



Morning Call

Geneva, September 29, 2022

Market Corner

Asian stocks bounced back after sliding to a more-than-two-year low, as Treasury yields and the dollar declined on the Bank of England's new plan for unlimited bond-buying.

The MSCI Asia Pacific Index gained as much as 1.2% before paring that gain. Alibaba and BHP were the biggest boosts to the measure, with national benchmarks climbing more than 1% in Australia, the Philippines, South Korea and Hong Kong. The rebound follows a surge in US stocks overnight.

The key Asian equity gauge slumped Wednesday to its lowest since April 2020 on concerns over the Federal Reserve's ongoing rate hikes. While the the UK central bank's intervention to avert a crash in the gilt market helped calm investor nerves, few saw the rally as a signal for a full-fledged rebound.

US equities posted their best day in almost two months Wednesday, as investors snapped up bargains and US Treasury yields declined sharply after the Bank of England staged a dramatic intervention to stave off a crash in UK bonds.

The S&P 500 Index closed up 2% for its first gain in the last six sessions. All 11 major industry groups rose, led by the energy and communication services sectors, and only 14 stocks were in the red, with Apple Inc. weighing the most on the benchmark gauge. The Nasdaq 100 added 2%, while the blue-chip Dow Jones Industrial Average advanced 1.9%.

The yield on 10-year US Treasuries rose as high as 4%, plunged, recovered and then sank to 3.73% as spillover from economic challenges in the UK reached the US. Earlier, the BOE said it would buy long-dated bonds on "whatever scale is necessary" to restore orderly market conditions.

World Indices	Last	1D Change
<u>Dow Jones</u>	29 683,74	1,88%
<u>S&P 500</u>	3 719,04	1,97%
<u>Nasdaq</u>	11 051,64	2,05%
<u>Eurostoxx 50</u>	3 335,30	0,20%
<u>FTSE 100</u>	7 005,39	0,30%
<u>CAC 40</u>	5 765,01	0,19%
<u>DAX</u>	12 183,28	0,36%
<u>SMI</u>	10 220,76	0,93%
<u>Nikkei</u>	26 381,18	0,79%
<u>Hang Seng</u>	17 316,50	0,38%
<u>CSI 300</u>	3 832,78	0,11%
<u>VIX Index</u>	30,18	-7,42%

World Bonds	Last	1D Change
<u>US 10Y</u>	3,8198	2,37%
<u>EUR 10Y</u>	2,1200	-4,98%
<u>Swiss 10Y</u>	1,3840	-9,90%
<u>UK 10Y</u>	4,01	-10,96%

Source: Bloomberg



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Crypto Corner

Terraform Labs, the digital-asset firm of hunted entrepreneur Do Kwon, rejected South Korean charges over a \$60 billion cryptocurrency collapse and said the case against him had become “highly politicized.”

A spokesperson for the firm said in a statement that prosecutors had demonstrated “unfairness and a failure to uphold basic rights guaranteed under Korean law,” adding that there’s “no reasonable basis” for their accusation of breaches of capital-markets law.

The prosecutors’ office in Seoul didn’t immediately reply to a request for comment on the statement.

South Korea has sought help from Interpol to find Kwon, whose TerraUSD stablecoin project collapsed in May, exacerbating this year’s crypto rout. His location is unknown after Singapore earlier this month said he’s no longer there. Prosecutors on Sept. 14 said a court had issued a warrant for Kwon’s arrest.

Officials have previously suggested Kwon is evading their probe. The Terraform Labs spokesperson said the 31-year-old via lawyers “is in contact with all government agencies that have asked to communicate with him.”

The spokesperson said, “he is not on the run and remains actively involved in the management and oversight of Terraform Labs.”

The statement followed controversy over a Bitcoin reserve -- the Luna Foundation Guard -- connected to Kwon.

Kwon and the reserve denied transferring digital tokens after a trail of coin movement prompted South Korea to take steps to freeze assets.

Prosecutors sent requests to crypto exchanges KuCoin and OKX to freeze a total of 3,313 Bitcoins, worth about \$65 million at current prices.

The TerraUSD stablecoin was meant to be pegged to the US dollar. The system relied on a complex mix of algorithms and trader incentives involving its sister token Luna. But it unraveled when confidence in Kwon’s project evaporated.

The Terraform Labs statement rejected categorizing Luna as a security under South Korea’s capital-markets legislation. Just how to classify digital tokens remains a highly vexing issue for regulators the world over.

Crypto Market Cap: **\$943B**

24h Vol: **\$81,2B**

Dominance: **BTC: 39,6% ETH:17,4%**

Crypto	Last	1D Change
Bitcoin	19 414,65	-0,78%
Ethereum	1 328,12	-1,65%



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



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Commodity Corner

Gold edged lower on renewed strength in the US dollar, after a rally triggered by the Bank of England’s decision to unveil a bond-buying program to boost UK bonds.

Bullion has come under pressure in the past two weeks as the greenback strengthened to record levels, with the metal hitting its lowest level in more than two years earlier on Wednesday.

Then the UK central bank’s intervention spurred declines in the dollar and Treasury yields, providing relief for gold which is priced in the greenback. Bullion rose 1.9% in Wednesday’s trading session, clocking the biggest daily gain since early March.

Spot gold slipped 0.4% to \$1,653.63 an ounce at 12:31 p.m. in Singapore. The Bloomberg Dollar Spot Index gained 0.4%, following its 1% slide in the previous session. Silver, platinum and palladium fell.

Precious Metals	Last	1D Change
<u>Gold</u>	1 645,13	-0,89%
<u>Silver</u>	18,64	-1,35%
<u>Platinum</u>	849,47	-1,96%
<u>Palladium</u>	2 120,41	-1,38%

Oil fluctuated after a two-day rally as investors weighed the prospect of tightening supply against lingering slowdown concerns.

West Texas Intermediate futures traded below \$82 a barrel after rising 7% over the previous two sessions, including the biggest daily gain since mid-July. An escalating energy conflict with Russia and shrinking US stockpiles raised the possibility of a supply squeeze, putting oil on track for a weekly gain.

Despite the near-term bullishness, futures are still set for the first quarterly decline in more than two years as fears of a potential recession hang over the market. The dollar has spiked this month and is trading near a record, making commodities priced in the US currency less attractive to investors.

World Commodities	Last	1D Change
<u>WTI Crude</u>	81,45	-0,85%
<u>Brent Crude</u>	88,60	-0,81%
<u>Nat Gas (HH)</u>	7,03	1,04%
<u>Nickel</u>	21 696,00	-0,15%
<u>Copper</u>	333,40	-0,73%
<u>Corn</u>	673,00	0,37%
<u>Wheat</u>	902,75	-0,06%
<u>Soybean</u>	1 413,75	0,35%
<u>Coffee</u>	228,70	1,94%
<u>Cotton</u>	90,44	0,44%
<u>Sugar</u>	18,29	0,55%

Source: fxstreet.com / Bloomberg



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FX Corner

EUR/USD sellers are up and roaring as sour sentiment joins firmer yields to renew the downside during early Thursday, after a day full of surprises and positive performance. Germany's HICP may not impress pair buyers unless US GDP disappoints.

GBP/USD is expected to resume its upside journey after concluding its correction to near 1.0800. To revive UK's financial stability, the BOE announced a bond-buying program worth GBP 65 billion. Does BOE really not have the stomach to fight inflation while simultaneously keeping financial stability?

USD/JPY has witnessed a pullback move after dropping to near 144.00. Broadly, the asset is testing the downside break of the chartered territory plotted in a narrow range of 144.40-144.90. Signs of exhaustion in the upside trend are lucid and transparent and the greenback bulls could surrender their grip going forward.

AUD/USD pares intraday losses around 0.6490, recently bouncing off daily lows, as traders await fresh clues to defend the latest pullback moves. That said, downbeat prints of Australia's monthly Consumer Price Index (CPI) joined the risk-off mood to weigh on the Aussie pair during early Thursday.

World Currencies	Last	1D Change
<u>EURUSD</u>	0,9666	-0,71%
<u>EURCHF</u>	0,9482	0,21%
<u>EURGBP</u>	0,8970	-0,34%
<u>EURJPY</u>	139,81	0,39%
<u>USDCHF</u>	0,9810	-0,51%
<u>USDJPY</u>	144,64	-0,33%
<u>USDCAD</u>	1,3698	-0,66%
<u>USDTRY</u>	18,54	-0,16%
<u>GBPUSD</u>	1,0776	-1,04%
<u>AUDUSD</u>	0,6464	-0,89%
<u>NZDUSD</u>	0,5669	-1,06%

XDSH FX Dashboard My Pivot Points 1 Month - Support /... : EURUSD BGN Currency

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	0.9244	0.9459	0.9597	0.9812	0.9889	1.0104
USDJPY	142.39	143.35	143.76	144.72	145.27	146.23
GBPUSD	1.0032	1.0407	1.0648	1.1023	1.1157	1.1532
USDCAD	1.3221	1.3451	1.3530	1.3760	1.3911	1.4141
AUDUSD	0.6136	0.6304	0.6413	0.6581	0.6640	0.6808
NZDUSD	0.5340	0.5508	0.5619	0.5787	0.5844	0.6012
USDCHF	0.9384	0.9604	0.9682	0.9902	1.0044	1.0264
USDTRY	18.2408	18.3657	18.4378	18.5627	18.6155	18.7404
XAUUSD	1550.35	1598.12	1629.04	1676.81	1693.66	1741.43
XAGUSD	16.5961	17.6053	18.2525	19.2617	19.6237	20.6329

Source: Refinitiv / fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars Options

G8 Browse 08:46:03 09/29/22 - 09/29/22

Economic Releases All Economic Releases View Agenda Weekly

Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
09/29	01:50	JN				Japan Buying Foreign Bonds	Sep 23	--	--	-¥140.7b	--
09/29	01:50	JN				Foreign Buying Japan Bonds	Sep 23	--	--	-¥2570.5b	--
09/29	01:50	JN				Japan Buying Foreign Stocks	Sep 16	--	--	-¥141.0b	--
09/29	01:50	JN				Foreign Buying Japan Stocks	Sep 23	--	--	-¥609.7b	--
09/29	06:30	GE				CPI North Rhine Westphalia MoM	Sep	--	--	0.3%	--
09/29	06:30	GE				CPI North Rhine Westphalia YoY	Sep	--	--	8.1%	--
09/29	10:00	GE				CPI Hesse MoM	Sep	--	--	0.3%	--
09/29	10:00	GE				CPI Hesse YoY	Sep	--	--	8.0%	--
09/29	10:00	GE				CPI Bavaria MoM	Sep	--	--	0.4%	--
09/29	10:00	GE				CPI Bavaria YoY	Sep	--	--	8.4%	--
09/29	10:00	GE				CPI Brandenburg MoM	Sep	--	--	0.4%	--
09/29	10:00	GE				CPI Brandenburg YoY	Sep	--	--	7.9%	--
09/29	10:00	IT				PPI MoM	Aug	--	--	6.5%	--
09/29	10:00	IT				PPI YoY	Aug	--	--	45.9%	--
09/29	10:30	UK				Net Consumer Credit	Aug	1.4b	--	1.4b	--
09/29	10:30	UK				Consumer Credit YoY	Aug	--	--	6.9%	--
09/29	10:30	UK				Net Lending Sec. on Dwellings	Aug	4.9b	--	5.1b	--
09/29	10:30	UK				Mortgage Approvals	Aug	62.0k	--	63.8k	--
09/29	10:30	UK				Money Supply M4 MoM	Aug	--	--	0.5%	--
09/29	10:30	UK				M4 Money Supply YoY	Aug	--	--	4.4%	--
09/29	10:30	UK				M4 Ex IOFCs 3M Annualised	Aug	--	--	4.9%	--
09/29	11:00	GE				CPI Saxony MoM	Sep	--	--	0.2%	--
09/29	11:00	GE				CPI Saxony YoY	Sep	--	--	7.3%	--
09/29	11:00	EC				Economic Confidence	Sep	96.0	--	97.6	--
09/29	11:00	EC				Industrial Confidence	Sep	-0.7	--	1.2	--
09/29	11:00	EC				Services Confidence	Sep	7.0	--	8.7	--
09/29	11:00	EC				Consumer Confidence	Sep F	--	--	-28.8	--
09/29	13:00	CA				CFIB Business Barometer	Sep	--	--	53.5	--
09/29	14:00	GE				CPI MoM	Sep P	1.5%	--	0.3%	--
09/29	14:00	GE				CPI YoY	Sep P	9.5%	--	7.9%	--
09/29	14:00	GE				CPI EU Harmonized MoM	Sep P	1.5%	--	0.4%	--
09/29	14:00	GE				CPI EU Harmonized YoY	Sep P	10.2%	--	8.8%	--
09/29	14:30	CA				Payroll Employment Change - SEPH	Jul	--	--	114.6k	--
09/29	14:30	US				Revisions: GDP/ National Economic Accounts					
09/29	14:30	US				Initial Jobless Claims	Sep 24	215k	--	213k	--
09/29	14:30	CA				GDP MoM	Jul	-0.1%	--	0.1%	--
09/29	14:30	US				Continuing Claims	Sep 17	1385k	--	1379k	--
09/29	14:30	CA				GDP YoY	Jul	4.1%	--	4.7%	--
09/29	14:30	US				GDP Annualized QoQ	2Q T	-0.6%	--	-0.6%	--
09/29	14:30	US				Personal Consumption	2Q T	1.5%	--	1.5%	--
09/29	14:30	US				GDP Price Index	2Q T	8.9%	--	8.9%	--
09/29	14:30	US				Core PCE QoQ	2Q T	4.4%	--	4.4%	--
09/29	15:00	RU				Gold and Forex Reserve	Sep 23	--	--	557.7b	--
09/29		GE				CPI Baden Wuerttemberg MoM	Sep	--	--	0.3%	--
09/29		GE				CPI Baden Wuerttemberg YoY	Sep	--	--	7.3%	--

Source: Refinitiv

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