

Market Corner

Asian stocks fell as investor sentiment remained fragile amid signs of a manufacturing slowdown in some of the region's biggest economies and hawkish rhetoric from central bank officials.

The MSCI Asia Pacific Index slid 1.7%, with Taiwan and South Korea the region's worst performing stock markets after closely watched manufacturing gauges in both nations slumped. Asian technology and financial stocks slid after Cleveland Federal Reserve President Loretta Mester said the US central bank needs to raise its benchmark rate above 4% by early next year.

Asian stocks had just completed their worst month since June as Mester's comment further dashed hopes for a dovish Fed. Euro-area data on Wednesday showed inflation hit an all-time high, prompting Bundesbank President Joachim Nagel to call for a "strong rise in interest rates in September."

Thursday's drop in purchasing managers indexes for Taiwan, South Korea and Japan exacerbated concerns that rising rates and inflation are weighing on economic growth in some of the world's biggest trading hubs.

US stock futures fell during Asia trading hours as hawkish rhetoric from the Federal Reserve sapped risk sentiment, while chipmaker Nvidia Corp.'s warning on sales weighed on the sector.

Nasdaq 100 futures slid as much as 1.3%, before paring losses to 0.9% as of 11:41 a.m. in Tokyo. Contracts on the S&P 500 declined 0.6%. Treasury yields jumped and the dollar advanced following Cleveland Fed President Loretta Mester's comments that the US central bank needs to raise its benchmark rate above 4% by early next year and keep it there to tame inflation.

All major US indexes had their worst month since June as the Fed resolved to stay hawkish. Nvidia shares slumped more than 5% in extended trading after it said new rules governing the export of artificial-intelligence chips to China may affect hundreds of millions of dollars in revenue.

World Indices	Last	1D Change
<u>Dow Jones</u>	31 510,43	-0,88%
<u>S&P 500</u>	3 955,00	-0,78%
<u>Nasdaq</u>	11 816,20	-0,56%
<u>Eurostoxx 50</u>	3 517,25	-1,25%
<u>FTSE 100</u>	7 284,15	-1,05%
<u>CAC 40</u>	6 125,10	-1,37%
<u>DAX</u>	12 834,96	-0,97%
<u>SMI</u>	10 855,03	-0,27%
<u>Nikkei</u>	27 662,33	-1,53%
<u>Hang Seng</u>	19 624,74	-1,65%
<u>CSI 300</u>	4 066,47	-0,30%
<u>VIX Index</u>	25,87	-1,30%

World Bonds	Last	1D Change
<u>US 10Y</u>	3,1852	-0,23%
<u>EUR 10Y</u>	1,5410	1,99%
<u>Swiss 10Y</u>	0,8380	2,57%
<u>UK 10Y</u>	2,80	3,59%

Source: Bloomberg



Morning Call

Geneva, September 1, 2022

Crypto Corner

Washington, D.C., is suing MicroStrategy Inc. co-founder and Executive Chairman Michael Saylor -- probably best known as the largest corporate buyer of Bitcoin -- for tax fraud, claiming that he skipped out on paying more than \$25 million in income taxes despite living in the district for more than a decade.

According to the lawsuit, which was filed with the D.C. Superior Court's civil division, Saylor knowingly avoided paying taxes he owed since 2005 by fraudulently claiming to be a resident of other, lower-taxes jurisdictions, including Virginia and Florida. It claims that Saylor lived in a luxury penthouse on the Georgetown waterfront and docked multiple yachts on the district's Potomac riverfront.

D.C. Attorney General Karl Racine announced the lawsuit on Twitter Wednesday.

"I respectfully disagree with the position of the District of Columbia and look forward to a fair resolution in the courts," Saylor said in a statement provided to Bloomberg News. He said he moved to Miami Beach from Virginia a decade ago after purchasing a historic house there.

"Although MicroStrategy is based in Virginia, Florida is where I live, vote, and have reported for jury duty, and it is at the center of my personal and family life," he said.

MicroStrategy, a Tysons Corner, Virginia-based software company, is also being sued by D.C. for allegedly conspiring to help him evade taxes. Saylor was the CEO of MicroStrategy until earlier this month.

"The District of Columbia's claims against the company are false and we will defend aggressively against this overreach," MicroStrategy said in a statement.

The lawsuit claims that MicroStrategy was aware that Saylor lived in D.C. for more than half of the year, which under the district's laws would make him a legal resident. Regardless, the company allegedly filed inaccurate tax forms using his Florida address and failed to withhold and remit D.C. taxes, according to the lawsuit.

Crypto Market Cap: **\$977B**

24h Vol: **\$66.6B**

Dominance: **BTC: 39,3% ETH: 19,4%**

Crypto	Last	1D Change
Bitcoin	20 018,56	-0,88%
Ethereum	1 551,30	-1,24%



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



Morning Call

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Commodity Corner

Gold fell to a six-week low on expectations the Federal Reserve and other central banks will keep raising interest rates to curb inflation. Silver dropped to the lowest in two years.

Bullion declined for a fifth day as the dollar and Treasury yields rose, damping the allure of the non-interest bearing precious metal.

Cleveland Fed President Loretta Mester said Wednesday the US central bank needs to raise its benchmark rate above 4% by early 2023 and leave it there through year-end. That's the latest in a series of hawkish messages coming from US policy makers.

Spot gold dropped 0.4% to \$1,703.81 an ounce as of 6:17 a.m. in London after touching the lowest level since July 21 earlier. The Bloomberg Dollar Spot Index rose 0.3%. Silver fell 1.4%, platinum edged lower and palladium was little changed.

Precious Metals	Last	1D Change
<u>Gold</u>	1 705,45	-0,33%
<u>Silver</u>	17,76	-1,31%
<u>Platinum</u>	846,45	-0,29%
<u>Palladium</u>	2 089,73	0,07%

Oil fell as September opened as demand concerns escalated, the dollar rose, and investors shunned risk assets including commodities.

West Texas Intermediate sank toward \$89 a barrel after capping a third monthly drop in August, the longest losing streak since April 2020, as central banks including the Federal Reserve tightened policy to combat elevated inflation. Separately, traders were tracking ship movements through the Suez Canal after a tanker ran aground, interrupting traffic, before it was refloated.

In China, the world's top oil importer, the Sichuan metropolis of Chengdu was to be locked down from Thursday night after a rise in local Covid-19 cases. It's the biggest city to shut since Shanghai's bruising two-month crisis earlier this year and follows weak macro-economic data for August.

Oil slumped by more than 20% in the three months through August as the Fed and other central banks hoisted rates, stoking concern of a slowdown or even a recession. The slump overturned all of crude's gains since Russia's invasion of Ukraine at the end of February and prompted Saudi Arabia to signal the Organization of Petroleum Exporting Countries and its allies could cut supply.

World Commodities	Last	1D Change
<u>WTI Crude</u>	89,01	-0,60%
<u>Brent Crude</u>	95,11	-0,55%
<u>Nat Gas (HH)</u>	9,07	-0,61%
<u>Nickel</u>	21 337,00	0,23%
<u>Copper</u>	347,90	-1,12%
<u>Corn</u>	669,25	-0,67%
<u>Wheat</u>	809,00	1,35%
<u>Soybean</u>	1 511,25	0,25%
<u>Coffee</u>	239,10	-0,02%
<u>Cotton</u>	117,47	-0,69%
<u>Sugar</u>	17,89	-1,16%

Source: fxstreet.com / Bloomberg



Morning Call

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FX Corner

EUR/USD remains pressured towards 1.0000, as the US dollar bulls refuse to give up amid risk-aversion and surging Treasury yields. The downside in the pair, however, appears capped, courtesy of hawkish ECB rate hike expectations. Eurozone, US PMIs eyed.

GBP/USD is off the lows but remains below 1.1600, sitting close to over two-year lows in early Europe. The US dollar index is firming up above 109.00, as Treasury yields rally across the curve on hawkish Fed bets. UK growth and political woes weigh on the pound.

USD/JPY keeps rallying towards 140.00, having reached the highest level in 24 years. The pair is tracking the advance in the US dollar and the Treasury yields, as investors cheer hawkish Fed bets ahead of the US ISM Manufacturing PMI.

AUD/USD has witnessed a decent buying interest below 0.6800 in the early European session. The asset is attempting a break above its prior high volume area, which is placed in a narrow range of 0.6805-0.6822.

World Currencies	Last	1D Change
<u>EURUSD</u>	1,0013	-0,41%
<u>EURCHF</u>	0,9808	0,22%
<u>EURGBP</u>	0,8647	0,05%
<u>EURJPY</u>	139,55	0,11%
<u>USDCHF</u>	0,9795	-0,20%
<u>USDJPY</u>	139,36	-0,29%
<u>USDCAD</u>	1,3169	-0,30%
<u>USDTRY</u>	18,21	-0,06%
<u>GBPUSD</u>	1,1581	-0,35%
<u>AUDUSD</u>	0,6827	-0,22%
<u>NZDUSD</u>	0,6094	-0,41%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	0.9821	0.9928	0.9991	1.0098	1.0142	1.0249
USDJPY	137.28	138.01	138.49	139.22	139.47	140.20
GBPUSD	1.1451	1.1545	1.1583	1.1677	1.1733	1.1827
USDCAD	1.2955	1.3033	1.3082	1.3160	1.3189	1.3267
AUDUSD	0.6722	0.6791	0.6817	0.6886	0.6929	0.6998
NZDUSD	0.6040	0.6084	0.6102	0.6146	0.6172	0.6216
USDCHF	0.9610	0.9690	0.9732	0.9812	0.9850	0.9930
USDTRY	18.0111	18.0999	18.1473	18.2361	18.2775	18.3663
XAUUSD	1682.07	1698.93	1704.98	1721.84	1732.65	1749.51
XAGUSD	16.9456	17.5519	17.7719	18.3782	18.7645	19.3708

Source: Refinitiv / fxstreet.com / Bloomberg



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Event Corner

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Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
09/01	02:30	JN				Jibun Bank Japan PMI Mfg	Aug F	--	--	51.0	--
09/01	07:00	JN				Vehicle Sales YoY	Aug	--	--	-13.4%	--
09/01	08:00	GE				Retail Sales MoM	Jul	-0.1%	--	-1.6%	-1.5%
09/01	08:00	GE				Retail Sales NSA YoY	Jul	-6.5%	--	-9.8%	-9.6%
09/01	08:00	UK				Nationwide House PX MoM	Aug	0.1%	--	0.1%	--
09/01	08:00	UK				Nationwide House Px NSA YoY	Aug	8.9%	--	11.0%	--
09/01	08:00	RU				S&P Global Russia Manufacturing PMI	Aug	50.1	--	50.3	--
09/01	09:45	IT				S&P Global Italy Manufacturing PMI	Aug	48.1	--	48.5	--
09/01	09:50	FR				S&P Global France Manufacturing PMI	Aug F	49.0	--	49.0	--
09/01	09:55	GE				S&P Global/BME Germany Manufacturing P...	Aug F	49.8	--	49.8	--
09/01	10:00	EC				S&P Global Eurozone Manufacturing PMI	Aug F	49.7	--	49.7	--
09/01	10:00	IT				Unemployment Rate	Jul	8.1%	--	8.1%	--
09/01	10:30	UK				S&P Global/CIPS UK Manufacturing PMI	Aug F	46.0	--	46.0	--
09/01	11:00	EC				Unemployment Rate	Jul	6.6%	--	6.6%	--
09/01	11:00	IT				GDP WDA YoY	2Q F	4.6%	--	4.6%	--
09/01	11:00	IT				GDP WDA QoQ	2Q F	1.0%	--	1.0%	--
09/01	13:30	US				Challenger Job Cuts YoY	Aug	--	--	36.3%	--
09/01	14:30	CA				Building Permits MoM	Jul	-0.4%	--	-1.5%	--
09/01	14:30	US				Initial Jobless Claims	Aug 27	248k	--	243k	--
09/01	14:30	US				Nonfarm Productivity	2Q F	-4.3%	--	-4.6%	--
09/01	14:30	US				Unit Labor Costs	2Q F	10.6%	--	10.8%	--
09/01	14:30	US				Continuing Claims	Aug 20	1438k	--	1415k	--
09/01	15:00	RU				Gold and Forex Reserve	Aug 26	--	--	574.0b	--
09/01	15:30	CA				S&P Global Canada Manufacturing PMI	Aug	--	--	52.5	--
09/01	15:45	US				S&P Global US Manufacturing PMI	Aug F	51.3	--	51.3	--
09/01	16:00	US				Construction Spending MoM	Jul	-0.3%	--	-1.1%	--
09/01	16:00	US				ISM Manufacturing	Aug	51.9	--	52.8	--
09/01	16:00	US				ISM Prices Paid	Aug	55.3	--	60.0	--
09/01	16:00	US				ISM New Orders	Aug	--	--	48.0	--
09/01	16:00	US				ISM Employment	Aug	--	--	49.9	--
09/01	18:00	IT				New Car Registrations YoY	Aug	--	--	-0.85%	--
09/01		IT				Budget Balance	Aug	--	--	7.5b	--
09/01		US				Wards Total Vehicle Sales	Aug	13.30m	--	13.35m	--

Source: Refinitiv

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