



# Morning Call

Geneva, March 28, 2022

## Market Corner

**Asian shares faltered and oil prices slid** on Monday as a coronavirus lockdown in Shanghai hit economic activity, while the yen extended its stomach-churning descent as the Bank of Japan stood in the way of higher yields. China's financial hub of 26 million people told all firms to suspend manufacturing or have people work remotely in a two-stage lockdown over nine days.

The spread of restrictions in the world's biggest oil importer saw **Brent** skid \$3.39 to \$117.26, while **U.S. crude** fell \$3.41 to \$110.49.

Risk sentiment was helped by hopes of progress in Russian-Ukrainian peace talks to be held in Turkey this week after President Volodymyr Zelenskiy said Ukraine was prepared to discuss adopting a neutral status as part of a deal.

The equity action was muted with **MSCI's broadest index of Asia-Pacific shares outside Japan** flat. The index is down 2.1% for the month but well above recent lows.

**Chinese blue chips** shed 0.8%.

**Japan's Nikkei** lost 0.4% but is still almost 6% firmer for the month as a sinking yen promised to boost exporter earnings.

**S&P 500 stock futures** eased 0.3%, while **Nasdaq futures** slipped 0.4%.

**EUROSTOXX 50 futures** managed to add 0.3% and **FTSE futures** 0.2%.

Wall Street has so far proved remarkably resilient to a radically more hawkish Federal Reserve.

Markets are pricing in eight hikes for the remaining six policy meetings this year, taking the funds rate to 2.50-2.75%.

<u>US 10Y Govt Bond</u>		<u>Net Change</u>
<b>Price</b>	<b>Yield</b>	
95.7656	2.3575	-0.14
<u>EU 10Y Govt Bond</u>		<u>Net Change</u>
<b>Price</b>	<b>Yield</b>	
95.1000	0.5100	0.16
<u>Indices</u>		<u>% Change</u>
<b>Euro Stoxx 50</b>	3 867.73	0.11
<b>CAC40</b>	6 553.68	-0.03
<b>FTSE</b>	7 483.35	0.21
<b>DAX</b>	14 305.76	0.22
<b>SMI</b>	12 121.67	-0.08
<b>Dow Jones</b>	34 861.24	0.44
<b>S&amp;P500</b>	4 543.06	0.51
<b>Nasdaq Comp.</b>	14 169.30	-0.16
<b>VIX (Volatility Index)</b>	20.81	-3.97

Source: Refinitiv / Bloomberg



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## Crypto Corner

**Bitcoin surged** 4.41% to \$46,499.29 at 22:07 GMT on Sunday, adding \$1,963.64 to its previous close. Bitcoin, the world's biggest and best-known cryptocurrency, is up 41.1% from the year's low of \$32,950.72 on Jan. 24. **Ether**, the coin linked to the ethereum blockchain network, surged 3.92% to \$3,270.67 on Sunday, adding \$123.45 to its previous close.

Crypto Market Cap: [\\$2.12T](#)      24h Vol: [\\$97.7B](#)      Dominance: [BTC: 42.1%](#) [ETH: 18.8%](#)

Bitcoin	46 849.04
<b>Support</b>	<b>Resistance</b>
44 361.92	49 320.78
39 782.41	49 700.13
<b>Circulating Supply (BTC)</b>	
18 995 825.00	
<b>Market Cap</b>	
\$	895 725 808 717.00

Ethereum	3 310.57
<b>Support</b>	<b>Resistance</b>
3 134.79	3 560.70
2 738.84	3 590.66
<b>Circulating Supply (ETH)</b>	
120 140 934.00	
<b>Market Cap</b>	
\$	399 400 653 241.00



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



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# Commodity Corner

**Gold prices fell** on Monday as the dollar index gained and U.S. Treasury yields held firm near multi-month highs, with investor focus on potential Russia-Ukraine peace talks this week further dimming bullion's safe-haven appeal.

**Spot gold** was down 0.7% at \$1,943.72 per ounce, as of 04:26 GMT.

**Spot silver** fell 1.5% to \$25.13 per ounce.

**Platinum** shed 0.7% to \$995.03.

**Palladium** added 1% to \$2,359.72.

**Oil prices fell** more than \$3 on Monday as fears over weaker fuel demand in China grew after its financial hub of Shanghai launched a planned two-stage lockdown on Monday to contain a surge in COVID-19 infections.

The market kicked off another week of uncertainty, buffeted on one side by the ongoing war between Ukraine and Russia, the world's second-largest crude exporter, and the expansion of COVID-related lockdowns in China, the world's largest crude importer.

**Brent crude futures** slid as low as \$116.00 a barrel and were trading down \$3.09, or 2.6%, at \$117.56 at 03:40 GMT.

**U.S. West Texas Intermediate (WTI) crude futures** hit a low of \$109.30 a barrel, and were down \$3.28, or 2.9%, at \$110.62.

Both benchmark contracts rose 1.4% on Friday, notching their first weekly gains in three weeks, with Brent surging more than 11.5% and WTI climbing 8.8%.

<u>Gold</u>	1936.89
<b>Support</b>	<b>Resistance</b>
1920	2015
1860	2050

<u>Silver</u>	25.06
<b>Support</b>	<b>Resistance</b>
25.07	26.56
24.01	26.98

<u>Oil - WTI</u>	109.84
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<u>Nat Gas (HH)</u>	5.6080
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<u>Copper</u>	4.6560
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<u>Baltic Dry Ind.</u>	2544.00
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<u>Corn</u>	743.00
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<u>Wheat</u>	1071.75
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<u>Soybean</u>	1692.50
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<u>Arabica Coffee</u>	221.80
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<u>Cotton</u>	137.27
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<u>Sugar</u>	19.61
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Source: Refinitiv / fxtreet.com / Bloomberg



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## FX Corner

**The Japanese yen slipped** to a six-year low on Monday, after the Bank of Japan stepped into the market to stop government bond yields from rising above its key target, while bitcoin jumped to nearly its highest this year. The BOJ, on Monday morning offered to buy unlimited amounts of 10-year Japanese government bonds (JGBs) at 0.25%, after **the 10-year JGB yield** crept up to a six-year high of 0.245%. The dollar rose to as high as 123.1 yen in morning trade, its strongest since December 2015, and was last at 122.9, up 0.7% on the day. It has climbed nearly 6% on the yen in the last 12 sessions.

**The 10-year Treasuries yield** was last 2.5046%, having jumped 33 basis points last week.

High commodity prices are also hurting the yen as they contribute to a widening of Japan's trade deficit, though at the same time they have provided a powerful impetus to commodity currencies.

**The Aussie dollar** was at \$0.752 holding near last week's four-month high, while **the Canadian dollar** was at 1.249 per dollar, just off Friday's two-month peak.

Aussie currency watchers are also looking out to Australia's budget on Tuesday. Australia's Treasurer said on Sunday the budget would mark a very significant material improvement to the government's bottom line.

One possible headwind for the Aussie is the COVID-19 situation in China, after Shanghai said on Sunday it would lockdown the city to carry out COVID-19 testing.

The dollar climbed as much as 0.24% on **the offshore yuan** on Monday morning to 6.3986, before paring gains.

**The euro** was last at \$1.0956, down 0.25% having edged slightly lower in recent days, still under pressure because of the economic impact of the war in Ukraine.

**Sterling** was 0.19% softer at \$1.3157.

**The dollar index** was 0.23% higher at 99.079. Also potentially driving the dollar this week is Friday's nonfarm payroll data in the U.S., though given the market is already positioned for an aggressive pace of rate hikes this year, its effect could be muted say analysts.

EURUSD	1.0953
Support	Resistance
1.0860	1.1098
1.0760	1.1236
1.0661	1.1375

GBPUSD	1.3137
Support	Resistance
1.3081	1.3382
1.2889	1.3491
1.2696	1.3599

AUDUSD	0.7513
Support	Resistance
0.7491	0.7864
0.7141	0.7887
0.6790	0.7909

EURCHF	1.0233
Support	Resistance
1.0031	1.0241
1.0007	1.0427
0.9982	1.0612

USDJPY	123.1100
Support	Resistance
121.34	126.48
116.75	127.03
112.15	127.57

USDCAD	1.2496
Support	Resistance
1.2121	1.2530
1.2087	1.2905
1.2053	1.3280

USDCHF	0.934
Support	Resistance
0.9123	0.9325
0.9090	0.9494
0.9056	0.9662

EURJPY	134.8800
Support	Resistance
133.59	140.30
127.46	140.88
121.32	141.45

USDTRY	14.8351
Support	Resistance
14.6951	15.1301
14.3600	15.2300
14.0250	15.3300

Source: Refinitiv / fxstreet.com / Bloomberg



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## Event Corner

No macro figures scheduled today

[Source: Refinitiv](#)

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