

Market Corner

Asian equities declined as China extended lockdowns in key cities and the dollar further strengthened, dampening the outlook for the region's assets.

The MSCI Asia Pacific Index fell as much as 0.8% to the lowest since June 2020, with all but two sectors in the red. Benchmarks in Hong Kong led declines in the region as a widening lockdown in megacity Chengdu and a US plan to restrict investments in Chinese tech sparked a fresh sell-off.

The dollar marched higher as investors swarmed to the safe haven, with the US August jobs report doing little to ease concerns about the Fed's aggressive rate hike path. The energy crunch in Europe looks set to worsen following a decision by Gazprom PJSC to keep the crucial Nord Stream pipeline shut, fueling concerns that the situation may spiral into an economic crisis that ripples across other markets.

Hawkish central banks "and concerns regarding China's growth due to its Covid strategy will likely remain near-term headwinds for Asian stocks," wrote Nomura strategists including Chetan Seth in a note.

The Asian benchmark has had only brief bouts of recoveries since it began a slide last year and is down more than 30% since February 2021 on elevated input costs, higher interest rates and China's ongoing zero-Covid strategy. The gauge just clocked its worst weekly decline since mid June.

Investors are finding some solace, however, in markets that are supported by domestic demand such as India and parts of Southeast Asia. Gauges in Indonesia and India rose the most in Asia Pacific on Monday.

US stock index futures rose during Asia trading hours as investors monitored stimulus measures in China and efforts to contain an energy crisis in Europe before Wall Street reopens following a national holiday.

Nasdaq 100 futures climbed as much as 1.1%, before paring gains to 0.7% as of 11:48 a.m. in Tokyo. Contracts on the S&P 500 added 0.5%, while Dow Jones futures rose 0.5%. The underlying market was closed for Labor Day on Monday.

Asian stocks were stable, halting a three-day slide, as officials in China plan to speed up stimulus, stepping up support for an economy saddled with Covid lockdowns. Losses in European equity futures slowed as Germany moved to keep two nuclear plants available this winter in a policy reversal.

<u>World Indices</u>	<u>Last</u>	<u>1D Change</u>
<u>Dow Jones</u>	31 318,44	-1,07%
<u>S&P 500</u>	3 924,26	-1,07%
<u>Nasdaq</u>	11 630,86	-1,31%
<u>Eurostoxx 50</u>	3 490,01	-1,53%
<u>FTSE 100</u>	7 287,43	0,09%
<u>CAC 40</u>	6 093,22	-1,20%
<u>DAX</u>	12 760,78	-2,22%
<u>SMI</u>	10 819,54	-0,66%
<u>Nikkei</u>	27 626,51	0,02%
<u>Hang Seng</u>	19 160,22	-0,34%
<u>CSI 300</u>	4 037,88	0,56%
<u>VIX Index</u>	25,99	2,04%

<u>World Bonds</u>	<u>Last</u>	<u>1D Change</u>
<u>US 10Y</u>	3,2405	1,60%
<u>EUR 10Y</u>	1,5770	0,90%
<u>Swiss 10Y</u>	0,9200	3,14%
<u>UK 10Y</u>	2,94	0,72%

Source: Bloomberg



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Crypto Corner

The cryptocurrency market appears by some measures to be poised to break out of the narrowest trading range in almost two years.

Based on one gauge, the leverage ratios for the two largest tokens by market value -- Bitcoin and Ether -- are at the highest on record even with prices of both down more than 50% this year. That is calculated by taking the amount of open interest for perpetual swap contracts and dividing that by the amount of coins held in reserve on exchanges, according to blockchain data-site CryptoQuant.

"Folks think the market has stabilized and are willing to make bigger speculative positions," said Darius Sit, co-founder of Singapore-based crypto investment fund QCP Capital, who pointed out that traders who see a so-called tail risk -- or the chance of a loss happening due to a rare event -- are "getting priced out."

Crypto traders tend to favor perpetual contracts -- which, unlike traditional calendar futures, don't expire -- in part, because it allows them to keep highly leveraged positions in place.

Bitcoin, which accounts for about 40% of the estimated market value of all cryptocurrencies, traded last week within a range of about 5.4%, the narrowest since October 2020, data compiled by Bloomberg show. The lull two years ago was followed by a months-long surge in prices that eventually pushed Bitcoin to a then-record high in April 2021.

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Crypto Market Cap: [\\$9993B](#)

24h Vol: [\\$66,2B](#)

Dominance: [BTC: 38,1%](#) [ETH: 20,3%](#)

Crypto	Last	1D Change
Bitcoin	19 815,95	0,37%
Ethereum	1 662,00	4,02%



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

Commodity Corner

Gold rose as the dollar eased and the outlook for inflation on the back of higher energy costs outweighed an expected European Central Bank rate hike.

Bullion is stabilizing after capping five months of declines through August as the US dollar and 10-year Treasury yields climbed, which weighed on the non-interest-bearing precious metal. Gold is also finding support as a traditional hedge against price pressures.

Central banks globally are raising rates to fight inflation, with growing expectations for the European Central Bank to hike by 75 basis points in its next policy decision Thursday. Meanwhile, the People's Bank of China has moved in the opposite direction, most recently cutting its key policy rate by 10 basis points.

Spot gold rose 0.3% to \$1,715.93 an ounce as of 6:11 a.m. in London, after slipping 0.1% on Monday. The Bloomberg Dollar Spot Index was little changed after dropping 0.3% earlier, while remaining in sight of a record level. Silver, platinum and palladium advanced.

Precious Metals		Last	1D Change
<u>Gold</u>		1 718,06	0,45%
<u>Silver</u>		18,39	1,31%
<u>Platinum</u>		855,75	0,67%
<u>Palladium</u>		2 069,04	1,54%

Oil fell, with a post-OPEC+ meeting rally fizzling out, as traders weighed the group's output cut as well as further lockdowns in China.

Global benchmark Brent slid toward \$95 a barrel after ending almost 3% higher on Monday as the Organization of Petroleum Exporting Countries and allies including Russia agreed to shave a modest 100,000 barrels a day off production. After the surprise decision, Saudi Arabia said the group was willing to take additional action to support the oil market if that were needed.

Crude has slumped since early June, erasing all of the gains made after Russia invaded Ukraine, as signs of a global slowdown, tighter monetary policy and anti-virus lockdowns in China threatened to sap energy demand. That decline prompted OPEC+ to pivot to removing barrels from the global market, switching tack from restoring the supply cuts imposed during the pandemic.

World Commodities		Last	1D Change
<u>WTI Crude</u>		88,67	2,07%
<u>Brent Crude</u>		95,00	-0,77%
<u>Nat Gas (HH)</u>		8,73	-0,64%
<u>Nickel</u>		21 408,01	4,59%
<u>Copper</u>		346,65	1,32%
<u>Corn</u>		675,00	0,90%
<u>Wheat</u>		793,00	2,26%
<u>Soybean</u>		1 510,50	2,56%
<u>Coffee</u>		232,65	-1,57%
<u>Cotton</u>		110,85	2,27%
<u>Sugar</u>		18,15	0,89%

Source: fxstreet.com / Bloomberg



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FX Corner

EUR/USD is marching towards 1.0000 in early European trading. Markets remain mixed amid China's stimulus optimism and persisting European energy crisis. Meanwhile, the US dollar shrugs off higher yields, as the US ISM Services PMI is awaited.

GBP/USD is consolidating the rebound below 1.1600 amid a broad US dollar pullback and cautious optimism. UK new PM Truss readies £130 billion energy plan while talks of BOE review also gain momentum. US ISM Services PMI eyed.

USD/JPY is trading above 141.00, the highest level since 1998, as bulls track firmer Treasury yields. Stimulus hopes and stops triggered above 141.00 support the further upside, despite Japan's verbal intervention. US ISM PMI next of note.

AUD/USD is defending mild gains above 0.6800, reversing a brief dip after the RBA announced the expected 50 bps rate hike and said it remains data-dependent on the future policy outlook. A weaker US dollar and cautious optimism underpin the aussie ahead of ISM PMI.

World Currencies	Last	1D Change
<u>EURUSD</u>	0,9958	0,29%
<u>EURCHF</u>	0,9751	-0,21%
<u>EURGBP</u>	0,8604	0,22%
<u>EURJPY</u>	140,56	-0,68%
<u>USDCHF</u>	0,9792	0,06%
<u>USDJPY</u>	141,15	-0,39%
<u>USDCAD</u>	1,3122	0,15%
<u>USDTRY</u>	18,22	-0,01%
<u>GBPUSD</u>	1,1574	0,49%
<u>AUDUSD</u>	0,6790	-0,10%
<u>NZDUSD</u>	0,6095	0,00%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	0.9773	0.9846	0.9888	0.9961	0.9992	1.0065
USDJPY	139.12	139.77	140.19	140.84	141.07	141.72
GBPUSD	1.1325	1.1411	1.1464	1.1550	1.1583	1.1669
USDCAD	1.3019	1.3081	1.3111	1.3173	1.3205	1.3267
AUDUSD	0.6703	0.6750	0.6773	0.6820	0.6844	0.6891
NZDUSD	0.6017	0.6057	0.6076	0.6116	0.6137	0.6177
USDCHF	0.9724	0.9767	0.9783	0.9826	0.9853	0.9896
USDTRY	17.1594	17.6174	17.9182	18.3762	18.5334	18.9914
XAUUSD	1693.04	1702.03	1706.21	1715.20	1720.01	1729.00
XAGUSD	17.5074	17.8134	17.9849	18.2909	18.4254	18.7314

Source: Refinitiv / fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars Options

ECO Calendars View Alerts Export

G8 Browse 08:52:06 09/06/22 - 09/06/22

Economic Releases All Economic Releases View Agenda Weekly

Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
09/05-09/09		RU				Wellbeing Fund	Aug	--	--	\$198.3b	--
09/06	01:01	UK				BRC Sales Like-For-Like YoY	Aug	--	--	1.6%	--
09/06	01:30	JN				Household Spending YoY	Jul	4.6%	--	3.5%	--
09/06	01:30	JN				Labor Cash Earnings YoY	Jul	1.9%	--	2.2%	2.0%
09/06	01:30	JN				Real Cash Earnings YoY	Jul	-1.2%	--	-0.4%	-0.6%
09/06	08:00	GE				Factory Orders MoM	Jul	-0.7%	--	-0.4%	--
09/06	08:00	GE				Factory Orders WDA YoY	Jul	-13.4%	--	-9.0%	--
09/06	09:30	GE				S&P Global Germany Construction PMI	Aug	--	--	43.7	--
09/06	10:30	UK				S&P Global/CIPS UK Construction PMI	Aug	48.0	--	48.9	--
09/06	14:00	CA				Bloomberg Nanos Confidence	Sep 2	--	--	48.0	--
09/06	15:45	US				S&P Global US Services PMI	Aug F	44.2	--	44.1	--
09/06	15:45	US				S&P Global US Composite PMI	Aug F	45.0	--	45.0	--
09/06	16:00	US				ISM Services Index	Aug	55.4	--	56.7	--
09/06		RU				Light Vehicle Car Sales YoY	Aug	--	--	-74.9%	--

Source: Refinitiv

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