



Morning Call

Geneva, November 10, 2022

Market Corner

Asian shares were little changed Wednesday, after three straight gains of more than 1%, as a rally in tech stocks offset losses in Chinese shares and investor worries about US midterm election results.

The MSCI Asia Pacific Index was up 0.01% as of 6:04 p.m. in Singapore, with chipmakers TSMC and Samsung Electronics among the biggest boosters, while Chinese internet names fell amid concerns over Singles Day sales.

With Republicans headed toward control over the US House of Representatives -- albeit by a smaller margin than forecast -- some investors say it portends difficulty in passing legislation during a trying economic period, while others see political gridlock as preserving status quo.

Meanwhile, tech shares extended a rebound on cheaper valuations, boosting benchmarks in Taiwan and South Korea. Key gauges in China and Hong Kong, however, dropped for a second straight day after a recent rebound. The decliners were influenced as Chinese producer prices fell into deflation for the first time in nearly two years amid lockdowns and new Covid cases in Beijing jumped.

US stocks dropped Wednesday, erasing this week's gains, as the sweeping Republican Congressional victories that Wall Street traders bet on failed to materialize and investors remained nervous ahead of Thursday's inflation data.

The S&P 500 Index dropped 2.1%, snapping three days of gains to post its biggest one-day decline in a week, as every sector retreated, led by energy as crude oil prices fell. The Dow Jones Industrial Average fell 2% and the Nasdaq 100 fell 2.5% after voters delivered a mixed verdict in elections shaped by inflation and splits around social issues, with Republicans appearing likely to win control of the US House, but by smaller margins than expected.

The hoped-for "red wave is more muted than expected, and the market is disappointed," Navellier & Associates chief investment officer Louis Navellier said Wednesday, as he predicted President Joe Biden's administration would shift to more stringent regulations to advance policy goals given a divided Congress. "For now, the lack of a comfortable win in the Senate has left sectors vulnerable to regulatory scrutiny, which starts in the Senate, such as energy and technology, which is yet to experience a hoped-for relief rally."

Wall Street had seen the Democrats' potential loss of Congress as positive because it would usher in a period of divided government, promising to prevent any major policy changes that could worsen inflation or just make the economic or corporate outlook more uncertain.

World Indices	Last	1D Change
<u>Dow Jones</u>	32 513,94	-1,95%
<u>S&P 500</u>	3 748,57	-2,08%
<u>Nasdaq</u>	10 353,17	-2,48%
<u>Eurostoxx 50</u>	3 728,03	-0,30%
<u>FTSE 100</u>	7 296,25	-0,14%
<u>CAC 40</u>	6 430,57	-0,17%
<u>DAX</u>	13 666,32	-0,16%
<u>SMI</u>	10 904,33	0,71%
<u>Nikkei</u>	27 446,10	-0,98%
<u>Hang Seng</u>	16 069,48	-1,77%
<u>CSI 300</u>	3 685,69	-0,77%
<u>VIX Index</u>	26,09	2,15%

World Bonds	Last	1D Change
<u>US 10Y</u>	4,0943	0,05%
<u>EUR 10Y</u>	2,1580	-0,65%
<u>Swiss 10Y</u>	1,0700	-1,93%
<u>UK 10Y</u>	3,46	-2,68%

Source: Bloomberg



Morning Call

Geneva, November 10, 2022

Crypto Corner

Sam Bankman-Fried told FTX.com investors Wednesday that without a cash injection the company would need to file for bankruptcy, according to a person with direct knowledge of the matter.

On a call before Binance pulled an about-face and bailed on its takeover offer, Bankman-Fried informed investors his crypto exchange faced a shortfall of up to \$8 billion and needed \$4 billion to remain solvent, the person said, asking not to be named discussing private talks. FTX is attempting to raise rescue financing in the form of debt, equity, or a combination of the two, the person said.

"I f---ed up," Bankman-Fried told investors on the call, according to people with knowledge of the conversation. He said he would be "incredibly, unbelievably grateful" if investors could help.

Sam Bankman-Fried

An FTX representative declined to comment.

The acknowledgment of his firm's deepening troubles and limited options is a stunning turn for the crypto industry's onetime wunderkind, who was once worth \$26 billion and likened to John Pierpont Morgan. It also underscores the uncertainty hanging over FTX, its clients and cryptocurrency markets.

Hanging in the balance as the exchange teeters is not just the fate of its investors and lenders but anyone who has been unable to retrieve customer assets since it halted some withdrawals earlier in the week. The failure of crypto firms Celsius and Voyager saw billions in client money tied up in bankruptcy proceedings.

FTX has a prominent list of backers such as Sequoia Capital, BlackRock Inc., Tiger Global Management and SoftBank Group Corp. Sequoia wrote down the full value of its holdings in FTX.com and FTX.us, an indication that the firm sees no clear path to recouping its investment.

Still, Bankman-Fried remained defiant during a hectic period of roughly 24 hours that included mounting speculation that Binance wouldn't go through with the deal.

Crypto Market Cap: **\$837B**

24h Vol: **\$191,0B**

Dominance: **BTC: 38,3% ETH:17,2%**

Crypto	Last	1D Change
Bitcoin	16 703,25	6,18%
Ethereum	1 182,10	6,88%



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



Morning Call
Geneva, November 10, 2022

Commodity Corner

Gold held its recent gains in Asia as attention shifts to an inflation report due later Thursday for clues on the Federal Reserve's policy tightening path.

Bullion has been hurt by the Federal Reserve's rate hikes to cool the economy, sliding about 17% from this year's peak in March. It has recouped some of those losses this month and is holding above \$1,700 an ounce, a level it hadn't reached since early October.

Another upside surprise in US inflation could add pressure on gold by dashing hopes that the Fed will downshift after four jumbo rate hikes

"While smaller rate hikes will provide some relief to metal markets, the notion that rates will peak at higher-than-expected levels is expected to keep sentiment dulled in the medium-term," Avtar Sandu, senior manager of commodities at Phillip Nova, said in a note.

Spot gold rose 0.2% to \$1,709.35 an ounce as of 12:31 p.m. in Singapore, after declining 0.3% in the previous session. The Bloomberg Dollar Spot Index was little changed after gaining 0.6% on Wednesday. Silver, palladium and platinum edged higher

Precious Metals		Last	1D Change
<u>Gold</u>		1 705,76	-0,06%
<u>Silver</u>		21,00	-0,23%
<u>Platinum</u>		990,82	0,10%
<u>Palladium</u>		1 863,42	-0,28%

Oil fell as China's Covid Zero policy fanned concerns about energy demand in the largest crude importer, with lockdowns spreading.

West Texas Intermediate eased toward \$85 a barrel, after losing 3.5% on Wednesday as data showed US crude stockpiles hit the highest since July 2021. China's anti-virus policies are hurting consumption, with the country now adding curbs in the southern manufacturing hub of Guangzhou. Futures have dropped every day this week, on course for the worst run since last year.

Crude has slumped by almost a third from its June highs as a global slowdown and tighter monetary policy threaten to sap energy demand. Still, futures have regained some ground this quarter after the Organization of Petroleum Exporting Countries and its allies agreed to reduce supply, and traders looked ahead to tighter European Union curbs on Russian flows.

"Oil traders were wrong-footed after backing a China reopening," said Stephen Innes, managing partner at SPI Asset Management. The worsening China outlook is "bringing the recessionary narrative back to the forefront."

World Commodities		Last	1D Change
<u>WTI Crude</u>		85,62	-0,24%
<u>Brent Crude</u>		92,55	-0,11%
<u>Nat Gas (HH)</u>		5,88	0,31%
<u>Nickel</u>		24 596,00	2,88%
<u>Copper</u>		369,55	-0,12%
<u>Corn</u>		663,75	-0,11%
<u>Wheat</u>		808,00	0,19%
<u>Soybean</u>		1 462,00	0,15%
<u>Coffee</u>		165,15	-0,78%
<u>Cotton</u>		86,33	-0,20%
<u>Sugar</u>		19,38	2,00%

Source: fxstreet.com / Bloomberg



Morning Call

Geneva, November 10, 2022

FX Corner

EUR/USD is rebounding toward 1.0050 in early European trading, The US Dollar is losing ground alongside the Treasury yields, as risk-off flows dominate ahead of the critical inflation data release.

GBP/USD s clinging onto the recovery gains at around 1.1400 in early Europe. High hopes from UK PM Sunak underpin the rebound, despite pessimism surrounding British property markets and hirings. Focus shifts to the US CPI data for further impetus.

USD/JPY sellers return to the table, after the previous day's absence, amid bearish bias for the US inflation and downbeat Fed speak. Also exerting downside pressure on the Yen pair are the sluggish yields and the latest comments from Bank of Japan (BOJ) Governor Haruhiko Kuroda.

AUD/USD is underperforming against other risk-perceived currencies after a higher-than-projected release of consumer inflation expectations in Tokyo. The asset is hovering near the round-level support of 0.6400 in the early European session and has diverged to a negative correlation with US Treasury yields.

World Currencies	Last	1D Change
EURUSD	1,0007	-0,04%
EURCHF	0,9860	-0,03%
EURGBP	0,8800	0,17%
EURJPY	146,46	0,10%
USDCHF	0,9853	-0,08%
USDJPY	146,35	0,08%
USDCAD	1,3556	-0,22%
USDTRY	18,61	-0,10%
GBPUSD	1,1371	0,11%
AUDUSD	0,6396	-0,54%
NZDUSD	0,5848	-0,59%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	0.9841	0.9936	0.9973	1.0068	1.0126	1.0221
USDJPY	142.91	144.53	145.50	147.12	147.77	149.39
GBPUSD	1.0954	1.1187	1.1272	1.1505	1.1653	1.1886
USDCAD	1.3231	1.3362	1.3444	1.3575	1.3624	1.3755
AUDUSD	0.6242	0.6349	0.6390	0.6497	0.6563	0.6670
NZDUSD	0.5716	0.5812	0.5848	0.5944	0.6004	0.6100
USDCHF	0.9694	0.9767	0.9806	0.9879	0.9913	0.9986
USDTRY	18.3706	18.4789	18.5332	18.6415	18.6955	18.8038
XAUUSD	1670.40	1690.42	1698.58	1718.60	1730.46	1750.48
XAGUSD	19.9942	20.6066	20.8298	21.4422	21.8314	22.4438

Source: Refinitiv / fxstreet.com / Bloomberg



Morning Call

Geneva, November 10, 2022

Event Corner

ECO Economic Calendars											
G8		Browse		08:26:37		11/10/22		11/10/22			
Economic Releases		All Economic Releases				View		Agenda			
Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
11/10	00:50	JN				Money Stock M2 YoY	Oct	3.2%	--	3.3%	--
11/10	00:50	JN				Money Stock M3 YoY	Oct	2.8%	--	2.9%	--
11/10	00:50	JN				Japan Buying Foreign Bonds	Nov 4	--	--	-¥1172.5b	--
11/10	00:50	JN				Foreign Buying Japan Bonds	Nov 4	--	--	-¥172.7b	--
11/10	00:50	JN				Japan Buying Foreign Stocks	Nov 4	--	--	-¥248.1b	--
11/10	00:50	JN				Foreign Buying Japan Stocks	Nov 4	--	--	¥337.0b	--
11/10	01:01	UK				RICS House Price Balance	Oct	19%	--	32%	--
11/10	03:00	JN				Tokyo Avg Office Vacancies	Oct	--	--	6.49	--
11/10	07:00	JN				Machine Tool Orders YoY	Oct P	--	--	4.3%	--
11/10	08:45	FR				Wages QoQ	3Q P	1.2%	--	1.1%	--
11/10	10:00	EC				ECB Publishes Economic Bulletin					
11/10	10:00	IT				Industrial Production MoM	Sep	-1.5%	--	2.3%	--
11/10	10:00	IT				Industrial Production WDA YoY	Sep	1.0%	--	2.9%	--
11/10	10:00	IT				Industrial Production NSA YoY	Sep	--	--	2.8%	--
11/10	10:30	IT				Bank of Italy Releases Banks and Money Monthly Statistics					
11/10	11:00	IT				Istat Releases the Monthly Economic Note					
11/10	14:00	RU				Gold and Forex Reserve	Nov 4	--	--	\$550.1b	--
11/10	14:30	US				CPI MoM	Oct	0.6%	--	0.4%	--
11/10	14:30	US				CPI Ex Food and Energy MoM	Oct	0.5%	--	0.6%	--
11/10	14:30	US				CPI YoY	Oct	7.9%	--	8.2%	--
11/10	14:30	US				CPI Ex Food and Energy YoY	Oct	6.5%	--	6.6%	--
11/10	14:30	US				CPI Index NSA	Oct	298.488	--	296.808	--
11/10	14:30	US				CPI Core Index SA	Oct	300.094	--	298.660	--
11/10	14:30	US				Real Avg Hourly Earning YoY	Oct	--	--	-3.0%	--
11/10	14:30	US				Real Avg Weekly Earnings YoY	Oct	--	--	-3.8%	--
11/10	14:30	US				Initial Jobless Claims	Nov 5	220k	--	217k	--
11/10	14:30	US				Continuing Claims	Oct 29	1487k	--	1485k	--
11/10	20:00	US				Monthly Budget Statement	Oct	-\$92.5b	--	-\$429.7b	--
11/10-11/14		RU				Budget Balance YTD	Oct	--	--	54.7b	--

Source: Refinitiv

Disclaimer: "This information, including any opinion, news and reports is based on publicly available source, but its accuracy cannot be guaranteed and may be subject to change without notice. BankMed (Suisse) does not guarantee the accuracy, timeliness, continued availability or completeness of such information. Neither the information provided nor any opinion expressed therein, constitutes a solicitation, offer, personal recommendation or advice. BankMed (Suisse) is not acting as an adviser to you and you are free to rely or not on such information at your own risk. Certain transactions involving securities give rise to substantial risks, including currency and volatility risk, and are not suitable for all investors."