



Morning Call

Geneva, December 8, 2021

Market Corner

Stocks and U.S. futures rose along with Asian dollar bonds as optimism about vaccines eased concerns about the omicron variant and China policies helped buffer against fallout from mounting property debt distress.

MSCI Inc.'s Asia Pacific benchmark advanced for a second day. The onshore yuan strengthened to its strongest level since 2018. Pfizer Inc.'s shot has been shown to provide a partial shield against the omicron variant in a South African study. European futures fluctuated.

Steps by Chinese authorities to limit the fallout from property market woes lifted some risk assets in Asia even as key debt deadlines at China Evergrande Group and Kaisa Group Holdings Ltd. passed without any sign of payment. Asia dollar bonds and Chinese junk notes rallied the most in a month, extending a rebound this week after China's central bank cut the reserve requirement ratio for most banks on Monday.

Treasury yields fell slightly after rising across the curve Tuesday, when the two-year yield reached the highest since March 2020 and the 10-year yield moved back toward 1.5%. The dollar dipped against most of its major peers. Crude was steady after surging past \$72 a barrel in New York. Bitcoin climbed back above \$50,000.

Risk assets are recovering after a bout of turbulence sparked by the emergence of the new virus variant. So far, omicron cases haven't overwhelmed hospitals and vaccine developments are encouraging. The S&P 500 and the Nasdaq 100 chalked their biggest gains since March and gauges of volatility retreated. Helping sentiment, the House passed a bill paving the way for a quick debt ceiling increase in the U.S.

Markets may not be clear of further turbulence amid lingering worries about central banks' response to elevated price pressures, new restrictions to stem the spread of omicron and ratcheting up of geopolitical tensions. U.S. President Joe Biden warned his Russian counterpart Vladimir Putin of "strong" measures if Ukraine was invaded.

US 10Y Govt Bond		Net Change
Price	Yield	0.13
99.1563	1.4665	
EU 10Y Govt Bond		Net Change
Price	Yield	-0.06
103.6300	-0.3680	
Indices		% Change
Euro Stoxx 50	4 276.20	3.36
CAC40	7 065.39	2.91
FTSE	7 339.90	1.49
DAX	15 813.94	2.82
SMI	12 513.62	1.12
Dow Jones	35 719.43	1.40
S&P500	4 686.75	2.07
Nasdaq Comp.	15 686.92	3.03
VIX (Volatility Index)	21.89	-19.46

Source: Refinitiv / Bloomberg



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Crypto Corner

Bitcoin price gets a big bounce off the \$44,000 value area, moving more than \$7,000 higher. Ethereum is now sandwiched between solid support and strong resistance.

Bitcoin price action has been a strong performer since the recent flash crash. Significant support for Bitcoin was found where the 61.8% Fibonacci retracement and top of the Ichimoku Cloud (Senkou Span A) share the \$44,000 price level. The support was strong enough to rally Bitcoin above the 50% Fibonacci retracement at \$48,000 and the Kijun-Sen at \$49,300.

However, the upside potential may be limited. There is significant resistance within the Ichimoku Kinko Hyo system on the daily chart. The daily Kijun-Sen and Senkou Span B share the \$54,000 price range. Longs may take profit at \$54,000, and short-sellers may open new short positions on any weakness. A close at or above \$55,100 would like to remove any further near-term bearish sentiment.

Ethereum price had a spectacular Saturday close on the daily chart, closing above the dominant interior trend line (black diagonal line). Then, on Sunday and Monday, Ethereum continues to press on higher with closes above the Tenkan-Sen and Kijun-Sen at \$4,100. ETH has not returned inside the channel of the former bear flag but finds itself facing resistance against the top of the Cloud (Senkou Span A).

A close at or above \$4,500 would put Ethereum price above the Cloud, but the Chikou Span would still be slightly below the candlesticks. However, the oscillators support a sustained breakout. So, if Ethereum does close to at least \$4,500, there is enough momentum and space for it to move higher and get to a close that would position the Chikou Span above the candlesticks – to at least \$4,725.

Crypto Market Cap: [\\$2.37T](#)

24h Vol: [\\$109.3B](#)

Dominance: [BTC: 40.4%](#) [ETH: 21.9%](#)

Bitcoin		50 546.25
Support	Resistance	
42 479.34	59 616.72	
33 721.66	67 996.42	
Circulating Supply (BTC)		
		18 894 793.00
Market Cap		
\$		957 844 264 452.00

Ethereum		4 361.25
Support	Resistance	
3 875.81	5 154.54	
3 050.91	5 608.37	
Circulating Supply (ETH)		
		118 651 288.00
Market Cap		
\$		518 874 574 632.00



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



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Commodity Corner

Gold prices rose on Wednesday as the U.S. Treasury yields and the dollar eased, with investor focus shifting to key inflation data due this week that could influence the Federal Reserve's decision to taper its stimulus at a faster pace.

Spot gold was up 0.2% at \$1,788.33 per ounce, as of 03:52 GMT.

Spot silver rose 0.1% to \$22.49 an ounce.

Platinum gained 1.1% to \$961.55.

Palladium added 0.1% to \$1,855.18.

Oil prices eased on Wednesday, taking a breather after two days of gains, as investors waited for an assessment of full impact of the Omicron coronavirus variant on global economy and fuel demand as well as the effectiveness of existing vaccines.

Brent crude futures dropped 19 cents, or 0.3%, to \$75.25 a barrel at 05:19 GMT, after settling 3.2% higher on Tuesday.

U.S. West Texas Intermediate crude was at \$71.82 a barrel, down 23 cents, or 0.3%, having gained 3.7% in the previous session.

Oil prices rebounded earlier this week from a collapse last week on rising optimism that the new Omicron variant will not cause major economic damage.

The Omicron variant can partially evade the protection from two doses of Pfizer and partner BioNTech's COVID-19 vaccine, the research head of a laboratory at the Africa Health Research Institute in South Africa said on Tuesday.

British drugmaker GSK, meanwhile, said on Tuesday its antibody-based COVID-19 therapy with U.S. partner Vir Biotechnology is effective against all mutations of the Omicron variant.

Gold	1787.00
Support	Resistance
1747	1801
1727	1835

Silver	22.41
Support	Resistance
21.10	22.84
20.68	24.16

Oil - WTI	71.52
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Nat Gas (HH)	3.8000
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Copper	4.3415
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Baltic Dry Ind.	3352.00
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Corn	585.00
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Wheat	799.25
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Soybean	1244.25
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Arabica Coffee	243.30
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Cotton	105.66
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Sugar	19.48
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Source: Refinitiv / fxstreet.com / Bloomberg



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FX Corner

The Australian dollar hit its strongest level in a week on Wednesday against safe-haven currencies the dollar and yen amid a pick-up in risk appetite on signs that Omicron may be less severe than other COVID-19 variants, but still vulnerable to existing vaccines.

The Aussie rose as high as \$0.71425 and 81.07 yen, levels not seen since Dec. 1. British drugmaker GSK said on Tuesday its antibody-based COVID-19 therapy with U.S. partner Vir Biotechnology is effective against all mutations of the new Omicron coronavirus variant.

The Canadian dollar marked a two-week high at C\$1.26325 per greenback. The Bank of Canada decides policy later Wednesday, and while economists expect no change at that meeting, they forecast rate hikes as early as the middle of next year in a recent Reuters poll.

The U.S. Federal Reserve meets next week, with policymakers flagging in the run-up that an increase in the pace of stimulus tapering is likely, which would set up the possibility of earlier rate hikes. The JOLTS report on U.S. job openings due later Wednesday should provide further evidence of a tightening labor market, potentially adding fodder for bets on earlier Fed tightening.

The dollar index, which measures the greenback against six major peers, slipped 0.14% to 96.150, settling near the middle of its range over the past 2-1/2 weeks.

Treasuries gave no support, **with the yield on the benchmark 10-year note retreating further from Tuesday's high** since Dec. 1 of 1.4870%, sinking to 1.4648%. The dollar-yen pair tracked that move, edging down to 113.49 from a one-week high of 113.78 overnight.

The Chinese yuan hit the highest since May 2018 against the dollar in offshore trading, strengthening as far as 6.3509.

The British pound recovered a bit of composure, adding 0.08% to \$1.32545 and consolidating around the middle of this week's trading range.

The euro rebounded 0.23% to \$1.1293 after touching its lowest since Nov. 26 at \$1.1228 in the previous session.

EURUSD	1.1286
Support	Resistance
1.1143	1.1341
1.1065	1.1461
1.0986	1.1580

GBPUSD	1.3240
Support	Resistance
1.3103	1.3299
1.3050	1.3442
1.2997	1.3585

AUDUSD	0.7122
Support	Resistance
0.6957	0.7194
0.6855	0.7329
0.6754	0.7465

EURCHF	1.0427
Support	Resistance
1.0341	1.0472
1.0292	1.0554
1.0242	1.0635

USDJPY	113.4200
Support	Resistance
111.64	114.63
110.58	116.56
109.53	118.50

USDCAD	1.2658
Support	Resistance
1.2505	1.2726
1.2458	1.2900
1.2412	1.3075

USDCHF	0.9238
Support	Resistance
0.9130	0.9347
0.9035	0.9469
0.8939	0.9590

EURJPY	128.0100
Support	Resistance
126.44	128.63
125.81	130.19
125.18	131.75

USDTRY	13.5734
Support	Resistance
13.2667	15.6406
11.2039	15.9517
9.1411	16.2628

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 déc 2021	00:00	Japan	Reuters Tankan Man'f Idx	Dec			13		
8 déc 2021	00:50	Japan	GDP Rev QQ Annualised	Q3	-3.1%		-3.0%	-2.87%	0.23%
8 déc 2021	00:50	Japan	GDP Revised QQ	Q3	-0.8%		-0.8%	-0.74%	0.06%
8 déc 2021	00:50	Japan	GDP Cap Ex Rev QQ	Q3	-3.9%		-3.8%	-3.61%	0.29%
8 déc 2021	00:50	Japan	GDP QQ Pvt Consmp Revised	Q3			-1.1%		
8 déc 2021	00:50	Japan	GDP QQ External Demand R	Q3			0.1%		
8 déc 2021	06:00	Japan	Economy Watchers Poll SA	Nov			55.5		
8 déc 2021	07:30	France	Non-Farm Payrolls Rev	Q3			0.5%		
8 déc 2021	13:00	United States	MBA 30-Yr Mortgage Rate	3 Dec, w/e			3.31%		
8 déc 2021	16:00	Canada	BoC Rate Decision	8 Dec	0.25%		0.25%	0.250%	0.000%
8 déc 2021	16:00	United States	JOLTS Job Openings	Oct	10.438M		10.438M	10.3730M	-0.0650M
8 déc 2021	17:00	United States	Refinitiv IPSOS PCSI	Dec			53.61		
8 déc 2021	17:00	Canada	Refinitiv IPSOS PCSI	Dec			54.09		

Source: Refinitiv

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