

## Market Corner

**Asian stocks declined ahead of an expected interest-rate hike by the Federal Reserve and as the dollar rose against regional currencies, sapping risk appetite.**

The MSCI Asia Pacific Index fell 1.2%, driven by losses in technology shares. Hong Kong's Hang Seng led declines among regional benchmarks, with notable drops also in Japan, South Korea and Australia.

With a third 75-basis-point rate hike by the Federal Open Market Committee widely expected, some investors have moved to price in an even larger increase. Chair Jerome Powell's comments on efforts to fight inflation will be closely parsed for clues on the future rate path.

**US equities suffered losses across the board Tuesday with markets focused on the Federal Reserve's next interest rate hike, which is expected on Wednesday, as well as Chair Jerome Powell's insights into the path forward.**

The S&P 500 Index closed down 1.1% with all 11 major industry sectors sinking, led lower by the real-estate and materials sectors. Only 34 stocks in the broad equities benchmark finished in the green and 67 members hit 52-week lows, including heavyweights such as Alphabet Inc., Microsoft Corp. and Verizon Communications Inc. The tech-heavy Nasdaq 100 Index slid 0.9%, and the blue-chip Dow Jones Industrial Average fell 1%.

Meanwhile, Treasury yields surged, with the 10-year briefly touching 3.6% and reaching the highest since 2011.

"Yields are surging as the inflation fighting Fed is expected to remain relentless with the tightening of policy, which is raising the risk of a severe recession," Ed Moya, senior market analyst at Oanda, wrote in a note to clients.

Geopolitics also roiled markets, adding pressure on equities amid signs that Russia may move to cement its grip on the regions of Ukraine its forces still control.

Still, all eyes remain on the Fed. Investors expect the central bank to lift rates by 75 basis points when its meeting ends Wednesday, but they are even more focused on Powell has to say about the path for future hikes. Tuesday's stock market declines came after share prices tanked last week when consumer inflation data came in higher than expected.

<u>World Indices</u>	<u>Last</u>	<u>1D Change</u>
<u>Dow Jones</u>	30 706,23	-1,01%
<u>S&amp;P 500</u>	3 855,93	-1,13%
<u>Nasdaq</u>	11 425,05	-0,95%
<u>Eurostoxx 50</u>	3 467,09	-0,93%
<u>FTSE 100</u>	7 192,66	-0,61%
<u>CAC 40</u>	5 979,47	-1,35%
<u>DAX</u>	12 670,83	-1,03%
<u>SMI</u>	10 476,54	-1,32%
<u>Nikkei</u>	27 313,13	-1,36%
<u>Hang Seng</u>	18 549,44	-1,24%
<u>CSI 300</u>	3 921,40	-0,29%
<u>VIX Index</u>	27,16	5,43%

<u>World Bonds</u>	<u>Last</u>	<u>1D Change</u>
<u>US 10Y</u>	3,5201	-1,20%
<u>EUR 10Y</u>	1,8760	-2,60%
<u>Swiss 10Y</u>	1,2590	-2,63%
<u>UK 10Y</u>	3,29	4,88%

Source: Bloomberg



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Geneva, September 21, 2022

## Crypto Corner

**Cryptocurrency investors waited with bated breath for a Federal Reserve policy decision that likely holds the key to whether Bitcoin can avert a drop to levels last seen when the pandemic was raging globally.**

The largest token was little changed at \$19,000 as of 11:44 a.m. in Singapore on Wednesday, while other major coins like Ether, Solana and Avalanche were also steady. A drop of more than 7% in Bitcoin -- something that can happen in a few seconds in digital assets -- would send it back to 2020 prices.

Markets could breathe a temporary sigh of relief if the Fed raises borrowing costs by three-quarters of a percentage point again as expected and avoids becoming even more hawkish. But a bigger, one-percentage-point increase to fight inflation might heap pressure on riskier assets by imperiling liquidity.

“If the FOMC delivers less than a 100-basis points hike, it would make sense to see a small relief rally -- this could be quite large if the FOMC were to deliver less than a 75 basis points increase, although this seems highly unlikely,” said John Toro, head of trading at digital-asset exchange Independent Reserve.

The MVIS CryptoCompare Digital Assets 100 Index is down this week, taking its losses for 2022 to about 60% compared with 21% for global stocks. The correlation between equities and Bitcoin is elevated and close to a record, a sign of how assets are being tossed around by common macro factors.

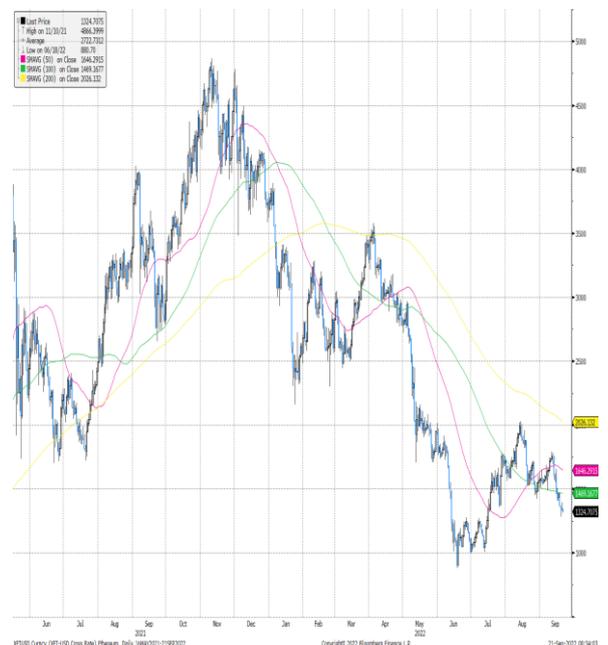
“If we do end up seeing 100 basis points, we might see quite the volatility” in virtual coins following the Fed announcement, Laura Vidiella del Blanco, vice president of business development and strategy at LedgerPrime, said on Bloomberg Television.

Crypto Market Cap: [\\$923B](#)

24h Vol: [\\$66.8B](#)

Dominance: [BTC: 39,3%](#) [ETH:17,7%](#)

Crypto	Last	1D Change
Bitcoin	18 876,77	-0,51%
Ethereum	1 324,33	-1,41%



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



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## Commodity Corner

**Gold was steady near a two-year low as traders braced for another hefty interest-rate hike by the Federal Reserve.**

Bullion has come under pressure this week as the dollar rose alongside inflation-adjusted Treasury yields. The metal, which had mainly hovered above \$1,700 an ounce in the first half of the month, has extended declines after falling below that level last week.

**Spot gold** dipped 0.1% to \$1,662.51 an ounce at 12.18 p.m. in Singapore, after dropping 0.7% in the previous session. The Bloomberg Dollar Spot Index rose 0.1%. Silver was little changed, platinum climbed, while palladium fell.

**Crude oil is turning higher along with wheat and Gold futures following Putin headlines.** This price action is yet another reminder that supply risks from the lingering war in Ukraine can keep those key commodities prices elevated. The key question is how sustainable the latest rebound in prices will be. The Bloomberg Commodity Index is still well below the peak seen in early March.

Precious Metals		Last	1D Change
<u>Gold</u>		1 675,50	0,64%
<u>Silver</u>		19,44	0,84%
<u>Platinum</u>		935,64	1,21%
<u>Palladium</u>		2 174,31	0,16%

**Oil jumped after Russian President Vladimir Putin ordered a partial mobilization to hold onto occupied territories in Ukraine, an escalation that could lead to further disruption to energy supplies.**

West Texas Intermediate surged above \$85 a barrel after fluctuating earlier in the session. Russia will take necessary steps to defend its sovereignty and will defend territory with all available means, Putin said. The Kremlin has moved to stage sham votes on annexing the regions of Ukraine it still controls.

Tension is escalating in Ukraine ahead of a decision by the Federal Reserve on monetary policy. The central bank is expected to raise interest rates by 75 basis points on Wednesday and put numbers on the “pain” it’s been warning of when it publishes new economic projections.

World Commodities		Last	1D Change
<u>WTI Crude</u>		84,86	1,10%
<u>Brent Crude</u>		91,68	1,17%
<u>Nat Gas (HH)</u>		7,83	1,52%
<u>Nickel</u>		24 918,00	1,47%
<u>Copper</u>		355,30	0,14%
<u>Corn</u>		694,25	0,33%
<u>Wheat</u>		904,25	1,17%
<u>Soybean</u>		1 486,00	0,49%
<u>Coffee</u>		225,15	1,83%
<u>Cotton</u>		93,54	-4,10%
<u>Sugar</u>		18,19	2,83%

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



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## FX Corner

**EUR/USD** is extending losses towards 0.9900 in early European trading. Putin's comments spark fresh geopolitical concerns. The US dollar is holding firmer amid a cautious market mood, despite retreating Treasury yields. All eyes on the Fed.

**GBP/USD** is hovering above the 37-year low of 1.1351 ahead of the European open. The pair remains undermined due to the Fed-BOE policy divergence while pre-Fed anxiety continues to boost the safe-haven US dollar.

**USD/JPY** stays defensive after two-day uptrend, seesaws around the short-term key hurdle. BOJ's bond-buying announcement caps upside moves ahead of Fed. Convergence of 50-SMA, two-week-old ascending trend line restricts immediate downside.

**AUD/USD** is trading under pressure below 0.6700, undermined by a broadly firmer US dollar and a cautious market tone ahead of the all-important Fed rate hike decision. RBA's Bullock fails to inspire AUD bulls.

World Currencies	Last	1D Change
<u>EURUSD</u>	0,9926	-0,45%
<u>EURCHF</u>	0,9563	0,52%
<u>EURGBP</u>	0,8737	0,27%
<u>EURJPY</u>	142,61	0,51%
<u>USDCHF</u>	0,9634	0,07%
<u>USDJPY</u>	143,63	0,08%
<u>USDCAD</u>	1,3374	-0,07%
<u>USDTRY</u>	18,31	-0,03%
<u>GBPUSD</u>	1,1360	-0,18%
<u>AUDUSD</u>	0,6670	-0,28%
<u>NZDUSD</u>	0,5888	-0,10%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	0.9800	0.9896	0.9934	1.0030	1.0088	1.0184
USDJPY	141.58	142.56	143.15	144.13	144.52	145.50
GBPUSD	1.1194	1.1297	1.1339	1.1442	1.1503	1.1606
USDCAD	1.3026	1.3174	1.3270	1.3418	1.3470	1.3618
AUDUSD	0.6564	0.6634	0.6662	0.6732	0.6774	0.6844
NZDUSD	0.5739	0.5829	0.5861	0.5951	0.6009	0.6099
USDCHF	0.9533	0.9591	0.9616	0.9674	0.9707	0.9765
USDTRY	18.2414	18.2714	18.2897	18.3197	18.3314	18.3614
XAUUSD	1629.32	1648.72	1656.80	1676.20	1687.52	1706.92
XAGUSD	18.2748	18.7899	19.0318	19.5469	19.8201	20.3352

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
09/21	06:00	JN				Tokyo Condominiums for Sale YoY	Aug	--	--	16.2%	--
09/21	08:00	UK				Public Finances (PSNCR)	Aug	--	--	-4.7b	--
09/21	08:00	UK				Central Government NCR	Aug	--	--	-1.7b	--
09/21	08:00	UK				Public Sector Net Borrowing	Aug	8.1b	--	4.2b	--
09/21	08:00	UK				PSNB ex Banking Groups	Aug	8.0b	--	4.9b	--
09/21	12:00	UK				CBI Trends Total Orders	Sep	-13	--	-7	--
09/21	12:00	UK				CBI Trends Selling Prices	Sep	52	--	57	--
09/21	13:00	US				MBA Mortgage Applications	Sep 16	--	--	-1.2%	--
09/21	16:00	US				Existing Home Sales	Aug	4.69m	--	4.81m	--
09/21	16:00	US				Existing Home Sales MoM	Aug	-2.5%	--	-5.9%	--
09/21	18:00	RU				PPI YoY	Aug	4.0%	--	6.1%	6.9%
09/21	18:00	RU				PPI MoM	Aug	-1.5%	--	-2.2%	--
09/21	18:00	RU				Consumer Confidence Index	3Q	--	--	--	--
09/21	18:00	RU				CPI WoW	Sep 19	--	--	-0.03%	--
09/21	18:00	RU				CPI Weekly YTD	Sep 19	--	--	10.27%	--
09/21	20:00	US				FOMC Rate Decision (Lower Bound)	Sep 21	3.00%	--	2.25%	--
09/21	20:00	US				FOMC Rate Decision (Upper Bound)	Sep 21	3.25%	--	2.50%	--
09/21	20:00	US				Interest on Reserve Balances Rate	Sep 22	3.15%	--	2.40%	--

Source: Refinitiv

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