

Market Corner

A rally in stocks cooled Wednesday amid a tough outlook in China and hawkish comments from Federal Reserve Chair Jerome Powell.

MSCI Inc.'s Asia-Pacific equity index came off session highs, though it remained up for a fourth day, the longest such streak since February. US futures dipped after the S&P 500 added 2% in a risk rebound Tuesday.

Technology shares lead a decline in Chinese markets. The nation's Covid lockdowns are weighing on sentiment along with concerns that officials aren't doing enough to ease a clampdown on digital-platform firms.

Treasuries pared an overnight slide, leaving the US 10-year yield at 2.96%.

Bonds came under pressure after Powell said the Fed "won't hesitate" to tighten policy beyond neutral to curb high inflation. The dollar edged up.

Oil was trading around \$113 a barrel and Bitcoin dipped below \$30,000.

Rebounds in risk sentiment are proving fragile amid tightening monetary settings, Russia's war in Ukraine and China's Covid outbreak.

Powell said that the US central bank will raise interest rates until there is "clear and convincing" evidence that inflation is in retreat. The remarks at a Wall Street Journal live event were some of his most hawkish so far.

Chicago Fed President Charles Evans said he expects the Fed to slow the pace of rate increases to 25 basis-point increments later this year. He anticipates it will complete any 50 basis-point hikes before December.

Elsewhere, the Biden administration is poised to fully block Russia's ability to pay US bondholders after a deadline expires next week, a move that could bring Moscow closer to the brink of default.

<u>World Indices</u>	<u>Last</u>	<u>1D Change</u>
<u>Dow Jones</u>	32 654,59	1,34%
<u>S&P 500</u>	4 088,85	2,02%
<u>Nasdaq</u>	11 984,52	2,76%
<u>Eurostoxx 50</u>	3 741,51	1,52%
<u>FTSE 100</u>	7 518,35	0,72%
<u>CAC 40</u>	6 430,19	1,30%
<u>DAX</u>	14 185,94	1,59%
<u>SMI</u>	11 730,44	0,50%
<u>Nikkei</u>	26 860,07	0,75%
<u>Hang Seng</u>	20 576,21	-0,13%
<u>CSI 300</u>	3 993,91	-0,30%
<u>VIX Index</u>	26,10	-4,99%

Source: Refinitiv / Bloomberg



Morning Call

Geneva, May 18, 2022

Crypto Corner

Bitcoin price sees bulls returning to the scene to pick up the pieces from the scattered BTC price that saw slaughter in the past trading days. BTC price quoting at a lucrative discount has made the asset attractive for cherry-picking traders and investors. With the Relative Strength Index (RSI) showing that Bitcoin still has a heartbeat, expect to see a full recovery towards \$45,261, claiming back some critical levels in the process.

Crypto Market Cap: [\\$1.29T](#)

24h Vol: [\\$78,6B](#)

Dominance: [BTC: 44,3%](#) [ETH: 19.2%](#)

Crypto	Last	1D Change
Bitcoin	29 976,84	-0,34%
Ethereum	2 040,50	-0,54%

Last Price	30030.3906
High on 11/10/21	68991.8516
Average	44138.1641
Low on 05/12/22	25424.5098
SMAVG (50) on Close	38686.1836
SMAVG (100) on Close	39995.1289
SMAVG (200) on Close	44829.6836



Source: Refinitiv / [fxstreet.com](#) / [Bloomberg/Coinmarketcap.com](#)/[TradeView.com](#)

Commodity Corner

Gold Price is extending the previous decline. XAU/USD eyes a retest of multi-month lows below \$1,800.

The immediate support is now seen at the \$1,800 mark, below which the multi-month lows of \$1,787 will be probed. The last line of defense for gold buyers is seen at the 2022 lows of \$1,780, reached on January 28.

Any recovery attempt will eye a sustained break above the falling trendline resistance at \$1,821. Gold bulls will then look to challenge the 200-DMA at \$1,836 once again. Recapturing the latter on a daily closing basis is critical to initiate any meaningful recovery.

Precious Metals		Last	1D Change
<u>Gold</u>		1 810,75	-0,24%
<u>Silver</u>		21,59	-0,20%
<u>Platinum</u>		956,54	0,10%
<u>Palladium</u>		2 046,07	-0,56%

AFTER hitting seven-week highs, oil prices slumped 2 per cent on Tuesday as Reuters reported that the United States could ease some restrictions on Venezuela's government, raising hopes that the market could see some additional supplies.

Prices also fell after Federal Reserve Chairman Jerome Powell warned the economy could be hurt by attempts to reduce inflation.

For the first time since May 2020, the Brent international benchmark settled below US West Texas Intermediate crude. Refiners worldwide have scrambled to find alternative energy supplies after Russia's invasion of Ukraine. US reserves are falling and that has raised the price for US-based crudes, said Andrew Lipow, president of Lipow Oil Associates in Houston.

Brent crude fell US\$2.31, or 2 per cent, to settle at US\$111.93 a barrel, and **US West Texas Intermediate (WTI) crude** fell US\$1.80, or 1.6 per cent, to settle at US\$112.40 a barrel.

Powell suggested there could be some economic pain involved in bringing inflation down. The US central bank will "keep pushing" to tighten US monetary policy until it is clear that inflation is declining, he said.

World Commodities		Last	1D Change
<u>WTI Crude</u>		113,92	1,35%
<u>Brent Crude</u>		112,96	0,92%
<u>Nat Gas (HH)</u>		8,29	-0,13%
<u>Nickel</u>		26 352,00	-0,48%
<u>Copper</u>		421,50	-0,58%
<u>Corn</u>		798,25	-0,31%
<u>Wheat</u>		1 245,75	-2,49%
<u>Soybean</u>		1 678,75	0,04%
<u>Coffee</u>		228,20	1,06%
<u>Cotton</u>		147,75	-0,48%
<u>Sugar</u>		20,00	1,63%

Source: Refinitiv / fxstreet.com / Bloomberg

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FX Corner

EUR/USD is trading on the backfoot below 1.0550, having fresh multi-day highs at 1.0564 earlier in the Asian session. The latest retreat in the major could be linked to the deteriorating market mood, which has revived the US dollar's safe-haven appeal. EU inflation data awaited.

GBP/USD continues to fluctuate in a relatively tight range below 1.2500 early Wednesday as investors assess the latest data releases. The UK's ONS reported that the Consumer Price Index (CPI) and the Core CPI climbed to 9% and 6.2%, respectively, on a yearly basis in April.

USD/JPY remains on the back foot by refreshing intraday low to near 129.00, snapping three-day uptrend, while justifying the failure to cross the 10-DMA amid a softer RSI (14). The yen pair prints the biggest daily loss in a week by the press time of Wednesday's Asian session.

AUD/USD is battling 0.7000, meeting fresh supply on a downbeat Australian Wage Price Index, which is a closely watched indicator by the RBA. The pause in the US dollar selling amid a deteriorating market mood also weighs on the aussie.

World Currencies	Last	1D Change
<u>EURUSD</u>	1,0538	-0,11%
<u>EURCHF</u>	1,0475	0,07%
<u>EURGBP</u>	0,8440	0,06%
<u>EURJPY</u>	136,12	0,30%
<u>USDCHF</u>	0,9940	-0,05%
<u>USDJPY</u>	129,17	0,16%
<u>USDCAD</u>	1,2815	-0,03%
<u>USDTRY</u>	15,85	-0,04%
<u>GBPUSD</u>	1,2486	-0,06%
<u>AUDUSD</u>	0,7033	0,06%
<u>NZDUSD</u>	0,6367	0,13%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	1.0258	1.0385	1.0467	1.0594	1.0639	1.0766
USDJPY	127.43	128.38	128.88	129.83	130.28	131.23
GBPUSD	1.2072	1.2254	1.2374	1.2556	1.2618	1.2800
USDCAD	1.2722	1.2774	1.2793	1.2845	1.2878	1.2930
AUDUSD	0.6867	0.6940	0.6984	0.7057	0.7086	0.7159
NZDUSD	0.6205	0.6276	0.6317	0.6388	0.6418	0.6489
USDCHF	0.9736	0.9849	0.9892	1.0005	1.0075	1.0188
USDTRY	15.0105	15.3864	15.6147	15.9906	16.1382	16.5141
XAUUSD	1775.17	1798.30	1806.72	1829.85	1844.56	1867.69
XAGUSD	20.8882	21.2879	21.4611	21.8608	22.0873	22.4870

Source: Refinitiv / fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars											
G8		Browse		08:52:55		05/18/22		05/18/22			
Economic Releases											
Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
05/16-05/20	FR					Bank of France Ind. Sentiment	Apr	103	--	103	--
05/12-05/19	RU					Trade Balance	Mar	--	--	--	--
05/12-05/19	RU					Imports	Mar	--	--	--	--
05/12-05/19	RU					Exports	Mar	--	--	--	--
05/18 01:50	JN					GDP Annualized SA QoQ	1Q P	-1.8%	--	4.6%	--
05/18 01:50	JN					GDP SA QoQ	1Q P	-0.4%	--	1.1%	--
05/18 01:50	JN					GDP Nominal SA QoQ	1Q P	-0.3%	--	0.3%	--
05/18 01:50	JN					GDP Deflator YoY	1Q P	-1.0%	--	-1.3%	--
05/18 01:50	JN					GDP Private Consumption QoQ	1Q P	-0.5%	--	2.4%	--
05/18 01:50	JN					GDP Business Spending QoQ	1Q P	0.7%	--	0.3%	--
05/18 01:50	JN					Inventory Contribution % GDP	1Q P	0.1%	--	-0.1%	--
05/18 01:50	JN					Net Exports Contribution % GDP	1Q P	-0.3%	--	0.2%	--
05/18 06:30	JN					Industrial Production MoM	Mar F	--	--	0.3%	-0.5%
05/18 06:30	JN					Industrial Production YoY	Mar F	--	--	-1.7%	--
05/18 06:30	JN					Capacity Utilization MoM	Mar	--	--	1.5%	--
05/18 08:00	UK					CPIH YoY	Apr	7.8%	--	6.2%	--
05/18 08:00	UK					CPI MoM	Apr	2.6%	--	1.1%	--
05/18 08:00	UK					CPI YoY	Apr	9.1%	--	7.0%	--
05/18 08:00	UK					CPI Core YoY	Apr	6.2%	--	5.7%	--
05/18 08:00	UK					Retail Price Index	Apr	334.4	--	323.5	--
05/18 08:00	UK					RPI MoM	Apr	3.4%	--	1.0%	--
05/18 08:00	UK					RPI YoY	Apr	11.0%	--	9.0%	--
05/18 08:00	UK					RPI Ex Mort Int.Payments (YoY)	Apr	11.3%	--	9.1%	--
05/18 08:00	UK					PPI Output NSA MoM	Apr	1.1%	--	2.0%	--
05/18 08:00	UK					PPI Output NSA YoY	Apr	12.5%	--	11.9%	--
05/18 08:00	UK					PPI Input NSA MoM	Apr	1.1%	--	5.2%	--
05/18 08:00	UK					PPI Input NSA YoY	Apr	19.0%	--	19.2%	--
05/18 08:00	EC					EU27 New Car Registrations	Apr	--	--	-20.5%	--
05/18 10:30	UK					House Price Index YoY	Mar	9.9%	--	10.9%	--
05/18 11:00	EC					CPI YoY	Apr F	7.5%	--	7.4%	--
05/18 11:00	EC					CPI MoM	Apr F	0.6%	--	0.6%	--
05/18 11:00	EC					CPI Core YoY	Apr F	3.5%	--	3.5%	--
05/18 13:00	US					MBA Mortgage Applications	May 13	--	--	2.0%	--
05/18 14:30	US					Housing Starts	Apr	1759k	--	1793k	--
05/18 14:30	CA					CPI NSA MoM	Apr	0.5%	--	1.4%	--
05/18 14:30	US					Housing Starts MoM	Apr	-1.9%	--	0.3%	--
05/18 14:30	CA					CPI YoY	Apr	6.7%	--	6.7%	--
05/18 14:30	US					Building Permits	Apr	1820k	--	1873k	1870k
05/18 14:30	CA					Consumer Price Index	Apr	149.7	--	148.9	--
05/18 14:30	US					Building Permits MoM	Apr	-2.7%	--	0.4%	0.3%
05/18 14:30	CA					CPI Core- Common YoY%	Apr	2.9%	--	2.8%	--
05/18 14:30	CA					CPI Core- Median YoY%	Apr	3.9%	--	3.8%	--
05/18 14:30	CA					CPI Core- Trim YoY%	Apr	4.7%	--	4.7%	--
05/18 14:30	CA					Teranet/ National Bank HPI MOM SA	Apr	--	--	2.0%	--
05/18 14:30	CA					Teranet/National Bank HPI YoY	Apr	--	--	18.4%	--
05/18 14:30	CA					Teranet/National Bank HP Index	Apr	--	--	302.80	--
05/18 18:00	RU					GDP YoY	1Q A	2.7%	--	5.0%	--

Source: Refinitiv

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