



Morning Call

Geneva, February 9, 2022

Market Corner

Stocks rose Wednesday and a selloff in sovereign bonds paused, bringing some relief for markets from the concerns about tightening monetary policy that have whipsawed assets this year.

An Asia-Pacific share gauge jumped more than 1% to its highest in about two weeks, helped by Japan and a rally in a Hong Kong technology index. China's stocks climbed in the wake of intervention by state-backed funds on Tuesday. U.S. and European equity futures advanced after the S&P 500 closed near session highs. Dip-buying lifted the Nasdaq 100 and a U.S. small-cap gauge outperformed.

The 10-year U.S. Treasury yield retreated from levels last seen in 2019. But bond markets remain wary as the Federal Reserve gears up to raise interest rates to quell inflation. A dollar gauge slipped.

Meanwhile, the Bank of Japan chose not to deviate from its planned bond purchases, holding fire even as yields continued to rise.

Investors are weighing up still-robust corporate earnings against worries about a rapid withdrawal of pandemic-era stimulus. Data this week is expected to show U.S. inflation continues to overheat, potentially stoking bets on a more aggressive Fed liftoff in March.

About 76% of S&P 500 firms that have reported results beat earnings estimates, with profits coming in more than 6% above projected levels.

US 10Y Govt Bond		Net Change
Price	Yield	
95.0000	1.9397	0.14
EU 10Y Govt Bond		Net Change
Price	Yield	
97.5600	0.2470	0.17
Indices		% Change
Euro Stoxx 50	4 129.25	0.21
CAC40	7 028.41	0.27
FTSE	7 567.07	-0.08
DAX	15 242.38	0.23
SMI	12 155.66	-0.31
Dow Jones	35 462.78	1.06
S&P500	4 521.54	0.84
Nasdaq Comp.	14 194.46	1.28
VIX (Volatility Index)	21.44	-1.42

Source: Refinitiv / Bloomberg



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Crypto Corner

Bitcoin price faced immediate and intense selling pressure after hitting the 50% Fibonacci retracement at \$45,435. Selling pressure continued through the Tuesday trading day, with support found near the top of the weekly Ichimoku Cloud (Senkou Span A) at \$43,000. The level at \$43,000 also contains the weekly Tenkan-Sen, creating a solid immediate support zone with a high probability of holding.

The daily chart warns that Bitcoin's near-term price action is overbought and could hint at lower prices – even a bearish continuation. However, the weekly chart shows conditions are still very oversold and that a breakout towards the \$50,000 is still underway.

If \$43,000 fails to hold as support, the following primary support structure is the 2022 Volume Point Of Control and the 61.8% Fibonacci retracement at \$41,200. Therefore, Bitcoin price will need to maintain that value area, or it will face a strong sell-off towards the \$37,400 value area.

Ethereum price action, like most of the cryptocurrency market, is facing some selling pressure against crucial resistance levels or severely overbought oscillator conditions on the daily chart. A likely pullback zone that Ethereum would find support is the daily Tenkan-Sen and 50% Fibonacci retracement in the \$2,900 to \$3,000 value area.

If the \$2,900 to \$3,000 value area holds as support, it should provide the base necessary to return Ethereum price into the last bull flag in the \$3,500 value area. The primary goal that bulls need to achieve is a daily candlestick close above the Ichimoku Cloud and where the Chikou Span is above the candlestick bodies and in open space. Today, the earliest this could occur is at the \$3,800 value area – but by February 20, that threshold drops to \$3,200.

Crypto Market Cap: [\\$1.98T](#)

24h Vol: [\\$95.0B](#)

Dominance: [BTC: 41.7%](#) [ETH: 18.6%](#)

Bitcoin	43 585.51
Support	Resistance
42 749.04	52 008.41
Circulating Supply (BTC)	
18 952 718.00	
Market Cap	
\$	828 160 753 798.00

Ethereum	3 093.28
Support	Resistance
3 018.53	3 774.79
2 370.11	3 882.63
Circulating Supply (ETH)	
119 505 415.00	
Market Cap	
\$	370 343 699 333.00



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



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Commodity Corner

Gold prices hovered on Wednesday near a two-week high touched in the previous session ahead of a widely expected robust U.S. inflation reading this week, although elevated U.S. Treasury yields kept bullion's gains in check.

Spot gold was up 0.1% at \$1,827.33 per ounce, as of 06:03 GMT, holding near previous session's high of \$1,828.68, the strongest level since Jan. 26.

Silver rose 0.2% to \$23.23 per ounce, its highest since Jan. 27.

Platinum fell 0.2% to \$1,030.46.

Palladium was down 0.3% at \$2,240.20.

Oil prices climbed on Wednesday after two sessions of losses as industry data showed an unexpected drop in U.S. crude and fuel stocks, offsetting concerns of a possible rise in supplies from Iran.

Brent crude futures rose 41 cents, or 0.5%, to \$91.19 a barrel by 04:22 GMT, while U.S. West Texas Intermediate crude was at \$89.74 a barrel, up 38 cents, or 0.4%.

U.S. crude, gasoline and distillate stocks fell last week, according to market sources citing American Petroleum Institute figures on Tuesday. Crude inventories fell 2 million barrels, according to API, versus analysts' expectations of a 400,000-barrel increase.

More data from the U.S. EIA will be available at 10:30 a.m. EST (1530 GMT).

Still, concerns about a possible Iran nuclear deal that could unleash more oil into global markets weighed on prices.

Brent and WTI slid about 2% on Tuesday, down for a second straight session, as Washington resumed indirect talks with Iran to revive a nuclear deal. Such a deal could lift U.S. sanctions on Iranian oil and quickly add supplies to the market, although several vital issues still need to be ironed out.

<u>Gold</u>	1827.04
Support	Resistance
1796	1866
1752	1893

<u>Silver</u>	23.19
Support	Resistance
22.15	24.15
21.06	25.06

<u>Oil - WTI</u>	89.22
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<u>Nat Gas (HH)</u>	4.2120
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<u>Copper</u>	4.4505
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<u>Baltic Dry Ind.</u>	1503.00
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<u>Corn</u>	637.50
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<u>Wheat</u>	776.50
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<u>Soybean</u>	1580.75
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<u>Arabica Coffee</u>	249.40
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<u>Cotton</u>	123.80
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<u>Sugar</u>	18.08
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Source: Refinitiv / fxstreet.com / Bloomberg



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FX Corner

The **dollar** stayed in a holding pattern on Wednesday, a day before the release of U.S. consumer price data that may offer new clues on the pace of Federal Reserve policy tightening.

The euro seemed to find a base following its retreat from an almost three-month top after European Central Bank President Christine Lagarde earlier this week dialed down expectations of aggressive interest rate hikes.

The Australian dollar got a bit of a lift as continued gains in global stocks boosted the mood for risk taking.

The euro was virtually flat at \$1.14195, following its gradual retreat from a peak of \$1.1483 on Friday, which matched the highest level since Nov. 11.

The dollar index - which gauges the greenback against six major peers, including Europe's single currency - was also little changed at 95.587, after bouncing off a 2-1/2-week low of 95.136 reached Friday. It touched the highest since June 2020 at 97.441 at the end of last month.

A more hawkish tone from both the ECB and the Fed last week caught markets off guard and sent yields soaring on euro zone and U.S. debt in anticipation rates could rise faster and higher than previously expected.

Lagarde said on Monday there was no need for extensive tightening, trying to temper rising expectations for aggressive action after she last week opened the door to a potential rate rise this year.

For the U.S. central bank, markets are pricing in more than a 70% chance of a 25-basis point hike and a nearly 30% chance for a 50-basis point hike when policymakers meet in March, according to CME's FedWatch Tool. High U.S. inflation may go even higher before getting better, San Francisco Fed President Mary Daly said on Tuesday.

Consumer prices probably climbed 7.3% year-over-year in January, economists polled by Reuters predict U.S. data will show on Thursday. The dollar briefly touched a one-month high versus the yen on Wednesday, boosted by a climb in Treasury yields to multi-year peaks overnight.

The dollar hit 115.69 yen before pulling back to last trade about flat at 115.50.

The Aussie added 0.17% to \$0.7156, while sterling GBP=D3 added 0.07% to \$1.3555.

EURUSD	1.1415
Support	Resistance
1.1354	1.1718
1.1055	1.1783
1.0755	1.1847

GBPUSD	1.3551
Support	Resistance
1.3446	1.3718
1.3264	1.3808
1.3083	1.3899

AUDUSD	0.7153
Support	Resistance
0.7083	0.7298
0.6917	0.7347
0.6751	0.7396

EURCHF	1.0558
Support	Resistance
1.0502	1.0750
1.0305	1.0801
1.0108	1.0852

USDJPY	115.4900
Support	Resistance
115.12	117.05
113.47	117.33
111.82	117.61

USDCAD	1.2705
Support	Resistance
1.2599	1.2838
1.2459	1.2937
1.2318	1.3035

USDCHF	0.9247
Support	Resistance
0.9147	0.9320
0.9072	0.9418
0.8996	0.9515

EURJPY	131.8500
Support	Resistance
131.47	135.29
127.98	135.62
124.49	135.95

USDTRY	13.5972
Support	Resistance
13.4031	13.9501
12.9881	14.0821
12.5730	14.2140

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
9 févr 2022	10:00	Italy	Industrial Output MM SA	Dec	-0.7%		1.9%	-0.47%	0.23%
9 févr 2022	10:00	Italy	Industrial Output YY WDA	Dec	5.0%		6.3%	5.48%	0.48%
9 févr 2022	16:00	United States	Wholesale Invt(y), R MM	Dec	2.1%		2.1%	1.98%	-0.12%

Source: Refinitiv

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