

Market Corner

Asian stocks rose for a third day as hardware technology stocks in South Korea and Japan advanced on views they may have reached a bottom.

The MSCI Asia Pacific Index climbed as much as 0.6%, lifted by TSMC, Samsung and Sony. The gains put the benchmark on track to advance for the week, following a seven-week losing streak that was the longest since 2015.

Korea's Kospi Index led gains in the region, jumping more than 1%. The advance was helped by chipmakers extending their rally amid Morgan Stanley's bullish view on the sector. Hong Kong stocks retreated after Wednesday's catch-up rally. Trading volume in the region was light as mainland China remains closed for the Golden Week holiday.

The MSCI's Asian benchmark has rebounded this week from its lowest in more than two years. The move tracked a nascent revival in global equities on bets that the Federal Reserve may turn less aggressive in its tightening. In a potential harbinger of shifting market views, Morgan Stanley strategists upgraded emerging-market and Asia ex-Japan stocks to overweight from equal-weight.

US equities erased losses in choppy trading late Wednesday as investors grappled with fresh economic data that showed resilient demand for workers, amid rising economic uncertainty and fears of a hawkish Federal Reserve.

The S&P 500 Index added 0.1% at 3:10 p.m. in New York, after falling nearly 2% earlier. Still, eight of 11 major industry groups remained in the red, with real estate and utilities the worst performers while energy, health-care and technology sectors gained. The tech-heavy Nasdaq 100 Index added 0.2% as did the blue-chip Dow Jones Industrial Average.

After a two-day winning streak, investors showed more caution after growth at US service providers topped estimates in September, while companies hired at a solid clip last month. That could complicate the Fed's goal to fight decades-high inflation, particularly if Friday's highly anticipated payrolls data comes in stronger than expected. Robust hiring and wage growth makes it harder for the central bank to dial back the pace of rate increases.

World Indices	Last	1D Change
<u>Dow Jones</u>	30 273,87	-0,14%
<u>S&P 500</u>	3 783,28	-0,20%
<u>Nasdaq</u>	11 148,64	-0,25%
<u>Eurostoxx 50</u>	3 447,72	-1,05%
<u>FTSE 100</u>	7 052,62	-0,48%
<u>CAC 40</u>	5 985,46	-0,90%
<u>DAX</u>	12 517,18	-1,21%
<u>SMI</u>	10 477,69	-1,07%
<u>Nikkei</u>	27 311,30	0,70%
<u>Hang Seng</u>	18 012,76	-0,42%
<u>CSI 300</u>	3 804,89	-0,58%
<u>VIX Index</u>	28,55	-1,79%

World Bonds	Last	1D Change
<u>US 10Y</u>	3,7491	-0,10%
<u>EUR 10Y</u>	2,0260	-0,39%
<u>Swiss 10Y</u>	1,1440	-1,55%
<u>UK 10Y</u>	4,04	4,13%

Source: Bloomberg



Morning Call

Geneva, October 6, 2022

Crypto Corner

Bitcoin's two-day resurgence ran out of steam after strong economic data dashed hopes for a relaxation in hawkish central bank policies.

Bitcoin, the largest digital coin by market value, dipped as much as 2.9% on Wednesday to trade as low as \$19,752, before trading little changed. That's a reversal from the prior day's trading, when Bitcoin moved above \$20,000 to gain alongside the S&P 500 Index. US stocks also slumped on Wednesday, dropping as much as 1.8% after a two-day rally.

Ether sank as much as 3.3%, while other so-called altcoins like Cardano and Solana dipped lower. Dogecoin sank as much as 3.8%, a reversal from the prior session when the coin gain as much as 9.5%. Tesla CEO Elon Musk, an ardent supporter of the token, revived his \$44 billion bid for Twitter Inc. on Tuesday.

Economic data showed better-than-estimated growth for US service providers as well as companies' strong demand for workers. Those figures could weigh on investors' hopes for a more dovish Federal Reserve.

Stephane Ouellette, chief executive of FRNT Financial Inc, a crypto brokerage firm, said that even though Bitcoin and the S&P 500 are both declining, Bitcoin's move is relatively more muted.

"Typically BTC volatility is at least 3-4x higher than SPX volatility," Ouellette wrote to Bloomberg News. Bitcoin's drop is "the equivalent of a much smaller move in equities," he added.

Crypto Market Cap: [\\$963B](#)

24h Vol: [\\$60,5B](#)

Dominance: [BTC: 40,1%](#) [ETH:17,2%](#)

Crypto	Last	1D Change
Bitcoin	20 230,52	1,21%
Ethereum	1 366,93	1,60%



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

Commodity Corner

Gold gained, hovering above \$1,700 an ounce amid continued uncertainty over whether the US central bank will maintain its resolve to crush inflation by hiking rates.

The precious metal has been whipsawed by changing views on the Federal Reserve's monetary policy stance. It had gained almost 4% in the first two trading sessions of the week amid disappointing US data but slipped as much as 1.5% on Wednesday after fresh figures showed the American economy remains resilient.

The greenback and Treasury yields strengthened on Wednesday after the US print, putting gold under pressure. A surge in oil prices this week driven by reductions in output by the OPEC+ alliance is also threatening to add more inflationary pressure.

Fed officials also reiterated their hawkish stances on raising interest rates. Bullion typically has a negative correlation with the dollar and rates since it does not bear interest.

Spot gold rose 0.4% to \$1,722.30 an ounce as of 12:14 p.m. in Singapore, following Wednesday's 0.6% dip. The Bloomberg Dollar Spot Index declined 0.2%. Silver, palladium and platinum gained.

Precious Metals		Last	1D Change
<u>Gold</u>		1 722,35	0,35%
<u>Silver</u>		20,75	0,48%
<u>Platinum</u>		927,31	0,80%
<u>Palladium</u>		2 266,63	0,23%

Oil held a three-day rally after the OPEC+ alliance agreed to the biggest production cut since 2020 and Russia reiterated a warning that it won't sell crude to any countries that adopt a price cap.

West Texas Intermediate traded near \$88 a barrel after jumping 10% over the previous three sessions. OPEC+ plans to slash daily output by 2 million barrels, a move that drew a swift rebuke from the US. The Biden administration has previously sought more oil from producers as it battles energy-driven inflation.

Goldman Sachs Group Inc. raised its fourth quarter price forecast for Brent oil to \$110 a barrel after the OPEC+ action and said the reduction could prompt the International Energy Agency to coordinate a release of reserves. Crude prices have trended lower since June on concerns over a global slowdown.

World Commodities		Last	1D Change
<u>WTI Crude</u>		87,64	-0,14%
<u>Brent Crude</u>		93,31	-0,06%
<u>Nat Gas (HH)</u>		7,06	1,83%
<u>Nickel</u>	22 468,50		2,44%
<u>Copper</u>	357,35		2,09%
<u>Corn</u>	683,75		-0,04%
<u>Wheat</u>	900,00		-0,22%
<u>Soybean</u>	1 368,25		-0,11%
<u>Coffee</u>	224,65		2,44%
<u>Cotton</u>	91,23		-5,11%
<u>Sugar</u>	17,95		0,22%

Source: fxstreet.com / Bloomberg



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FX Corner

EUR/USD is paring back gains towards 0.9900 in early European hours, as German Factory Orders disappointed with -2.4% in August vs. -0.7% expected. The US dollar licks its wounds amid a better market mood. Eurozone data and ECB minutes are awaited.

GBP/USD is reversing towards 1.1300, as investors digest Fitch Ratings downgrade to the UK sovereign ratings amid political and economic woes. The pair shrugs off a risk-on market profile and a broadly subdued US dollar. US data next of note.

USD/JPY is displaying topsy-turvy moves in the Tokyo session as the risk-on impulse is defending the downside while the upside is capped due to Japan-North Korea geopolitical tensions. The major has traded in 114.40-114.70 in the Tokyo session and is likely to continue its consolidation till the availability of a potential trigger.

AUD/USD has jumped to near a two-day high at 0.6547 amid a cheerful market mood. A seven-day long consolidation in a 0.6390-0.6547 range is likely to explode sooner. The RSI (14) has shifted its range to the bullish territory of 60.00-80.00.

World Currencies	Last	1D Change
<u>EURUSD</u>	0,9910	0,26%
<u>EURCHF</u>	0,9706	0,16%
<u>EURGBP</u>	0,8752	-0,30%
<u>EURJPY</u>	143,24	-0,24%
<u>USDCHF</u>	0,9794	0,45%
<u>USDJPY</u>	144,54	0,07%
<u>USDCAD</u>	1,3593	0,19%
<u>USDTRY</u>	18,58	-0,06%
<u>GBPUSD</u>	1,1323	-0,03%
<u>AUDUSD</u>	0,6519	0,48%
<u>NZDUSD</u>	0,5784	0,78%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	0.9585	0.9745	0.9814	0.9974	1.0065	1.0225
USDJPY	141.70	143.02	143.83	145.15	145.66	146.98
GBPUSD	1.0813	1.1081	1.1204	1.1472	1.1617	1.1885
USDCAD	1.3222	1.3414	1.3517	1.3709	1.3798	1.3990
AUDUSD	0.6259	0.6368	0.6428	0.6537	0.6586	0.6695
NZDUSD	0.5447	0.5591	0.5665	0.5809	0.5879	0.6023
USDCHF	0.9629	0.9733	0.9786	0.9890	0.9941	1.0045
USDTRY	18.4078	18.4959	18.5325	18.6206	18.6721	18.7602
XAUUSD	1660.44	1687.67	1701.96	1729.19	1742.13	1769.36
XAGUSD	18.2980	19.4258	20.0360	21.1638	21.6814	22.8092

Source: Refinitiv / fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars											
G8		Browse		08:19:12		10/06/22		10/06/22			
Economic Releases		All Economic Releases				View		Agenda			
Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
10/04-10/10		RU				Wellbeing Fund	Sep	--	--	\$196.6b	--
10/06 01:50		JN				Japan Buying Foreign Bonds	Sep 30	--	--	-¥1102.5b	--
10/06 01:50		JN				Foreign Buying Japan Bonds	Sep 30	--	--	-¥2862.8b	--
10/06 01:50		JN				Japan Buying Foreign Stocks	Sep 30	--	--	¥264.8b	--
10/06 01:50		JN				Foreign Buying Japan Stocks	Sep 30	--	--	-¥1178.9b	--
10/06 04:00		JN				Tokyo Avg Office Vacancies	Sep	--	--	6.49	--
10/06 08:00		GE				Factory Orders MoM	Aug	-0.7%	--	-1.1%	--
10/06 08:00		GE				Factory Orders WDA YoY	Aug	-5.5%	--	-13.6%	--
10/06 09:30		GE				S&P Global Germany Construction PMI	Sep	--	--	42.6	--
10/06 10:30		UK				S&P Global/CIPS UK Construction PMI	Sep	48.0	--	49.2	--
10/06 11:00		EC				Retail Sales MoM	Aug	-0.4%	--	0.3%	--
10/06 11:00		EC				Retail Sales YoY	Aug	-1.7%	--	-0.9%	--
10/06 13:30		US				Challenger Job Cuts YoY	Sep	--	--	30.3%	--
10/06 14:30		US				Initial Jobless Claims	Oct 1	203k	--	193k	--
10/06 14:30		US				Continuing Claims	Sep 24	1350k	--	1347k	--
10/06 15:00		RU				Gold and Forex Reserve	Sep 30	--	--	549.7b	--
10/06 16:00		CA				Ivey Purchasing Managers Index SA	Sep	--	--	60.9	--
10/06 18:00		IT				New Car Registrations YoY	Sep	--	--	9.92%	--
10/06		RU				Light Vehicle Car Sales YoY	Sep	--	--	-62.4%	--

Source: Refinitiv

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