

Market Corner

Asian stocks advanced as technology shares led a rebound in China's equity market ahead of a much anticipated policy decision by the US Federal Reserve on Wednesday.

The MSCI Asia Pacific Index jumped as much as 1.4%, set for its biggest gain in almost a week, as dip buyers helped lift China's gauges from multi-year lows. The Hang Seng Tech Index climbed as much as 6.1%, with internet giants Meituan, Tencent Holdings and Alibaba Group Holding the biggest contributors to the advance. Tech-heavy markets such as South Korea and Taiwan also rose.

While the Fed looks set to raise interest rates by 75 basis points this week amid its most-aggressive tightening campaign in four decades, investors will be watching for any signs that hikes may slow in the future.

US equities traded lower Monday, trimming a monthly surge, as investors turned cautious ahead of the Federal Reserve's rate decision later this week and potential clues on the path forward for interest-rates hikes into next year.

The S&P 500 Index was down 0.8%, with communication services and information technology the worst performing sectors as 10 of the 11 major industry groups fell. Apple Inc. and Microsoft Corp. weighed the heaviest on the equities benchmark gauge. Energy was the only group to end the day higher despite early losses triggered by a report that President Joe Biden is eyeing a windfall tax on energy companies.

The tech-heavy Nasdaq 100 Index dropped 1.2%, while the blue-chip Dow Jones Industrial Average slid 0.4%. The 10-year Treasury climbed to 4.05%, as the policy-sensitive two-year reached 4.5%.

Sentiment turned decidedly negative Monday, with stocks trimming an October rebound, as traders positioned themselves ahead of a highly anticipated Fed rate decision. While policy makers are widely expected to raise interest rates by 75 basis points for the fourth straight time on Wednesday, where they go from there remains up for debate.

The end of the Fed's campaign to raise interest rates is approaching, according to Morgan Stanley strategist Michael Wilson, who until recently was a prominent stock market bear who correctly predicted this year's slump in equities.

<u>World Indices</u>	<u>Last</u>	<u>1D Change</u>
<u>Dow Jones</u>	32 732,95	-0,39%
<u>S&P 500</u>	3 871,98	-0,75%
<u>Nasdaq</u>	10 988,15	-1,03%
<u>Eurostoxx 50</u>	3 617,54	0,13%
<u>FTSE 100</u>	7 094,53	0,66%
<u>CAC 40</u>	6 266,77	-0,10%
<u>DAX</u>	13 253,74	0,08%
<u>SMI</u>	10 827,93	0,52%
<u>Nikkei</u>	27 678,92	0,33%
<u>Hang Seng</u>	15 590,89	6,15%
<u>CSI 300</u>	3 634,17	3,58%
<u>VIX Index</u>	26,08	0,77%

<u>World Bonds</u>	<u>Last</u>	<u>1D Change</u>
<u>US 10Y</u>	3,9984	-1,22%
<u>EUR 10Y</u>	2,1240	-0,84%
<u>Swiss 10Y</u>	1,1200	-3,53%
<u>UK 10Y</u>	3,52	1,09%

Source: Bloomberg



Morning Call

Geneva, November 1, 2022

Crypto Corner

A parabolic surge in meme cryptocurrency Dogecoin over the past week is encouraging speculation that other so-called alternative tokens could also catch a speculative tailwind.

The coin represented by an image of a Shiba Inu has climbed to almost 15 US cents from roughly 6 US cents over the period, an advance that in percentage terms far outstrips the performance of top token Bitcoin.

The proximal cause is the \$44 billion purchase of Twitter Inc. by Elon Musk, a longtime supporter of the coin. Kunal Goel, a research analyst at Messari, said that some traders believe Musk will integrate the token into the platform.

Musk on Tuesday tweeted a picture of a Shiba Inu in a Twitter t-shirt, catalyzing the latest leg up in the Dogecoin price. His move also evoked memories of how past posts by the billionaire sparked frenzied rallies in the token -- though that was mainly during the height of the pandemic when liquidity was flush, unlike today.

“Historically, a strong rally in DOGE has marked the beginning of an ‘alt szn’ -- a time period characterized by aggressive risk-taking behavior where capital flows to crypto assets other than Bitcoin,” Priyansh Patel, an analyst at Delphi Digital, wrote in a note.

Patel said the second-largest token Ether has posted notable gains in Dogecoin’s slipstream but added the rider that it remains to be seen if these surges are “merely generating exit liquidity before we hit new lows.”

The big event-risk for global markets is the Federal Reserve policy meeting on Wednesday, when another steep interest-rate hike is expected. But any sign of a possible pivot to a slower pace of increases could fuel optimism after a painful year for investors due to aggressive monetary tightening.

It remains very unclear what, if anything, Musk would do around Dogecoin and Twitter. He has long expressed support for the coin, quipping about his status as “The Dogefather” and earlier announcing that he owns some of it along with Bitcoin and Ether. He has also previously tweeted that it can be used to buy Tesla Inc. merchandise.

Crypto Market Cap: [\\$1,02T](#)

24h Vol: [\\$88,2](#)

Dominance: [BTC: 38,6%](#) [ETH:19,0%](#)

Crypto	Last	1D Change
Bitcoin	20 566,61	0,79%
Ethereum	1 586,68	1,39%



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

Commodity Corner

Gold headed for its seventh straight month of declines, the longest losing streak since at least the late 1960s, ahead of yet another jumbo rate hike by the Federal Reserve expected this week.

The metal extended its October slump on Monday as the dollar and Treasury yields rebounded from last week's loss amid weakness in equity markets. Attention is now firmly on the Fed, whose aggressive rate hikes have caused bullion to drop more than a fifth from its March peak.

Spot gold declined 0.7% to \$1,633.44 an ounce as of 4:09 p.m. in New York, after finishing 1.1% down on Friday. A seventh straight monthly drop would be the longest run since prices began moving on a monthly basis starting in 1968, Bloomberg data show. The Bloomberg Dollar Spot Index rose 0.7%. Silver and platinum declined, while palladium slumped 3.3%.

Precious Metals	Last	1D Change
<u>Gold</u>	1 644,38	0,66%
<u>Silver</u>	19,64	2,50%
<u>Platinum</u>	940,03	1,01%
<u>Palladium</u>	1 866,68	1,12%

Oil gained as the dollar weakened and equities rallied before interest-rate decisions by major central banks.

West Texas Intermediate futures climbed to trade near \$88 a barrel after losing around 3% over the previous two sessions. The Federal Reserve is scheduled to decide on rates on Wednesday, as central banks continue to tighten monetary policy to tame inflation. Chinese stocks surged on speculation that policymakers are preparing to exit Covid restrictions.

While oil has shed almost a third of its value since early June, futures capped the first monthly gain since May last month after the OPEC+ alliance agreed to sizable production cuts. Excess supply was the main reason to curb output from November, the group's Secretary-General Haitham al Ghais said on Monday.

World Commodities	Last	1D Change
<u>WTI Crude</u>	87,94	1,63%
<u>Brent Crude</u>	94,38	1,69%
<u>Nat Gas (HH)</u>	6,19	-2,64%
<u>Nickel</u>	21 717,00	-1,44%
<u>Copper</u>	346,20	2,58%
<u>Corn</u>	692,75	0,18%
<u>Wheat</u>	880,00	-0,26%
<u>Soybean</u>	1 422,00	1,07%
<u>Coffee</u>	177,70	4,65%
<u>Cotton</u>	74,42	3,36%
<u>Sugar</u>	17,97	2,22%

Source: fxstreet.com / Bloomberg



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FX Corner

EUR/USD is extending the rebound from weekly lows above 0.9900, helped by ECB Chief Lagarde's comments. The US dollar loses further ground amid a better risk profile and falling Treasury yields. Focus shifts to US ISM Manufacturing PMI and Fed decision.

GBP/USD is recovery ground further above 1.1500, as risk flows dominate in Tuesday's early European trading. The US dollar extends the retreat amid a better market mood, tracing the yields lower. US data awaited ahead of the Fed.

USD/JPY remains under selling pressure below 148.50, as the US dollar is feeling the pull of gravity amid falling Treasury yields. The improvement in the market mood is weighing on the dollar amid Japanese verbal intervention.

AUD/USD pares gains in a delayed reaction to the RBA's expected 25 bps rate hike outcome. Investors assess the RBA policy statement, as the pair holds the 0.6400 level amid a broadly weaker US dollar and a risk-on market environment.

World Currencies	Last	1D Change
<u>EURUSD</u>	0,9917	0,35%
<u>EURCHF</u>	0,9904	-0,05%
<u>EURGBP</u>	0,8614	0,07%
<u>EURJPY</u>	146,58	0,27%
<u>USDCHF</u>	0,9986	0,27%
<u>USDJPY</u>	147,80	0,62%
<u>USDCAD</u>	1,3572	0,38%
<u>USDTRY</u>	18,62	-0,02%
<u>GBPUSD</u>	1,1512	0,37%
<u>AUDUSD</u>	0,6421	0,34%
<u>NZDUSD</u>	0,5858	0,76%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	0.9721	0.9814	0.9848	0.9941	1.0000	1.0093
USDJPY	145.65	147.00	147.86	149.21	149.70	151.05
GBPUSD	1.1210	1.1362	1.1416	1.1568	1.1666	1.1818
USDCAD	1.3466	1.3551	1.3588	1.3673	1.3721	1.3806
AUDUSD	0.6278	0.6338	0.6369	0.6429	0.6458	0.6518
NZDUSD	0.5688	0.5748	0.5781	0.5841	0.5868	0.5928
USDCHF	0.9855	0.9928	0.9971	1.0044	1.0074	1.0147
USDTRY	17.7626	18.1395	18.3765	18.7534	18.8933	19.2702
XAUUSD	1609.37	1623.20	1628.38	1642.21	1650.86	1664.69
XAGUSD	18.4005	18.7548	18.9596	19.3139	19.4634	19.8177

Source: Refinitiv / fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars

G8 Browse 13:03:14 11/01/22 - 11/01/22

Economic Releases All Economic Releases View Agenda Weekly

Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
11/01	01:30	JN				Jibun Bank Japan PMI Mfg	Oct F	--	--	50.7	--
11/01	06:00	JN				Vehicle Sales YoY	Oct	--	--	17.8%	--
11/01	07:00	RU				S&P Global Russia Manufacturing PMI	Oct	50.1	--	52.0	--
11/01	08:00	GE				Import Price Index MoM	Sep	0.6%	--	4.3%	--
11/01	08:00	GE				Import Price Index YoY	Sep	31.0%	--	32.7%	--
11/01	08:00	UK				Nationwide House PX MoM	Oct	-0.3%	--	0.0%	--
11/01	08:00	UK				Nationwide House Px NSA YoY	Oct	8.2%	--	9.5%	--
11/01	10:30	UK				S&P Global/CIPS UK Manufacturing PMI	Oct F	45.8	--	45.8	--
11/01	14:30	CA				S&P Global Canada Manufacturing PMI	Oct	--	--	49.8	--
11/01	14:45	US				S&P Global US Manufacturing PMI	Oct F	49.9	--	49.9	--
11/01	15:00	US				JOLTS Job Openings	Sep	9625k	--	10053k	--
11/01	15:00	US				Construction Spending MoM	Sep	-0.5%	--	-0.7%	--
11/01	15:00	US				ISM Manufacturing	Oct	50.0	--	50.9	--
11/01	15:00	US				ISM Prices Paid	Oct	53.0	--	51.7	--
11/01	15:00	US				ISM New Orders	Oct	--	--	47.1	--
11/01	15:00	US				ISM Employment	Oct	--	--	48.7	--
11/01		US				Wards Total Vehicle Sales	Oct	14.30m	--	13.49m	--

Source: Refinitiv

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