



## Morning Call

Geneva, April 11, 2022

# Market Corner

**Shares slid and bond yields climbed** on Monday as caution gripped markets ahead of central bank meetings and U.S. inflation data, while the euro managed only a brief gain on relief the far right did not win the first round of French presidential elections.

French leader Emmanuel Macron and far right challenger Marine Le Pen qualified on Sunday for what promises to be a tightly fought presidential election runoff on April 24.

A Le Pen victory could send shockwaves through France and Europe in ways like Britain's vote in 2016 to leave the European Union. The first-round result was close enough to leave **the euro** barely changed at \$1.0883, after an initial pop to \$1.0950.

The mood in equity markets was cautious, with **MSCI's broadest index of Asia-Pacific shares outside Japan** falling 1.3%. **Japan's Nikkei** dropped 0.7%, having shed 2.6% last week, while **Chinese blue chips** lost 2.4%.

**S&P 500 stock futures** eased 0.6% and **Nasdaq futures** 0.7%.

**EUROSTOXX 50 futures** lost 0.8%, and FTSE futures FFIc1 0.4%. Earnings season kicks off this week with JP Morgan, Wells Fargo, Citi, Goldman Sachs and Morgan Stanley all due to report.

Up to now, Wall Street has fared surprisingly well in the face of a vicious selloff in bonds which saw 10-year Treasury yields surge 31 basis points last week.

<u>US 10Y Govt Bond</u>		<u>Net Change</u>
<b>Price</b>	<b>Yield</b>	
92.3594	2.7667	-0.42
<u>EU 10Y Govt Bond</u>		<u>Net Change</u>
<b>Price</b>	<b>Yield</b>	
92.9480	0.7460	-0.30
<u>Indices</u>		<u>% Change</u>
<b>Euro Stoxx 50</b>	3 858.37	1.48
<b>CAC40</b>	6 548.22	1.34
<b>FTSE</b>	7 669.56	1.56
<b>DAX</b>	14 283.67	1.46
<b>SMI</b>	12 507.69	1.09
<b>Dow Jones</b>	34 721.12	0.40
<b>S&amp;P500</b>	4 488.28	-0.27
<b>Nasdaq Comp.</b>	13 711.00	-1.34
<b>VIX (Volatility Index)</b>	21.16	-1.81

Source: Refinitiv / Bloomberg



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## Crypto Corner

**Bitcoin price** has been trading devoid of its volatility for the past three days. This development occurs above a crucial support level, which indicates that a breakout will lead to a bullish move. Bitcoin price crashed nearly 12% since its March 28 swing high at \$48,238

**Ethereum price** has been on a massive run-up since March 14 but is stuck ranging in the last two weeks. A further retracement seems to be on the cards for ETH before a move to crucial levels.

Ethereum price action flipped above the 200-day Simple Moving Average (SMA) at \$3,490 on April 3, but this bullish move was short-lived. As a result, ETH crashed 11% as it slid toward the immediate support level, aka the high-volume node at \$3,136.

A retest of this barrier is crucial in triggering a run-up for ETH, but in some cases, there could be a further retracement to tag the daily demand zone, extending from \$2,820 to \$2,966. This move will allow buyers to scoop ETH at a discount and trigger a new rally.

In this case, the 2022 volume profile's low volume node at \$3,703 is the next target. This run-up would constitute a 25% ascent and is particularly tough due to the 200-day Simple Moving Average's presence at \$3,491. While the chances of a local top formation here are high, investors should expect a wick to the \$4,000 psychological level.

Crypto Market Cap: **\$1.94T**

24h Vol: **\$70.0B**

Dominance: **BTC: 41.3% ETH: 19.7%**

Bitcoin		42 257.06
Support	Resistance	
38 432.25	43 766.72	
37 601.46	48 270.40	
Circulating Supply (BTC)		
		19 008 543
Market Cap		
		\$ 803 514 748 469

Ethereum		3 175.56
Support	Resistance	
2 965.77	3 404.66	
2 834.60	3 712.38	
Circulating Supply (ETH)		
		120 330 750
Market Cap		
		\$ 383 063 606 707



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



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# Commodity Corner

**Gold prices** slipped in range-bound trading on Monday as surging Treasury yields boosted the dollar and countered fresh concerns about the war in Ukraine, while palladium extended gains fuelled by London's decision to block trading of the metal from Russia.

**Spot gold** was down 0.2% at \$1,941.95 per ounce, as of 04:52 GMT, after hitting a more than one-week high of \$1,949.32 earlier in the day.

**Palladium** was up 2.6% at \$2,487.83 after hitting a more than two-week high earlier in the session. The auto-catalyst metal had gained 8.6% on Friday after newly refined Russian platinum and palladium were suspended from trading in London, the metals' biggest trade hub.

**Spot silver** shed 0.2% to \$24.69 per ounce.

**Platinum** rose 0.5% to \$979.97.

**Oil prices dropped more than \$2 a barrel on Monday**, following a second straight weekly decline after world consumers announced plans to release a record volume of crude and oil products from strategic stocks and as China's lockdowns continued.

**Brent crude** was down \$2.05, or 2.0%, at \$100.73 a barrel by 06:20 GMT, while **U.S. West Texas Intermediate crude** lost \$2.17, or 2.2%, to \$96.09. Last week, Brent dropped 1.5% while U.S. oil slid 1%. For several weeks, the benchmarks have been at their most volatile since June 2020. The market has been watching developments in China, where authorities have kept Shanghai, a city of 26 million people, locked down under its "zero tolerance" policy for COVID-19. China is the world's biggest oil importer.

<u>Gold</u>	1942.99
<b>Support</b>	<b>Resistance</b>
1922	1991
1871	2009

<u>Silver</u>	24.72
<b>Support</b>	<b>Resistance</b>
23.70	25.32
23.02	26.25

<u>Oil - WTI</u>	96.16
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<u>Nat Gas (HH)</u>	6.2850
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<u>Copper</u>	4.6925
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<u>Baltic Dry Ind.</u>	2055.00
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<u>Corn</u>	771.00
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<u>Wheat</u>	1074.50
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<u>Soybean</u>	1680.00
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<u>Arabica Coffee</u>	231.55
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<u>Cotton</u>	131.26
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<u>Sugar</u>	20.41
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Source: Refinitiv / fxstreet.com / Bloomberg

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## FX Corner

**The dollar stood tall in the Asia session** on Monday, helped by inexorably rising U.S. yields, though the euro held its own in relief that the far right did not win the first round of French presidential elections.

**The Japanese yen** suffered the most selling, briefly touching as low as 125 per dollar and last sitting 0.5% weaker at 124.86. Investors saw little reason to exit bets against the yen while the Bank of Japan holds yields near zero.

Treasury yields, by contrast, are shooting higher. **The benchmark 10-year yield** added another seven basis points to top 2.77% on Monday as the Federal Reserve readies to cut its asset holdings and move interest rates sharply higher.

Nervousness at the economic fallout from deepening COVID-19 lockdowns in China also rippled across markets on Monday, with commodity prices and commodity currencies down along with Chinese equities.

**The euro** was a standout gainer and flickered as high as \$1.0955 in thin early trade before settling about 0.1% higher than Friday's close at \$1.0883. After breaching 100 on Friday **the U.S. dollar index** sat at 99.923. With 96% of votes counted in the first round of France's presidential election, incumbent Emmanuel Macron garnered 27.41% and his far-right challenger Marine Le Pen was next with 24.03%, setting up a runoff contest on April 24.

A Le Pen victory could send shockwaves through France and Europe in ways similar to Britain's vote in 2016 to leave the European Union, and relief at the first-round result was soon capped.

**The New Zealand dollar** was last about 0.3% softer at \$0.6831, while the **Canadian dollar** fell by about the same margin to C\$1.2605 per greenback.

Elsewhere, **the Australian dollar** pulled back in tandem with iron ore prices and touched a three-week low of \$0.7418. **Sterling** slipped 0.15 to \$1.3015.

EURUSD	1.0875
Support	Resistance
1.0551	1.0900
1.0518	1.1216
1.0486	1.1533

GBPUSD	1.2992
Support	Resistance
1.2874	1.3083
1.2822	1.3240
1.2770	1.3397

AUDUSD	0.7429
Support	Resistance
0.7253	0.7490
0.7220	0.7694
0.7187	0.7898

EURCHF	1.019
Support	Resistance
0.9931	1.0187
0.9902	1.0414
0.9873	1.0641

USDJPY	125.3800
Support	Resistance
123.33	127.17
120.38	128.06
117.42	128.94

USDCAD	1.2606
Support	Resistance
1.2547	1.2766
1.2364	1.2802
1.2181	1.2838

USDCHF	0.9368
Support	Resistance
0.9316	0.9504
0.9160	0.9536
0.9005	0.9569

EURJPY	136.3700
Support	Resistance
132.37	135.90
131.42	138.48
130.46	141.05

USDTRY	14.7380
Support	Resistance
14.5577	14.9222
14.3391	15.0681
14.1205	15.2140

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
11 avr 2022	08:00	United Kingdom	Manufacturing Output YY	Feb			3.6%		
11 avr 2022	08:00	United Kingdom	Manufacturing Output MM	Feb			0.8%		
11 avr 2022	08:00	United Kingdom	Industrial Output YY	Feb			2.3%		
11 avr 2022	08:00	United Kingdom	Industrial Output MM	Feb			0.7%		
11 avr 2022	08:00	United Kingdom	GDP Estimate YY	Feb			10.0%		
11 avr 2022	08:00	United Kingdom	GDP Estimate MM	Feb			0.8%		
11 avr 2022	08:00	United Kingdom	GDP Est 3M/3M	Feb			1.1%		

Source: Refinitiv

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