

Market Corner

Stocks in Asia edged higher, while US equity futures pared declines Thursday as investors assessed the prospect of a recession on hardened expectations for more aggressive Federal Reserve monetary tightening after sizzling US inflation data.

An Asian share erased earlier losses as Chinese technology shares advanced. S&P 500 and Nasdaq 100 contracts shed about 0.2%. A volatile US session ended with modest losses; a resilience possibly rooted in speculation over whether the 9.1% consumer-price reading marks the peak. European contracts rose.

Traders shifted toward expectations of an historic one percentage-point Fed interest-rate hike later this month. Fed Bank of Atlanta President Raphael Bostic said "everything is in play" to combat price pressures.

Treasury two-year yields, sensitive to imminent Fed moves, climbed further while longer-maturity rates also went higher. The inversion between two-year and 10-year yields -- a potential recession indicator -- is the deepest since 2000. The dollar advanced and the euro fell back toward \$1 after briefly dipping below it Wednesday. Oil hovered at \$96 a barrel. Bitcoin rallied past \$20,000.

In Singapore, the city state's currency strengthened on an unexpected tightening of monetary settings, part of a global wave of steps to curb the cost of living. Australian bond yields surged on a strong jobs report, which boosted the case for a further increase in borrowing costs.

<u>World Indices</u>	<u>Last</u>	<u>1D Change</u>
<u>Dow Jones</u>	30 772,79	-0,67%
<u>S&P 500</u>	3 801,78	-0,45%
<u>Nasdaq</u>	11 247,58	-0,15%
<u>Eurostoxx 50</u>	3 453,97	-0,95%
<u>FTSE 100</u>	7 156,37	-0,74%
<u>CAC 40</u>	6 000,24	-0,73%
<u>DAX</u>	12 756,32	-1,16%
<u>SMI</u>	10 904,85	-1,49%
<u>Nikkei</u>	26 686,57	0,78%
<u>Hang Seng</u>	20 737,37	-0,29%
<u>CSI 300</u>	4 330,30	0,20%
<u>VIX Index</u>	26,82	-1,72%

<u>World Bonds</u>	<u>Last</u>	<u>1D Change</u>
<u>US 10Y</u>	2,9429	0,32%
<u>EUR 10Y</u>	1,1450	1,15%
<u>Swiss 10Y</u>	0,7410	-3,14%
<u>UK 10Y</u>	2,06	-0,72%

Source: Bloomberg



Morning Call
Geneva, July 14, 2022

Crypto Corner

Cryptocurrency lender Celsius Network filed for Chapter 11 bankruptcy, the latest casualty of a \$2 trillion crash that has wiped out some of the industry's biggest names and exposed hundreds of thousands of individual investors to steep losses.

Celsius, which has more than 100,000 creditors, said it took the step to stabilize its business and work out a restructuring for all stakeholders. The filing was done in the Southern District of New York.

The company, one of the largest cryptocurrency lenders, had amassed more than \$20 billion in assets by offering interest rates as high as 18% to depositors before it halted all withdrawals in June amid a panic run by clients. In its latest statement, Celsius said it has both estimated assets and liabilities anywhere between \$1 billion to \$10 billion.

Celsius' troubles are emblematic of the problems plaguing the digital asset space, where rising US interest rates have sent investors fleeing and triggered the collapse of lenders and hedge funds. Crypto broker Voyager Digital Ltd. filed for Chapter 11 bankruptcy protection this month while liquidators have been called in for bankrupt crypto hedge fund Three Arrows Capital.

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Crypto Market Cap: [\\$897B](#) 24h Vol: [\\$74,8B](#) Dominance: [BTC: 42,8%](#) [ETH: 15,0%](#)

Crypto	Last	1D Change
Bitcoin	20 059,96	2,05%
Ethereum	1 103,32	2,57%



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

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Commodity Corner

Gold dipped after rallying in the wake of a searing inflation report from the US, as investors again turned to the greenback as a haven asset.

Bullion on Wednesday bucked a downward trend that's seen it slide for four consecutive weeks after data showed US inflation roared last month to a fresh four-decade high, up 9.1% from a year earlier.

The precious metal finished up 0.6% in the previous session as investors bet that the Fed is more likely than not to raise interest rates by 100 basis points when it meets July 26-27, a move that would boost the chances of the world's largest economy entering a recession.

By Thursday, investors had digested the inflation news and again turned away from gold to the greenback as a hedge, according to David Lennox, a resources analyst at Fat Prophets.

Spot gold was down 0.4% to \$1,728.09 at 9:10 a.m. in Singapore. The Bloomberg Dollar Spot Index gained 0.3%, reversing Thursday's decline. Silver, platinum and palladium all fell.

Precious Metals	Last	1D Change
<u>Gold</u>	1 727,30	-0,47%
<u>Silver</u>	19,06	-0,82%
<u>Platinum</u>	851,17	-0,78%
<u>Palladium</u>	1 971,61	-0,50%

Oil rose for a second session as investors weighed signs of tight physical markets against concerns over an economic slowdown.

West Texas Intermediate futures edged toward \$97 a barrel after closing 0.5% higher on Wednesday. Time spreads are signaling scarce supply and Goldman Sachs Group Inc. said the market is "screaming" it's very tight. However, sizzling US inflation raised the prospect of further interest rate hikes.

Crude is still heading for a second weekly decline and poised to end the week below \$100 a barrel for the first time since early April. High US gasoline prices are starting to taking their toll on consumption, with demand falling last week to the lowest level for this time of the year since 1996.

President Joe Biden landed in the Middle East on Wednesday just as a report showed inflation soared to a four-decade high last month, reflecting higher costs including gasoline, which are a central issue in US elections. Biden has repeatedly called on OPEC to pump more to help tame rising energy prices, and he is scheduled to visit Saudi Arabia during his regional tour.

World Commodities	Last	1D Change
<u>WTI Crude</u>	96,32	0,02%
<u>Brent Crude</u>	99,68	0,11%
<u>Nat Gas (HH)</u>	6,67	-0,34%
<u>Nickel</u>	21 087,50	-1,05%
<u>Copper</u>	332,55	0,88%
<u>Corn</u>	738,25	-0,24%
<u>Wheat</u>	798,25	-0,41%
<u>Soybean</u>	1 659,75	4,50%
<u>Coffee</u>	211,25	0,96%
<u>Cotton</u>	94,25	-1,22%
<u>Sugar</u>	19,14	2,41%

Source: fxstreet.com / Bloomberg



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FX Corner

EUR/USD remains pressured below 1.0050, as higher US CPI may compel Fed to announce a 100 bps rate hike. Fed-ECB policy divergence will widen further as ECB may test the waters before going all in. The next trigger for the EURUSD price will be the US Retail Sales.

GBP/USD reverses the previous day's corrective pullback, holds lower ground near intraday bottom of late. UK Presidential candidates remain mostly intact on Brexit bias while struggling to offer more than tax cuts. US PPI eyed after CPI blowout.

USD/JPY has turned sideways after printing a fresh 23-year high of 138.12 in the Asian session. The pair is holding its elevated levels firmly and is expected to accelerate further as the market has started betting on a 100 bps by the Fed later this month.

AUD/USD is extending gains towards 0.6800 on stronger-than-expected Australian jobs data. The aussie Unemployment Rate slumped to a new 48-year low of 3.5% in June. The US dollar clings to the CPI-led gains amid a tepid risk tone. Focus shifts to US data.

World Currencies	Last	1D Change
<u>EURUSD</u>	1,0021	-0,38%
<u>EURCHF</u>	0,9842	0,05%
<u>EURGBP</u>	0,8455	0,04%
<u>EURJPY</u>	138,67	-0,35%
<u>USDCHF</u>	0,9821	-0,36%
<u>USDJPY</u>	138,38	-0,72%
<u>USDCAD</u>	1,2997	-0,18%
<u>USDTRY</u>	17,46	-0,19%
<u>GBPUSD</u>	1,1852	-0,31%
<u>AUDUSD</u>	0,6752	-0,12%
<u>NZDUSD</u>	0,6117	-0,23%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	0.9812	0.9936	0.9997	1.0121	1.0184	1.0308
USDJPY	134.98	136.15	136.77	137.94	138.49	139.66
GBPUSD	1.1617	1.1756	1.1822	1.1961	1.2034	1.2173
USDCAD	1.2744	1.2867	1.2921	1.3044	1.3113	1.3236
AUDUSD	0.6607	0.6685	0.6723	0.6801	0.6841	0.6919
NZDUSD	0.5946	0.6037	0.6084	0.6175	0.6219	0.6310
USDCHF	0.9640	0.9716	0.9751	0.9827	0.9868	0.9944
USDTRY	16.9992	17.1916	17.3084	17.5008	17.5764	17.7688
XAUUSD	1653.63	1691.54	1713.53	1751.44	1767.36	1805.27
XAGUSD	18.0542	18.6088	18.9122	19.4668	19.7180	20.2726

Source: Refinitiv / fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars Options

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Economic Releases All Economic Releases View Agenda Weekly

Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
07/14	01:01	UK				RICS House Price Balance	Jun	70%	--	73%	--
07/14	01:50	JN				Foreign Buying Japan Stocks	Jul 8	--	--	-¥490.4b	--
07/14	01:50	JN				Foreign Buying Japan Bonds	Jul 8	--	--	¥330.5b	--
07/14	01:50	JN				Japan Buying Foreign Stocks	Jul 8	--	--	¥1191.7b	--
07/14	01:50	JN				Japan Buying Foreign Bonds	Jul 8	--	--	-¥1415.4b	--
07/14	06:30	JN				Industrial Production MoM	May F	--	--	-7.2%	--
07/14	06:30	JN				Industrial Production YoY	May F	--	--	-2.8%	--
07/14	06:30	JN				Capacity Utilization MoM	May	--	--	0.0%	--
07/14	08:00	GE				Wholesale Price Index MoM	Jun	--	--	1.0%	--
07/14	08:00	GE				Wholesale Price Index YoY	Jun	--	--	22.9%	--
07/14	11:00	EC				European Commission Publishes Summer Economic Forecasts					
07/14	14:30	US				PPI Final Demand MoM	Jun	0.8%	--	0.8%	--
07/14	14:30	US				PPI Ex Food and Energy MoM	Jun	0.5%	--	0.5%	--
07/14	14:30	US				PPI Ex Food, Energy, Trade MoM	Jun	0.5%	--	0.5%	--
07/14	14:30	US				PPI Final Demand YoY	Jun	10.7%	--	10.8%	--
07/14	14:30	US				PPI Ex Food and Energy YoY	Jun	8.2%	--	8.3%	--
07/14	14:30	US				PPI Ex Food, Energy, Trade YoY	Jun	6.6%	--	6.8%	--
07/14	14:30	CA				Manufacturing Sales MoM	May	-2.4%	--	1.7%	--
07/14	14:30	US				Initial Jobless Claims	Jul 9	235k	--	235k	--
07/14	14:30	US				Continuing Claims	Jul 2	1380k	--	1375k	--
07/14	15:00	RU				Gold and Forex Reserve	Jul 8	--	--	586.8b	--
07/14-07/22		RU				PPI YoY	Jun	17.8%	--	19.3%	--

Source: Refinitiv

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