

## Market Corner

**Asian stocks fell, on course for their worst week in more than two months, as the dollar hit a new high amid worries about the Federal Reserve's aggressive rate-hike path and as lockdowns continued in China.**

The MSCI Asia Pacific Index declined as much as 0.5%, set for a nearly 4% weekly loss. TSMC and other tech stocks contributed the most to the benchmark's loss as Treasury yields climbed, sending the Bloomberg Dollar Spot Index to a record high.

Gauges in Hong Kong led declines in the region, dragged by bank and tech stocks. Meanwhile, equities in Japan fell as the yen dropped to a 24-year-low against the dollar.

Fresh lockdowns in China are also weighing on sentiment, putting the Asian stock benchmark on track for its third weekly decline. The broad sell-off also reflects concerns of an economic slowdown amid weaker manufacturing data in the region's major tech exporters.

**US equities rallied into the close to snap a four-day losing streak as investors position for the Federal Reserve's next rate hike ahead of key jobs data on Friday.**

The S&P 500 Index notched a 0.3% rise, though its on track for a third consecutive week in the red, with eight of 11 major index groups gaining led by the health sectors. The tech-heavy Nasdaq 100 Index reversed a 2.1% loss to close slightly in the green while the Dow Jones Industrial Average rose 0.5%. August and September have been the worst months for major averages over recent decades.

Investors are focused on a US jobs report due Friday that could push the Fed toward a third jumbo rate hike. Fresh employment data Thursday suggested demand for labor is healthy as initial applications for unemployment benefits dropped for a third week, according to the Labor Department.

"The repositioning of portfolios is just beginning as the Fed accelerates the balance sheet runoff, while we are barely seeing signs that real economy is starting to feel the impact of tightening," Ed Moya, senior market analyst at Oanda, wrote in a note.

<u>World Indices</u>	<u>Last</u>	<u>1D Change</u>
<u>Dow Jones</u>	31 656,42	0,46%
<u>S&amp;P 500</u>	3 966,85	0,30%
<u>Nasdaq</u>	11 785,13	-0,26%
<u>Eurostoxx 50</u>	3 456,70	-1,72%
<u>FTSE 100</u>	7 148,50	-1,86%
<u>CAC 40</u>	6 034,31	-1,48%
<u>DAX</u>	12 630,23	-1,60%
<u>SMI</u>	10 663,44	-1,76%
<u>Nikkei</u>	27 650,84	-0,04%
<u>Hang Seng</u>	19 363,20	-1,19%
<u>CSI 300</u>	4 009,89	-0,84%
<u>VIX Index</u>	25,56	-1,20%

<u>World Bonds</u>	<u>Last</u>	<u>1D Change</u>
<u>US 10Y</u>	3,2366	-0,51%
<u>EUR 10Y</u>	1,5490	-0,77%
<u>Swiss 10Y</u>	0,8580	-2,83%
<u>UK 10Y</u>	2,88	2,79%

Source: Bloomberg



**Morning Call**  
Geneva, September 2, 2022

# Crypto Corner

**Bitcoin fell below \$20,000 for a sixth consecutive trading session, the longest stretch of days that it has dipped under that closely-watch level since the crypto market was rocked by turmoil in July.**

The largest cryptocurrency by market value declined as much as 3.1% to \$19,577 on Thursday. Most other digital tokens were also lower, with Ether dropping 1%, Avalanche off 3.9% and Solana down 4.3% as of 1:58 p.m. in New York.

“If you look at the charts, Bitcoin does look weak,” said Garry Krugljakow, founder of GOGO Protocol, an open-source DeFi protocol for asset management and savings. “The sentiment indicators are pointing to maximum fear.”

The crypto sector has contracted to less than \$1 trillion, or about a third of its all-time market value reached in November. After coming of the highs amid a general increase in risk aversion, coin prices were rocked midyear by the collapse of the Terra ecosystem, the demise of the Three Arrows Capital and the bankruptcy of broker Voyager and lender Celsius.

“There is a lot of fear that if we make new lows on BTC (as a proxy for the market), there will be another wave of crypto company defaults,” said Stephane Ouellette, chief executive of FRNT Financial Inc.

The decline on the first day of September doesn't bode well for the bellwether coin. The ninth month of the year has historically been one of the worst for Bitcoin, which has fallen every September since 2017. Bitcoin has averaged an 8.5% drop for the month over the past five years, according to Bespoke Investment Group.

Bullish market participants say the price decline is already being viewed as a buying opportunity for some investors.

“Under the hood, moreover, I think you're seeing institutions gobble up coins when BTC drops below \$20,000,” said Krugljakow.

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

24h Vol: **\$66,6B**

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

Crypto	Last	1D Change
<b>Bitcoin</b>	<b>20 104,08</b>	<b>0,16%</b>
<b>Ethereum</b>	<b>1 587,56</b>	<b>0,45%</b>



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



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## Commodity Corner

**Gold headed for a third straight weekly drop as the dollar rallied ahead of key US jobs data, which could provide further clues on the size of the Federal Reserve's next interest-rate hike.**

Bullion is trading near a six-week low as a gauge of the greenback climbed to a record on Thursday and Treasury yields continued to ascend, damping the appeal of the non-interest-bearing precious metal. The jobs report later Friday is expected to show healthy payrolls growth for August and follows stronger-than-expected US manufacturing data.

Fed Bank of Atlanta President Raphael Bostic said Thursday the campaign to cool inflation was still not complete, noting that the current pace was a long way from the US central bank's 2% goal. Traders increasingly anticipate another large 75 basis points rate rise to contain price pressures at the next policy decision meeting Sept. 20-21.

**Spot gold** rose 0.1% to \$1,699.57 an ounce as of 5:29 a.m. in London and is down 2.2% this week. Prices fell to the lowest level since July 21 on Thursday. The Bloomberg Dollar Spot Index slipped 0.1%. Silver, palladium and platinum advanced.

Precious Metals	Last	1D Change
<u>Gold</u>	1 701,91	0,26%
<u>Silver</u>	17,89	0,44%
<u>Platinum</u>	833,15	0,29%
<u>Palladium</u>	2 043,83	1,47%

**Oil rose on Friday -- paring a hefty weekly decline -- before an OPEC+ meeting on supply at which Saudi Arabia could push for output cuts, and as efforts to revive an Iranian nuclear accord suffered a setback.**

**West Texas Intermediate** climbed above \$88 a barrel, after slumping almost 11% over the prior three days. Crude has come under pressure this week as tighter monetary policy and renewed anti-virus lockdowns in China spurred concern that consumption will weaken. The dollar's jump to an all-time high has also weighed on prices in the run-up to Monday's OPEC+ gathering.

Oil fell by more than a fifth in the three months through August, erasing all of the gains since Russia's invasion of Ukraine. The retreat poses a challenge for the Organization of Petroleum Exporting Countries and its allies, with ministers due to meet on Monday to plan output policy. While OPEC-watchers expect the group to keep supply steady, Saudi Arabian Energy Minister Prince Abdulaziz bin Salman raised the possibility of a production cut in remarks last week.

World Commodities	Last	1D Change
<u>WTI Crude</u>	87,96	1,56%
<u>Brent Crude</u>	93,73	1,48%
<u>Nat Gas (HH)</u>	9,19	-0,74%
<u>Nickel</u>	20 244,50	-5,12%
<u>Copper</u>	341,80	0,10%
<u>Corn</u>	661,00	0,42%
<u>Wheat</u>	775,50	-4,14%
<u>Soybean</u>	1 480,00	0,49%
<u>Coffee</u>	236,35	-1,15%
<u>Cotton</u>	110,60	-2,37%
<u>Sugar</u>	17,99	0,56%

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



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## FX Corner

**EUR/USD** is advancing towards 1.0000, recovering ground ahead of key US NFP. The US dollar rally takes a breather alongside the Treasury yields despite a cautious mood. EUR bulls cheer hawkish ECB rate hike bets.

**GBP/USD** is trading around 1.1550, consolidating the recovery from over two-year lows in early Europe. Markets remain cautious as investors reposition ahead of the all-important US NFP. The UK political and energy problems cap cable's upside.

**USD/JPY** has recovered its morning losses after slipping to near 139.88. The asset has managed to recapture the psychological resistance of 140.00 and is hovering above the same. On a broader note, the asset has displayed a juggernaut rally and refreshed its 24-year high at 140.27.

**AUD/USD** is expected to display more weakness despite soaring odds for hawkish RBA. The DXY is displaying a lackluster performance ahead of the US NFP. As per consensus, the US NFP will decline to 300k vs. 528k reported earlier.

World Currencies	Last	1D Change
<u>EURUSD</u>	0,9969	0,23%
<u>EURCHF</u>	0,9777	-0,14%
<u>EURGBP</u>	0,8638	-0,25%
<u>EURJPY</u>	139,89	-0,32%
<u>USDCHF</u>	0,9808	0,10%
<u>USDJPY</u>	140,33	-0,09%
<u>USDCAD</u>	1,3160	-0,04%
<u>USDTRY</u>	18,21	-0,03%
<u>GBPUSD</u>	1,1542	-0,03%
<u>AUDUSD</u>	0,6787	-0,01%
<u>NZDUSD</u>	0,6065	-0,25%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	0.9679	0.9825	0.9886	1.0032	1.0117	1.0263
USDJPY	137.03	138.40	139.30	140.67	141.14	142.51
GBPUSD	1.1306	1.1431	1.1488	1.1613	1.1681	1.1806
USDCAD	1.2997	1.3080	1.3117	1.3200	1.3246	1.3329
AUDUSD	0.6645	0.6724	0.6756	0.6835	0.6882	0.6961
NZDUSD	0.5936	0.6015	0.6047	0.6126	0.6173	0.6252
USDCHF	0.9576	0.9692	0.9755	0.9871	0.9924	1.0040
USDTRY	17.7282	17.9362	18.0728	18.2808	18.3522	18.5602
XAUUSD	1654.09	1676.71	1687.12	1709.74	1721.95	1744.57
XAGUSD	16.8952	17.3447	17.5768	18.0263	18.2437	18.6932

Source: Refinitiv / fxstreet.com / Bloomberg



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## Event Corner

ECO Economic Calendars

ECO Calendars View Alerts Export

G8 Browse 08:25:50 09/02/22 - 09/02/22

Economic Releases All Economic Releases View Agenda Weekly

Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
09/02	01:50	JN				Monetary Base YoY	Aug	--	--	2.8%	--
09/02	01:50	JN				Monetary Base End of period	Aug	--	--	¥666.0t	--
09/02	08:00	GE				Exports SA MoM	Jul	-2.2%	--	4.5%	4.4%
09/02	08:00	GE				Imports SA MoM	Jul	0.4%	--	0.2%	0.1%
09/02	08:00	GE				Trade Balance SA	Jul	4.6b	--	6.4b	6.3b
09/02	08:45	FR				Budget Balance YTD	Jul	--	--	-76.1b	--
09/02	10:00	RU				Money Supply Narrow Def	Aug 26	--	--	14.48t	--
09/02	11:00	EC				PPI MoM	Jul	2.6%	--	1.1%	--
09/02	11:00	EC				PPI YoY	Jul	35.9%	--	35.8%	--
09/02	14:30	US				Two-Month Payroll Net Revision	Aug	--	--	--	--
09/02	14:30	CA				Labor Productivity QoQ	2Q	--	--	-0.5%	--
09/02	14:30	US				Change in Nonfarm Payrolls	Aug	298k	--	528k	--
09/02	14:30	US				Change in Private Payrolls	Aug	300k	--	471k	--
09/02	14:30	US				Change in Manufact. Payrolls	Aug	15k	--	30k	--
09/02	14:30	US				Unemployment Rate	Aug	3.5%	--	3.5%	--
09/02	14:30	US				Average Hourly Earnings MoM	Aug	0.4%	--	0.5%	--
09/02	14:30	US				Average Hourly Earnings YoY	Aug	5.3%	--	5.2%	--
09/02	14:30	US				Average Weekly Hours All Employees	Aug	34.6	--	34.6	--
09/02	14:30	US				Labor Force Participation Rate	Aug	62.2%	--	62.1%	--
09/02	14:30	US				Underemployment Rate	Aug	--	--	6.7%	--
09/02	16:00	US				Factory Orders	Jul	0.2%	--	2.0%	--
09/02	16:00	US				Factory Orders Ex Trans	Jul	0.4%	--	1.4%	--
09/02	16:00	US				Durable Goods Orders	Jul F	0.0%	--	0.0%	--
09/02	16:00	US				Durables Ex Transportation	Jul F	0.3%	--	0.3%	--
09/02	16:00	US				Cap Goods Orders Nondef Ex Air	Jul F	--	--	0.4%	--
09/02	16:00	US				Cap Goods Ship Nondef Ex Air	Jul F	--	--	0.7%	--

Source: Refinitiv

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