

## Morning Call

Geneva, February 8, 2022

### Market Corner

Sovereign bonds skidded again Tuesday and the dollar rose as investors grappled with the implications of global monetary tightening. The mood in stocks was sapped by a China slide and wavering equity futures. Treasuries fell, with a clutch of investors predicting the U.S. 10-year yield could soon hit 2%. In Australia, the equivalent rate climbed to the highest since March 2020. The prospect of more aggressive central bank steps to curtail high inflation is unnerving fixed-income markets.

Japanese shares advanced amid a weaker yen, but China's CSI 300 index fell. Stocks struggled in Hong Kong, where shares in biotech giant Wuxi Biologics Cayman Inc. sank and were suspended after the firm was added to a list of companies that may need extra permits to buy products from U.S. entities.

S&P 500, Nasdaq 100 and European futures fluctuated. Wall Street stocks on Monday ended a choppy session in the red, hurt by the technology sector.

Oil's scorching rally took a breather, with attention turning to Iran nuclear talks that could lead to a resumption of official crude exports from the Persian Gulf producer. Bitcoin pushed toward \$45,000.

Investors are awaiting data Thursday expected to show stubbornly high U.S. inflation, which could inject further volatility into financial markets bracing for a Federal Reserve cycle of monetary tightening.

<u>US 10Y Govt Bond</u>		<u>Net Change</u>
<b>Price</b>	<b>Yield</b>	
94.8906	1.9523	-0.31
<u>EU 10Y Govt Bond</u>		<u>Net Change</u>
<b>Price</b>	<b>Yield</b>	
97.5400	0.2490	-0.26
<u>Indices</u>		<u>% Change</u>
<b>Euro Stoxx 50</b>	4 120.56	0.83
<b>CAC40</b>	7 009.25	0.83
<b>FTSE</b>	7 573.47	0.76
<b>DAX</b>	15 206.64	0.71
<b>SMI</b>	12 193.81	0.44
<b>Dow Jones</b>	35 091.13	0.00
<b>S&amp;P500</b>	4 483.87	-0.37
<b>Nasdaq Comp.</b>	14 015.67	-0.58
<b>VIX (Volatility Index)</b>	22.86	-1.55

Source: Refinitiv / Bloomberg



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## Crypto Corner

**Big Four accounting giant KPMG Canada** has decided to dabble in cryptocurrencies, adding the two largest digital assets by market capitalization to its corporate balance sheet. The auditing firm now believes that crypto is a “maturing asset class.”

The Canadian arm of the accounting giant recently revealed in a statement that the firm directly invested in Bitcoin and Ethereum, joining a growing trend of institutional investors adding crypto to their treasuries, including MicroStrategy, Square and Tesla.

The auditing firm stated that their recent investment in cryptocurrencies reflected their belief that “institutional adoption of crypto assets and blockchain technology will continue to grow and become a regular part of the asset mix.”

Although KPMG did not clarify how much they have invested in the two leading digital assets, the accounting giant added that they purchased carbon offsets to maintain a net-zero carbon transaction.

Benjie Thomas, Canadian managing partner of advisory services at KPMG stated that “crypto assets are a maturing asset class,” and investors such as hedge funds are

increasingly gaining exposure to digital assets and “traditional financial services such as banks, financial advisors and brokerages are exploring offering products and services involving crypto assets.”

KPMG established a governance committee with stakeholders from Finance, Risk Management, Advisory, Audit and Tax sectors to provide oversight and to approve the new treasury allocation.

Crypto Market Cap: [\\$2.03T](#)

24h Vol: [\\$102.3B](#)

Dominance: [BTC: 41.6%](#) [ETH: 18.6%](#)

Bitcoin	44 825.39
<b>Support</b>	<b>Resistance</b>
42 179.08	50 458.27
35 079.39	51 637.77
<b>Circulating Supply (BTC)</b>	
18 951 818.00	
<b>Market Cap</b>	
\$ 848 809 439 409.00	

Ethereum	3 171.56
<b>Support</b>	<b>Resistance</b>
3 020.90	3 737.96
2 390.89	3 825.01
<b>Circulating Supply (ETH)</b>	
119 491 935.00	
<b>Market Cap</b>	
\$ 379 629 188 327.00	



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



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# Commodity Corner

**Gold prices** firmed on Tuesday as Russia-Ukraine concerns kept the safe-haven metal supported near the previous session's over one-week high, while markets await U.S. inflation data that is crucial for the Federal Reserve's tapering timeline.

**Spot gold** was steady at \$1,819.71 per ounce, by 06:14 GMT, having risen to the highest level since Jan. 26 on Monday.

**Silver** fell 0.56 % to \$22.86.

**Platinum** was down 0.5% at \$1,015.20.

**Palladium** fell 0.2% to \$2,258.29.

**Oil prices** eased on Tuesday ahead of the resumption of indirect talks between the United States and Iran which may revive a nuclear deal that could lead to the removal of sanctions on Iranian oil sales, increasing global supplies.

**Brent crude** was last down 48 cents, or 0.24%, at \$92.47 a barrel by 07:16 GMT, after hitting a seven-year high of \$94 on Monday.

**U.S. West Texas Intermediate crude** was down by 14 cents, or 0.16%, at \$91.18 a barrel.

Both oil contracts have touched recent seven-year tops, supported by strong global demand, ongoing tensions in Eastern Europe and potential supply disruptions due to cold U.S. weather conditions. The talks on reviving the 2015 Iran nuclear deal, which are taking place in Vienna, will resume on Tuesday after a 10-day pause. The United States has restored some sanctions waivers, while Iran is demanding a full removal of sanctions and a U.S. guarantee of no further punitive steps.

<u>Gold</u>	1817.20
<b>Support</b>	<b>Resistance</b>
1780	1854
1742	1891

<u>Silver</u>	22.81
<b>Support</b>	<b>Resistance</b>
21.66	23.71
20.79	24.89

<u>Oil - WTI</u>	91.24
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<u>Nat Gas (HH)</u>	4.2900
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<u>Copper</u>	4.4630
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<u>Baltic Dry Ind.</u>	1422.00
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<u>Corn</u>	632.75
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<u>Wheat</u>	761.75
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<u>Soybean</u>	1570.25
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<u>Arabica Coffee</u>	242.30
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<u>Cotton</u>	122.90
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<u>Sugar</u>	18.05
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Source: Refinitiv / fxstreet.com / Bloomberg



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## FX Corner

**The dollar** made small but broad gains on Tuesday and held a resurgent euro at bay as traders awaited U.S. inflation data, wary it could unleash bets on faster interest rate hikes.

**The common currency** leapt 2.7% last week after a hawkish shift in tone at the European Central Bank.

But it has been unable to breach resistance around \$1.1483 and eased by 0.2% to \$1.1418 during the Asia session.

**The dollar edged 0.3% higher to 115.43 yen**, helped by five and 10-year Treasury yields ticking to more than two-year highs.

Stunningly strong U.S. labor data last week has put extra focus on inflation - forecast at a four-decade high 7.3% - in the lead up to March's Federal Reserve meeting. Futures markets are pricing an almost 1-in-3 chance of a 50-basis point rate rise and the prospect of aggressive hikes has been supporting the dollar.

**The U.S. dollar index** rose 0.2% to 95.613.

**The Aussie** fell 0.2% to \$0.7109.

<b>EURUSD</b>	<b>1.1396</b>
Support	Resistance
1.1398	1.1762
1.1077	1.1805
1.0755	1.1847

<b>GBPUSD</b>	<b>1.3512</b>
Support	Resistance
1.3420	1.3692
1.3252	1.3796
1.3083	1.3899

<b>AUDUSD</b>	<b>0.7113</b>
Support	Resistance
0.7031	0.7246
0.6891	0.7321
0.6751	0.7396

<b>EURCHF</b>	<b>1.0555</b>
Support	Resistance
1.0541	1.0800
1.0314	1.0832
1.0086	1.0863

<b>USDJPY</b>	<b>115.5100</b>
Support	Resistance
114.58	116.61
113.10	117.16
111.62	117.71

<b>USDCAD</b>	<b>1.2693</b>
Support	Resistance
1.2593	1.2832
1.2456	1.2934
1.2318	1.3035

<b>USDCHF</b>	<b>0.9261</b>
Support	Resistance
0.9138	0.9348
0.9030	0.9450
0.8922	0.9552

<b>EURJPY</b>	<b>131.6500</b>
Support	Resistance
131.24	135.14
127.78	135.58
124.33	136.03

<b>USDTRY</b>	<b>13.6377</b>
Support	Resistance
13.3509	13.8989
12.9609	14.0569
12.5710	14.2150

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
8 févr 2022	00:30	Japan	All Household Spending YY	Dec	0.3%	-0.2%	-1.3%	0.00%	-0.30%
8 févr 2022	00:30	Japan	All Household Spending MM	Dec	0.7%	0.1%	-1.2%	0.63%	-0.07%
8 févr 2022	08:00	Sweden	Private Production YY	Dec		7.7%	6.5%		
8 févr 2022	08:00	Sweden	Private Production MM	Dec		0.6%	0.5%		
8 févr 2022	08:00	Sweden	Ind Production Val YY	Dec		0.1%	4.2%		
8 févr 2022	08:00	Sweden	Ind Production Val MM	Dec		-1.2%	0.5%		

Source: Refinitiv

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