

Market Corner

Most Asian stocks dropped along with US equity futures Monday and the dollar jumped as the risk of more Covid curbs in China exacerbated overarching worries about the global economic outlook.

An Asian equity gauge shed about 1% amid declines in Hong Kong and China. Japan was a bright spot, buoyed by the prospect of administrative stability after the ruling coalition expanded its majority in an upper house election.

A dollar gauge was back around the highest level since 2020. The yen was the weakest Group-of-10 performer, possibly because investors viewed the poll result as an endorsement of Japan's super-easy monetary policy.

Shanghai reported its first case of the highly infectious BA.5 omicron sub-variant Sunday and warned of "very high" risks, stoking fears of more lockdowns given China remains wedded to stamping out the pathogen. Casino shares sapped Hong Kong after Macau announced the closure of almost all businesses for a week from Monday due to a virus outbreak.

Commodity-linked currencies were under pressure and oil suffered losses. Treasuries were steady, leaving the US 10-year yield at 3.08%. Inversions along the yield curve are potential signs of economic retrenchment ahead.

A US inflation reading later this week is expected to get closer to 9%, a fresh four-decade high, buttressing the Federal Reserve's case for a jumbo July interest-rate hike. Company earnings, meanwhile, will shed light on recession fears that contributed to an \$18 trillion first-half wipeout in global equities.

<u>World Indices</u>	<u>Last</u>	<u>1D Change</u>
<u>Dow Jones</u>	31 338,15	-0,15%
<u>S&P 500</u>	3 899,38	-0,08%
<u>Nasdaq</u>	11 635,31	0,12%
<u>Eurostoxx 50</u>	3 506,55	0,52%
<u>FTSE 100</u>	7 196,24	0,10%
<u>CAC 40</u>	6 033,13	0,44%
<u>DAX</u>	13 015,23	1,34%
<u>SMI</u>	11 015,03	0,68%
<u>Nikkei</u>	26 822,79	1,15%
<u>Hang Seng</u>	21 057,18	-3,08%
<u>CSI 300</u>	4 335,97	-2,10%
<u>VIX Index</u>	24,64	-5,52%

<u>World Bonds</u>	<u>Last</u>	<u>1D Change</u>
<u>US 10Y</u>	3,0803	0,00%
<u>EUR 10Y</u>	1,3450	2,05%
<u>Swiss 10Y</u>	0,9190	3,84%
<u>UK 10Y</u>	2,23	4,93%

Source: Bloomberg



Morning Call

Geneva, July 11, 2022

Crypto Corner

Bitcoin bulls beware: Wall Street expects the cryptocurrency's crash to get a whole lot worse.

The token is more likely to tumble to \$10,000, cutting its value roughly in half, than it is to rally back to \$30,000, according to 60% of the 950 investors who responded to the latest MLIV Pulse survey. Forty percent saw it going the other way. It was around \$21,850 late Friday afternoon, ending the week up over 12%.

The lopsided prediction underscores how bearish investors have become. The crypto industry has been rocked by troubled lenders, collapsed currencies, and an end to the easy money policies of the pandemic that fueled a speculative frenzy in financial markets.

Some \$2 trillion has vanished from the market value of cryptocurrencies since late last year, according to data compiled by CoinGecko.

Retail investors were more apprehensive about cryptocurrencies than their institutional counterparts, with almost a quarter declaring the asset class to be garbage. Professional investors were more open-minded toward digital assets.

But overall, this sector remains a polarizing one: while some 28% of the overall respondents expressed strong confidence that cryptocurrencies are the future of finance, 20% said they're worthless.

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Crypto Market Cap: [\\$915B](#)

24h Vol: [\\$53,4B](#)

Dominance: [BTC: 42,8%](#) [ETH: 15,3%](#)

Crypto	Last	1D Change
Bitcoin	20 485,74	-2,32%
Ethereum	1 145,45	-2,72%



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

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Commodity Corner

Gold was steady ahead of data this week from the world's two biggest economies that could bolster the precious metal's haven status.

Bullion is trading near the lowest level in more than nine months after posting a fourth weekly decline on Friday. Investors concerned about the prospect of a global economic downturn have turned to the US dollar, which has firmed.

US inflation figures this week may stiffen the resolve of Federal Reserve policy makers to proceed with another big boost in interest rates later this month. China is scheduled to unveil economic indicators including gross domestic product, retail sales, fiscal revenue and bank borrowing that will likely set the pace for monetary and fiscal stimulus for the rest of the year.

Spot gold was little changed at \$1,741.45 an ounce at 1:40 p.m. in Singapore, after falling 3.8% last week. The Bloomberg Dollar Spot Index gained. Silver, platinum and palladium all retreated.

Precious Metals	Last	1D Change
<u>Gold</u>	1 740,40	-0,12%
<u>Silver</u>	19,18	-0,72%
<u>Platinum</u>	885,70	-1,01%
<u>Palladium</u>	2 105,86	-2,55%

Oil declined as the prospect of more demand-sapping virus restrictions in China overshadowed signs of a tightening market.

West Texas Intermediate dropped near \$104 a barrel after posting a loss last week in volatile trading. Virus cases continued to climb in Shanghai and other regions, with new sub-variants providing a challenge to the country's Covid Zero strategy. Concerns that the US may tip into a recession are also hanging over the market as the central bank raises rates to combat inflation.

"Covid numbers are ticking up again," said Stephen Innes, managing partner at SPI Asset Management. "Although the possible demand impact of a recession continues to weigh on sentiment, the prevailing view, at least for now, is that the longer-term structural issues facing the oil market will support prices."

Oil dipped below \$100 a barrel last week before rebounding as the market was whipsawed by competing supply and demand outlooks. US President Joe Biden is scheduled to visit Saudi Arabia this week during a tour of the Middle East as he seeks to tame rising energy prices that are weighing on the economy.

World Commodities	Last	1D Change
<u>WTI Crude</u>	103,56	-1,17%
<u>Brent Crude</u>	106,07	-0,89%
<u>Nat Gas (HH)</u>	6,35	5,20%
<u>Nickel</u>	21 513,50	0,20%
<u>Copper</u>	346,60	-1,87%
<u>Corn</u>	800,00	2,79%
<u>Wheat</u>	879,25	6,64%
<u>Soybean</u>	1 630,25	2,45%
<u>Coffee</u>	222,90	0,32%
<u>Cotton</u>	104,09	1,44%
<u>Sugar</u>	19,02	2,70%

Source: fxstreet.com / Bloomberg



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FX Corner

EUR/USD has recovered some intraday losses after fetching bids near 1.0135 in early Europe. The US dollar bulls take a breather amid a cautious mood. The pair is likely to remain on the tenterhooks amid the European gas crisis and Fed-ECB policy divergence.

GBP/USD has witnessed a steep fall after failing to tap Friday's high of 1.2055 in the early Asian session. The downside move by the greenback bulls has dragged the cable below the psychological support of 1.2000.

USD/JPY is trading around 137.00, sitting at the highest level since 1998. The Japanese yen got sold off into the dovish rhetoric by BOJ Governor Kuroda, as he said that the central bank will stick to its ultra-loose monetary policy. Broad USD strength also boosts the pair.

AUD/USD : A combination of factors prompted fresh selling around AUD/USD on Monday. The USD stood tall near a two-decade high amid aggressive Fed rate hike bets. Recession fears and a softer risk tone further undermined the risk-sensitive aussie.

World Currencies	Last	1D Change
<u>EURUSD</u>	1,0140	-0,44%
<u>EURCHF</u>	0,9925	0,21%
<u>EURGBP</u>	0,8465	-0,02%
<u>EURJPY</u>	139,01	-0,26%
<u>USDCHF</u>	0,9788	-0,16%
<u>USDJPY</u>	137,10	-0,73%
<u>USDCAD</u>	1,2983	-0,28%
<u>USDTRY</u>	17,28	-0,10%
<u>GBPUSD</u>	1,1978	-0,46%
<u>AUDUSD</u>	0,6809	-0,70%
<u>NZDUSD</u>	0,6164	-0,45%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	0.9911	1.0030	1.0108	1.0227	1.0268	1.0387
USDJPY	133.54	134.77	135.44	136.67	137.23	138.46
GBPUSD	1.1731	1.1867	1.1950	1.2086	1.2139	1.2275
USDCAD	1.2775	1.2874	1.2910	1.3009	1.3072	1.3171
AUDUSD	0.6677	0.6759	0.6808	0.6890	0.6923	0.7005
NZDUSD	0.6027	0.6102	0.6147	0.6222	0.6252	0.6327
USDCHF	0.9616	0.9690	0.9731	0.9805	0.9838	0.9912
USDTRY	17.0173	17.1409	17.2000	17.3236	17.3881	17.5117
XAUUSD	1704.56	1723.63	1733.05	1752.12	1761.77	1780.84
XAGUSD	18.3902	18.8262	19.0706	19.5066	19.6982	20.1342

Source: Refinitiv / fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars Options

ECO Calendars View Alerts Export

G8 Browse 08:03:28 07/11/22 - 07/11/22

Economic Releases All Economic Releases View Agenda Weekly

Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
07/07-07/11		RU				Consumer Confidence Index	2Q	--	--	-21	--
07/11	01:50	JN				Money Stock M2 YoY	Jun	3.1%	--	3.2%	--
07/11	01:50	JN				Money Stock M3 YoY	Jun	2.8%	--	2.9%	--
07/11	01:50	JN				Core Machine Orders MoM	May	-5.5%	--	10.8%	--
07/11	01:50	JN				Core Machine Orders YoY	May	5.8%	--	19.0%	--
07/11	08:00	JN				Machine Tool Orders YoY	Jun P	--	--	23.7%	--
07/11	08:30	EC				Bloomberg July Eurozone Economic Survey					
07/11	08:35	GE				Bloomberg July Germany Economic Survey					
07/11	08:40	FR				Bloomberg July France Economic Survey					
07/11	08:45	IT				Bloomberg July Italy Economic Survey					
07/11	10:00	IT				Retail Sales MoM	May	--	--	0.0%	--
07/11	10:00	IT				Retail Sales YoY	May	--	--	8.4%	--
07/11	10:30	IT				Bank of Italy Releases Banks and Money Monthly Statistics					
07/11	11:00	IT				Istat Releases the Monthly Economic Note					
07/11	14:00	CA				Bloomberg Nanos Confidence	Jul 8	--	--	47.5	--
07/11		RU				Current Account Balance	2Q P	--	--	68384m	--
07/11-07/13		RU				Budget Balance YTD	Jun	--	--	1495.4b	--
07/11-07/16		GE				Wholesale Price Index MoM	Jun	--	--	1.0%	--
07/11-07/16		GE				Wholesale Price Index YoY	Jun	--	--	22.9%	--

Source: Refinitiv

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