

## Morning Call

Geneva, June 2, 2022

# Market Corner

**Stocks in Asia fell Thursday as central bankers amplified hawkish messages in their quest to rein in inflation, weighing on risk assets. Oil sank.**

An MSCI Inc. gauge of Asia-Pacific shares retreated for a second day, with equities in Hong Kong leading declines amid tough virus curbs. US contracts fluctuated after stocks dropped on Wall Street. US manufacturing activity and job openings data fueled concern the Federal Reserve will need to get more restrictive to slow runaway price gains.

Treasuries held losses, with 10-year yields edging up above 2.90%. Traders raised bets on the path for rate hikes and the Fed started its balance-sheet reduction process. The dollar was steady while the yen held near 130 per dollar after its recent decline on the prospect of widening interest rate differentials with the US.

Crude oil slid on a report that Saudi Arabia is ready to pump more oil if Russian output declines. OPEC+ is scheduled to meet to discuss supply policy.

JPMorgan Chase & Co.'s Jamie Dimon sounded alarm bells on the economy. Dimon warned investors to prepare for an economic "hurricane." In contrast, JPMorgan's bullish strategist Marko Kolanovic expects stocks to rebound by the end of the year, underscoring the increasing debate as markets are buffeted by challenges from tightening monetary policy to the war in Ukraine.

Investors are on edge over whether the Fed's tighter policies will induce a recession. A chorus of Fed officials has fallen behind calls to keep hiking to counter price pressures. Mary Daly of the San Francisco Fed and her more hawkish colleague James Bullard of St. Louis both backed a plan to raise rates by 50 basis points this month, while Richmond's Thomas Barkin said it made "perfect sense" to tighten policy.

<u>World Indices</u>	<u>Last</u>	<u>1D Change</u>
<u>Dow Jones</u>	32 813,23	-0,54%
<u>S&amp;P 500</u>	4 101,23	-0,75%
<u>Nasdaq</u>	11 994,46	-0,72%
<u>Eurostoxx 50</u>	3 759,54	-0,78%
<u>FTSE 100</u>	7 532,95	-0,98%
<u>CAC 40</u>	6 418,89	-0,77%
<u>DAX</u>	14 340,47	-0,33%
<u>SMI</u>	11 494,12	-1,01%
<u>Nikkei</u>	27 413,88	-0,16%
<u>Hang Seng</u>	21 051,55	-1,14%
<u>CSI 300</u>	4 088,46	0,13%
<u>VIX Index</u>	25,69	-1,91%

<u>World Bonds</u>	<u>Last</u>	<u>1D Change</u>
<u>US 10Y</u>	2,9113	0,19%
<u>EUR 10Y</u>	1,1820	-0,42%
<u>Swiss 10Y</u>	0,9220	-0,54%
<u>UK 10Y</u>	2,16	2,57%

Source: Bloomberg



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## Crypto Corner

### The \$30,000 mark is proving to be an obstacle for Bitcoin yet again.

The largest cryptocurrency steadied out below that round-number level after tumbling Wednesday and closing down 6.8%, near session lows. It was up 0.4% to \$29,704 as of 12:01 p.m. in Singapore Thursday.

Bitcoin had staged a mini-rally to start the week, rising to a three-week high of \$32,359 on Tuesday and giving some in the markets hope that it might gain upward momentum. Cryptocurrencies have struggled as the Federal Reserve and other central banks hike rates amid stubbornly high inflation.

Solana underperformed amid a network outage, dropping 4.5% after having fallen 11% the prior day. Avalanche was off 4.3%.

Crypto Market Cap: [\\$1.23T](#)

24h Vol: [\\$96,2B](#)

Dominance: [BTC: 46,1%](#) [ETH: 17,8%](#)

Crypto	Last	1D Change
Bitcoin	29 825,43	0,69%
Ethereum	1 816,02	1,37%



Source: [fxstreet.com](https://fxstreet.com) / [Bloomberg/Coinmarketcap.com](https://Bloomberg/Coinmarketcap.com)

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# Commodity Corner

Gold held a gain as increasing fears of a recession in the world's largest economy burnished its appeal as a haven asset. **Bullion was steady in Asia after rising 0.5% on Wednesday as JPMorgan Chase & Co. Chief Executive Jamie Dimon warned investors to prepare for an economic "hurricane" in the US.** The hottest inflation in decades has spurred the Federal Reserve to aggressively tighten monetary policy, but there's concern that could lead to a sharp slowdown in growth.

Both hawkish and dovish Fed officials confirmed their determination to increase borrowing costs. Mary Daly of the San Francisco Fed and James Bullard of St. Louis both backed a plan to raise rates by 50 basis points this month and next, while Richmond's Thomas Barkin said it made "perfect sense" to tighten policy. This comes even as US economic growth looks to have downshifted in recent weeks, the central bank said in its Beige Book report Wednesday.

While gold is typically seen as a store of value in tough economic times, it also faces competition from other havens. The precious metal has fallen over the last two months amid strength in the US dollar and as Treasury yields have risen, which weighs on non-interest bearing bullion.

Precious Metals	Last	1D Change
<u>Gold</u>	1 851,85	0,28%
<u>Silver</u>	21,95	0,55%
<u>Platinum</u>	1 004,04	0,60%
<u>Palladium</u>	2 022,53	1,24%

**Oil prices rose on Wednesday after European Union leaders agreed to a phased ban on Russian oil and as China ended its Covid-19 lockdown in Shanghai, which could bolster demand in an already tight market.**

Oil benchmarks have marched steadily higher for several weeks as Russian shipments are squeezed by EU and US sanctions and as India and China can only buy so much from Russia, the world's largest exporter of crude and fuel.

Brent crude settled at US\$116.29 a barrel, a gain of 69 cents, or 0.6 per cent, while US West Texas Intermediate crude gained 59 cents, or 0.5 per cent, to US\$115.26.

EU leaders agreed in principle on Monday to cut 90 per cent of oil imports from Russia by the end of this year, the bloc's toughest sanctions yet since the start of the invasion of Ukraine, which Moscow calls a "special military operation".

World Commodities	Last	1D Change
<u>WTI Crude</u>	113,01	-1,95%
<u>Brent Crude</u>	114,18	-1,81%
<u>Nat Gas (HH)</u>	8,73	0,33%
<u>Nickel</u>	28 071,50	-0,98%
<u>Copper</u>	433,20	0,08%
<u>Corn</u>	727,75	-0,48%
<u>Wheat</u>	1 044,75	0,34%
<u>Soybean</u>	1 692,25	0,12%
<u>Coffee</u>	239,45	3,55%
<u>Cotton</u>	134,30	-1,29%
<u>Sugar</u>	19,44	0,21%

Source: [fxstreet.com](https://www.fxstreet.com/) / [Bloomberg](https://www.bloomberg.com/)



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## FX Corner

**EUR/USD** is advancing towards 1.0700, picking up fresh bids on improving market mood. The US dollar eases amid the return of risk appetite, as investors assess the Fed tightening expectations ahead of the key US jobs data. Eurozone PPI awaited as well.

**GBP/USD** is displaying a topsy-turvy move in a narrow range of 1.2474-1.2492 in the Asian session. A lackluster performance in the cable is followed by a vertical downside move as an improved appeal for safe-haven assets resulted in a sell-off in the risk-perceived assets.

**USD/JPY** is balanced above 130.00 ahead of the job additions numbers by the US ADP. The US employment numbers are likely to slip as the employment curve has reached its peak. The BOJ is inclined to elevate its inflation rate and its maintenance at desired levels.

**AUD/USD** is witnessing a modest downside move after failing to sustain above the critical resistance of 0.7200. The asset has displayed a lackluster performance in the Asian session considering its narrow range auction. A bear cross, represented by the 20- and 50-EMAs adds to the downside filters.

World Currencies	Last	1D Change
<u>EURUSD</u>	1,0669	0,18%
<u>EURCHF</u>	1,0244	0,16%
<u>EURGBP</u>	0,8535	-0,02%
<u>EURJPY</u>	138,54	0,03%
<u>USDCHF</u>	0,9601	0,32%
<u>USDJPY</u>	129,86	0,21%
<u>USDCAD</u>	1,2665	-0,06%
<u>USDTRY</u>	16,45	-0,32%
<u>GBPUSD</u>	1,2501	0,11%
<u>AUDUSD</u>	0,7166	-0,13%
<u>NZDUSD</u>	0,6481	-0,03%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	1.0448	1.0560	1.0605	1.0717	1.0784	1.0896
USDJPY	126.55	128.10	129.12	130.67	131.20	132.75
GBPUSD	1.2205	1.2363	1.2425	1.2583	1.2679	1.2837
USDCAD	1.2512	1.2580	1.2618	1.2686	1.2716	1.2784
AUDUSD	0.7039	0.7113	0.7144	0.7218	0.7261	0.7335
NZDUSD	0.6346	0.6421	0.6452	0.6527	0.6571	0.6646
USDCHF	0.9473	0.9549	0.9590	0.9666	0.9701	0.9777
USDTRY	16.2580	16.3350	16.3666	16.4436	16.4890	16.5660
XAUUSD	1798.97	1820.35	1833.47	1854.85	1863.11	1884.49
XAGUSD	20.6635	21.2058	21.5190	22.0613	22.2904	22.8327

Source: Refinitiv / fxstreet.com / Bloomberg



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## Event Corner

ECO Economic Calendars											
ECO Calendars View Alerts Export											
G8 Browse 08:34:33 06/02/22 - 06/02/22											
Economic Releases All Economic Releases View Agenda Weekly											
Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
06/02	01:50	JN				Monetary Base YoY	May	--	4.6%	6.6%	--
06/02	01:50	JN				Monetary Base End of period	May	--	¥673.4t	¥688.4t	--
06/02	01:50	JN				Foreign Buying Japan Stocks	May 27	--	¥0.9b	¥4.1b	¥4.2b
06/02	01:50	JN				Foreign Buying Japan Bonds	May 27	--	-¥26.2b	¥1281.6b	¥1281.8b
06/02	01:50	JN				Japan Buying Foreign Stocks	May 27	--	-¥274.4b	¥326.6b	¥330.1b
06/02	01:50	JN				Japan Buying Foreign Bonds	May 27	--	-¥1138.9b	¥627.0b	¥628.6b
06/02	11:00	EC				PPI MoM	Apr	2.0%	--	5.3%	--
06/02	11:00	EC				PPI YoY	Apr	38.2%	--	36.8%	--
06/02	13:30	US				Challenger Job Cuts YoY	May	--	--	6.0%	--
06/02	14:15	US				ADP Employment Change	May	300k	--	247k	--
06/02	14:30	CA				Building Permits MoM	Apr	0.8%	--	-9.3%	--
06/02	14:30	US				Nonfarm Productivity	1Q F	-7.5%	--	-7.5%	--
06/02	14:30	US				Unit Labor Costs	1Q F	11.6%	--	11.6%	--
06/02	14:30	US				Initial Jobless Claims	May 28	210k	--	210k	--
06/02	14:30	US				Continuing Claims	May 21	1340k	--	1346k	--
06/02	15:00	RU				Gold and Forex Reserve	May 27	--	--	583.4b	--
06/02	16:00	US				Factory Orders	Apr	0.7%	--	2.2%	1.8%
06/02	16:00	US				Factory Orders Ex Trans	Apr	--	--	2.5%	2.1%
06/02	16:00	US				Durable Goods Orders	Apr F	0.4%	--	0.4%	--
06/02	16:00	US				Durables Ex Transportation	Apr F	0.3%	--	0.3%	--
06/02	16:00	US				Cap Goods Orders Nondef Ex Air	Apr F	0.4%	--	0.3%	--
06/02	16:00	US				Cap Goods Ship Nondef Ex Air	Apr F	--	--	0.8%	--
06/01-06/03		FR				Bank of France Ind. Sentiment	Apr	103	--	103	--

Source: Refinitiv

Disclaimer: "This information, including any opinion, news and reports is based on publicly available source, but its accuracy cannot be guaranteed and may be subject to change without notice. BankMed (Suisse) does not guarantee the accuracy, timeliness, continued availability or completeness of such information. Neither the information provided nor any opinion expressed therein, constitutes a solicitation, offer, personal recommendation or advice. BankMed (Suisse) is not acting as an adviser to you and you are free to rely or not on such information at your own risk. Certain transactions involving securities give rise to substantial risks, including currency and volatility risk, and are not suitable for all investors."