

Market Corner

Most stocks in Asia dropped Wednesday with technology share declining as investors fret about interest rates increases. Treasuries held losses.

An index of tech shares in Hong Kong fell to the lowest since May 2020 as firms backed by Tencent Holdings Ltd. came under pressure as it pares investment in the sector amid Beijing's regulatory crackdown. South Korea and China also dropped along with U.S. futures. Japan edged higher.

The Nasdaq 100 underperformed amid a selloff in tech names as Treasury yields climbed for a second day Tuesday. European contracts were little changed.

Treasuries were steady after yields rose amid increasing conviction the Federal Reserve will raise rates at least three times beginning in May to counter price pressures. The yield curve steepened as yields on long maturities also climbed amid heavy supply of new corporate bonds. The dollar was little changed, while the yen traded near its lowest since January 2017.

U.S. December payroll data and minutes from the Fed's meeting last month may throw more light this week on the potential pace of rate hikes. Minneapolis Fed President Neel Kashkari said he supports two rate increases this year to counter risks posed by inflation.

Data Tuesday showed mixed signs on U.S. inflation. Prices paid by manufacturers in December came in sharply lower than expected. However, figures showing a record U.S. job quit rate added to concerns over wage inflation.

Meanwhile, North Korea appears to have launched its first ballistic missile in about two months, just days after leader Kim Jong Un indicated that returning to stalled nuclear talks with the U.S. was a low priority for him in the coming year.

Crude oil in New York held gains. OPEC and its allies agreed to revive more halted production as the outlook for global oil markets improved, with demand largely withstanding the new coronavirus variant.

US 10Y Govt Bond		Net Change
Price	Yield	
97.5469	1.6456	0.19
EU 10Y Govt Bond		Net Change
Price	Yield	
101.1790	-0.1220	-0.09
Indices		% Change
Euro Stoxx 50	4 367.62	0.83
CAC40	7 317.41	1.39
FTSE	7 505.15	1.63
DAX	16 152.61	0.82
SMI	12 900.97	-0.30
Dow Jones	36 799.65	0.59
S&P500	4 793.54	-0.06
Nasdaq Comp.	15 622.72	-1.33
VIX (Volatility Index)	16.91	1.87

Source: Refinitiv / Bloomberg



Morning Call

Geneva, January 5, 2022

Crypto Corner

The Crypto Fear and Greed Index (FGI) is currently displaying extreme fear in the cryptocurrency market while the new asset class is currently struggling to reverse the period of sluggish performance.

The Crypto FGI aims to establish whether traders are too bullish, when the index steers into “greed,” or bearish when the indicator moves into “fear.” The current market sentiment, extreme fear, suggests that cryptocurrencies are trading below their intrinsic value.

When the cryptocurrency market is in a state of extreme fear, the prices of the assets are usually under pressure as investors consider selling due to panic. However, other investors use this as an opportunity to purchase more digital assets at a discounted price.

Considering the relatively low digital asset prices in the market as well as FGI’s low reading of 24, analysts suggest that crypto assets are currently oversold and are about to rebound sharply.

The lowest point reached on the Crypto FGI in 2021 was on July 21 when the index displayed a reading of 10, indicating extreme fear. Despite the bearish sentiment given by the reading, the cryptocurrency market capitalization rebounded quickly, from a low of 1.189 trillion to 2.461 trillion on September 7, resulting in a 107% increase.

Crypto Market Cap: **\$2.23T**

24h Vol: **\$104.0B**

Dominance: **BTC: 39.3% ETH: 20.3%**

Bitcoin	46 430.95
Support	Resistance
40 729.35	47 299.28
39 847.21	52 987.07
Circulating Supply (BTC)	
18 920 325.00	
Market Cap	
\$	877 974 084 988.00

Ethereum	3 814.73
Support	Resistance
3 481.51	4 037.19
3 255.35	4 366.71
Circulating Supply (ETH)	
119 030 482.00	
Market Cap	
\$	454 222 279 283.00

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Bitcoin / U.S. Dollar, 1D, COINBASE Q45817.13 H46547.91 L45711.74 C46411.31 +596.70 (+1.30%)
 Vol 2.936K
 SMAs (8, 50, 100, 200, close, close, close, close) 46690.32 51339.36 55050.65 48066.64



TradingView

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



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Commodity Corner

Gold struggled for momentum on Wednesday, as market participants weighed prospects of early interest rate increases from the U.S. Federal Reserve against rising COVID-19 cases.

Spot gold was little changed at \$1,815.68 per ounce by 06:02 GMT.

Spot silver fell 0.6% to \$22.90 an ounce.

Platinum was down 0.4% to \$968.13.

Palladium dropped 1.2% to \$1,847.84.

Oil prices dropped on Wednesday after U.S. fuel stockpiles climbed, indicating declining demand in the world's biggest oil consumer amid a massive spike in COVID-19 cases caused by the Omicron variant.

Brent crude futures fell 9 cents, or 0.11%, to \$79.91 a barrel at 05:37 GMT, while **U.S. West Texas Intermediate (WTI) crude futures** fell 13 cents, or 0.17%, to \$76.86 a barrel.

U.S. gasoline stockpiles rose by 7.1 million barrels in the week to Dec. 31, the American Petroleum Institute (API) reported late on Tuesday. Distillate stockpiles climbed by 4.4 million barrels in the week.

The surging stockpiles, which exceeded analysts' expectations, undermined the bullish outlook from investors during the previous session when price climbed more than 1% as market participants took the decision of major producers to add supply next month as a sign of confidence that surging COVID-19 cases would not hit demand for long.

Meanwhile, the Organization of the Petroleum Exporting Countries, Russia and allies, together called OPEC+, on Tuesday agreed to add another 400,000 barrels per day of supply in February, as it has every month since August.

The decision to stick their output increase reflected the group's view that Omicron will only have a short-lived impact on global energy demand.

Gold	1813.47
Support	Resistance
1788	1835
1763	1857

Silver	22.87
Support	Resistance
22.39	23.42
21.88	23.94

Oil - WTI	77.09
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Nat Gas (HH)	3.7460
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Copper	4.4375
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Baltic Dry Ind.	2285.00
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Corn	607.75
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Wheat	765.50
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Soybean	1378.00
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Arabica Coffee	231.80
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Cotton	113.88
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Sugar	18.75
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Source: Refinitiv / fxstreet.com / Bloomberg



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FX Corner

The yen was pinned near a five-year low on the dollar on Wednesday and nursing losses on other crosses as traders wagered Japan would lag a looming wave of global policy tightening as inflation gallops ahead around the world.

The yen tumbled through support, which now turns resistance, around 115.50 per dollar on Tuesday to hit the five-year trough at 116.35.

It hovered around 116.05 through a quiet Asian session.

The yen also dropped through its 200-day moving average to a two-month low of 131.45 per euro, recovering slightly to 131.00 in Asia.

It made a more than six-year low against the Swiss franc and a seven-week trough on the Aussie, recovering slightly from those levels on Wednesday.

A similar dynamic has the euro under pressure as European policymakers are likely to be behind peers in Britain and the United States on tightening.

The common currency held near a two-week low against the dollar at \$1.1288 and hit an almost two-year trough of 83.32 pence (GBP).

The risk-sensitive Australian and New Zealand dollars struggled to resume an attempt to rally as fears of Omicron derailing the world's recovery subside.

The kiwi last bought \$0.6803 and **the Aussie** \$0.7228. Both remain shy of resistance around \$0.6857 and \$0.7270, respectively.

The U.S. dollar index was rangebound at 96.269. Minutes from the Federal Reserve's December meeting, due to be published at 19:00 GMT, could underscore U.S. policymakers' newfound sensitivity to inflation and their readiness to act. Partial U.S. labor data on Wednesday and non-farm payrolls on Friday will also be watched for a guide to the trajectory.

EURUSD	1.1297
Support	Resistance
1.1199	1.1323
1.1168	1.1416
1.1138	1.1510

GBPUSD	1.3532
Support	Resistance
1.3473	1.3792
1.3196	1.3834
1.2919	1.3876

AUDUSD	0.7232
Support	Resistance
0.7170	0.7329
0.7064	0.7382
0.6959	0.7436

EURCHF	1.0344
Support	Resistance
1.0269	1.0379
1.0242	1.0462
1.0214	1.0544

USDJPY	115.9500
Support	Resistance
115.49	117.90
113.51	118.33
111.52	118.75

USDCAD	1.2713
Support	Resistance
1.2500	1.2805
1.2407	1.3017
1.2314	1.3229

USDCHF	0.9155
Support	Resistance
0.9075	0.9226
0.9012	0.9314
0.8950	0.9403

EURJPY	131.0100
Support	Resistance
130.38	133.28
128.02	133.82
125.65	134.35

USDTRY	13.3591
Support	Resistance
12.5278	16.3848
9.3649	17.0789
6.2020	17.7730

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
5 janv 2022	08:45	France	Consumer Confidence	Dec	97		99	97.2	0.2
5 janv 2022	09:45	Italy	Markit/IHS Svcs PMI	Dec	54.0		55.9	53.75	-0.25
5 janv 2022	09:50	France	Markit Serv PMI	Dec	57.1		57.1	57.07	-0.03
5 janv 2022	09:50	France	Markit Comp PMI	Dec	55.6		55.6	55.57	-0.03
5 janv 2022	09:55	Germany	Markit Services PMI	Dec	48.4		48.4	48.38	-0.02
5 janv 2022	09:55	Germany	Markit Comp Final PMI	Dec	50.0		50.0	50.00	0.00
5 janv 2022	11:00	Italy	Consumer Price Prelim MM	Dec				0.6%	
5 janv 2022	11:00	Italy	Consumer Price Prelim YY	Dec	3.9%		3.7%	3.87%	-0.03%
5 janv 2022	11:00	Italy	CPI (EU Norm) Prelim MM	Dec	0.4%		0.7%	0.41%	0.01%
5 janv 2022	11:00	Italy	CPI (EU Norm) Prelim YY	Dec	4.2%		3.9%	4.14%	-0.06%
5 janv 2022	14:15	United States	ADP National Employment	Dec	400k		534k	409.2k	9.2k
5 janv 2022	14:30	Canada	Building Permits MM.	Nov	2.3%		1.3%	2.14%	-0.16%
5 janv 2022	15:45	United States	Markit Comp Final PMI	Dec			56.9		
5 janv 2022	15:45	United States	Markit Svcs PMI Final	Dec			57.5		

Source: Refinitiv

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