

Market Corner

Asian stocks gained as cooler-than-expected US inflation data spurred bets that the Federal Reserve will raise interest rates at a slower pace.

The MSCI Asia Pacific ex-Japan Index rose as much as 1.5%, the most in three weeks, lifted by technology shares amid falling Treasury yields. Tech-heavy markets including Taiwan and South Korea led gains in the region. Benchmarks in China also advanced.

US inflation decelerated in July by more than expected, spurring a rally in US shares overnight as investors bet on a potential pivot by the Fed on monetary tightening. The positive sentiment carried through to the Asian trading session, while traders continued to monitor the Covid lockdowns in some Chinese cities.

US equities staged a major rally on Wednesday, propelled by technology stocks as traders read cooling inflation data as a sign the Federal Reserve may curb the pace of interest rate hikes.

The S&P 500 closed up 2% to reach its highest level since early May. All 11 major industry groups rose, led by the materials and consumer discretionary sectors. The Nasdaq Composite Index and the Nasdaq 100 Index both climbed about 2.8%, with both gauges marking a 20% rebound from their June lows. Meanwhile, Apple, the world's biggest company by market cap, nearly erased its losses from early in the year. And the Dow Jones Industrial Average increased 1.5%.

US inflation decelerated in July by more than expected, reflecting lower energy prices, Labor Department data showed. Swaps traders jumped to trim bets on the probability of another 75-basis-point rate hike in September and tilted toward a move of 50 basis points.

The rally provides more fodder for investors who believe the mid-June low in benchmark indexes will turn out to be the bottom of the bear market.

World Indices	Last	1D Change
<u>Dow Jones</u>	33 309,51	1,63%
<u>S&P 500</u>	4 210,24	2,13%
<u>Nasdaq</u>	12 854,80	2,89%
<u>Eurostoxx 50</u>	3 749,35	0,91%
<u>FTSE 100</u>	7 507,11	0,25%
<u>CAC 40</u>	6 523,44	0,52%
<u>DAX</u>	13 700,93	1,23%
<u>SMI</u>	11 155,10	0,20%
<u>Nikkei</u>	27 819,33	-0,65%
<u>Hang Seng</u>	20 031,08	2,14%
<u>CSI 300</u>	4 189,95	1,95%
<u>VIX Index</u>	19,74	-9,32%

World Bonds	Last	1D Change
<u>US 10Y</u>	2,7788	-0,08%
<u>EUR 10Y</u>	0,9230	3,94%
<u>Swiss 10Y</u>	0,4650	7,39%
<u>UK 10Y</u>	1,95	-1,02%

Source: Bloomberg



Morning Call

Geneva, August 11, 2022

Crypto Corner

Ether hit a more than two-month high on signs that a plan to upgrade the Ethereum blockchain passed a major test, potentially paving the way for one of the most significant changes in the cryptocurrency sector.

The token rose as much as 4.1% on Thursday in Asia and was trading near \$1,890 as of 1:58 p.m. in Tokyo -- more than double a June low below \$900 and far outpacing the rebound in Bitcoin over the period.

Ether is the native coin of Ethereum -- the most important commercial blockchain -- and its ride higher atop the optimism surrounding the merge, as the planned network upgrade is known, has become emblematic of the nascent crypto rebound from this year's painful rout.

The Goerli test conducted late Wednesday New York time was a kind of dress-rehearsal for switching the Ethereum network from proof-of-work to a more energy-efficient proof-of-stake system. The full shift is expected next month.

Ethereum co-founder Vitalik Buterin retweeted a post saying the test had activated proof-of-stake. In another tweet, Tim Beiko, a computer scientist who coordinates Ethereum developers, posted a screenshot suggesting the test of the planned merge had been successful.

The software upgrade has been in the works for years, and Ethereum's dominant role as a commercial highway in crypto underlines the sensitivity of the change.

The blockchain supports more than 3,400 active decentralized apps, allowing for everything from gaming to trading. Ether tokens have a \$229 billion market value, according to CoinMarketCap.

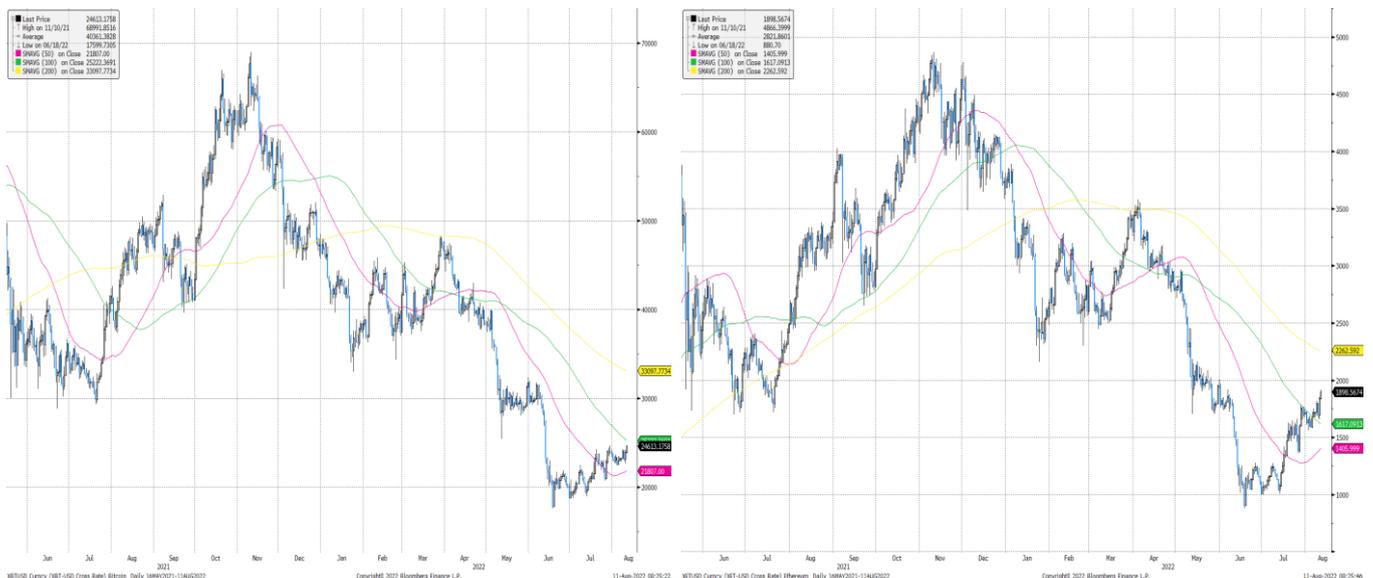
If the Goerli test has indeed gone well, Ethereum core developers may on Thursday set the date for when the blockchain undergoes its long-anticipated software update.

Crypto Market Cap: **\$1,16T**

24h Vol: **\$92,2B**

Dominance: **BTC: 40,4% ETH: 19,9%**

Crypto	Last	1D Change
Bitcoin	24 600,50	2,91%
Ethereum	1 897,65	2,97%



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

Commodity Corner

Gold edged lower in Asia as investors digested the impact of cooler inflation in the US on the Federal Reserve's monetary tightening path.

Bullion initially jumped on Wednesday after the US consumer price index decelerated by more than expected in July -- suggesting the Fed could be less aggressive in raising interest rates -- but ended 0.1% lower. Some traders pared bets on tightening, with a half-point rate increase being re-established as the likeliest outcome next month, as opposed to another three-quarter point hike.

Spot gold declined 0.3% to \$1,786.26 an ounce as of 12:26 p.m. in Singapore. Prices rose as much as 0.8% to \$1,807.93 on Wednesday, the highest level since July 5. The Bloomberg Dollar Spot Index climbed 0.1%, after dropping 1% in the previous session. Silver and palladium fell, while platinum climbed.

Precious Metals		Last	1D Change
<u>Gold</u>		1 787,18	-0,29%
<u>Silver</u>		20,52	-0,34%
<u>Platinum</u>		951,84	0,77%
<u>Palladium</u>		2 237,47	-0,36%

Oil steadied ahead of a raft of data on the global market balance heading into what may be a turbulent northern hemisphere winter, with OPEC and the International Energy Agency due to present monthly analyses.

West Texas Intermediate was near \$92 a barrel after ending 1.6% higher on Wednesday following softer-than-expected US inflation data. That gain came despite US government figures showing higher crude inventories and output. In addition, flows along the southern Druzhba network from Russia to central Europe resumed as a payment dispute was settled.

Crude retreated to a six-month low earlier this month as investors fretted that an economic slowdown would crimp worldwide energy demand. The drop has erased all the gains seen since Russia's invasion of Ukraine in February even as sanctions on the world's biggest energy exporter mounted.

World Commodities		Last	1D Change
<u>WTI Crude</u>		91,77	-0,17%
<u>Brent Crude</u>		97,27	-0,13%
<u>Nat Gas (HH)</u>		8,28	0,89%
<u>Nickel</u>		22 426,00	4,33%
<u>Copper</u>		366,05	0,30%
<u>Corn</u>		620,50	-0,12%
<u>Wheat</u>		801,75	0,25%
<u>Soybean</u>		1 690,00	0,07%
<u>Coffee</u>		220,45	3,62%
<u>Cotton</u>		106,91	0,15%
<u>Sugar</u>		18,28	1,67%

Source: fxstreet.com / Bloomberg



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FX Corner

EUR/USD has tumbled below 1.0300 amid a notable recovery in the US dollar. Risk remains in a weaker spot amid US-Sino tensions and China's covid woes, underpinning the dollar's safe-haven appeal. Investors reassess Fed rate hike expectations after soft US CPI.

GBP/USD remains pressured around 1.2200 heading into Thursday's London open. The US dollar rebounds amid a tepid market mood. China-linked concerns favor the safe-haven US dollar. The UK ministers will meet major energy firms amid a deepening energy crisis.

USD/JPY has extended its recovery and has managed to sustain above the critical hurdle of 133.00 in the Asian session. The asset has elevated its pullback move after nosediving to near 132.00 on Wednesday. The further journey will likely remain critical as more upside would require sufficient strength from the greenback bulls.

AUD/USD remains pressured below 0.7100 amid fresh US-Sino trade concerns, surging China's covid cases and softening Australian inflation expectations. Investors reassess the US inflation data and its implications on the next Fed rate hike move.

World Currencies	Last	1D Change
EURUSD	1,0301	0,02%
EURCHF	0,9711	0,00%
EURGBP	0,8434	-0,05%
EURJPY	136,96	-0,04%
USDCHF	0,9428	-0,01%
USDJPY	132,96	-0,05%
USDCAD	1,2768	0,06%
USDTRY	17,93	-0,46%
GBPUSD	1,2213	-0,05%
AUDUSD	0,7089	0,00%
NZDUSD	0,6408	0,09%

XDSH FX Dashboard My Pivot Points 1 Month - Support / Resi... : IBM US Equity							
Views	Actions						
Currencies	S3	S2	S1	R1	R2	R3	
EURUSD	0.9958	1.0124	1.0211	1.0377	1.0456	1.0622	
USDJPY	126.87	130.14	131.51	134.78	136.68	139.95	
GBPUSD	1.1765	1.1976	1.2097	1.2308	1.2398	1.2609	
USDCAD	1.2518	1.2663	1.2719	1.2864	1.2953	1.3098	
AUDUSD	0.6724	0.6886	0.6988	0.7150	0.7210	0.7372	
NZDUSD	0.6053	0.6212	0.6307	0.6466	0.6530	0.6689	
USDCHF	0.9153	0.9304	0.9366	0.9517	0.9606	0.9757	
USDTRY	17.5685	17.7217	17.7848	17.9380	18.0281	18.1813	
XAUUSD	1755.50	1775.75	1784.06	1804.31	1816.25	1836.50	
XAGUSD	19.6038	20.0988	20.3437	20.8387	21.0888	21.5838	

Source: Refinitiv / fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars											
ECO Calendars View Alerts Export											
G8 Browse 08:16:54 08/11/22 - 08/11/22											
Economic Releases All Economic Releases View Agenda Weekly											
Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
08/10-08/12		RU				Budget Balance YTD	Jul	803.0b	--	1373.9b	--
08/11	01:01	UK				RICS House Price Balance	Jul	60%	--	65%	--
08/11	14:30	US				PPI Ex Food and Energy YoY	Jul	7.7%	--	8.2%	--
08/11	14:30	US				Initial Jobless Claims	Aug 6	264k	--	260k	--
08/11	14:30	US				Continuing Claims	Jul 30	1418k	--	1416k	--
08/11	14:30	US				PPI Final Demand MoM	Jul	0.2%	--	1.1%	--
08/11	14:30	US				PPI Ex Food and Energy MoM	Jul	0.4%	--	0.4%	--
08/11	14:30	US				PPI Ex Food, Energy, Trade MoM	Jul	0.4%	--	0.3%	--
08/11	14:30	US				PPI Final Demand YoY	Jul	10.4%	--	11.3%	--
08/11	14:30	US				PPI Ex Food, Energy, Trade YoY	Jul	5.9%	--	6.4%	--
08/11	15:00	RU				Gold and Forex Reserve	Aug 5	--	--	571.2b	--
08/11		GE				Current Account Balance	Jun	--	--	2.5b	--

Source: Refinitiv

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