

Market Corner

Asian equities resumed their decline led by tech stocks as investors were disappointed by Chinese President Xi Jinping's speech, which ruled out changes to strict Covid rules and real estate policies.

The MSCI Asia Pacific Index retreated as much as 1.4%, dragged down by TSMC, Tencent and Alibaba, amid a broader US tech selloff last week. All sectors but real estate were in the red.

Taiwan's benchmark was a notable loser in the region, falling as much as 2.4% as the Taiwan dollar weakened following further rhetoric on dispute over the island. Stock gauges in Japan fell more than 1% after Bank of Japan vowed to continue with its monetary easing as the yen approached a key level.

Benchmarks in Hong Kong dropped more than 1% while those in mainland China were moderately lower, as traders digested Xi's speech at the Party Congress on Sunday. The Chinese leader signaled no change in direction for the two main risks dragging down Asia's largest economy.

Asian stocks have underperformed US and European peers this year as the region struggles with challenges in China in addition to aggressive rate hikes by the Federal Reserve, prompting an exodus of foreign funds from emerging countries.

US equities capsized Friday, giving up early gains to plunge into the red after a key survey showed Americans' inflation expectations are rising and stagnant retail sales pointed to the struggles consumers are facing as prices soar.

The S&P 500 Index closed down 2.4%, ending the week with a 1.6% loss and wiping out the entirety of last week's rally. All 11 major industry groups were lower, led by the energy and consumer discretionary sectors. Big tech led the selloff, with Apple Inc., Amazon.com Inc. and Tesla Inc. weighing the heaviest on the broad equities benchmark.

The tech-heavy Nasdaq 100 Index slumped 3.1%, closing at its lowest since July 2020, while the blue-chip Dow Jones Industrial Average fell 1.3%. Yields on the 10-year Treasury surged above 4% to the highest since October 2008, while the policy sensitive two-year pushed higher, topping 4.5% and reaching the highest since August 2007.

The S&P 500 climbed as much as 1.2% shortly after trading started, but those gains were wiped out after the University of Michigan reported that year-ahead inflation expectations rose in October for the first time since March.

Investors tuned in to earnings from some of the biggest US banks on Friday. JPMorgan Chase & Co. shares were the biggest point gainers in the S&P 500 after the banking giant reported its highest quarterly net interest income ever. Morgan Stanley sank after top-line revenue came in worse than expected.

World Indices	Last	1D Change
<u>Dow Jones</u>	29 634,83	-1,34%
<u>S&P 500</u>	3 583,07	-2,37%
<u>Nasdaq</u>	10 321,39	-3,08%
<u>Eurostoxx 50</u>	3 381,73	0,57%
<u>FTSE 100</u>	6 858,79	0,12%
<u>CAC 40</u>	5 931,92	0,90%
<u>DAX</u>	12 437,81	0,67%
<u>SMI</u>	10 329,34	0,99%
<u>Nikkei</u>	26 775,79	-1,16%
<u>Hang Seng</u>	16 513,48	-0,45%
<u>CSI 300</u>	3 837,70	-0,12%
<u>VIX Index</u>	32,02	0,25%

World Bonds	Last	1D Change
<u>US 10Y</u>	3,9795	-0,97%
<u>EUR 10Y</u>	2,2960	-2,13%
<u>Swiss 10Y</u>	1,3850	-1,63%
<u>UK 10Y</u>	4,34	3,26%

Source: Bloomberg



Morning Call

Geneva, October 17, 2022

Crypto Corner

Binance has launched a \$500 million fund to provide loans to Bitcoin miners struggling to cope with difficult crypto-market conditions.

Binance Pool, the company's mining service, will provide loans for both private and publicly-listed Bitcoin miners — who will need to pledge security, in the form of physical or digital assets, to obtain loans with a duration of 18-24 months. Binance will charge interest rates between 5% and 10%.

The initiative comes as Bitcoin miners experienced a tough few months while the price of bitcoin declined. With low bitcoin prices, miners' revenues have declined sharply — with Compute North even filing for bankruptcy.

Bitcoin miners' revenue fell 16.2% to about \$550.5 million last month — marking its fifth decline in the last six months, and the lowest total since November 2020, according to data from The Block Research.

Binance is not the only firm that is looking to support the crypto-mining industry. Last month, Chinese crypto billionaire Jihan Wu, the founder of Bitmain, set up a \$250 million fund to buy distressed assets from Bitcoin miners. Wu's Bitdeer Technologies Holding Co. plans to invest \$50 million OF its own money, with Wu then seeking to raise an additional \$200 from external investors.

Also last month, DeFi platform Maple Finance launched a \$300 million lending pool for Bitcoin miners. The platform will charge interest rates of around 15%-20% and provide loans that will have a duration of 12-18 months.

Earlier this month, crypto asset manager Grayscale formed a new entity named Grayscale Digital Infrastructure Opportunities LLC to invest in Bitcoin mining hardware. The entity plans to purchase mining rigs and hopes to profit by selling the bitcoins earned in the process.

Crypto Market Cap: **\$923B**

24h Vol: **\$46,39B**

Dominance: **BTC: 40,0% ETH:17,3%**

Crypto	Last	1D Change
Bitcoin	19 263,96	-0,36%
Ethereum	1 307,36	-0,25%



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



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Commodity Corner

Gold edged up in Asia on weakness in Treasuries and the US dollar, as rising fears of a global economic slowdown boost the precious metal's haven status.

The gain comes after bullion last week traded near the lowest level since the end of September, dropping 3% amid expectations of more aggressive rate hikes by the Federal Reserve. The precious metal is down about 20% since this year's peak in March.

Gold slipped as much as 1.6% on Friday after UK Prime Minister Liz Truss sacked Chancellor Kwasi Kwarteng and prepared to reverse parts of her tax-cutting program. In the US, retail sales stalled last month amid the worst inflationary environment in decades, while a report showed year-ahead inflation expectations rose for the first time in seven months.

In China, President Xi Jinping dashed hopes he would use a key speech to signal a shift away from Covid Zero and detail further support for the ailing property sector. And fears remain Russia could escalate its war in Ukraine.

Spot gold gained 0.3% to \$1,649.63 an ounce as of 12:56 p.m. in Singapore. Silver, platinum and palladium gained.

Precious Metals	Last	1D Change
<u>Gold</u>	1 650,43	0,36%
<u>Silver</u>	18,48	1,10%
<u>Platinum</u>	910,88	0,87%
<u>Palladium</u>	2 032,02	1,81%

Oil clawed back some losses after a weekly slump as fears over an economic slowdown continue to weigh on the outlook for demand.

West Texas Intermediate futures traded above \$86 a barrel after sliding almost 4% on Friday. In a speech Sunday opening the 20th Communist Party congress, Chinese President Xi Jinping signaled no change in direction for China's strict Covid Zero policy, a strategy that has dragged on its economy this year.

"The upward momentum may not last as there's no clear reason for a rally," said Vandana Hari, the founder of Vanda Insights. "It could be some bargain hunting after a rapid slump toward the end of Friday's session."

World Commodities	Last	1D Change
<u>WTI Crude</u>	86,34	0,85%
<u>Brent Crude</u>	92,41	0,85%
<u>Nat Gas (HH)</u>	6,29	-2,51%
<u>Nickel</u>	21 661,00	-2,86%
<u>Copper</u>	342,70	0,10%
<u>Corn</u>	686,25	-0,51%
<u>Wheat</u>	864,75	0,58%
<u>Soybean</u>	1 379,75	-0,29%
<u>Coffee</u>	196,70	-2,70%
<u>Cotton</u>	83,84	0,83%
<u>Sugar</u>	18,84	0,16%

Source: fxstreet.com / Bloomberg



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FX Corner

EUR/USD is trading close to 0.9750, as bulls are trying to regain control in early Europe after a two-week downtrend. The pair cheers the broad US dollar weakness amid a sluggish start to the week. Buyers have a tough road ahead considering the optimism over Fed's next move.

GBP/USD extends weekly gains towards 1.1300 amid hopes for a decent fiscal framework from the new Chancellor Hunt. Tory backbenchers brace to oust UK PM Truss. Bailey's hawkish comments back bulls amid a broadly weaker US dollar and a cautious mood.

USD/JPY refreshes 32-year high on its way to 149.00 in early Europe. A light calendar and cautious optimism offer a sluggish start to the week. Fed'speak remains hawkish but all eyes remain on potential Japanese intervention.

AUD/USD attracts some dip-buying near the 0.6200 mark, though lacks follow-through. A positive risk tone undermines the safe-haven USD and offers support to the aussie. Aggressive Fed rate hike bets, recession fears help limit the USD losses and cap the pair.

World Currencies	Last	1D Change
<u>EURUSD</u>	0,9741	0,20%
<u>EURCHF</u>	0,9763	0,13%
<u>EURGBP</u>	0,8637	0,76%
<u>EURJPY</u>	144,88	-0,18%
<u>USDCHF</u>	1,0022	0,32%
<u>USDJPY</u>	148,73	-0,04%
<u>USDCAD</u>	1,3826	0,43%
<u>USDTRY</u>	18,59	-0,53%
<u>GBPUSD</u>	1,1279	0,96%
<u>AUDUSD</u>	0,6239	0,65%
<u>NZDUSD</u>	0,5588	0,47%

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

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	0.9546	0.9646	0.9684	0.9784	0.9846	0.9946
USDJPY	144.60	146.40	147.53	149.33	150.00	151.80
GBPUSD	1.0802	1.1016	1.1094	1.1308	1.1444	1.1658
USDCAD	1.3441	1.3635	1.3760	1.3954	1.4023	1.4217
AUDUSD	0.5941	0.6094	0.6146	0.6299	0.6400	0.6553
NZDUSD	0.5334	0.5466	0.5514	0.5646	0.5730	0.5862
USDCHF	0.9826	0.9927	0.9991	1.0092	1.0129	1.0230
USDTRY	18.3115	18.4186	18.4543	18.5614	18.6328	18.7399
XAUUSD	1589.02	1620.59	1632.53	1664.10	1683.73	1715.30
XAGUSD	16.5180	17.4992	17.8881	18.8693	19.4616	20.4428

Source: Refinitiv / fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars											
G8		Browse		08:53:42		10/17/22		10/17/22			
Economic Releases		All Economic Releases									
Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
10/14-10/21		US				Monthly Budget Statement	Sep	-\$50.0b	--	-\$64.9b	--
10/17	01:01	UK				Rightmove House Prices MoM	Oct	--	--	0.7%	--
10/17	01:01	UK				Rightmove House Prices YoY	Oct	--	--	8.7%	--
10/17	06:30	JN				Tertiary Industry Index MoM	Aug	0.3%	--	-0.6%	--
10/17	06:30	JN				Industrial Production MoM	Aug F	--	--	2.7%	--
10/17	06:30	JN				Industrial Production YoY	Aug F	--	--	5.1%	--
10/17	06:30	JN				Capacity Utilization MoM	Aug	--	--	2.4%	--
10/17	08:30	EC				Bloomberg Oct. Eurozone Economic Survey					
10/17	08:35	GE				Bloomberg Oct. Germany Economic Survey					
10/17	08:40	FR				Bloomberg Oct. France Economic Survey					
10/17	08:45	IT				Bloomberg Oct. Italy Economic Survey					
10/17	09:30	UK				Bloomberg Oct. United Kingdom Economic Survey					
10/17	10:00	IT				CPI EU Harmonized YoY	Sep F	--	--	9.5%	--
10/17	10:00	IT				CPI FOI Index Ex Tobacco	Sep	--	--	113.2	--
10/17	14:00	CA				Bloomberg Nanos Confidence	Oct 14	--	--	45.8	--
10/17	14:30	US				Empire Manufacturing	Oct	-1.0	--	-1.5	--
10/17	16:00	CA				Bloomberg Oct. Canada Economic Survey					
10/17	16:30	CA				BoC Overall Business Outlook Survey	3Q	--	--	4.9	--
10/17	16:30	CA				BoC Business Outlook Future Sales	3Q	--	--	-26.00	--

Source: Refinitiv

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