nation's property sector and Beijing's wider regulatory broadsides. Government bond futures fell as the central bank drained short-term liquidity from the banking system. The 10-year U.S. Treasury yield reached the highest since June. Investors are fretting over inflation amid a global energy crunch, and the U.S. payrolls report Friday could cement expectations that the Federal Reserve will soon start tapering bond purchases. Australian and New Zealand debt fell, the yen declined, and the dollar edged higher.

Global stocks are on course for their best week since early September, helped by the U.S. move to avert the risk of an immediate default amid the political wrangling over the debt limit. But commodity-fueled price pressures, the prospect of tighter monetary policy and China's property-sector slowdown remain risks for the recovery from the pandemic. Elsewhere, oil extended a rebound after the U.S. Energy Department said it has no plans "at this time" to tap into the nation's oil reserves to help quell rising fuel prices. The recent sharp rally in Bitcoin paused around the \$54,000 level.

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	-0.25
96.8281	1.5995	
EU 10Y Govt Bond		Net Change
Price	Yield	-0.19
101.7040	-0.1710	
Indices		% Change
Euro Stoxx 50	4 098.34	2.14
CAC40	6 600.19	1.65
FTSE	7 078.04	1.17
DAX	15 250.86	1.85
SMI	11 763.64	1.68
Dow Jones	34 754.94	0.98
S&P500	4 399.76	0.83
Nasdaq Comp.	14 654.02	1.05
VIX (Volatility Index)	19.54	-6.95

Source: Refinitiv / Bloomberg



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## Crypto Corner

**Bitcoin** beat resistance at the September high at 52950 targeting 54700/900 & 55300/500.

**Ethereum** edging slowly above minor resistance at 3400/3450.

Bitcoin hit the next target of 55300/500. Further gains are possible today as far as 57000, 58500 & perhaps as far as resistance at 59400/600 into next week.

Downside is expected to be limited. Minor support at 52500/52000. Strong support at 50000/49500. Longs need stops below 49000. A break below here is a medium term sell signal.

**Ethereum** beats minor resistance at 3400/3450 for the next target 3550/3600 & eventually 3700. (nearly there hitting 3660). On further gains look for 3830/50 before a retest of the September high at 4000/4030.

Outlook positive if we hold first support at 3500/3450. A break below 3400 however risks a slide to strong support at 3170/3150.

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

24h Vol: [\\$123.7B](#)

Dominance: [BTC: 44.4%](#) [ETH: 18.4%](#)

Bitcoin		54 144.32
<b>Support</b>	<b>Resistance</b>	
53 067.94	68 090.95	
39 396.37	69 442.39	
<b>Circulating Supply (BTC)</b>		
		18 837 762.00
<b>Market Cap</b>		
\$		1 018 265 991 600.00

Ethereum		3 570.77
<b>Support</b>	<b>Resistance</b>	
3 513.65	4 379.92	
2 714.40	4 446.94	
<b>Circulating Supply (ETH)</b>		
		117 824 936.00
<b>Market Cap</b>		
\$		421 426 073 308.00



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



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# Commodity Corner

**Gold prices** edged higher on Friday but were stuck in a narrow range, as investors sought more direction from the U.S. non-farm payrolls report, considered key to the U.S. Federal Reserve's stimulus taper schedule.

**Spot gold** rose 0.2% to \$1,759.34 per ounce by 03:20 GMT.

**Spot silver** fell 0.4% to \$22.48 per ounce.

**Platinum** rose 0.5% to \$983.87 and was up 1.2% for the week.

**Palladium** eased 0.2% to \$1,956.17 but was headed for a weekly gain after declining for four.

**Oil prices** rose on Friday, tracking towards a 4.5% gain for the week on signs some industries have begun switching fuel from high-priced gas to oil and on doubts the U.S. government would release oil from its strategic reserves for now.

**Brent crude** futures jumped 93 cents, or 1.1%, to \$82.88 a barrel by 05:03 GMT.

**U.S. West Texas Intermediate (WTI)** crude futures climbed by \$1.02, or 1.3%, to \$79.32 a barrel.

Earlier in the week, WTI touched a near seven-year high of \$79.78 while Brent hit a three-year high of \$83.47.

Overall, the week's run-up has been spurred by soaring gas prices encouraging a switch to oil for power generation and by some industries, along with a decision by the Organization of Petroleum Exporting Countries and allies led by Russia, together called OPEC+, to stick to plans to add only 400,000 barrels per day of supply in November.

<b>Gold</b>	<b>1757.81</b>
<b>Support</b>	<b>Resistance</b>
1745	1795
1708	1807

<b>Silver</b>	<b>22.46</b>
<b>Support</b>	<b>Resistance</b>
22.31	23.77
21.12	24.04

<b>Oil - WTI</b>	<b>79.47</b>
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<b>Nat Gas (HH)</b>	<b>5.8250</b>
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<b>Copper</b>	<b>4.2605</b>
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<b>Baltic Dry Ind.</b>	<b>5650.00</b>
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<b>Corn</b>	<b>537.50</b>
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<b>Wheat</b>	<b>744.00</b>
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<b>Soybean</b>	<b>1260.00</b>
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<b>Arabica Coffee</b>	<b>200.80</b>
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<b>Cotton</b>	<b>110.45</b>
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<b>Sugar</b>	<b>19.84</b>
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Source: Refinitiv / fxstreet.com / Bloomberg



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## FX Corner

The **safe-haven dollar** hovered below a one-year high to major peers on Friday amid improved risk sentiment, while traders awaited clues on the pace of Federal Reserve policy normalization from a closely watched monthly payrolls reports.

The risk-sensitive **Australian dollar** held near the three-week high hit overnight, when it surged 0.55% against the greenback.

Global equities rallied and bond yields climbed after U.S. Senate leaders moved to avert a U.S. debt default, while a global easing in energy prices tempered simmering stagflation fears.

**Australia's currency** was almost flat at \$0.73105 from Thursday, when it rallied as high as \$0.7324 for the first time since Sept. 16.

**The U.S. Dollar Currency Index**, which measures the greenback against a basket of six peers, was little changed at 94.202 after trading in a tight range on Thursday, staying within sight of last week's high of 94.504, a level not seen since late September 2020.

**The dollar edged up 0.06% to 111.69 yen**, drifting toward the upper end of the trading range of the past week and a half.

**The euro** consolidated around \$1.1555, after dipping on Wednesday to a 14-month low of \$1.1529. The Federal Reserve has said it is likely to begin reducing its monthly bond purchases as soon as November and follow up with interest rate increases potentially next year, as the U.S. central bank's turn from pandemic crisis policies gains momentum.

EURUSD	1.1542
<b>Support</b>	<b>Resistance</b>
1.1364	1.1584
1.1336	1.1776
1.1307	1.1967

GBPUSD	1.3600
<b>Support</b>	<b>Resistance</b>
1.3480	1.3806
1.3282	1.3934
1.3084	1.4062

AUDUSD	0.7295
<b>Support</b>	<b>Resistance</b>
0.7277	0.7433
0.7145	0.7457
0.7012	0.7480

EURCHF	1.0733
	<b>Resistance</b>
1.0578	1.0742
1.0557	1.0885
1.0536	1.1028

USDJPY	111.9200
<b>Support</b>	<b>Resistance</b>
110.90	112.73
109.66	113.32
108.41	113.90

USDCAD	1.255
<b>Support</b>	<b>Resistance</b>
1.2347	1.2585
1.2322	1.2798
1.2298	1.3012

USDCHF	0.9298
<b>Support</b>	<b>Resistance</b>
0.9187	0.9335
0.9129	0.9425
0.9072	0.9516

EURJPY	129.2100
<b>Support</b>	<b>Resistance</b>
127.26	129.41
126.71	131.01
126.17	132.62

USDTRY	8.9065
<b>Support</b>	<b>Resistance</b>
8.7730	8.9987
8.6387	9.0901
8.5043	9.1814

Source: Refinitiv / fxstreet.com / Bloomberg



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## Event Corner

Date	Time	Country	Indicator Name	Period	Reuters Poll	Actual	Prior	SmartEstimate®	Predicted Surprise
8 oct 2021	01:30	Japan	All Household Spending YY	Aug	-1.5%	-3.0%	0.7%	-1.77%	-0.27%
8 oct 2021	01:30	Japan	All Household Spending MM	Aug	-2.0%	-3.9%	-0.9%	-2.07%	-0.07%
8 oct 2021	14:30	United States	Non-Farm Payrolls	Sep	500k		235k	469.2k	-30.8k
8 oct 2021	14:30	United States	Private Payrolls	Sep	455k		243k	448.8k	-6.2k
8 oct 2021	14:30	United States	Unemployment Rate	Sep	5.1%		5.2%	5.07%	-0.03%
8 oct 2021	14:30	United States	Average Earnings MM	Sep	0.4%		0.6%	0.41%	0.01%
8 oct 2021	14:30	United States	Average Earnings YY	Sep	4.6%		4.3%	4.57%	-0.03%
8 oct 2021	14:30	United States	Average Workweek Hrs	Sep	34.7		34.7	34.72	0.02
8 oct 2021	14:30	Canada	Employment Change	Sep	65.0k		90.2k	73.89k	8.89k
8 oct 2021	14:30	Canada	Unemployment Rate	Sep	6.9%		7.1%	6.85%	-0.05%
8 oct 2021	16:00	United States	Wholesale Invt(y), R MM	Aug	1.2%		1.2%	1.12%	-0.08%

Source: Refinitiv

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