



Morning Call

Geneva, July 4, 2022

Market Corner

US equity futures fell, and Asian stocks trimmed gains Monday as slowing economic growth and sticky inflation continue to handicap markets.

In a quiet session ahead of the US Independence Day holiday, an Asian share index climbed but was off session highs, S&P 500 and Nasdaq 100 contracts shed more than 0.5% and European futures pushed higher.

Sovereign debt extended a rally triggered by a reassessment of how high central banks can hike interest rates to fight inflation given that economic expansion is wobbling. Bonds rose in New Zealand and Australia, while Treasury futures edged up -- there's no cash Treasuries trading due to the US break.

The dollar was steady, oil slid closer to \$108 a barrel and Bitcoin retreated toward the \$19,000 level.

In the US and elsewhere, signs of economic weakness are becoming more apparent in everything from personal spending to manufacturing. Investors are increasingly fretting about recession and its implications rather than focusing exclusively on elevated price pressures.

The psychology of the market is "shifting radically from inflation concerns to one now where we're firmly focused on growth," Chris Weston, head of research at Pepperstone Group, wrote in a note. One of the fears now is that the Fed will be too slow in dialing back on rate increases, he said.

In China, officials are trying to repel a Covid flareup that could buffet an economically significant region. That's another test of Beijing's strategy of trying to eliminate the pathogen with mass testing and disruptive lockdowns.

Separately, developer Shimao Group Holdings Ltd. said it didn't pay a \$1 billion dollar note that matured Sunday, among the biggest dollar payment failures so far this year in China.

World Indices	Last	1D Change
<u>Dow Jones</u>	31 097,26	1,05%
<u>S&P 500</u>	3 825,33	1,06%
<u>Nasdaq</u>	11 127,84	0,90%
<u>Eurostoxx 50</u>	3 448,31	-0,19%
<u>FTSE 100</u>	7 168,65	-0,01%
<u>CAC 40</u>	5 931,06	0,14%
<u>DAX</u>	12 813,03	0,23%
<u>SMI</u>	10 770,40	0,27%
<u>Nikkei</u>	26 140,24	0,79%
<u>Hang Seng</u>	21 810,80	-0,22%
<u>CSI 300</u>	4 489,56	0,51%
<u>VIX Index</u>	26,70	-7,00%

World Bonds	Last	1D Change
<u>US 10Y</u>	2,8803	0,00%
<u>EUR 10Y</u>	1,2320	-7,78%
<u>Swiss 10Y</u>	0,8700	-18,62%
<u>UK 10Y</u>	2,09	-6,42%

Source: Bloomberg



Morning Call
Geneva, July 4, 2022

Crypto Corner

When **MicroStrategy Inc.** began buying Bitcoin in bulk in the summer of 2020, CEO Michael Saylor said it was because inflation would make cash worthless. The crypto pile he has since accumulated was worth \$3.4 billion less at the end of the second quarter than the previous one.

Technically, the decline is yet another paper loss for the enterprise software maker under US accounting rules until any of the Bitcoin is sold, but there are consequences. MicroStrategy will likely need to take a substantial impairment charge when it reports second-quarter results. And for shareholders, the stock tumbled 66% in the quarter ended Thursday, outpacing Bitcoin's 59% decline.

Saylor has downplayed any concerns, sticking to the strategy and adding to his stockpile last quarter as Bitcoin experienced its biggest price drop in more than a decade. MicroStrategy noted at the end of June that it would report results as normal later in the coming quarter even though Wall Street regulators typically require companies to flag big losses much earlier.

MicroStrategy's Bitcoin stash was worth about \$5.9 billion at the end of the first quarter, which means that with Bitcoin finishing around \$18,900 on June 30, that same pile -- including some small purchases announced at the end of June -- was worth about \$2.45 billion, or 58% less than just three months ago.

""

Crypto Market Cap: [\\$872B](#)

24h Vol: [\\$75.8B](#)

Dominance: [BTC: 42,6%](#) [ETH: 14,7%](#)

Crypto	Last	1D Change
Bitcoin	19 113,77	-1,58%
Ethereum	1 053,12	-2,80%



Source: fxstreet.com / Bloomberg/Coinmarketcap.com



Morning Call

Geneva, July 4, 2022

Commodity Corner

Gold was steady as traders weighed the outlook for further monetary-policy tightening, which risks triggering an economic slowdown.

Bullion just capped a third weekly decline as central banks globally raised interest rates to rein in elevated inflation, weighing on the non-interest-bearing precious metal. Prices are on the cusp of a so-called death cross pattern -- when the 50-day moving average drops below its 200-day counterpart -- which is a bearish signal for some traders. Still, concerns over a looming downturn could see some support as investors seek haven assets.

A potential US recession -- which economists see as increasingly possible by the end of next year -- could well be modest, but it might also be long. Many observers expect any decline to be a lot less wrenching than the 2007-09 Great Financial Crisis and the back-to-back downturns seen in the 1980s, when inflation was last this high.

Traders will look through the minutes of the Federal Reserve's latest meeting due later this week for further clues on the central bank's tightening path. Up for debate is whether it will hike by 50 or 75 basis points at its July 26-27 gathering. US stock and bond markets will be closed for the Independence Day holiday Monday.

Spot gold was little changed at \$1,812.12 an ounce as of 11:56 a.m. in Singapore, after dropping 0.9% last week. The Bloomberg Dollar Spot Index was steady. Silver was flat near the lowest in almost two years, and platinum is trading around the lowest since November 2020. Palladium declined.

Precious Metals		Last	1D Change
<u>Gold</u>		1 812,63	0,07%
<u>Silver</u>		19,90	0,13%
<u>Platinum</u>		895,09	0,26%
<u>Palladium</u>		1 942,76	-0,86%

Oil fluctuated as investors weighed concerns that a global slowdown will erode demand against still-solid physical market signals.

West Texas Intermediate rose toward \$109 a barrel after dropping more than 1% earlier in the session. Trading volumes will likely be weaker than usual on Monday given the holiday in the US for the Fourth of July break.

Crude was buffeted last month as signs of an impending US recession prompted a wave of selling in commodities. Still, supply outages, including in Libya, have offset some of the weakness. Key time spreads also show a robust market.

Oil remains more than 40% higher this year after being boosted by the war in Ukraine, which triggered a wave of sanctions on Russian flows. Many product prices remain elevated and Vitol Group, the biggest independent oil trader, warned at the weekend that surging fuel costs are starting to hurt demand.

World Commodities		Last	1D Change
<u>WTI Crude</u>		108,88	0,42%
<u>Brent Crude</u>		112,15	0,47%
<u>Nat Gas (HH)</u>		5,69	-0,63%
<u>Nickel</u>		21 767,00	-3,90%
<u>Copper</u>		360,95	-0,26%
<u>Corn</u>		754,50	1,45%
<u>Wheat</u>		831,25	-4,32%
<u>Soybean</u>		1 626,00	-2,93%
<u>Coffee</u>		228,45	-2,20%
<u>Cotton</u>		103,68	-0,25%
<u>Sugar</u>		18,07	-2,32%

Source: fxstreet.com / Bloomberg



Morning Call

Geneva, July 4, 2022

FX Corner

EUR/USD remains pressured around 1.0425-30, fading late Friday's bounce off a fortnight low inside a falling wedge bullish chart formation. In doing so, the major currency pair not only retreats from the upper line of the stated wedge but also steps back from the 50-HMA.

GBP/USD licks its wounds around two-week low, picks up bids of late. Another attempt to oust UK PNM Johnson, pessimism among British companies keeps bears hopeful. UK updates, recession fears to underpin bearish bias ahead of FOMC Minutes, US employment report.

USD/JPY has remained subdued in the Asian session, following the footprints of the US dollar index (DXY). The major slipped lower at the open to the crucial support of 134.78, however, the asset rebounded firmly and is now attempting to sustain above the round-level support of 134.78.

AUD/USD is trading around 0.6800, consolidating the biggest weekly loss in four. The aussie meets fresh supply as the US dollar sees a renewed upside amid a mixed mood and holiday-thinned light trading. Focus shifts to the RBA rate decision.

World Currencies	Last	1D Change
<u>EURUSD</u>	1,0433	0,18%
<u>EURCHF</u>	1,0006	0,05%
<u>EURGBP</u>	0,8622	-0,06%
<u>EURJPY</u>	141,18	-0,13%
<u>USDCHF</u>	0,9590	0,22%
<u>USDJPY</u>	135,32	-0,08%
<u>USDCAD</u>	1,2876	0,18%
<u>USDTRY</u>	16,76	-0,07%
<u>GBPUSD</u>	1,2101	0,05%
<u>AUDUSD</u>	0,6833	0,28%
<u>NZDUSD</u>	0,6223	0,50%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	1.0182	1.0302	1.0358	1.0478	1.0542	1.0662
USDJPY	132.84	134.08	134.64	135.88	136.56	137.80
GBPUSD	1.1672	1.1878	1.1987	1.2193	1.2290	1.2496
USDCAD	1.2713	1.2812	1.2855	1.2954	1.3010	1.3109
AUDUSD	0.6546	0.6687	0.6750	0.6891	0.6969	0.7110
NZDUSD	0.5993	0.6095	0.6143	0.6245	0.6299	0.6401
USDCHF	0.9405	0.9502	0.9557	0.9654	0.9696	0.9793
USDTRY	16.5369	16.6360	16.6927	16.7918	16.8342	16.9333
XAUUSD	1747.82	1775.24	1793.34	1820.76	1830.08	1857.50
XAGUSD	18.0206	18.9375	19.4070	20.3239	20.7713	21.6882

Source: Refinitiv / fxstreet.com / Bloomberg



Morning Call

Geneva, July 4, 2022

Event Corner

ECO Economic Calendars Options

ECO Calendars View Alerts Export

G8 Browse 08:36:46 07/04/22 - 07/04/22

Economic Releases All Economic Releases View Agenda Weekly

Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
06/29-07/08		RU				Consumer Confidence Index	2Q	--	--	-21	--
07/04	01:50	JN				Monetary Base YoY	Jun	--	--	4.6%	--
07/04	01:50	JN				Monetary Base End of period	Jun	--	--	¥673.4t	--
07/04	08:00	GE				Exports SA MoM	May	-1.6%	--	4.4%	4.5%
07/04	08:00	GE				Imports SA MoM	May	-0.3%	--	3.1%	3.6%
07/04	08:00	GE				Trade Balance SA	May	2.2b	--	3.5b	3.1b
07/04	10:30	EC				Sentix Investor Confidence	Jul	-20.0	--	-15.8	--
07/04	11:00	EC				PPI MoM	May	1.3%	--	1.2%	--
07/04	11:00	EC				PPI YoY	May	37.1%	--	37.2%	--
07/04	14:00	CA				Bloomberg Nanos Confidence	Jul 1	--	--	48.3	--
07/04	15:30	CA				S&P Global Canada Manufacturing PMI	Jun	--	--	56.8	--
07/04	16:30	CA				BoC Overall Business Outlook Survey	2Q	--	--	5.0	--
07/04	16:30	CA				BoC Business Outlook Future Sales	2Q	--	--	-11.00	--
07/04-07/08		RU				Wellbeing Fund	Jun	--	--	\$197.7b	--

Source: Refinitiv

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