

Morning Call

Geneva, January 14, 2022

Market Corner

Asian stocks declined Friday after a slew of Federal Reserve officials signaled they will combat inflation aggressively and the Nasdaq 100 fell to its lowest level since October.

Equities tumbled across the region, with indexes in Japan and Korea down more than 1%. U.S. futures fluctuated after American stocks tumbled Thursday, led by technology companies, which are seen as most sensitive to higher rates. Treasury yields rose, while Japan's five-year yields climbed to their highest level since 2016.

Fed Governor Lael Brainard said officials could boost rates as early as March to ensure that generation-high price pressures are brought under control. Federal Reserve Bank of Philadelphia President Patrick Harker and Chicago bank leader Charles Evans joined the calls by their policy-making colleagues for higher interest rates this year.

Rising rates -- an upshot of strong economic growth -- could drive investors toward value stocks, which tend to be more cyclical and offer near-term cash flows.

In addition, earnings may come into play: the valuation gap between Big Tech and the rest of the market is likely to narrow as the pace of earnings-per-share growth remains below that of the S&P 500 into the fourth quarter, according to Gina Martin Adams, chief equity strategist at Bloomberg Intelligence.

Prices paid to U.S. producers decelerated in December as two key drivers of inflation in 2021 -- food and energy -- declined from a month earlier, representing a respite in the recent trend of sizable increases. At the same time, producers continued to face a variety of materials shortages, limited labor supply and transportation bottlenecks that sent prices soaring last year.

<u>US 10Y Govt Bond</u>		<u>Net Change</u>
Price	Yield	
96.8438	1.7256	-0.14
<u>EU 10Y Govt Bond</u>		<u>Net Change</u>
Price	Yield	
100.9010	-0.0890	0.02
<u>Indices</u>		<u>% Change</u>
Euro Stoxx 50	4 315.90	-0.01
CAC40	7 201.14	-0.50
FTSE	7 563.85	0.16
DAX	16 031.59	0.13
SMI	12 620.44	-0.39
Dow Jones	36 113.62	-0.49
S&P500	4 659.03	-1.42
Nasdaq Comp.	14 806.81	-2.51
VIX (Volatility Index)	20.31	15.27

Source: Refinitiv / Bloomberg



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Crypto Corner

Ethereum price could be preparing for a reversal as a bullish chart pattern is forming. ETH bulls are eyeing a 12% ascent toward \$3,820 if the token slices above \$3,398, validating the optimistic thesis.

Ethereum price is currently forming a cup-and-handle pattern on the 4-hour chart, suggesting a bullish reversal could be in the offing. In order for the bullish target given by the governing technical pattern to be on the radar, ETH must slice above the neckline at \$3,398.

The first line of resistance for Ethereum price is at the 38.2% Fibonacci retracement level at \$3,347. If the bulls manage to overcome this obstacle, ETH may aim to tag the neckline of the prevailing chart pattern at \$3,398.

A slice above the neckline may put a 12% climb toward \$3,820 on the radar, validating the bullish chart pattern.

Ethereum price will continue to face challenges ahead before the optimistic target could be reached. The following hurdle for ETH is at the 50% retracement level at \$3,453, then at the 100 four-hour Simple Moving Average (SMA) at \$3,488.

Additional headwinds may emerge at the 61.8% Fibonacci retracement level at \$3,558, then at the declining resistance line at \$3,709, coinciding with the 200 four-hour SMA and the 78.6% Fibonacci retracement level.

Crypto Market Cap: [\\$2.05T](#)

24h Vol: [\\$103.2B](#)

Dominance: [BTC: 39.5%](#) [ETH: 19.2%](#)

Bitcoin		42 847.16
Support	Resistance	
38 882.18	46 766.58	
35 316.18	51 084.98	
Circulating Supply (BTC)		
18 928 706.00		
Market Cap		
\$ 811 703 739 775.00		

Ethereum		3 299.51
Support	Resistance	
2 718.30	3 683.51	
2 340.54	4 270.96	
Circulating Supply (ETH)		
119 152 718.00		
Market Cap		
\$ 393 395 960 787.00		

Published on TradingView.com, Jan 14, 2022 06:57 UTC

Bitcoin / U.S. Dollar, 1D, BITSTAMP O42579.44 H42999.99 L42388.88 C42861.14 +289.20 (+0.68%)
Vol: 204



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



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Commodity Corner

Gold prices were set for their biggest weekly rise since November on Friday, bolstered by a weaker dollar and lower Treasury yields, while traders awaited more economic data for clarity about the Federal Reserve's tapering timeline.

Spot gold rose 0.2% to \$1,826.51 per ounce by 06:24 GMT and has added about 1.7% so far this week.

Spot silver rose 0.4% to \$23.16 an ounce and was en route to its best week in two months.

Platinum climbed 0.9% to \$978.32 and was set to gain this week.

Palladium fell 0.8% to \$1,871.87 and was poised for a weekly drop.

Oil futures eased for a second session on Friday on expectations that Washington may soon act to cool prices that remain above \$80 per barrel, while movement curbs in China to rein in a COVID-19 outbreak weighed on fuel demand.

Brent crude futures fell 6 cents to \$84.41 a barrel at 04:27 GMT.

U.S. West Texas Intermediate crude was down 21 cents, or 0.3%, at \$81.91 a barrel.

China, the world's second-biggest oil consumer, has suspended some international flights and stepped-up efforts to rein in a virus outbreak at Tianjin while the highly transmissible Omicron variant has spread to the northeastern city of Dalian.

Many cities, including Beijing, have also urged people to stay put during the Lunar New Year holiday, which could cool demand for transport fuel during a peak travel season.

The world's top oil importer also posted in 2021 its first annual decline in crude oil shipments in two decades as Beijing clamped down on the refining sector and drew down massive inventories, although traders expect imports to recover this year.

Gold	1826.20
Support	Resistance
1809	1859
1771	1870

Silver	23.16
Support	Resistance
22.81	24.28
21.64	24.58

Oil - WTI	82.10
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Nat Gas (HH)	4.2150
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Copper	4.5310
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Baltic Dry Ind.	1873.00
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Corn	587.25
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Wheat	742.00
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Soybean	1365.25
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Arabica Coffee	236.95
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Cotton	114.62
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Sugar	18.09
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Source: Refinitiv / fxtreet.com / Bloomberg



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FX Corner

The dollar headed for its largest weekly fall in more than a year on Friday as investors trimmed long positions and deemed, for now, that several U.S. rate hikes this year are fully priced in.

In a week where data showed U.S. inflation at its hottest since the early 1980s, selling has forced the greenback through key support against the euro and yen, and traders seem content to lighten their bets until a clearer trend emerges.

The dollar index is down about 1.14% for the week, on course for its largest weekly percentage fall since December 2020 and set to halt a rally that has lasted about six months. The index was last down about 0.20% at 94.654.

The euro is up more than 1% for the week so far and has punched out of a range it held since late November, hitting the highest since Nov. 11 at \$1.1483. It doesn't face strong chart resistance until \$1.1525.

The dollar has dropped 1.53% against the yen over the week, its worst showing since June 2020, and pushed as low as 113.64 for the first time since Dec. 21. The safe-haven yen has benefited from a slide in global stocks, while Reuters also reported exclusively that the Bank of Japan is deliberating how it can start telegraphing an eventual rate hike.

The New Zealand dollar is up 1.46% for the week so far and is above its 50-day moving average at \$0.6861.

The Aussie briefly broke above stubborn resistance around \$0.7276 this week but retreated to around that level on Friday.

Sterling has been forging ahead, too, defying a political crisis threatening Prime Minister Boris Johnson's position on confidence that Britain's economy can withstand a wave of COVID-19 infections and that the Bank of England could hike rates next month.

The pound traded above its 200-day moving average on Thursday and is heading for a fourth consecutive weekly gain of more than 0.5%. It last bought \$1.3733.

<u>EURUSD</u>	1.1470
Support	Resistance
1.1431	1.1642
1.1245	1.1667
1.1059	1.1692

<u>GBPUSD</u>	1.3729
Support	Resistance
1.3685	1.4004
1.3397	1.4035
1.3110	1.4067

<u>AUDUSD</u>	0.7286
Support	Resistance
0.7265	0.7452
0.7103	0.7477
0.6940	0.7501

<u>EURCHF</u>	1.0442
Support	Resistance
1.0386	1.0573
1.0261	1.0635
1.0137	1.0698

<u>USDJPY</u>	113.7700
Support	Resistance
112.23	114.59
111.92	116.64
111.62	118.70

<u>USDCAD</u>	1.2488
Support	Resistance
1.2180	1.2544
1.2133	1.2861
1.2085	1.3177

<u>USDCHE</u>	0.9102
Support	Resistance
0.8953	0.9141
0.8927	0.9303
0.8902	0.9466

<u>EURJPY</u>	130.5100
Support	Resistance
130.29	131.88
129.35	132.53
128.42	133.19

<u>USDTRY</u>	13.5032
Support	Resistance
12.9651	14.3771
12.0365	14.8605
11.1080	15.3440

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
14 janv 2022	00:50	Japan	Corp Goods Price MM	Dec	0.3%	-0.2%	0.6%	0.22%	-0.08%
14 janv 2022	00:50	Japan	Corp Goods Price YY	Dec	8.8%	8.5%	9.0%	8.75%	-0.05%
14 janv 2022	08:00	United Kingdom	GDP Est 3M/3M	Nov	0.8%	1.1%	0.9%	0.81%	0.01%
14 janv 2022	08:00	United Kingdom	GDP Estimate MM	Nov	0.4%	0.9%	0.1%	0.46%	0.06%
14 janv 2022	08:00	United Kingdom	GDP Estimate YY	Nov	7.5%		4.6%	7.48%	-0.02%
14 janv 2022	08:00	United Kingdom	Industrial Output MM	Nov	0.2%	1.0%	-0.6%	0.28%	0.08%
14 janv 2022	08:00	United Kingdom	Industrial Output YY	Nov	0.5%		1.4%	0.59%	0.09%
14 janv 2022	08:00	United Kingdom	Manufacturing Output MM	Nov	0.2%		0.0%	0.22%	0.02%
14 janv 2022	08:00	United Kingdom	Manufacturing Output YY	Nov	-0.3%		1.3%	-0.20%	0.10%
14 janv 2022	08:45	France	CPI (EU Norm) Final MM	Dec	0.2%		0.2%	0.22%	0.02%
14 janv 2022	08:45	France	CPI (EU Norm) Final YY	Dec	3.4%		3.4%	3.39%	-0.01%
14 janv 2022	09:30	Sweden	CPI MM	Dec	1.2%		0.5%	1.34%	0.14%
14 janv 2022	09:30	Sweden	CPI YY	Dec	3.8%		3.3%	3.76%	-0.04%
14 janv 2022	09:30	Sweden	CPIF MM	Dec	1.2%		0.5%	1.16%	-0.04%
14 janv 2022	09:30	Sweden	CPIF YY	Dec	4.0%		3.6%	3.97%	-0.03%
14 janv 2022	10:00	Germany	Full Year GDP	2021	2.7%		-5.0%	2.65%	-0.05%
14 janv 2022	14:30	United States	Import Prices MM	Dec	0.3%		0.7%	0.06%	-0.24%
14 janv 2022	14:30	United States	Retail Sales MM	Dec	0.0%		0.3%	-0.25%	-0.25%
14 janv 2022	14:30	United States	Retail Sales Ex-Autos MM	Dec	0.2%		0.3%	-0.14%	-0.34%
14 janv 2022	14:30	United States	Retail Control	Dec	0.1%		-0.1%	-0.24%	-0.34%
14 janv 2022	15:15	United States	Industrial Production MM	Dec	0.3%		0.5%	0.23%	-0.07%
14 janv 2022	15:15	United States	Capacity Utilization SA	Dec	77.0%		76.8%	76.94%	-0.06%
14 janv 2022	16:00	United States	Business Inventories MM	Nov	1.3%		1.2%	1.23%	-0.07%
14 janv 2022	16:00	United States	U Mich Sentiment Prelim	Jan	70.0		70.6	69.80	-0.20

Source: Refinitiv

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