News Flow

➢ OECD slashes global growth prediction on Ukraine war and China's zero-Covid policy.

The Organization for Economic Cooperation and Development has become the latest international institution to cut its predictions for global growth this year.

The OECD estimates that global GDP will hit 3% in 2022 — a 1.5 percentage point downgrade from a projection done in December.

"The invasion of Ukraine, along with shutdowns in major cities and ports in China due to the zero-COVID policy, has generated a new set of adverse shocks," the Paris-based organization said in its latest economic outlook Wednesday.

Russia's invasion of Ukraine is having massive ramifications on the global economy, but China's zero-Covid policy is also a drag on global growth given the importance of the country in international supply chains and overall consumption.

The World Bank said Tuesday that it had also turned more negative on global growth prospects. The institution said global GDP would reach 2.9% this year — an estimate lower from its 4.1% forecast in January.

The OECD said in its report Wednesday that the downgrade, in part, "reflects deep downturns in Russia and Ukraine."

"But growth is set to be considerably weaker than expected in most economies, especially in Europe, where an embargo on oil and coal imports from Russia is incorporated in the projections for 2023," it said.

The European Union in late May moved to impose an oil embargo on Russia, after agreeing the previous month to also stop coal purchases from the country. The bloc has been heavily dependent on Russian fossil fuels and cutting some of these supplies overnight will have a significant economic impact.

Nonetheless, the euro zone, the 19-nation region that shares the euro, and the United States do not differ much in terms of their economic outlook. The OECD said the former will grow 2.6% this year and the U.S. will expand by 2.5%.

The global macro picture has darkened for emerging economies, notably because they are expected to be hurt the most from food supply shortages.

"In many emerging-market economies the risks of food shortages are high given the reliance on agricultural exports from Russia and Ukraine," the OECD said. China is seen growing by 4.4% this year, India by 6.9% and Brazil by a marginal 0.6%.

➢ Credit Suisse issues profit warning for second quarter, citing Ukraine war and rate hikes.

Credit Suisse said on Wednesday that it is likely to post a loss for the second quarter as the war in Ukraine and monetary policy tightening squeeze its investment bank.

In a trading update early Wednesday morning, the embattled lender said the geopolitical situation, significant monetary tightening from major central banks in response to soaring inflation, and the unwinding of Covid-19 era stimulus measures had caused "continued heightened market volatility, weak customer flows and ongoing client deleveraging, notably in the APAC region."

Credit Suisse said despite the trading revenues benefiting from the spike in volatility, the impact of these conditions, combined with "continued low levels of capital markets issuance" and widening credit spreads, have "depressed the financial performance" of the investment bank in April and May.

This is "likely to lead to a loss for this division as well as a loss for the Group in the second quarter of 2022," the trading update said.

The bank's shares fell more than 5% shortly after markets opened on Wednesday.

Credit Suisse has endured a string of scandals and mishaps in recent years, leading some shareholders to call for a change in leadership. Chairman Axel Lehmann told CNBC in May, however, that CEO Thomas Gottstein has his full backing to continue with the "rebuilding" of the company.

Gottstein took the reins in 2020 following the resignation of predecessor Tidjane Thiam over a protracted spying scandal.

The bank reported a net loss for the first quarter of 2022 and announced a management reshuffle as it continues to grapple with litigation costs relating to the Archegos hedge fund collapse.

"We would note that our reported earnings will also be affected by continued volatility in the market value of our 8.6% investment in Allfunds Group," the bank added.

Spanish wealthtech platform Allfunds Group, which launched on the Euronext Amsterdam in April 2021, has seen its share price plunge 52% year-to-date.

Credit Suisse said 2022 will remain a year of "transition" for the bank, vowing to accelerate cost-cutting across the group, and will provide further details at its Investor "Deep Dive" on June 28.

The bank aims to operate a group common equity tier one capital ratio, a measure of bank solvency, of 13.5% in the near-term, in line with its goal of 14% by 2024.

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➢ European Central Bank confirms July rate hike plans, raises inflation projections significantly.

The European Central Bank on Thursday confirmed its intention to hike interest rates at its policy meeting next month and downgraded its growth forecasts.

Following its latest monetary policy meeting, the Governing Council announced that it intends to raise its key interest rates by 25 basis points at its July meeting.

The ECB expects a further hike at the September meeting but said the scale of that increment would depend on the evolving trajectory of the medium-term inflation outlook.

For now, the interest rates on the main refinancing operations, marginal lending facility and deposit facility remain unchanged at 0.00%, 0.25% and -0.50% respectively.

"Beyond September, based on its current assessment, the Governing Council anticipates that a gradual but sustained path of further increases in interest rates will be appropriate," the ECB said in a statement on Thursday.

"In line with the Governing Council's commitment to its 2% medium-term target, the pace at which the Governing Council adjusts its monetary policy will depend on the incoming data and how it assesses inflation to develop in the medium term."

Annual consumer price inflation across the 19-member euro area hit a fresh record high of 8.1% in May, but the ECB in its previous guidance indicated that a first-rate hike would only come following the formal end of its net asset purchases on July 1.

Markets had been eagerly awaiting the meeting in Amsterdam on Thursday, the Governing Council's first outside of Frankfurt since the onset of the coronavirus pandemic, for signs of how aggressive the shift in interest rates will have to be in the coming months.

Policymakers face the challenge of reining in inflation without compounding the economic slowdown resulting from the war in Ukraine and the associated sanctions and embargoes imposed between the European Union and Russia, previously a key source of energy imports for the bloc.

Economists have been torn on whether to expect hikes of 25 basis points or 50 basis points at the July and September meetings, with the ECB broadly expected to climb out of negative rate territory by the end of September from its current historic low of -0.5%.

The euro initially retreated following the decision before rebounding to a 0.5% gain against the dollar.

The ECB also downgraded its growth forecasts and upwardly revised its inflation projections. Annual inflation is now expected to hit 6.8% in 2022, declining to 3.5% in 2023 and 2.1% in 2024. This marks a substantial increase from its March projections of 5.1% in 2022, 2.1% in 2023 and 1.9% in 2024.

Growth forecasts were revised down significantly to 2.8% in 2022 and 2.1% in 2023 and revised up slightly to 2.1% in 2024. This compares to projections at the ECB's March meeting of 3.7% in 2022, 2.8% in 2023 and 1.6% in 2024.

The Governing Council also said it stands ready to adjust all of its policy instruments to ensure that inflation stabilizes toward its 2% target over the medium term.

"The pandemic has shown that, under stressed conditions, flexibility in the design and conduct of asset purchases has helped to counter the impaired transmission of monetary policy and made the Governing Council's efforts to achieve its goal more effective," Thursday's statement said.

"Within the ECB's mandate, under stressed conditions, flexibility will remain an element of monetary policy whenever threats to monetary policy transmission jeopardize the attainment of price stability."

Randall Kroszner, professor of economics at the University of Chicago and former governor of the Federal Reserve System, told CNBC ahead of Thursday's meeting that it was "very important" that the ECB began to move on interest rates.

The U.S. Federal Reserve began hiking rates in March and implemented a 50-basis point hike in May, its largest in 22 years, with FOMC meeting minutes pointing to further aggressive hikes ahead. The Bank of England has hiked rates at four consecutive meetings to take the base interest rate to a 13-year high.

"Inflation is very high, it has the potential to become entrenched unless [ECB policymakers] move, and they move aggressively and make it clear that they are going to be moving further," Kroszner told CNBC's "Squawk Box Europe" on Thursday.

"They run the risk of inflation becoming entrenched, inflation expectations becoming unanchored, and having to raise rates much higher than they otherwise would have to."

However, Kroszner expressed empathy with the difficult position in which the Governing Council finds itself, given Europe's proximity to the war in Ukraine, interdependence with Russia and therefore state of economic peril.

"The concern that they have is that there are so many negative shocks coming from the war, sanctions, uncertainty, that the economy is going to slow down even without raising rates, so the inflationary pressures are going to come off," he said.
"But there is sufficient inflationary pressure and sufficient risk of inflation expectations becoming unanchored, that they have really got to get moving."

➢ Bundesbank halves 2022 growth forecast, doubles inflation projection for Germany.

The Bundesbank cut its growth projections for the German economy on Friday and predicted sharply higher inflation, as soaring food and fuel prices sap households' purchasing power and batter confidence.
The German central bank now sees prices rising by 7.1% in 2022, well above the 3.6% projected in December while the 2023 figure was raised to 4.5% from 2.2%.
"Inflation this year will be even stronger than it was at the beginning of the 1980s," Bundesbank President Joachim Nagel said, referring to the previous period of painfully high consumer price growth.
"Price pressures have even intensified again recently, which is not fully reflected in the present projections," Nagel said. "If this development is assumed to continue, the annual average (inflation) rate for 2022 could be considerably above 7%."
The update is broadly in line with the European Central Bank's revisions of its own forecasts on Thursday, which showed accelerating inflation from surging fuel and food prices but a big hit to growth.
In 2024, the last year of the Bundesbank's projection horizon, inflation is seen at 2.6%, well above the ECB's own 2% target for the euro zone.
"Euro area inflation rates won't fall by themselves," Nagel added. "Monetary policy is called upon to reduce inflation through resolute action."
The ECB on Thursday said that it would raise rates in July by 25 basis points and an even bigger increase may be necessary in September before a string of further hikes.
As for growth, the German central bank now sees Europe's biggest economy expanding by 1.9% this year, less than half of the 4.2% it predicted in December while expected growth in 2023 was cut to 2.4% from 3.2%.
Despite the cut, the 2022 growth projection is still somewhat more optimistic than the European Commission's 1.6% estimate for Germany.
"The baseline scenario of the projections builds on the assumption that the war and its consequences will not intensify any further," the Bundesbank said.

➢ Italian risk premium set for biggest weekly jump since April 2020 post-ECB.

Euro zone bond yields rose on Friday a day after the ECB announced it would end its long-running bond buying programme and start hiking rates from July.
Southern European bonds remained under pressure as the ECB made no new commitments to counter fragmentation in the bloc's debt markets, which refers to situations where borrowing costs between member states diverge sharply.
On Friday, Italy's 10-year yield rose to its highest since 2018 at 3.78% in early trade, a touch below its highest since 2014. By 0733 GMT it was up 4 basis points (bps) to 3.73%.
The spread over German 10-year yields, effectively the risk premium on Italian debt, rose to 231 bps on Friday, nearing its highest since the height of the COVID-19 pandemic in 2020.
That premium has risen 24 bps this week, the biggest weekly jump since April 2020, with most of the jump taking place on Thursday following the ECB's decision.
"As more color (details) about the ECB discussions emerges, most of it does not sound encouraging for the periphery," said Christoph Rieger, head of rates and credit research at Commerzbank, referring to a Reuters story following the meeting which reported that there had been no debate about announcing a new anti-fragmentation tool.
"The bearish spread widening in the periphery underscores how nervous European government bonds are about the looming tightening and a potentially asymmetric transmission of rate hikes, which could cause problems for the periphery," he said.
Elsewhere, Germany's 10-year yield, the benchmark for the euro area, was down nearly 2 bps to 1.42%, below the highest since 2014 it rose to on Thursday at 1.47%.
Money markets continue to price in 75 bps of ECB rate hikes by September, after the ECB said next month's 25 bps rate hike could be followed by a bigger increment in September, depending on the inflation outlook.

However, they have increased their bets on the terminal rate, now pricing in rates rising to around 2% by February 2014, compared to around 1.8% before the ECB's policy decision.
Investors will watch speeches by German central bank governor Joachim Nagel, Austria's Robert Holzmann and France's Francois Villeroy de Galhau on Friday for further clues about the ECB's thinking.

➢ Risking EU clash, Britain pushes post-Brexit Northern Ireland bill.

Britain will present legislation to parliament on Monday to unilaterally revise the post-Brexit trade arrangements for Northern Ireland, raising the risk of a trade war and a new clash with Brussels.
Foreign Secretary Liz Truss will present the bill to the House of Commons, according to a parliamentary order paper published on Friday.
Britain has been threatening for months to rip up the Northern Ireland Protocol, a trade deal for the British-run region that was struck by Prime Minister Boris Johnson's government in order to secure a Brexit divorce and a wider trade agreement between Brussels and London.
London says the implementation of the protocol has damaged trade within the United Kingdom and threaten political stability in Northern Ireland.
The new legislation is designed to simplify the rules but has drawn sharp criticism in Brussels and Washington where it is seen by many as an inflammatory move that violates an international treaty.
European Commission vice-president Maros Sefcovic said in May that Brussels would respond with all measures at its disposal. U.S. House of Representatives Speaker Nancy Pelosi said there could be no U.S.-UK trade deal if London proceeds with the plan.
The protocol enabled Britain to leave the EU's single market and customs union without controls being re-imposed on the border between the Irish Republic and Northern Ireland, vital to the 1998 Good Friday peace deal that ended three decades of violence.
By striking such a deal, it effectively agreed to a customs border between the British-run region of Northern Ireland and the rest of the United Kingdom.
The order paper said the bill will set out how the terms included in the protocol would now be defined in domestic law. There will not be a debate on the bill at this stage.
The Times newspaper reported this week that the legislation had undergone "substantial drafting and redrafting" after Johnson, badly weakened by a narrow victory in a confidence vote, came under pressure by his Brexit-backing lawmakers to toughen the terms.
However, Johnson will need to secure support from all wings of the party to get the legislation through parliament. Four in 10 of his lawmakers voted to ditch Johnson in the confidence vote, and some have already expressed concern about the bill.

➢ Sterling set for second weekly decline vs dollar as economic outlook weighs.

Sterling fell on Friday against the U.S. dollar and was set for a second consecutive week of declines as Britain's gloomy economic outlook left investors on edge.
The pound slipped 0.35% versus the dollar to $1.2454 pence, not far from a three-week low touched earlier this week.
Financial markets are pricing in Bank of England rates hitting 2% by September's policy meeting and 3% by May 2023, up from 1% now as central banks battle surging inflation.
"Right now, we would favor the dollar over sterling and could see sterling/dollar breaking down to 1.2350 next week," ING analysts said in a note to clients.
"The fact that sterling money markets still price a further 175bps of Bank of England tightening by year-end goes to show that investors struggle to buy into the idea of a pause anywhere," they added.
Sterling was little changed versus the euro at 85.04 pence but was heading to its best week against the weakening single currency since April.
The euro weakened this week after the ECB ended a long-running stimulus scheme on Thursday and signaled it would deliver its first interest rate hike since 2011 next month, followed by a potentially larger move in September if inflation does not cool down.

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➢ Russia cuts key interest rate back to pre-war level.

The Central Bank of Russia on Friday cut its key interest rate by 150 basis points to 9.5% — the level it was at when Russia's invasion of Ukraine began.

Although acknowledging that the external environment for the Russian economy remains "challenging and significantly restrains economic activity," the central bank's board said in a statement that "inflation is slowing faster and the decline in economic activity is of a smaller magnitude" than it expected in April.

"Recent data suggest that price growth rates in May and early June have been low. This comes as a result of ruble exchange rate movements and the tailing-off of the surge in consumer demand in the context of a marked decline in inflation expectations of households and businesses," the CBR said.

Russian inflation slowed to an annual 17.1% in May from 17.83% in April, which was its highest level since January 2002, indicating that the immediate inflationary shock from the war in Ukraine and resulting international sanctions may have peaked.

Meanwhile, the ruble survived a plunge to a historic low against the dollar following the invasion to become the world's best-performing fiat currency, though economists are skeptical about the sustainability of the rally.

The CBR said it will continue to consider actual and expected inflation dynamics relative to its target and the "economic transformation process" on which it is embarking in order to mitigate the long-term damage from Western sanctions.

Given the current monetary policy stance, policymakers now forecast that annual inflation in Russia will total between 14.0–17.0% in 2022, decline to 5.0–7.0% in 2023 and return to 4% in 2024.

"Overall, the actual decrease in economic activity in 2022 Q2 is less pronounced than the Bank of Russia assumed in its April baseline scenario. Given the above, the Bank of Russia estimates that the 2022 GDP decline could be lower than forecast in April," the CBR said.

The bank's next rate review meeting will take place on July 22.

➢ Hungary says it's impossible for Europe to ban Russian gas anytime soon. Putin agrees.

Hungarian Foreign Minister Peter Szijjarto has ruled out the prospect of a Russian gas ban in the European Union's next package of sanctions, saying it would be "impossible."

Landlocked Hungary is overwhelmingly dependent on Russian hydrocarbons.

Szijjarto's comments come as President Vladimir Putin says he believes the West will not be able to wean itself off Russian oil and gas for several years.

The EU had sought to impose a total ban on Russian crude in a bid to cripple Putin's war machine over the Kremlin's onslaught in Ukraine. The bloc eventually agreed late last month to a partial oil embargo in its long-delayed sixth package of sanctions against Russia.

The compromise will see a ban on Russian oil brought into the bloc by sea, with an exemption carved out for imports delivered by pipeline following opposition from Hungary.

Speaking to CNBC's Charlotte Reed on Thursday on the sidelines of the OECD's Ministerial Council Meeting in Paris, France, Szijjarto said: "When we impose sanctions, then we have to make sure that those sanctions are hurting more those against whom we impose the sanctions than ourselves."

"We must have a very clear position on the war, which we do have, we condemn Russia for this military aggression. We stand with Ukraine. But we must take into consideration reality as well," he added.

Szijjarto spoke of his frustration that Hungary had been portrayed as a country reluctant to punish Russia's war in Ukraine, pointing to the fact that Russia currently supplies 65% of Hungary's oil and 85% of its gas supplies.

He added that a lack of alternative infrastructure meant it was not possible for the country to swiftly reduce its reliance on Russian energy sources.

Shortly after the EU agreed to its sixth package of sanctions last month, Estonia's Prime Minister Kaja Kallas called for the bloc to go even further and discuss the prospect of a Russian gas embargo in its seventh round of measures.

Austria's Chancellor Karl Nehammer abruptly rejected this idea, however, saying it will not be a topic for discussion.

When Hungary's Szijjarto was asked about the prospect of the EU targeting Russian gas exports in its next round of sanctions, he replied: "No, it's impossible."

"If you're not able to import gas from Russia, then the country stops, [the] economy stops, we cannot heat the houses, we cannot run the economy. Our question is who can offer a solution?" he added.

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Putin on Thursday said Russia would not be “concreting over their oil wells” at a time when the West remains reliant on its energy sources, according to comments translated by the BBC.
“The volume of oil is decreasing on the world market, prices are rising,” he said. “Company profits are rising.”
Moscow pledged to find other importers for its oil shortly after the EU imposed a partial embargo on Russian crude.
Roughly 36% of the EU’s oil imports come from Russia, a country that plays an outsized role in global oil markets.
Russia is the world’s third-largest oil producer, behind the U.S. and Saudi Arabia, and the world’s largest exporter of crude to global markets.
It is also a major producer and exporter of natural gas.

Source: Click on the link on each article title to be redirected to the original website.

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06/09-06/14	RU				Budget Balance YTD	May	1165.0b	--	1041.2b	--
06/13 01:50	JN				BSI Large All Industry QoQ	2Q	--	--	-7.5	--
06/13 01:50	JN				BSI Large Manufacturing QoQ	2Q	--	--	-7.6	--
06/13 08:00	UK				Monthly GDP (3M/3M)	Apr	--	--	0.8%	--
06/13 08:00	UK				Monthly GDP (MoM)	Apr	--	--	-0.1%	--
06/13 08:00	UK				Construction Output MoM	Apr	--	--	1.7%	--
06/13 08:00	UK				Construction Output YoY	Apr	--	--	4.7%	--
06/13 08:00	UK				Industrial Production MoM	Apr	--	--	-0.2%	--
06/13 08:00	UK				Industrial Production YoY	Apr	--	--	0.7%	--
06/13 08:00	UK				Manufacturing Production MoM	Apr	--	--	-0.2%	--
06/13 08:00	UK				Manufacturing Production YoY	Apr	--	--	1.9%	--
06/13 08:00	UK				Index of Services MoM	Apr	--	--	-0.2%	--
06/13 08:00	UK				Index of Services 3M/3M	Apr	--	--	0.4%	--
06/13 08:00	UK				Visible Trade Balance GBP/Mn	Apr	--	--	-£23897m	--
06/13 08:00	UK				Trade Balance Non EU GBP/Mn	Apr	--	--	-£13804m	--
06/13 08:00	UK				Trade Balance GBP/Mn	Apr	--	--	-£11552m	--
06/13 08:30	EC				Bloomberg June Eurozone Economic Survey					
06/13 08:35	GE				Bloomberg June Germany Economic Survey					
06/13 08:40	FR				Bloomberg June France Economic Survey					
06/13 08:45	IT				Bloomberg June Italy Economic Survey					
06/13 10:00	IT				Unemployment Rate Quarterly	1Q	--	--	9.1%	--
06/13 14:00	CA				Bloomberg Nanos Confidence	Jun 10	--	--	52.2	--
06/13-06/16	GE				Wholesale Price Index MoM	May	--	--	2.1%	--
06/13-06/16	GE				Wholesale Price Index YoY	May	--	--	23.8%	--

Source: Refinitiv

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06/13-06/16	GE				Wholesale Price Index YoY	May	--	--	23.8%	--
06/14 06:30	JN				Capacity Utilization MoM	Apr	--	--	-1.6%	--
06/14 06:30	JN				Industrial Production MoM	Apr F	--	--	-1.3%	--
06/14 06:30	JN				Industrial Production YoY	Apr F	--	--	-4.8%	--
06/14 08:00	UK				Payrolled Employees Monthly Change	May	--	--	121k	--
06/14 08:00	UK				Claimant Count Rate	May	--	--	4.1%	--
06/14 08:00	GE				CPI MoM	May F	--	--	0.9%	--
06/14 08:00	UK				Jobless Claims Change	May	--	--	-56.9k	--
06/14 08:00	GE				CPI YoY	May F	--	--	7.9%	--
06/14 08:00	UK				Average Weekly Earnings 3M/YoY	Apr	--	--	7.0%	--
06/14 08:00	GE				CPI EU Harmonized MoM	May F	--	--	1.1%	--
06/14 08:00	UK				Weekly Earnings ex Bonus 3M/YoY	Apr	--	--	4.2%	--
06/14 08:00	GE				CPI EU Harmonized YoY	May F	--	--	8.7%	--
06/14 08:00	UK				ILO Unemployment Rate 3Mths	Apr	--	--	3.7%	--
06/14 08:00	UK				Employment Change 3M/3M	Apr	--	--	83k	--
06/14 09:30	UK				Bloomberg June United Kingdom Economic Survey					
06/14 11:00	GE				ZEW Survey Expectations	Jun	--	--	-34.3	--
06/14 11:00	GE				ZEW Survey Current Situation	Jun	--	--	-36.5	--
06/14 11:00	EC				ZEW Survey Expectations	Jun	--	--	-29.5	--
06/14 12:00	US				NFIB Small Business Optimism	May	--	--	93.2	--
06/14 14:30	US				PPI Ex Food and Energy YoY	May	--	--	8.8%	--
06/14 14:30	US				PPI Final Demand MoM	May	0.7%	--	0.5%	--
06/14 14:30	US				PPI Ex Food and Energy MoM	May	0.6%	--	0.4%	--
06/14 14:30	US				PPI Ex Food, Energy, Trade MoM	May	--	--	0.6%	--
06/14 14:30	US				PPI Final Demand YoY	May	10.8%	--	11.0%	--
06/14 14:30	US				PPI Ex Food, Energy, Trade YoY	May	--	--	6.9%	--
06/14 14:30	CA				Manufacturing Sales MoM	Apr	--	--	2.5%	--

Source: Refinitiv

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06/15 08:45	FR				CPI Ex-Tobacco Index	May	--	--	110.19	--
06/15 10:30	IT				General Government Debt	Apr	--	--	2755.4b	--
06/15 11:00	EC				Industrial Production SA MoM	Apr	--	--	-1.8%	--
06/15 11:00	EC				Industrial Production WDA YoY	Apr	--	--	-0.8%	--
06/15 11:00	EC				Trade Balance SA	Apr	--	--	-17.6b	--
06/15 11:00	EC				Trade Balance NSA	Apr	--	--	-16.4b	--
06/15 13:00	US				MBA Mortgage Applications	Jun 10	--	--	--	--
06/15 14:15	CA				Housing Starts	May	--	--	267.3k	--
06/15 14:30	US				Retail Sales Advance MoM	May	0.2%	--	0.9%	--
06/15 14:30	US				Empire Manufacturing	Jun	0.0	--	-11.6	--
06/15 14:30	US				Retail Sales Ex Auto MoM	May	0.8%	--	0.6%	--
06/15 14:30	US				Retail Sales Ex Auto and Gas	May	0.5%	--	1.0%	--
06/15 14:30	US				Retail Sales Control Group	May	0.5%	--	1.0%	--
06/15 14:30	US				Import Price Index MoM	May	1.2%	--	0.0%	--
06/15 14:30	US				Import Price Index ex Petroleum MoM	May	0.7%	--	0.4%	--
06/15 14:30	US				Import Price Index YoY	May	--	--	12.0%	--
06/15 14:30	US				Export Price Index MoM	May	1.3%	--	0.6%	--
06/15 14:30	US				Export Price Index YoY	May	--	--	18.0%	--
06/15 15:00	CA				Existing Home Sales MoM	May	--	--	-12.6%	--
06/15 16:00	US				Business Inventories	Apr	1.4%	--	2.0%	--
06/15 16:00	US				NAHB Housing Market Index	Jun	68	--	69	--
06/15 18:00	RU				GDP YoY	1Q P	--	--	3.5%	--
06/15 20:00	US				FOMC Rate Decision (Lower Bound)	Jun 15	1.25%	--	0.75%	--
06/15 20:00	US				FOMC Rate Decision (Upper Bound)	Jun 15	1.50%	--	1.00%	--
06/15 20:00	US				Interest on Reserve Balances Rate	Jun 16	--	--	0.90%	--
06/15 22:00	US				Net Long-term TIC Flows	Apr	--	--	$23.1b	--
06/15 22:00	US				Total Net TIC Flows	Apr	--	--	$149.2b	--

Source: Refinitiv

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Date Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
06/13-06/16	GE				Wholesale Price Index YoY	May	--	--	23.8%	--
06/16 01:50	JN				Imports YoY	May	--	--	28.2%	28.3%
06/16 01:50	JN				Trade Balance	May	--	--	-¥839.2b	-¥842.8b
06/16 01:50	JN				Trade Balance Adjusted	May	--	--	-¥1618.9b	--
06/16 01:50	JN				Exports YoY	May	--	--	12.5%	--
06/16 01:50	JN				Foreign Buying Japan Stocks	Jun 10	--	--	--	--
06/16 01:50	JN				Foreign Buying Japan Bonds	Jun 10	--	--	--	--
06/16 01:50	JN				Japan Buying Foreign Stocks	Jun 10	--	--	--	--
06/16 01:50	JN				Japan Buying Foreign Bonds	Jun 10	--	--	--	--
06/16 08:00	EC				EU27 New Car Registrations	May	--	--	-20.6%	--
06/16 10:00	IT				CPI EU Harmonized YoY	May F	--	--	7.3%	--
06/16 10:00	IT				CPI FOI Index Ex Tobacco	May	--	--	109.7	--
06/16 11:00	EC				Labour Costs YoY	1Q	--	--	1.9%	--
06/16 13:00	UK				Bank of England Bank Rate	Jun 16	--	--	1.000%	--
06/16 14:30	US				Building Permits	May	1802k	--	1819k	1823k
06/16 14:30	US				Building Permits MoM	May	-1.2%	--	-3.2%	-3.0%
06/16 14:30	US				Housing Starts	May	1722k	--	1724k	--
06/16 14:30	US				Housing Starts MoM	May	-0.1%	--	-0.2%	--
06/16 14:30	US				Philadelphia Fed Business Outlook	Jun	5.0	--	2.6	--
06/16 14:30	US				Initial Jobless Claims	Jun 11	--	--	--	--
06/16 14:30	US				Continuing Claims	Jun 4	--	--	--	--
06/16 14:30	CA				Wholesale Trade Sales MoM	Apr	--	--	0.3%	--
06/16 15:00	RU				Gold and Forex Reserve	Jun 10	--	--	--	--
06/16 18:00	RU				CPI WoW	Jun 10	--	--	--	--
06/16 18:00	RU				CPI Weekly YTD	Jun 10	--	--	--	--
06/16-06/22	JN				Nationwide Dept Sales YoY	May	--	--	19.0%	--
06/16-06/22	JN				Tokyo Dept Store Sales YoY	May	--	--	27.0%	--

Source: Refinitiv

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Date Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
06/16-06/22	JN				Nationwide Dept Sales YoY	May	--	--	19.0%	--
06/16-06/22	JN				Tokyo Dept Store Sales YoY	May	--	--	27.0%	--
06/17 08:00	UK				Retail Sales Inc Auto Fuel MoM	May	--	--	1.4%	--
06/17 08:00	UK				Retail Sales Inc Auto Fuel YoY	May	--	--	-4.9%	--
06/17 08:00	UK				Retail Sales Ex Auto Fuel MoM	May	--	--	1.4%	--
06/17 08:00	UK				Retail Sales Ex Auto Fuel YoY	May	--	--	-6.1%	--
06/17 10:00	RU				Money Supply Narrow Def	Jun 10	--	--	--	--
06/17 11:00	EC				Construction Output MoM	Apr	--	--	0.0%	--
06/17 11:00	EC				Construction Output YoY	Apr	--	--	3.3%	--
06/17 11:00	EC				CPI YoY	May F	--	--	7.4%	7.4%
06/17 11:00	EC				CPI MoM	May F	--	--	0.8%	--
06/17 11:00	EC				CPI Core YoY	May F	--	--	3.8%	--
06/17 11:00	IT				Trade Balance Total	Apr	--	--	-84m	--
06/17 11:00	IT				Trade Balance EU	Apr	--	--	420m	--
06/17 14:30	CA				Industrial Product Price MoM	May	--	--	0.8%	--
06/17 14:30	CA				Int'l Securities Transactions	Apr	--	--	46.94b	--
06/17 14:30	CA				Raw Materials Price Index MoM	May	--	--	-2.0%	--
06/17 15:15	US				Industrial Production MoM	May	0.4%	--	1.1%	--
06/17 15:15	US				Capacity Utilization	May	79.3%	--	79.0%	--
06/17 15:15	US				Manufacturing (SIC) Production	May	0.8%	--	0.8%	--
06/17 16:00	US				Leading Index	May	-0.4%	--	-0.3%	--
06/17	JN				BOJ Policy Balance Rate	Jun 17	--	--	-0.100%	--
06/17	JN				BOJ 10-Yr Yield Target	Jun 17	--	--	0.000%	--

Source: Refinitiv

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Your Weekend Wire
Figures

World Currencies/PM & World Bonds

World Currencies	Last	5D Change	YTD Change
EURUSD	1,0549	-1,59%	-7,22%
EURCHF	1,0401	-0,80%	-0,24%
EURGBP	0,8505	0,91%	-1,08%
EURJPY	0,9859	-2,41%	-7,40%
USDCHF	134,16	-2,44%	-14,22%
USDJPY	1,2766	-1,35%	-1,01%
USDCAD	17,0008	-3,26%	-21,74%
USDTRY	1,2403	-0,68%	-8,34%
GBPUSD	0,7076	-1,82%	-2,57%
AUDUSD	0,6376	-2,06%	-6,59%
NZDUSD	0,6376	-2,06%	-6,59%

Precious Metals	Last	5D Change	YTD Change
Gold	1 828,53	-1,22%	-0,04%
Silver	21,38	-2,49%	-8,28%
Platinium	961,53	-5,52%	-0,74%
Palladium	1 904,52	-3,95%	-0,02%

World Bonds	Last	5D Change	YTD Change
US 10Y	3,07	4,53%	103,03%
EUR 10Y	1,43	11,94%	905,09%
Swiss 10Y	1,07	3,47%	894,82%
UK 10Y	2,34	8,68%	141,20%

Indices & Commodities

World Indices	Last	5D Change	YTD Change
Dow Jones	32 272,79	-1,94%	-11,19%
S&P 500	4 017,82	-2,38%	-15,70%
Nasdaq	11 754,23	-2,75%	-24,87%
Eurostoxx 50	3 669,27	-1,48%	-14,64%
FTSE 100	7 385,79	-1,21%	0,02%
CAC 40	6 222,83	-2,13%	-13,00%
DAX	14 039,96	-1,12%	-11,61%
SMI	11 144,16	-1,57%	-13,45%
Nikkei	27 824,29	-1,49%	-3,36%
Hang Seng	21 806,18	-0,29%	-6,80%
CSI 300	4 238,99	1,52%	-14,20%
VIX Index	27,42	10,61%	59,23%

Wolrd Commodities	Last	5D Change	YTD Change
WTI Crude	122,51	0,82%	3,06%
Brent Crude	124,06	0,80%	3,63%
Nat Gas (HH)	8,683	-3,12%	1,88%
Nickel	27949	-1,41%	33,90%
Copper	434,30	-0,87%	-2,88%
Corn	773	0,00%	-1,41%
Wheat	1065,25	-0,56%	6,33%
Soybean	1773,25	0,24%	2,43%
Coffee	234,9	0,11%	4,45%
Cotton	145,61	-0,61%	1,08%
Sugar	19,11	-0,93%	5,38%

Sources: Bloomberg

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Crypto Market Cap: $1,240,431,123,940

Dominance*: BTC: 46,3% ETH: 17,5%

*: Split of crypto usage within the global crypto market cap.

News Flow

➢ **Bipartisan crypto overhaul seeks to treat most digital assets as commodities and empower CFTC.**

As excited as Wall Street and Main Street were to have crypto as a new investment idea and store of value, the speed at which cryptocurrencies entered mainstream U.S. markets caused proportionate angst for U.S. regulators, who were equipped only with decades-old securities laws to police an industry many still refer to as the financial "Wild West."

But after months of research, industry consultation and bipartisan teamwork, Sens. Kirsten Gillibrand and Cynthia Lummis said Tuesday that they are ready to debut the first major attempt to place guardrails around the nascent industry.

Their bill, titled the Responsible Financial Innovation Act, amounts to a regulatory overhaul that would classify the vast majority of digital assets as commodities like wheat, oil or steel. As such, the bipartisan legislation would also leave the bulk of the oversight responsibility to the Commodity Futures Trading Commission and not the Securities and Exchange Commission, as some had expected.

Gillibrand, a Democrat from New York who sits on the Senate Agriculture Committee, and Lummis, a first-term Republican from Wyoming on the Banking Committee, said the legislation is the culmination of months of collaboration in the House and Senate and represents a critical first attempt to structure the markets for digital assets with long-awaited legal definitions.

Their offices touted the bill as "landmark bipartisan legislation that will create a complete regulatory framework for digital assets that encourages responsible financial innovation, flexibility, transparency and robust consumer protections while integrating digital assets into existing law."

The cornerstone of the legislation is how it defines the vast number of digital assets available to American investors and consumers.

With few exceptions, the bill designates digital currencies as "ancillary assets," or intangible, fungible assets that are offered or sold in tandem with a purchase and sale of a security.

Staff to Gillibrand and Lummis explained that their law treats all digitals assets as "ancillary" unless they behave like a security a corporation would issue to attract investors to build a capital pool.

Cryptocurrencies and other digital coins won't be treated like traditional securities under SEC scrutiny unless they entitle the holder to the privileges enjoyed by corporate investors like dividends, liquidation rights or a financial interest in the issuer, the offices told reporters.

They added that the bill is a product of months of discussion with fellow senators, including Republicans Minority Leader Mitch McConnell and Pat Toomey, as well as Democrats like Ron Wyden.

Rep. Ro Khanna, a Democrat who represents Silicon Valley, also weighed in.

"My home state of Wyoming has gone to great lengths to lead the nation in digital asset regulation, and I want to bring that success to the federal level," Lummis said in a press release. "As this industry continues to grow, it is critical that Congress carefully crafts legislation that promotes innovation while protecting the consumer against bad actors."

"The Lummis-Gillibrand framework will provide clarity to both industry and regulators, while also maintaining the flexibility to account for the ongoing evolution of the digital assets market," Gillibrand added in the same release.

The CFTC and SEC together regulate wide swaths of the U.S. market and act as two powerful Wall Street watchdogs. The former oversees the purchase and sale of raw commodities like corn, coffee, gold and oil, while the latter polices companies, executives and securities that seek to raise capital from the public.

While it is up to Congress to decide how government agencies police U.S. markets, the SEC and its chairman, Gary Gensler, had for more than a year led the public crusade in support of tighter crypto rules.

"Currently, we just don't have enough investor protection in crypto finance, issuance, trading, or lending," Gensler told lawmakers in September. "Frankly, at this time, it's more like the Wild West or the old world of 'buyer beware' that existed before the securities laws were enacted."

Representatives for Lummis and Gillibrand said they worked with the SEC on their plan, and spent weeks trying to remedy concerns voiced by the regulator's attorneys that the legislation would cede too much power.

They also said that fees collected from digital asset issuers would play an important role in augmenting the CFTC's budget to take on what's expected to be a deluge of regulatory oversight.

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While Gillibrand and Lummis have experience working with the CFTC and SEC, respectively, it was unclear as of Tuesday morning what each institution thinks of the new legislation. Neither the CFTC nor the SEC immediately responded to CNBC's requests for comment.
Input from both agencies is critical to the legal debate in the U.S. on how to define cryptocurrencies and other digital assets.
The Gillibrand and Lummis bill, for example, defines a "digital asset" as a natively electronic asset that confers economic or proprietary access rights or powers and includes virtual currency and payment stablecoins.
It later defines virtual currency as a digital asset that is used "primarily" as a medium of exchange, unit of account or a store of value and is not backed by an underlying financial asset.
Those definitions, though often laden with legal jargon, have a profound impact on how digital currencies are policed and are thus of utmost interest to the most powerful players in the growing world of crypto lobbying.
The industry has hired more than 200 officials and staff from the White House, Congress, Federal Reserve and political campaigns, according to the Tech Transparency Project. Meanwhile, crypto executives have contributed more than $30 million toward federal candidates and campaigns since the start of the 2020 election cycle, according to documents kept by the Federal Election Commission.
Both Lummis and Gillibrand want to work with their peers to develop their respective states into blockchain and crypto havens.
In the Empire State, New York City Mayor Eric Adams invested his early paychecks in bitcoin and ether, while Rep. Ritchie Torres, a Democrat representing the Bronx, said in March that his city "should and must embrace crypto if it is to remain the financial capital of the world."
Wyoming, meanwhile, edited its laws in 2019 to create a novel type of bank charter called a special purpose depository institution to accommodate crypto start-ups and trading platforms and remains on an aggressive track to diversify into finance and away from old-school industries like coal and gas.
Staff for both senators touted key features of the bill in a call with reporters, including certain tax exemptions that would shield stablecoin holders from having to report income changes each time they make a purchase with digital currency.
Those disclosures would inform investors about issuers' experience developing digital assets, the price history of issuers' prior assets, anticipated costs, and descriptions of the management teams and liabilities of each issuer.
Even though staffers described the bill as a mix of input from politicians on both sides of the political aisle, they acknowledged its size and complexity could force lawmakers to break it up and attempt to pass its components piece by piece.

➢ $40 billion payments giant Checkout.com starts accepting stablecoins in major crypto push.

Online payments company Checkout.com says it will settle payments for its merchants round-the-clock using stablecoins, making it the last major financial services firm taking the plunge into crypto.
The start-up, which competes with the likes of PayPal and Stripe, said Tuesday it is launching a feature that allows businesses to accept and make payments in USD Coin, a popular stablecoin that's pegged to the U.S. dollar. Checkout.com said it is offering the new payment method through a partnership with Fireblocks, a crypto security firm.
Stablecoins are a key part of the crypto market, helping investors trade in and out of digital currencies rapidly without having to go through banks. With a circulating supply of more than $50 billion, USDC is the world's second-biggest stablecoin.
The feature will allow merchants to settle payments even on weekends and public holidays, something that's not currently possible with fiat currencies, according to Jess Houlgrave, Checkout.com's head of crypto strategy. She used the example of someone buying bitcoin from a crypto exchange. While the user can get their bitcoin straight away, how banks and card schemes like Visa and Mastercard operate means merchants may not receive the funds for several days.
"Between the time that they've sent the bitcoin, and the time that they receive those funds, they have a working capital constraint," Houlgrave told CNBC on the sidelines of the Money 20/20 fintech conference in Amsterdam.
Checkout.com said it has tested the feature privately with select clients, facilitating $300 million in transaction volumes in the past few months. It now plans to roll the product out globally, with Bahamas-based crypto exchange FTX among the first to use it.
Last valued at $40 billion, Checkout.com is the latest major financial institution betting big on crypto. Stripe recently launched its own stablecoin payments feature, allowing Twitter creators to get paid in USDC.

Such developments come at a time when cryptocurrencies have tumbled sharply from the peak of a seismic rally last year. Bitcoin has more than halved in value since an all-time high of nearly $70,000 in November.
Unlike bitcoin, stablecoins aren't meant to fluctuate that much in price. They're designed to be tied to the value of traditional assets like the dollar. But recent events have put stablecoins' main selling point to the test.
Last month, a so-called stablecoin called terraUSD imploded after falling below its intended dollar peg, shaking investors' confidence in cryptocurrencies. TerraUSD, or UST, used code to maintain a price of $1. That's different to more mainstream stablecoins like tether and USDC, which are backed by cash and other assets.
Tether, meanwhile, also briefly slipped below a dollar on numerous exchanges as crypto investors fled the token due to panic over the UST debacle. Tether, which has long faced questions over its stablecoin's backing, said it processed more than $10 billion in redemption requests in May.
Regulators are getting worried about the phenomenon. Last week, the U.K. government announced new proposals that would give the Bank of England the power to intervene and manage the collapse of certain stablecoins if they pose a risk to financial stability. Stateside, Treasury Janet Yellen also wants the U.S. lawmakers to approve stablecoin regulation by the end of the year.

- **Crypto poses a threat to the safety of global payment systems, fintech boss warns.**

The boss of Goldman Sachs-backed digital bank Starling has doubled down on criticisms of crypto, calling digital currencies a threat to the safety of payment infrastructure.
"It is very dangerous," Anne Boden, who founded Starling in 2014, warned Tuesday at the Money 20/20 fintech conference in Amsterdam. Based in Britain, Starling offers fee-free checking accounts and loans through an app. The firm was last privately valued at £2.5 billion ($3.1 billion) and counts the likes of Goldman and Fidelity as investors.
"A lot of [crypto] wallets are being connected directly to payment schemes," Boden said. "This is a threat to the safety of our payment schemes around the world."
Major payment players are embracing cryptocurrencies — credit card giants Mastercard and Visa opened their networks to digital assets, for example, while PayPal also lets users trade bitcoin and other cryptocurrencies. Regulators are concerned about the financial system becoming more entwined with the volatile world of crypto.
Roughly $400 billion has been erased from the combined value of all cryptocurrencies in the past month, as investors were rattled by the collapse of terraUSD, a popular so-called stablecoin that was meant to always be worth $1.
It's not the first time Boden has warned about the dangers of the crypto space. She has previously sounded the alarm about the risk of consumers falling victim to fraud as a result of investments in crypto.
"Customers are being scammed," the Starling chief said Tuesday. "We're spending far more of our time protecting customers from the scammers than we are trying to promote crypto."
Asked whether Starling would ever offer crypto, Boden said it was unlikely to happen in the next couple of years, adding crypto companies have a lot of catching up to do when it comes to anti-money laundering controls.
In April, the U.K.'s Financial Conduct Authority published the findings of a review that found online-only challenger banks aren't doing enough to tackle financial crime.
The regulator didn't name any names, but Starling confirmed it was among the firms whose systems were scrutinized, with a spokesperson saying the company has been "extremely vocal" about fighting fraud.

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News Flow

➢ Grayscale, Bitwise Confident a Spot Bitcoin ETF Will Be Approved Soon.

Investment firms Grayscale and Bitwise said they were optimistic that a spot bitcoin ETF would finally be approved by the SEC soon at CoinDesk's Consensus 2022 in Austin, Texas, on Thursday. (Grayscale is owned by DCG, the parent company of CoinDesk).

Both Grayscale, which runs the world's largest bitcoin fund, the Grayscale Bitcoin Trust (GBTC), and Bitwise face impending deadlines for their spot bitcoin ETF applications to the SEC. Grayscale's proposal to convert GBTC to a spot bitcoin ETF is going through a public comment period with the deadline for the SEC's decision coming on July 6, while the deadline for the Bitwise decision is June 29.

"There's a perception in the crypto industry that the SEC is just saying no, and that's now what the facts show," said Matt Hougan, chief investment officer for Bitwise.

Hougan pointed out that the SEC has approved a limited interval market, a bitcoin futures ETF based on the 1940 Investment Act, and then more recently, two bitcoin futures ETFs based on the 1933 Investment Act, the same act that spot bitcoin futures ETFs have been filed under.

"That's a progression that ends in a spot bitcoin ETF," Hougan said. "So, they really are making progress just not at the pace of the crypto community. But it's wrong to see them as just [holding things up].

David LaValle, global head of ETFs at Grayscale, agreed. "It's not that long ago that there really was a question of if this was going to happen," LaValle said. "And now it's clearly a question of when it's going to happen."

LaValle noted further that if the SEC rejected Grayscale's application by July 6, the company would be "very focused on addressing all options."

Lori Tiernan, the chief strategy officer for Valkyrie, was also on the panel and sanguine that a spot bitcoin ETF would be approved, although she said she expected it to come in the next several years.

Last month, the SEC approved Valkyrie's application for a bitcoin futures ETF, the second such ETF to win approval under the Securities Exchange Act of 1934, leading to greater optimism about the approval prospects of a spot bitcoin ETF.

Bitwise's Hougan also said he believed a spot bitcoin ETF would not initially grow as large as some in the bitcoin community were expecting.

"I think the perception is that day one, a bitcoin ETF launches and day two it has $30 billion in assets, and that's just not the way ETF works," Hougan said. "GLD is the fastest-growing ETF of all time, it hit $1 billion in three days, then hit $3 billion after a year, and after five years, it hit $30 billion.

"I think the effect of a [spot bitcoin] ETF will be overhyped before it launches, and then people will dismiss it, and eventually, it will be the largest way that investors will hold bitcoin," Hougan concluded.

➢ Ethereum closes in on 'merge' that may boost the crypto's value.

Ethereum is one step closer to its long-awaited software upgrade after the "dress rehearsal" merge at the second-largest blockchain successfully completed on Wednesday.

"It seems like a general success," said Ethereum Core developer Danny Ryan during an Ethereum Core developer call shortly after the test merge, noting some software bugs were detected. "We've seen this in the past, fortunately it's very often minor things… we'll probably see some post-mortems in the next day or so."

Investors are carefully watching the steps leading up to Ethereum's software transition, projecting it could dramatically shift the second-largest cryptocurrency's value, especially as the crypto market remains defined by selloffs for most of 2022.

On Wednesday around noon, ether changed hands at $1,800 soon after the merge completed, seeing a slight rise of 1% on the day. It remains down 51% year to date from $3,829.

"While the industry will be excited when the merge happens, most traders are probably wary of taking a position on something that's likely to slip," Michael Safai, a partner and co-founder of Dexterity Capital, told Yahoo Finance.

Ethereum developers and analysts say the so-called merge could reduce Ethereum's energy use and significantly cut the supply issuance of its native cryptocurrency, ether. Discussed as far back as 2014, this upgrade has faced several delays over the years.

Vance Spencer, a former Netflix executive and current cofounder of the crypto venture capital firm, Framework Ventures, has closely followed the Ethereum core developer team's progress toward the merge.

News Flow

He told Yahoo Finance this week's merge is one of three "dress rehearsals" Ethereum developers need to complete before the protocol shifts can begin its final merge with its newer proof-of-stake blockchain, also known as the Beacon chain.
With no date set, Spencer is optimistic that the full upgrade should be accomplished by September.
"I get the sense from the developer community that they would not like to be rushed with such an important upgrade," Spencer said. ", there's an important Ethereum conference in October that presents a natural end point for when it should be done and presented."

Pending a successful merge, the most immediate change for investors revolves around forcing out Ethereum miners, according to Tom Dunleavy, a senior research analyst with Messari.
Unlike its current proof-of-work model where computer miners use energy to validate the network's transactions, a proof-of-stake system relies on depositors or "stakers" who post ether on the blockchain as collateral.
In a report published Tuesday, Dunleavy noted that by most conservative estimates, proof-of-stake will reduce Ethereum's energy use by 99%.
"With climate concerns and ESG-investing remaining a major topic for institutional investors, Ethereum's drastic energy reduction could open doors for additional capital flows and longer-term sustainability," Dunleavy told Yahoo Finance.
Losing miners also means a major supply cut of new ether issued per day.
"By removing miners, it's moving billions of dollars of selling pressure from the market," Spencer said.
Though ether's supply schedule will vary based on its amount of staked ether, Dunleavy projects that if at least $15 million ETH is staked by the time of the merge, ether's supply issuance per day will be cut by 90%.
According to Ethereum.org, investors have already staked $13.4 million in ether on the Beacon chain. Individuals and organizations can earn a 4.2% annualized yield for staking ether, with Dunleavy adding that this "bond-like yield" could range anywhere from 7% to 13% depending on the network activity and number of stakers.
"On the one hand, you have supply going down and demand going up through staking," Spencer said. "This means there's going to be a fundamental driver for the asset where we haven't had it before."

➢ New York Regulator Says Stablecoins 'Must Be Fully Backed'.

US dollar-backed stablecoins traded in the state of New York are now required to meet enhanced conservative reserve requirements, the jurisdiction's financial services regulator said in newly issued guidance on Wednesday.
Under the guidance, the New York Department of Financial Services (NYDFS) has laid out a set of baseline criteria necessary for stablecoin issuers, operating under the agency's purview, to meet.
The collapse of the TerraUSD ecosystem has put multiple regulators, both in the US and abroad, on notice, resulting in ad-hoc regulation in a bid to curb further potential market instability.
Stablecoins must be "fully backed" by a reserve of assets which must be equal to the face value of each individual unit by the end of each business day, the regulator said in a statement.
"The issuer of the stablecoin…must adopt clear, conspicuous redemption policies, approved in advance by DFS in writing, that confer on any lawful holder of the stablecoin a right to redeem units of the stablecoin from the issuer in a timely fashion at par for the US dollar," the guidance reads.
Those assets must be separate from the stablecoin issuer's daily operational funds and must be held in custody with a US state or federally chartered depository institution or asset custodian.
That should be fine for issuers such as Circle, which attests its USDC is fully backed by dollar deposits and short term US Treasurys, and therefore redeemable for US dollars, in stark contrast to Terra's failed algorithmic approach.
Following the guidance, an independent Certified Public Accountant is expected to verify the issuer's claims once a month to ensure their stablecoins are backed by what they say they are.
NYDFS' regulatory guidance does not apply to US dollar-backed stablecoins listed, but not issued, by regulated entities under its watch, the agency said.

Source: Click on the link on each article title to be redirected to the original website.

News Flow

It's the latest string of tightening regulations surrounding this class of crypto assets whose values are generally pegged 1:1 to fiat currencies or commodities like gold.
On Friday, Japan passed its own investor protection bill, establishing a legal framework for stablecoins to be linked to the yen or other legal tender while granting holders the right to redeem them at face value.
The UK is also exploring ways to sharpen the teeth of its primary financial regulator when it comes to oversight of electronic money and payments, in a bid to protect consumers from what the country sees as potential payment firm insolvencies, following Terra's downfall.

Source: Click on the link on each article title to be redirected to the original website.

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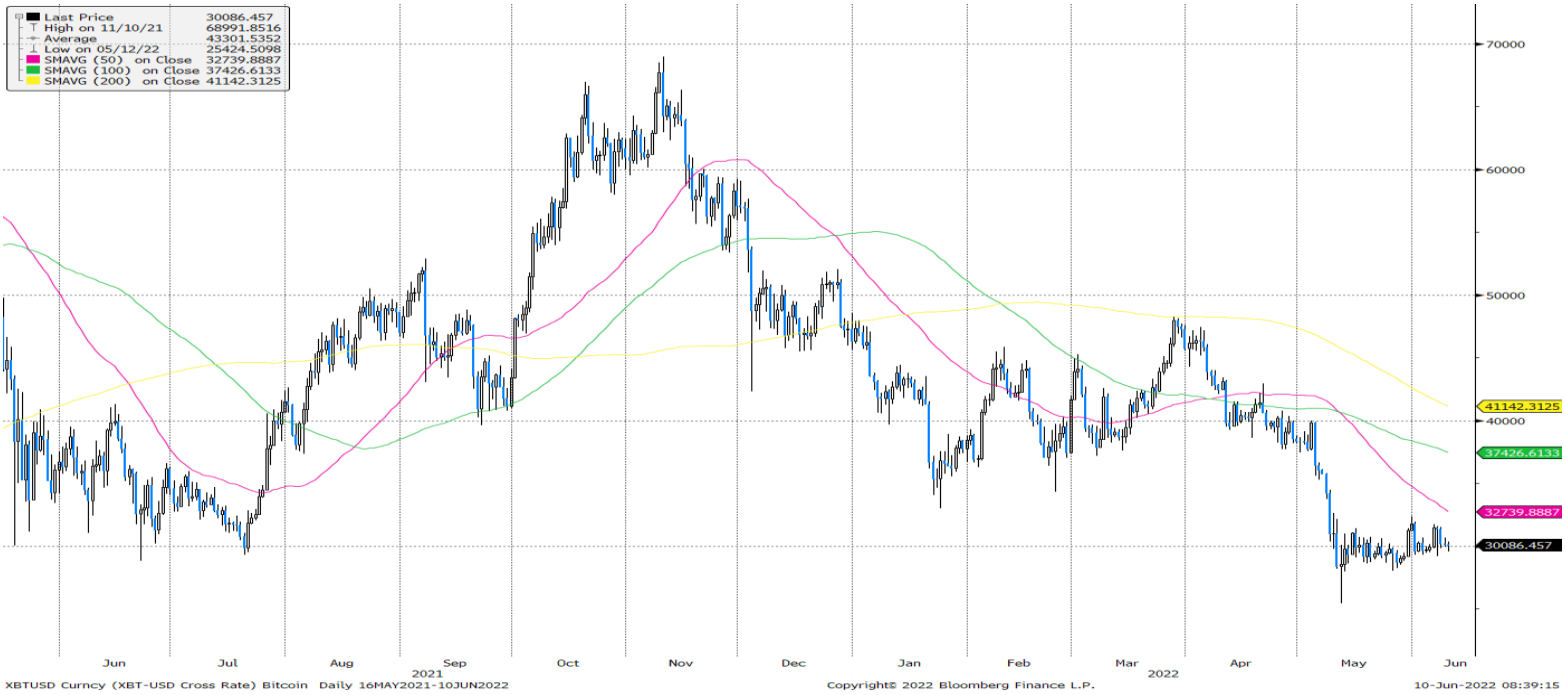
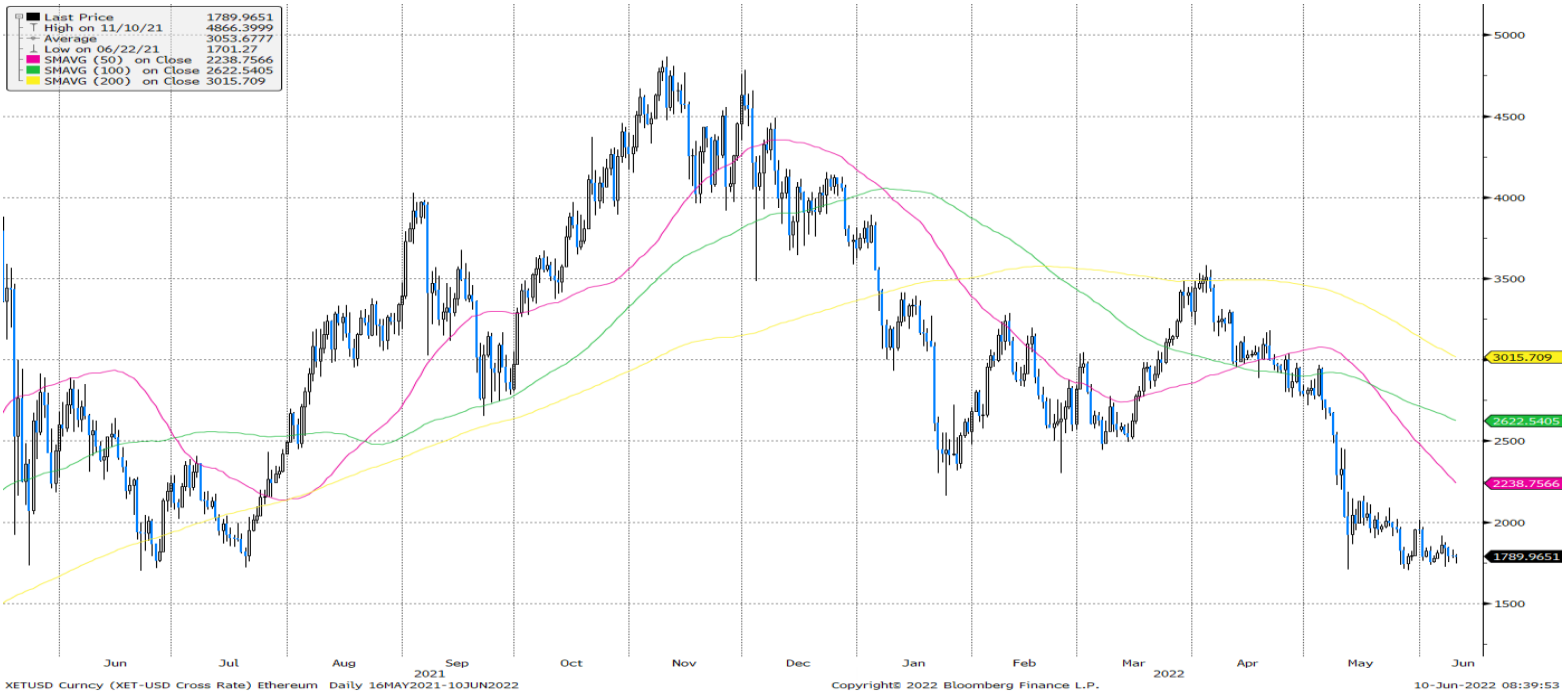
Figures and Charts



Crypto	Last	5D Change	YTD Change
Bitcoin	30 094,30	-0,22%	0,56%
Ethereum	1 791,00	-0,14%	-1,03%



Sources: Bloomberg / Trading View

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A

- **Address (Crypto Address):** An address is comparable to a bank account number. It is a unique collection of numbers and letters. This identification code is required to carry out a blockchain transaction and is unique for each owner. (ie: 1GyWgXtkVG5gsm9Ym1rkHoJHAftmPnTHQj)

- **Airdrop:** An airdrop is a way to distribute coins. End users can generally get coins for free or in exchange for a small task, such as subscribing to a newsletter, sending a tweet or inviting other people via a personal affiliate link.

- **Algorithm:** The 'algorithm' is a way to solve a task using data processing and calculations. There are different types of algorithms in use by blockchains.

- **Altcoin:** An altcoin is any cryptocurrency or token created after the Bitcoin was developed.

- **Anti-Money Laundering (AML):** AML is the abbreviation for 'anti-money laundering'. AML stands for policy and legislation on money laundering. This prevents illegally acquired funds from being converted into a legal variant. Within the crypto world, it is no longer unusual for AML techniques to be used by exchanges and wallets. This term is often used as AML/KYC, where KYC stands for 'Know your customer'.

- **APY:** APY is short for 'annual percentage yield', which is the total return rate that is earned on an interest-bearing asset or savings account. The compounding interest should be considered when the APY percentage is projected. An APY of 5% will turn $100 into $105 after exactly one year.

- **ATH:** ATH is the abbreviation of 'All-Time High' and means the highest price ever paid for a particular coin. ATH is also often used to indicate that someone's total portfolio has reached the highest value ever.

- **ATL:** ATL stands for 'all-time-low' and is the opposite of ATH, or 'all-time-high'. ATL is used to indicate that the price of a coin or the entire wallet of a person is at the lowest level ever in terms of value.

B

- **Bitcoin (BTC):** Bitcoin is the very first, best known and currently the most valuable digital coin.

- **Bitcoin (unit of Currency):** The bitcoin is the very first cryptocurrency invented in 2008 by an anonymous developer named Satoshi Nakamoto. It can be divided up to 8 digits after the comma. The smallest one is called a satoshi (0.00000001 BTC).

- **Blockchain:** The blockchain is a technique that makes it possible to safely store data in a decentralized way. This data can be money, but it could be other data as well.

Sources: blockspot.io/crypto-dictionary

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- **Bot:** A 'bot' is an autonomous program on a network, such as the Internet, that can interact with systems or users. It is often designed to automate certain manual tasks. Bots are often used in Telegram chat groups to prevent spam.

C

- **CBDC:** CBDC stands for 'Central bank digital currency' and is the fully digital form of fiat money. Unlike at Bitcoin, this type of currency would be created by a centralized authority like a central bank or a monetary authority. It might or might not have a distributed ledger. Each central bank in the world can have a custom implementation. Currently, it is still in test phase or just a concept on paper.

- **Centralized:** Centralized means that one organization has control. For example, governments and companies are centralized. The opposite of centralized is decentralized, such as the Internet and the blockchain.

- **Coin:** A Coin is the umbrella term for cryptocurrencies and tokens.

- **Cold Storage:** Cold storage refers to storing cryptocurrency on a place where the private key cannot be accessed via the internet. This can be done on a hardware wallet, paper wallet or software wallet in an offline environment.

- **Cold Wallet:** A cold wallet is a wallet for storing cryptocurrency where the private key is not exposed to the Internet.

- **Cryptocurrency:** A cryptocurrency, also known as 'crypto', is a type of currency that is transferred via a blockchain. It uses strong cryptography to secure the transactions, that usually have value. While traditional fiat currencies are subject to counterfeiting, this is not possible in a cryptocurrency. Bitcoin is still the most valuable cryptocurrency.

D

- **DAO:** DAO is an abbreviation of 'Decentralized Autonomous Organization'. This is an organization that runs automatically on itself without any human interventions. The work is automatically executed through Smart contracts.

- **DeFi:** DeFi is the abbreviation of 'Decentralized Finance'. It can be defined as a new financial ecosystem consisting of various financial tools, apps and services utilizing blockchain technology. It's an umbrella term for all these projects combined and is growing daily. Examples of DeFi functionality are banking services in the form of stablecoins, decentralized exchanges, derivatives, prediction markets, or lending and borrowing systems. The last one can be either peer-to-peer or with a pool. It is a combination of replicating products and services in the traditional finance industry as well as innovative new ones only possible with blockchain technology.

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- **DEX:** A DEX is short for Decentralized Exchange. This is an exchange where people can trade cryptocurrencies and tokens without the need of a middleman. It is usually run by code in a 'smart contract'. The transactions are generally written to the blockchain, which makes a DEX by default slower than a centralized exchange that uses fast databases. The main benefit of a DEX is that nobody, but yourself, holds the private key to the funds. Even though a DEX will not have a middleman regarding the trades, the exchange and the website are centrally managed. Therefore, it's not 100% decentralized in fact. The level of decentralization differs per DEX. Use the filters in this list with exchanges to find each DEX.

E

- **ERC-20:** ERC20 coins are all tokens on the Ethereum blockchain. These coins are also supported by most Ethereum wallets.

- **ETF:** ETF is an abbreviation for 'Exchange-Traded-Fund' or a listed fund on a stock exchange. This is a tradable product (security) that follows the price of an underlying asset. Examples are an equity index, a basket of certain securities, bonds and commodities. There are several applications for a Bitcoin ETF, but none of these has yet been approved by the SEC in the United States of America.

- **Ethereum:** Ethereum (ETH) is consists of one blockchain where both its own transactions (Ether) and those of numerous other coins (tokens) are recorded. Ethereum distinctive feature is the so-called "smart contract". The programming language of Ethereum is written in such a way that programmers can write their own programs based on the Ethereum blockchain.

F

- **Fiat Currency:** Fiat currency or also simply called fiat is money issued by a government or organizations that can issue it, like banks for example. It doesn't have any value by itself and is for decades not backed by gold anymore either. It instead remains value based on the trust of the people. Once the trust goes away it will decrease in value and could eventually cause hyperinflation.

- **Fully Diluted:** Fully Diluted in crypto refers to fully diluted market cap. This is the market cap of a coin based on its total supply instead of the circulating supply. This is an important metric for investors to compare coins and help with the decision if it's overvalued or undervalued.

H

- **HODL:** HODL is the wrong spelling of 'hold'. This spelling mistake was once made by someone accidentally or intentionally on a forum. Since then, this term has been used to indicate that you keep or should be holding your position.

Sources: blockspot.io/crypto-dictionary

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I

- **ICO:** An 'initial coin offering' (ICO) can be compared a bit with an IPO. Investors get an opportunity to invest in a certain coin for the first time. The difference with the stock market however is that a company must meet all kinds of requirements before the IPO can take place. The market of ICO's is much less regulated. Therefore, it happens more often that an ICO is fraudulent.

- **Interoperability:** The term interoperability in crypto refers to blockchain interoperability. In short, this means the ability to share information between different blockchains. Since the launch of Bitcoin, a lot of new blockchains have emerged of which the most well known Ethereum. All these new blockchains are in a way competing to get adoption by developers and users and results in a lot of silos. Since each blockchain usually has its own speciality, it would make sense for developers to utilize more than one blockchain. For this to work there is a need for the interoperability and several projects are working on this.

K

- **Key Pairs:** A key pair is the combination of a public and private key together. During the process of creating a wallet, a pair of keys is generated. The private key is the most important one and should be backed up safely and not shared with anyone.

- **KYC:** KYC is an abbreviation for 'Know Your Customer' and was created to combat money laundering via cryptocurrencies. At almost every ICO it is mandatory to prove that you are who you say you are. This is also regularly requested at crypto exchanges.

M

- **Masternode:** A masternode is a server, ran from home or in a data center, that has an essential role in a decentralized network. It usually performs specific tasks, like storing files or data and keeping it accessible in the network. It could also function to validate the transaction or for consensus purposes like voting on proposals. The technical (memory, CPU, etc.) and financial criteria (number of coins needed) are different for each coin. If the masternode you set up does not perform well it's possible to lose your coins if those are meant as collateral. The rewards could also just stop and then you can just start over again. A masternode usually gives a high reward that's paid out in the coin itself.

- **Maximum Supply:** This is the maximum number of coins that will exist for a token or cryptocurrency. If there is a max supply defined, no more coins can be created. 'Burned' coins are part of this supply, so therefore it is always larger than or equal to the total supply.
  For Bitcoin, the maximum is set to 21 million.

- **Mining:** Mining is also known as 'Cryptocurrency mining' or 'Cryptomining'. It is a process where blocks are added to a blockchain by solving a mathematical puzzle. The block can also contain transactions on that blockchain and will then become verified and immutable. Depending on the blockchain, mining can be done with a CPU, GPU, specialized hardware or a combination of all.

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N

- **NFT:** NFT is the abbreviation of non-fungible token. This is a type of token representing a unique asset. These can be either digital or represent real-world assets. Examples are a sword in a game or ownership of a piece of land. NFT's are generally scarce, unique and indivisible. The Ethereum blockchain makes it easy to create NFT's with it's ERC-721 and ERC-1155 standards.

O

- **ODN:** ODN is the abbreviation of 'OriginTrail Decentralized Network'. This is an open-source and permissionless network that relies on an off-chain technology stack consisting of several inter-related layers. It is a decentralized network of data providers, data creators, data holders, and data viewers. The glue between all entities is the ERC-20 based Trace Token (TRAC). This is used as a collateral stake to keep data holders honest and for payments to compensate the data holders for providing their resources.

P

- **Paper Wallet:** A paper wallet is an alternative to a hardware or software wallet. It is a piece of paper or a PDF containing the information to access the cryptocurrency in that wallet. It normally consists of a 'public key' and a 'private key'.

- **Permissioned Blockchain/ledger:** Anyone can mine Bitcoins because it is a public blockchain. This is not the case with a permissioned blockchain. There is a layer above it that determines which entity can write transactions in a block. The XRP coin from the company Ripple Labs is an example of such a blockchain and has CGI, MIT and Microsoft as approved entities for example. These are called "transaction validators".

- **PoA (Proof of Authority):** PoA stands for 'Proof of Authority'. This is a validation method to process transactions and blocks in a blockchain only by approved accounts. These are known as 'validators' and run specific software to store the transactions in blocks. Since the identity is linked to the system, it can contribute to more trust.

- **Private Key:** A private key in the crypto space can be defined as the combination of letters and numbers that corresponds to a specific public key. The private key can be used to gain access to the assets on that public key, also known as the wallet address. Once you share your private key with somebody, store it on your computer in plain text or type it in a website or app, you risk losing all your funds stored on its a corresponding public address.

- **Public Key:** A public key in the crypto space can be defined as a combination of letters and numbers and forms the address to which the cryptocurrencies or tokens can be sent to. Everybody who knows the public key of somebody can see the assets stored on that address. Only the owner of the corresponding private key can send those assets out.

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Q

- **QR Code:** A QR code is a type of barcode in the form of a square. The letters QR stand for 'Quick Response'. The code contains many dots, a few small squares and sometimes a small logo in the middle. This is different from most other barcode types, which are rectangular with lines. A QR code can therefore contain much more information. Within the crypto world, it is often used to make a 'wallet' address scannable. This speeds up the process of transferring crypto and prevents errors.

S

- **Satoshi Nakamoto:** Satoshi Nakamoto is the alias of the creator of Bitcoin, who wants to remain anonymous. Nobody knows who it is. It could be a person, a group, a company or even a government. It is quite likely that it is a person because there are people who have communicated with him or her via e-mail.

- **SEC:** SEC is the abbreviation of 'Securities and Exchange Commission'. This is an independent government organization of the United States of America. The SEC holds the primary responsibility regarding the financial markets. They enforce the federal securities laws, propose new rules and regulate the US financial markets.

- **Stablecoin:** Stablecoins are tokens or cryptocurrencies attempting to have a minimized volatility of its price. It usually tries to keep a stable price of a related asset like USD for example. It can be backed by the related asset or replicated using smart contracts. Stablecoins are usually pegged to fiat money, but it's also possible to be pegged to precious metals like gold or silver, or even other assets. It enables an easily accessible way to store crypto wealth, temporarily, in a more stable asset during market volatility instead of using the traditional financial ecosystem. Fiat withdrawals can take a few days and could be costly as well.

T

- **Tether:** The Tether is often abbreviated as USDT on exchanges. This is a non-government regulated 'stablecoin' with a value of around 1 US dollar. The company behind this coin claims that every Tether in circulation is covered with real dollars on their bank account.

- **Total Supply:** The 'total supply' indicates the number of coins already in circulation, supplemented with the coins that are not tradable yet. So, it only applies to coins already in existence. This is different from the 'max supply', in which future coins are included. The total supply is greater than or equal to the 'circulating' supply'. It can consist of tradable and non-tradable coins, such as reserved or not yet released coins for the team or investors.

- **Transaction Fee:** The 'transaction fee' is the amount that must be paid to execute transactions on the Blockchain. This fee is usually paid to the 'Miners', but sometimes they are burned. There are also several cryptocurrencies, where you don't have to pay a fee.

Sources: blockspot.io/crypto-dictionary

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W

- **Wallet:** A 'wallet' is a place to store cryptocurrencies encrypted. There are several variants, such as a paper wallet, hardware wallet or software wallet. Each coin has one or more supported wallets.

- **Whale:** A 'whale' is someone with a very large position in a coin.

- **Whitepaper:** A 'whitepaper' is a document that is almost always written for the launch of a new coin through an ICO. All aspects of a coin should be explained here: how it is used, for what and sometimes also the price expectation. After the ICO new versions can be released if the situation changes.

Y

- **Yield Farming:** Yield farming is the process of generating the most returns possible on your crypto assets by putting them to work. Within the crypto space, DeFi has taken on a big role and services inside this space are making yield farming possible. There are nowadays ways to move your crypto assets to pools to gain interest on those assets giving it an annual percentage yield (APY). Just buying crypto-assets and holding them in your wallet, won't generate any yield, but lending them out with DeFi services like, Compound, for example, does make this possible. A term closely related to yield farming is liquidity mining.

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