



Morning Call

Geneva, January 13, 2022

Market Corner

Asia stocks were mixed Thursday after a U.S. inflation print intensified calls for interest-rate increases as soon as March. Shares fluctuated in Hong Kong where a gauge of Chinese technology stocks fell after its biggest jump in three months. Japan declined. Chinese developers retreated as some of the property sector's more indebted firms face a wave of key payments this week. U.S. futures turned red after the S&P 500 and the Nasdaq 100 ended higher Wednesday.

A gauge of the dollar was steady. It had its worst session since May amid a muted reaction in Treasury yields and as much of the expectations for rate hikes have been priced in. The U.S. consumer price index climbed at the fastest pace since 1982, in line with forecasts.

Treasuries yields have surged this year on mounting wagers for at least three rate hikes from the Federal Reserve in 2022. Traders stuck to their bets for a rate hike in March after the inflation data.

The U.S. inflation read came after Fed Chair Jerome Powell vowed to contain the worst price pressures in four decades without derailing the economic recovery from the pandemic. In remarks prepared for a confirmation hearing before the Senate Banking Committee, Fed Governor Lael Brainard said tackling inflation and getting it back down to 2% while sustaining an inclusive recovery is the U.S. central bank's most pressing task.

Fed St. Louis President James Bullard told the Wall Street Journal that four rate increases may be warranted this year amid high inflation. Separately, Fed Bank of Cleveland President Loretta Mester and Atlanta Fed leader Raphael Bostic backed hiking rates as soon as March.

US 10Y Govt Bond		Net Change
Price	Yield	
96.6406	1.7482	-0.20
EU 10Y Govt Bond		Net Change
Price	Yield	
100.4600	-0.0450	-0.11
Indices		% Change
Euro Stoxx 50	4 316.39	0.81
CAC40	7 237.19	0.75
FTSE	7 551.72	0.81
DAX	16 010.32	0.43
SMI	12 670.47	-0.31
Dow Jones	36 290.32	0.11
S&P500	4 726.32	0.28
Nasdaq Comp.	15 188.39	0.23
VIX (Volatility Index)	17.62	-0.79

Source: Refinitiv / Bloomberg



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Crypto Corner

Bitcoin price is on a roll, pushing new seven-day highs and wiping out the past six days of losses. While BTC is not out of the woods yet, substantial buying pressure is occurring, and many bears attempting to front-run a head-and-shoulders pattern with early short positions have yet to cover.

Bitcoin price on deck to return to the \$60,000 value area, but near-term resistance must break first. Bitcoin may be starting 2022 with a nasty bear trap in the form of a head-and-shoulders pattern. In technical analysis, head-and-shoulders patterns are statistically the most recognizable and profitable chart patterns. Unfortunately, however, they are also the most rejected chart patterns. And the more obvious the head-and-shoulders pattern, the more likely it is to get rejected.

Ethereum price has also kicked off its recovery after a recent drop. There is a significant spike in buying activity as traders accumulate Ethereum.

Crypto Market Cap: [\\$2.01T](#)

24h Vol: [\\$88.1B](#)

Dominance: [BTC: 40.1%](#) [ETH: 19.2%](#)

Bitcoin		43 779.59
Support	Resistance	
39 466.46	47 407.68	
35 579.92	51 462.36	
Circulating Supply (BTC)		
18 927 612.00		
Market Cap		
\$	827 958 678 813.00	

Ethereum		3 348.11
Support	Resistance	
2 764.94	3 730.15	
2 363.87	4 294.29	
Circulating Supply (ETH)		
119 139 078.00		
Market Cap		
\$	398 463 018 370.00	

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Bitcoin / U.S. Dollar, 1D, BITSTAMP O43935.01 H44078.99 L43440.72 C43780.69 -152.81 (-0.35%)
Vol: 328



TradingView

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



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Commodity Corner

Gold prices were steady on Thursday near a one-week high scaled in the previous session, as the U.S. dollar and Treasury yields retreated after inflation data in line with expectations reinforced the need for quicker interest rate hikes.

Spot Gold XAU was flat at \$1,825.82 per ounce, as of 0637 GMT.

Spot silver XAG was flat at \$23.11 an ounce.

platinum XPT shed 0.4% to \$973.65.

palladium XPD fell 0.4% to \$1,903.35.

Oil prices hit two-month highs on Wednesday on tight supply as crude inventories in the United States, the world's top consumer, fell to their lowest since 2018, and as the dollar weakened and worries eased about the Omicron coronavirus variant. U.S. crude inventories fell 4.6 million barrels last week to 413.3 million barrels, their lowest since October 2018, the Energy Information Administration said. Analysts had forecast in a Reuters poll a 1.9 million-barrel drop.

OPEC+ producers, the Organization of the Petroleum Exporting Countries and its allies, are still holding back more than 3 million barrels per day (bpd) in output while Iranian exports are pinned back by U.S. sanctions. Though OPEC+ is raising output targets each month, technical difficulties have prevented several countries from hitting their quotas.

Brent crude settled up 95 cents, or 1.1%, at \$84.67 a barrel.

U.S. West Texas Intermediate (WTI) crude was up \$1.42, or 1.8%, at \$82.64.

<u>Gold</u>	1826.48
<u>Support</u>	<u>Resistance</u>
1813	1862
1773	1872

<u>Silver</u>	23.13
<u>Support</u>	<u>Resistance</u>
22.57	24.04
21.51	24.46

<u>Oil - WTI</u>	82.21
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<u>Nat Gas (HH)</u>	4.7080
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<u>Copper</u>	4.5285
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<u>Baltic Dry Ind.</u>	2027.00
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<u>Corn</u>	598.25
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<u>Wheat</u>	754.50
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<u>Soybean</u>	1391.25
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<u>Arabica Coffee</u>	240.65
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<u>Cotton</u>	115.30
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<u>Sugar</u>	18.34
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Source: Refinitiv / fxstreet.com / Bloomberg



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FX Corner

The **dollar** was nursing losses and below key support levels on Thursday after U.S. inflation proved no hotter than expected in December and prompted investors to cut crowded long positions. After a couple of months in a tight range, the dollar dropped 0.6% on the **Euro EUR** on Wednesday to \$1.1453, its lowest since mid-November. There isn't major chart resistance to further losses until \$1.1525. It held at \$1.1443 in Asia. It also fell 0.6% on the **Yen JPY**, dropping through support around 115 to hit 114.38 yen per dollar, a more than two-week low. It last bought 114.55 yen.

The greenback's weakness has helped the **Australian dollar AUD** crack resistance and sent it up through its 50-day moving average to an almost two-month top of \$0.7292, where it held through the Asia session. AUD/December's monthly U.S. inflation figures published on Wednesday were a fraction higher than forecast and at 7%, the increase in year-on-year CPI was as expected. Even though that was the biggest jump since June 1982, traders don't see it urgently shifting an already hawkish Fed too much. With at least three rate hikes already in the market price, some investors pared bets on further dollar gains.

Sterling GBP, which has been rallying as traders reckon Britain's economy can survive a surge in COVID-19 cases and that the Bank of England is going to get started on hikes as soon as next month, is testing its 200-day moving average at \$1.3717. It is up 4% from December lows and traders have so far shrugged off a political crisis enveloping Prime Minister Boris Johnson who apologized for attending a party in the Downing Street garden during a coronavirus lockdown.

Hikes have already begun in New Zealand and the **New Zealand dollar NZD** has touched its 50-day moving average at \$0.6862, a gain of 0.2% in the session. The Canadian dollar CAD=D3 has also rallied more than 3.5% in three weeks, gaining with oil prices as investors look past the potential economic fallout of the Omicron variant.

The **U.S. dollar index** is hovering near a two-month low at 94.962.

EURUSD		1.1461
Support	Resistance	
1.1379	1.1561	
1.1234	1.1598	
1.1088	1.1634	

GBPUSD		1.3726
Support	Resistance	
1.3642	1.3926	
1.3394	1.3962	
1.3145	1.3997	

AUDUSD		0.7300
Support	Resistance	
0.7224	0.7389	
0.7093	0.7423	
0.6962	0.7457	

EURCHF		1.0457
Support	Resistance	
1.0422	1.0609	
1.0279	1.0653	
1.0137	1.0698	

USDJPY		114.4500
Support	Resistance	
113.29	115.27	
112.84	116.80	
112.38	118.32	

USDCAD		1.2488
Support	Resistance	
1.2238	1.2560	
1.2204	1.2848	
1.2169	1.3135	

USDCHF		0.9122
Support	Resistance	
0.9064	0.9241	
0.8994	0.9348	
0.8924	0.9455	

EURJPY		131.1800
Support	Resistance	
130.77	132.36	
129.59	132.77	
128.42	133.19	

USDTRY		13.4780
Support	Resistance	
12.8409	14.5119	
11.7154	15.0574	
10.5900	15.6030	

Source: Refinitiv / fxstreet.com / Bloomberg



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Event Corner

Date	Time	Country/Region	Indicator Name	Period	Reuters Poll	Actual	Prior	SmartEstimate®	Predicted Surprise
13 janv 2022	01:01	United Kingdom	RICS Housing Survey	Dec	69	71	68.7	-0.3	
13 janv 2022	10:00	Italy	Industrial Output MM SA	Nov	0.5%	-0.6%	0.50%	0.00%	
13 janv 2022	10:00	Italy	Industrial Output YY WDA	Nov	3.7%	2.0%	3.92%	0.22%	
13 janv 2022	14:30	United States	Initial Jobless Clm	8 Jan, w/e	200k	207k	203.7k	3.7k	
13 janv 2022	14:30	United States	Cont Jobless Clm	1 Jan, w/e	1.733M	1.754M	1.7241M	-0.0089M	
13 janv 2022	14:30	United States	PPI Final Demand YY	Dec	9.8%	9.6%	9.78%	-0.02%	
13 janv 2022	14:30	United States	PPI Final Demand MM	Dec	0.4%	0.8%	0.40%	0.00%	
13 janv 2022	14:30	United States	PPI exFood/Energy YY	Dec	8.0%	7.7%	8.03%	0.03%	
13 janv 2022	14:30	United States	PPI exFood/Energy MM	Dec	0.5%	0.7%	0.48%	-0.02%	

Source: Refinitiv

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