

Market Corner

Treasuries held a rally and oil slid Thursday as investors parsed the economic outlook after Federal Reserve Chair Jerome Powell acknowledged the risk of a recession.

An Asian share index was steady, with a report that Hong Kong's incoming leader John Lee is working on a strategy to reopen the city's borders helping sentiment. US and European futures were in the red.

Treasuries had jumped in the Wall Street session and policy-sensitive two-year yields hovered at about 3.06%. Bonds climbed in Australia and New Zealand.

The yen climbed and the dollar was little changed.

In commodities, oil dropped as much as 3.6% to around \$103 a barrel, sapped by fears over the demand outlook. A raw-materials index is at the lowest since March.

Powell in testimony to the Senate Wednesday said the US must get high inflation back down to the 2% target. He accepted that steep rate increases could cause an economic contraction and called a soft landing "very challenging."

World Indices	Last	1D Change
<u>Dow Jones</u>	30 483,13	-0,15%
<u>S&P 500</u>	3 759,89	-0,13%
<u>Nasdaq</u>	11 053,08	-0,15%
<u>Eurostoxx 50</u>	3 464,64	-0,84%
<u>FTSE 100</u>	7 089,22	-0,88%
<u>CAC 40</u>	5 916,63	-0,81%
<u>DAX</u>	13 144,28	-1,11%
<u>SMI</u>	10 528,34	0,46%
<u>Nikkei</u>	26 171,25	0,08%
<u>Hang Seng</u>	21 365,24	1,70%
<u>CSI 300</u>	4 332,54	1,45%
<u>VIX Index</u>	28,95	-4,11%

World Bonds	Last	1D Change
<u>US 10Y</u>	3,1562	0,00%
<u>EUR 10Y</u>	1,6530	0,92%
<u>Swiss 10Y</u>	1,3780	-5,23%
<u>UK 10Y</u>	2,50	-5,84%

Source: Bloomberg



Morning Call

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Crypto Corner

Bitcoin's recent volatile price swings show some evidence that the token is gravitating around round-number levels. In recent months, the largest cryptocurrency hovered around \$40,000, then \$30,000; now it's suggesting signs of settling in around \$20,000, its latest \$10,000 change. "For Bitcoin in particular, this \$20,000 price point is pretty important -- that round number is all about psychology," said Chris Terry, vice president of enterprise solutions at SmartFi, a US-based open lending platform, in a note last week.

Crypto Market Cap: [\\$901B](#)

24h Vol: [\\$66,03B](#)

Dominance: [BTC: 43,1%](#) [ETH: 14,6%](#)

Crypto	Last	1D Change
Bitcoin	20 392,15	2,69%
Ethereum	1 088,60	3,89%

■ Last Price	20401.168
T High on 11/10/21	68991.8516
+ Average	42608.3125
▬ Low on 06/18/22	17599.7305
■ SMAVG (50) on Close	28249.7559
■ SMAVG (100) on Close	35132.3086
■ SMAVG (200) on Close	38956.9961



Source: fxstreet.com / Bloomberg/Coinmarketcap.com

Commodity Corner

Gold was steady as investors weighed growing fears of an economic downturn after Federal Reserve Chair Jerome Powell acknowledged that steep interest-rate hikes could tip the US economy into recession.

Bullion has been trading in a narrow range for most of this month as traders grapple with monetary policy tightening by central banks keen to contain price pressures, and the impact of those actions on global growth. Real US yields fell Wednesday.

It will be "very challenging" to achieve a soft landing and there's a risk that inflation will become entrenched in the US economy, Powell said in testimony before the Senate Banking Committee Wednesday, adding that officials "anticipate that ongoing rate increases will be appropriate." He's set to address the House Financial Services Committee on Thursday.

Spot gold slipped 0.3% to \$1,832.46 an ounce as of 12:33 p.m. in Singapore, after rising 0.3% Wednesday. The Bloomberg Dollar Spot Index was little changed after retreating 0.2% in the previous session. Silver fell, while platinum and palladium were steady.

Precious Metals		Last	1D Change
<u>Gold</u>		1 834,33	-0,18%
<u>Silver</u>		21,35	-0,32%
<u>Platinum</u>		931,92	0,16%
<u>Palladium</u>		1 883,14	0,88%

Oil prices slipped Wednesday, finishing up at their lowest level in weeks.

West Texas Intermediate crude fell \$3.33 per barrel, or 3%, to \$106.19, its lowest settlement since May 12. Brent crude, the global oil benchmark, fell \$2.91 per barrel, or 2.5%, to \$111.74, its lowest close since May 18.

Brent has fallen about 13% from its early March highs around \$128 a barrel, weighed down by concerns that central-bank efforts to fight inflation will slow growth and hurt demand for fuel.

Prices had surged after Russia's invasion of Ukraine disrupted markets and sparked worries about diminished oil supplies. Now, the market is "heavily focused on [the] increasing probability of recession that will be prompting some downdraft in world oil consumption," the trading firm Ritterbusch & Associates wrote in a note Wednesday.

World Commodities		Last	1D Change
<u>WTI Crude</u>		104,65	-1,45%
<u>Brent Crude</u>		110,40	-1,20%
<u>Nat Gas (HH)</u>		6,81	-0,69%
<u>Nickel</u>		24 399,00	-5,80%
<u>Copper</u>		389,65	-1,20%
<u>Corn</u>		756,00	-1,56%
<u>Wheat</u>		961,00	-1,59%
<u>Soybean</u>		1 616,00	-2,22%
<u>Coffee</u>		238,60	2,36%
<u>Cotton</u>		143,03	-0,20%
<u>Sugar</u>		18,45	-1,13%

Source: fxstreet.com / Bloomberg

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FX Corner

EUR/USD remains supported above 1.0550, as the US dollar licks its wounds amid a cautious market mood. Inflation and recession concerns continue to sap investors' confidence, with eyes on Eurozone/ US PMIs and Powell's testimony.

GBP/USD struggles to extend the rebound near 1.2250 heading into Thursday's London open. Cable portrays the market's inaction amid recession fears and Brexit concerns. Focus shifts to the UK, US PMIs and Powell's testimony.

USD/JPY licks its wounds near intraday low, at 135.50 during Thursday's European morning. The yen pair's latest weakness could be linked to the mixed PMI data from Japan, as well as on chatters that the Bank of Japan's (BOJ) Yield Curve Control (YCC) policy is under threat.

AUD/USD remains depressed around intraday low, extending the previous week's pullback towards monthly low. One-week-old trend line may offer intermediate support but the 0.6855 level is crucial for bears to watch. Convergence of 50-SMA, two-week-old resistance line challenge buyers.

World Currencies	Last	1D Change
<u>EURUSD</u>	1,0564	-0,02%
<u>EURCHF</u>	1,0158	0,04%
<u>EURGBP</u>	0,8627	-0,11%
<u>EURJPY</u>	143,50	0,34%
<u>USDCHF</u>	0,9616	-0,04%
<u>USDJPY</u>	135,84	0,31%
<u>USDCAD</u>	1,2958	-0,09%
<u>USDTRY</u>	17,36	-0,07%
<u>GBPUSD</u>	1,2246	-0,16%
<u>AUDUSD</u>	0,6896	-0,45%
<u>NZDUSD</u>	0,6265	-0,32%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	1.0273	1.0410	1.0488	1.0625	1.0684	1.0821
USDJPY	134.18	135.20	135.73	136.75	137.24	138.26
GBPUSD	1.1939	1.2093	1.2180	1.2334	1.2401	1.2555
USDCAD	1.2782	1.2867	1.2906	1.2991	1.3037	1.3122
AUDUSD	0.6743	0.6835	0.6881	0.6973	0.7019	0.7111
NZDUSD	0.6103	0.6196	0.6240	0.6333	0.6382	0.6475
USDCHF	0.9410	0.9519	0.9565	0.9674	0.9737	0.9846
USDTRY	16.5105	16.8965	17.1205	17.5065	17.6685	18.0545
XAUUSD	1787.75	1812.06	1824.89	1849.20	1860.68	1884.99
XAGUSD	20.5118	20.9827	21.2008	21.6717	21.9245	22.3954

Source: Refinitiv / fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars Options

ECO Calendars View Alerts Export

G8 Browse 08:35:53 06/23/22 - 06/23/22

Economic Releases All Economic Releases View Agenda Weekly

Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
06/23	08:45	FR				Business Confidence	Jun	105	--	106	--
06/23	08:45	FR				Manufacturing Confidence	Jun	105	--	106	--
06/23	08:45	FR				Production Outlook Indicator	Jun	-11	--	-9	--
06/23	08:45	FR				Own-Company Production Outlook	Jun	4	--	6	--
06/23	09:15	FR				S&P Global France Manufacturing PMI	Jun P	54.0	--	54.6	--
06/23	09:15	FR				S&P Global France Services PMI	Jun P	57.5	--	58.3	--
06/23	09:15	FR				S&P Global France Composite PMI	Jun P	55.9	--	57.0	--
06/23	09:30	GE				S&P Global/BME Germany Manufacturing P...	Jun P	54.0	--	54.8	--
06/23	09:30	GE				S&P Global Germany Services PMI	Jun P	54.5	--	55.0	--
06/23	09:30	GE				S&P Global Germany Composite PMI	Jun P	53.0	--	53.7	--
06/23	10:00	EC				ECB Publishes Economic Bulletin					
06/23	10:00	EC				S&P Global Eurozone Manufacturing PMI	Jun P	53.8	--	54.6	--
06/23	10:00	EC				S&P Global Eurozone Services PMI	Jun P	55.5	--	56.1	--
06/23	10:00	EC				S&P Global Eurozone Composite PMI	Jun P	54.0	--	54.8	--
06/23	10:30	UK				S&P Global/CIPS UK Manufacturing PMI	Jun P	53.6	--	54.6	--
06/23	10:30	UK				S&P Global/CIPS UK Services PMI	Jun P	52.9	--	53.4	--
06/23	10:30	UK				S&P Global/CIPS UK Composite PMI	Jun P	52.4	--	53.1	--
06/23	12:00	UK				CBI Total Dist. Reported Sales	Jun	--	--	13	--
06/23	12:00	UK				CBI Retailing Reported Sales	Jun	-3	--	-1	--
06/23	14:30	US				Current Account Balance	1Q	-\$275.0b	--	-\$217.9b	--
06/23	14:30	US				Initial Jobless Claims	Jun 18	226k	--	229k	--
06/23	14:30	US				Continuing Claims	Jun 11	1320k	--	1312k	--
06/23	15:00	RU				Gold and Forex Reserve	Jun 17	--	--	594.6b	--
06/23	15:45	US				S&P Global US Manufacturing PMI	Jun P	56.0	--	57.0	--
06/23	15:45	US				S&P Global US Services PMI	Jun P	53.5	--	53.4	--
06/23	15:45	US				S&P Global US Composite PMI	Jun P	52.8	--	53.6	--
06/23	17:00	US				Kansas City Fed Manf. Activity	Jun	15	--	23	--

Source: Refinitiv

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