

Market Corner

Asian share markets slipped on Wednesday as investors faced up to the possibility of aggressive monetary tightening by the U.S. Federal Reserve to fight inflation, while focus was also on new Western sanctions against Russia over its invasion of Ukraine.

U.S. Treasury yields hit multi-year highs and stock markets were red after Fed Governor Lael Brainard said overnight that she expected a combination of interest rate rises and a rapid balance sheet runoff to take U.S. monetary policy to a "more neutral position" later this year.

Japan's Nikkei shed 1.7%, while the **MSCI's broadest index of Asia-Pacific shares outside Japan** skidded 1.4%.

European markets looked set to open lower too. **EUROSTOXX 50 futures** eased 0.4% and **FTSE futures** were flat.

S&P500 futures edged down 0.1%. The focus of investors on Wednesday will be on the release of minutes from the Fed's last policy meeting, which they will scrutinize for clues on the prospect of a 50-basis point increase at the U.S. central bank's next meeting in May.

The yield on benchmark **10-year Treasury notes** rose to a near three-year high of 2.631% on Wednesday, as a bond sell off after Brainard's remarks continued.

The U.S. 2-year yield rose to its highest level since January 2019 and **the 5-year yield** to its highest since December 2018.

Also drawing attention were China's markets, after data published on Wednesday showed activity in its services sector shrank at the fastest in two years in March as a surge of coronavirus infections restricted mobility and weighed on client demand, a closely watched private sector survey showed.

Hong Kong's Hang Seng index lost 1.4% on its return from a holiday, moving away from a one-month high reached on Monday, **Chinese blue chips** lost 0.46%.

US 10Y Govt Bond		Net Change
Price	Yield	
93.6563	2.6087	-0.45
EU 10Y Govt Bond		Net Change
Price	Yield	
94.1540	0.6130	0.00
Indices		% Change
Euro Stoxx 50	3 917.85	-0.84
CAC40	6 645.51	-1.28
FTSE	7 613.72	0.73
DAX	14 424.36	-0.65
SMI	12 376.97	0.29
Dow Jones	34 641.18	-0.80
S&P500	4 525.12	-1.26
Nasdaq Comp.	14 204.17	-2.26
VIX (Volatility Index)	21.03	13.25

Source: Refinitiv / Bloomberg



Morning Call

Geneva, April 6, 2022

Crypto Corner

Bitcoin price has been coiling into a Wave 4 triangle pattern all year. There is a chance the D wave of the triangle is now complete.

Bitcoin price has shown the first signs of concern for the 20% bull rally it accomplished in March. The overall macro thesis for BTC is a coiling Wave 4 triangle. Last month's Bitcoin price provided multiple confluences insinuating an extended price target in the 51,000 range for the prospective D wave of the coiling triangle. Now it seems there is a possibility the target may be getting front-run by smart money influences.

BTC price volume profile shows sneaky evidence of an "exchange of hands" for the current uptrend. The largest bullish engulfing candle with a high of \$46,750 within the uptrend has a low volume compared to previous candles and the subsequent consolidation candlesticks. The Relative Strength Index also found resistance at the 60 levels, while Tuesday's price of \$45,600 hovers below a breached daily trend channel.

When put all together, Bitcoin price could begin falling back towards the lows at \$38,000 and even \$34,000 to print the final E wave of the Wave 4 triangle.

Crypto Market Cap: [\\$2.09T](#)

24h Vol: [\\$112.8B](#)

Dominance: [BTC: 41.1%](#) [ETH: 19.3%](#)

Bitcoin		45 333.73
Support	Resistance	
44 111.09	48 113.42	
42 166.44	50 171.10	
Circulating Supply (BTC)		19 004 000.00
Market Cap		\$ 862 505 911 066.00

Ethereum		3 355.76
Support	Resistance	
3 362.28	3 816.93	
3 017.09	3 926.39	
Circulating Supply (ETH)		120 262 259.00
Market Cap		\$ 405 066 822 856.00



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



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Commodity Corner

Gold prices were flat on Wednesday as hawkish comments from U.S. Federal Reserve officials bolstered the dollar and Treasury yields to multi-year highs, denting bullion's safe-haven demand and offsetting support from uncertainty around the Ukraine war.

Spot gold was flat at \$1,922.59 per ounce, as of 03:20 GMT, after declining 0.4% earlier in the session.

Spot silver was flat at \$24.32 per ounce.

Platinum shed 0.3% to \$965.11.

Palladium was down 0.1% at \$2,235.92.

Oil futures were mixed on Wednesday, recovering from early losses, as the threat of new sanctions on Russia raised supply concerns, countering fears of weaker demand following a build in U.S. crude stockpiles and Shanghai's extended lockdown.

Brent crude futures were up 11 cents, or 0.1%, at \$106.75 a barrel as of 03:39 GMT, having fallen to \$105.06 earlier in the session.

U.S. West Texas Intermediate futures fell 11 cents, or 0.1%, to \$101.85 a barrel, after dipping to as low as \$100.37 in an early trade.

The United States and its allies on Wednesday prepared new sanctions on Moscow over civilian killings in northern Ukraine, which President Volodymyr Zelenskyy described as "war crimes" demanding commensurate punishment. Russia denied targeting civilians.

Gold	1920.88
Support	Resistance
1891	1967
1852	2005

Silver	24.29
Support	Resistance
23.13	25.01
22.60	26.36

Oil - WTI	102.45
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Nat Gas (HH)	6.1120
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Copper	4.7400
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Baltic Dry Ind.	2213.00
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Corn	760.00
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Wheat	1037.00
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Soybean	1640.25
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Arabica Coffee	231.25
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Cotton	134.76
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Sugar	19.65
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Source: Refinitiv / fxstreet.com / Bloomberg



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FX Corner

The dollar edged up to its highest in nearly two years on Wednesday after jumping overnight on more hawkish comments from a Federal Reserve official, while the euro was hurt by the prospect of new Western sanctions on Russia. **The dollar index**, which measures the greenback against six peers, rose to as much as 99.640 in early trade, its highest since May 2020, before steadying slightly lower.

The index gained 0.5% on Tuesday after Fed Governor Lael Brainard said she expects a combination of interest rate increases and a rapid balance sheet runoff to bring U.S. monetary policy to a "more neutral position" later this year, with further tightening to follow as needed.

The U.S. 2-year yield is at its highest level since January 2019, **the 5-year yield** its highest since December 2018, and **the benchmark 10-year yield** rose to 2.6144%, its highest since March 2019.

The euro was at \$1.0894, its lowest in nearly a month.

Proposed European Union sanctions would ban buying Russian coal and prevent Russian ships from entering EU ports, part of a ramp up of Western sanctions on Russia over its nearly six-week invasion of Ukraine.

The dollar's gains were broad based.

It was last up 0.17% **against the Japanese yen** to 123.84, having touched a week-high in early trade, and heading back towards March's near seven-year peak of 125.1. The Bank of Japan is holding Japanese yields down, and the widening gap between U.S. and Japanese yields is weighing on the yen.

Sterling was at \$1.30750, heading back in the direction of last month's \$1.30, its lowest since November 2020, while **the Aussie dollar** was holding firm at \$0.7574, near Tuesday's near 10-month peak after the Reserve Bank of Australia signaled higher interest rates were approaching.

EURUSD	1.0879
Support	Resistance
1.0675	1.0961
1.0644	1.1216
1.0612	1.1470

GBPUSD	1.3059
Support	Resistance
1.2900	1.3150
1.2849	1.3349
1.2798	1.3548

AUDUSD	0.7571
Support	Resistance
0.7521	0.7734
0.7378	0.7804
0.7235	0.7874

EURCHF	1.0135
Support	Resistance
0.9904	1.0160
0.9889	1.0401
0.9873	1.0641

USDJPY	123.9400
Support	Resistance
121.31	125.83
118.69	127.73
116.06	129.62

USDCAD	1.2504
Support	Resistance
1.2317	1.2522
1.2256	1.2666
1.2195	1.2810

USDCHF	0.9315
Support	Resistance
0.9173	0.9361
0.9089	0.9465
0.9005	0.9569

EURJPY	134.8800
Support	Resistance
131.93	137.14
129.52	139.94
127.10	142.73

USDTRY	14.7206
Support	Resistance
14.4787	14.8627
14.2898	15.0578
14.1010	15.2530

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
6 avr 2022	08:00	Germany	Industrial Orders MM	Feb	-0.2%		1.8%	-0.22%	-0.02%
6 avr 2022	08:00	Sweden	Ind Production Val MM	Feb			1.1%		
6 avr 2022	08:00	Sweden	Ind Production Val YY	Feb			3.9%		
6 avr 2022	08:00	Sweden	Private Production MM	Feb			0.2%		
6 avr 2022	08:00	Sweden	Private Production YY	Feb			7.6%		
6 avr 2022	10:30	United Kingdom	Markit/CIPS Cons PMI	Mar	57.8		59.1	57.85	0.05
6 avr 2022	16:00	Canada	Ivey PMI SA	Mar	60.0		60.6	62.01	2.01
6 avr 2022	16:00	Canada	Ivey PMI	Mar			62.2		

Source: Refinitiv

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