



# Morning Call

Geneva, November 11, 2022

## Market Corner

**Asian equities dropped for a second day, as the turmoil in the crypto market and China's Covid restrictions prompted a selloff ahead of key US Inflation data.**

The MSCI Asia Pacific Index fell more than 1%, with gauges in Hong Kong among the biggest decliners in the region. Consumer discretionary and tech shares fell the most. Shares linked to the crypto industry fell after Binance dropped its bid for FTX.com, while China's heavyweights face dwindling Singles Day sales.

Risk-off sentiment prevailed in Asia trading on Thursday as investors awaited data on price increases in the US to gauge the Fed's next policy move. Chinese stocks dropped as the nation strengthened Covid restrictions to curb an outbreak in a key manufacturing hub, dampening hopes of a reopening that triggered a rally this month.

**Stocks soared Thursday with key indexes posting their biggest gains in over two years as traders bet that cooler-than-expected inflation data would lead the Federal Reserve to slow the pace of interest rate hikes. Four Fed presidents made the case for a slower pace, fanning market optimism.**

The S&P 500 and Dow Jones Industrial Average posted their biggest single day gains since 2020 following the inflation print, rising 5.5% and 3.7%, respectively, as every sector advanced.

Tech stocks were the big winners Thursday as the Nasdaq 100 climbed 7.4%, with mega caps like Apple Inc., Amazon.com Inc. and Microsoft Corp. gaining more than \$100 billion each in market value in a broad rally.

World Indices	Last	1D Change
<u>Dow Jones</u>	33 715,37	3,70%
<u>S&amp;P 500</u>	3 956,37	5,54%
<u>Nasdaq</u>	11 114,15	7,35%
<u>Eurostoxx 50</u>	3 846,56	3,18%
<u>FTSE 100</u>	7 375,34	1,08%
<u>CAC 40</u>	6 556,83	1,96%
<u>DAX</u>	14 146,09	3,51%
<u>SMI</u>	11 120,49	1,98%
<u>Nikkei</u>	28 263,57	2,98%
<u>Hang Seng</u>	17 241,85	7,22%
<u>CSI 300</u>	3 788,44	2,79%
<u>VIX Index</u>	23,53	-9,81%

World Bonds	Last	1D Change
<u>US 10Y</u>	3,8125	0,00%
<u>EUR 10Y</u>	2,0320	1,15%
<u>Swiss 10Y</u>	1,0040	2,24%
<u>UK 10Y</u>	3,29	-4,77%

Source: Bloomberg



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# Crypto Corner

**Sam Bankman-Fried is being investigated by the US Securities and Exchange Commission for potential violations of securities rules as the regulator deepens its probe into his crumbling FTX crypto empire, according to a person familiar with the matter.**

FTX, the American platform FTX US, and Bankman-Fried’s trading house Alameda Research are already under investigation by the SEC, Bloomberg News reported Wednesday. The Justice Department is also looking into the situation.

The SEC is scrutinizing Bankman-Fried’s involvement in recent moves that helped push FTX.com, one of the world’s largest exchanges, into a liquidity crisis, said the person, who asked not to be named discussing the confidential inquiry. As the crisis deepened on Thursday, the securities regulator for the Bahamas, where FTX.com is based, said it was freezing the firm’s assets and appointing a provisional liquidator.

Representatives for the SEC and FTX.com declined to comment. Bankman-Fried, 30, didn’t immediately respond to a request for comment, nor did the FTX US exchange.

US regulators have been looking into whether FTX.com mishandled customer funds, and reviewing the global trading platform’s relationships with other Bankman-Fried’s businesses. The SEC’s scrutiny started months ago as a probe into the FTX US platform and its crypto-lending activities, but in recent days has expanded.

Crypto Market Cap: **\$868B**

24h Vol: **\$137,8B**

Dominance: **BTC: 38,2% ETH:17,8%**

Crypto	Last	1D Change
<b>Bitcoin</b>	<b>17 349,87</b>	<b>-2,57%</b>
<b>Ethereum</b>	<b>1 274,07</b>	<b>-3,59%</b>



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



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## Commodity Corner

**Gold is on track for its biggest weekly gain since March after cooler-than-expected US inflation data set the stage for a slowdown in aggressive interest-rate hikes.**

A relaxation in the Federal Reserve’s monetary-tightening path would likely be positive for gold, which bears no interest and is priced in the US currency, meaning it typically has a negative correlation with the dollar and rates.

While steep rate hikes by the Fed this year have weighed on bullion and sent it plunging as the greenback surged, Thursday’s inflation figures triggered a 2% decline in the dollar and a 2.9% gain in gold in the session.

US CPI rose 0.4% in October from the prior month, far below economist estimates

“Gold is breaking out here and it could have a steady path towards the \$1,800 level if dollar weakness remains,” Ed Moya, senior market strategist at Oanda, said in a note

**Spot gold** was down 0.3% to \$1,750.53 an ounce as of 12:11 p.m. in Singapore; it’s poised for a weekly gain of 4.1% and trading near its highest level since August. The Bloomberg Dollar Spot Index was little changed. Silver and palladium edged lower while platinum was flat

Precious Metals		Last	1D Change
<u>Gold</u>		1 759,94	0,26%
<u>Silver</u>		21,87	0,86%
<u>Platinum</u>		1 052,23	1,55%
<u>Palladium</u>		1 993,51	1,03%

**Oil jumped after China announced some easing of its strict Covid Zero strategy, a move that could spark more local and international travel and lift commodity demand.**

West Texas Intermediate rose as much as 2.8% to trade above \$88 a barrel. China reduced the amount of time people entering the country must spend in quarantine and will scrap a system that penalizes airlines for bringing virus cases into the nation, according to the National Health Commission.

Covid Zero relies on lockdowns and mass testing to stamp out infections, a policy that’s weighed on China’s economy this year. Despite the strategy, daily cases have climbed to the highest since April. Investors have been watching for clues on any relaxation, with markets whipsawed recently by rumors of easing.

Oil has lost almost a third of its value since early June on concerns over a global economic slowdown and aggressive monetary tightening by central banks. Crude had edged higher earlier in the session along with broader markets after data showed slower-than-projected US inflation.

World Commodities		Last	1D Change
<u>WTI Crude</u>		88,32	2,14%
<u>Brent Crude</u>		95,59	2,05%
<u>Nat Gas (HH)</u>		6,25	0,10%
<u>Nickel</u>		25 853,00	5,11%
<u>Copper</u>		383,90	2,16%
<u>Corn</u>		658,50	0,80%
<u>Wheat</u>		811,75	1,03%
<u>Soybean</u>		1 439,25	0,61%
<u>Coffee</u>		171,00	3,54%
<u>Cotton</u>		87,50	1,30%
<u>Sugar</u>		19,41	0,15%

Source: fxstreet.com / Bloomberg



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## FX Corner

**EUR/USD** is holding onto gains above 1.0200, capitalizing on a fresh risk-on wave after China cut its quarantine restrictions and flight bans. The safe-haven US Dollar resumes its post-CPI downside ahead of the Michigan Consumer Sentiment data.

**GBP/USD** clings to small daily gains above 1.1700 in the early European morning on Friday. The data from the UK showed that the GDP expanded at an annualized rate of 2.4% in the third quarter, surpassing the market expectation of 2.1%, and helped Pound Sterling hold its ground.

**USD/JPY** has turned sideways after a rebound move from around the psychological support of 140.00. The rebound move seems to lack confidence as the risk-on impulse is extremely solid after a sheer downside in short-term US inflationary pressures.

**AUD/USD** is recovering ground above 0.6600 amid a fresh selling seen in the US Dollar across the board, as investors digest the latest tweet from the WSJ Fed insider Nick Timiraos. China's surging covid cases could limit the upside in the aussie.

World Currencies	Last	1D Change
<u>EURUSD</u>	1,0231	0,22%
<u>EURCHF</u>	0,9851	-0,15%
<u>EURGBP</u>	0,8724	-0,11%
<u>EURJPY</u>	144,48	-0,39%
<u>USDCHF</u>	0,9629	0,10%
<u>USDJPY</u>	141,22	-0,17%
<u>USDCAD</u>	1,3303	0,16%
<u>USDTRY</u>	18,57	-0,43%
<u>GBPUSD</u>	1,1727	0,09%
<u>AUDUSD</u>	0,6646	0,41%
<u>NZDUSD</u>	0,6032	0,12%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	0.9551	0.9837	1.0023	1.0309	1.0409	1.0695
USDJPY	129.83	136.21	138.60	144.98	148.97	155.35
GBPUSD	1.0846	1.1223	1.1470	1.1847	1.1977	1.2354
USDCAD	1.2877	1.3139	1.3232	1.3494	1.3663	1.3925
AUDUSD	0.6056	0.6301	0.6460	0.6705	0.6791	0.7036
NZDUSD	0.5569	0.5769	0.5897	0.6097	0.6169	0.6369
USDCHF	0.9187	0.9455	0.9547	0.9815	0.9991	1.0259
USDTRY	18.2019	18.3643	18.4268	18.5892	18.6891	18.8515
XAUUSD	1632.21	1685.56	1720.51	1773.86	1792.26	1845.61
XAGUSD	19.7448	20.6168	21.1487	22.0207	22.3608	23.2328

Source: Refinitiv / fxstreet.com / Bloomberg



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## Event Corner

ECO Economic Calendars Options

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Economic Releases All Economic Releases View  Agenda  Weekly

Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
11/11	00:50	JN				PPI YoY	Oct	8.8%	--	9.7%	--
11/11	00:50	JN				PPI MoM	Oct	0.7%	--	0.7%	--
11/11	08:00	UK				Monthly GDP (MoM)	Sep	-0.4%	--	-0.3%	--
11/11	08:00	UK				GDP QoQ	3Q P	-0.5%	--	0.2%	--
11/11	08:00	GE				CPI MoM	Oct F	0.9%	--	0.9%	--
11/11	08:00	UK				GDP YoY	3Q P	2.1%	--	4.4%	--
11/11	08:00	GE				CPI YoY	Oct F	10.4%	--	10.4%	--
11/11	08:00	UK				Private Consumption QoQ	3Q P	-0.5%	--	0.1%	--
11/11	08:00	GE				CPI EU Harmonized MoM	Oct F	1.1%	--	1.1%	--
11/11	08:00	UK				Government Spending QoQ	3Q P	-0.1%	--	-1.5%	--
11/11	08:00	GE				CPI EU Harmonized YoY	Oct F	11.6%	--	11.6%	--
11/11	08:00	UK				Gross Fixed Capital Formation QoQ	3Q P	0.4%	--	-1.4%	--
11/11	08:00	UK				Exports QoQ	3Q P	4.4%	--	3.6%	--
11/11	08:00	UK				Imports QoQ	3Q P	-1.3%	--	-1.5%	--
11/11	08:00	UK				Construction Output MoM	Sep	-0.6%	--	0.4%	--
11/11	08:00	UK				Construction Output YoY	Sep	4.5%	--	6.1%	--
11/11	08:00	UK				Industrial Production MoM	Sep	-0.3%	--	-1.8%	--
11/11	08:00	UK				Industrial Production YoY	Sep	-4.4%	--	-5.2%	--
11/11	08:00	UK				Manufacturing Production MoM	Sep	-0.4%	--	-1.6%	--
11/11	08:00	UK				Manufacturing Production YoY	Sep	-6.6%	--	-6.7%	--
11/11	08:00	UK				Index of Services MoM	Sep	-0.5%	--	-0.1%	--
11/11	08:00	UK				Index of Services 3M/3M	Sep	-0.2%	--	-0.1%	--
11/11	08:00	UK				Total Business Investment QoQ	3Q P	0.6%	--	3.7%	--
11/11	08:00	UK				Visible Trade Balance GBP/Mn	Sep	-£18600m	--	-£19257m	--
11/11	08:00	UK				Total Business Investment YoY	3Q P	4.1%	--	5.2%	--
11/11	08:00	UK				Trade Balance GBP/Mn	Sep	-£7000m	--	-£7080m	--
11/11	08:00	UK				Visible Trade Balance Ex Precious Metals	Sep	--	--	-£21690m	--
11/11	08:00	UK				Trade Balance Ex Precious Metals	Sep	--	--	-£9513m	--
11/11	09:00	RU				Money Supply Narrow Def	Nov 4	--	--	15.61t	--
11/11	11:00	EC				EU Commission Economic Forecasts					
11/11	16:00	US				U. of Mich. Sentiment	Nov P	59.5	--	59.9	--
11/11	16:00	US				U. of Mich. Current Conditions	Nov P	63.5	--	65.6	--
11/11	16:00	US				U. of Mich. Expectations	Nov P	55.0	--	56.2	--
11/11	16:00	US				U. of Mich. 1 Yr Inflation	Nov P	5.1%	--	5.0%	--
11/11	16:00	US				U. of Mich. 5-10 Yr Inflation	Nov P	2.9%	--	2.9%	--
11/11		GE				Current Account Balance	Sep	--	--	0.6b	--
11/11		RU				Budget Balance YTD	Oct	--	--	54.7b	--
11/11-11/16		GE				Wholesale Price Index MoM	Oct	--	--	1.6%	--
11/11-11/16		GE				Wholesale Price Index YoY	Oct	--	--	19.9%	--

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."