

Market Corner

Asian stocks were poised to snap a three-day rally as risk assets dived after the Federal Reserve signaled more tightening ahead. Beijing's reiteration of its Covid Zero strategy also cut short a rebound in Chinese shares.

The MSCI Asia Pacific ex-Japan Index fell as much as 2%, led by consumer discretionary and tech shares. Nearly all markets in the region were down, with Australia slumping 2% and tech-heavy markets such as South Korea and Taiwan dropping 1% each. Japan was closed for a holiday.

Fed Chair Jerome Powell's comments that tightening still has "some ways to go" were perceived to be more aggressive and hawkish than before, triggering a reversal in US shares. The Fed raised interest rates by 75 basis points for the fourth time in a row.

US equities swung between gains and losses Wednesday before slamming decisively lower late in the session after Federal Reserve Chair Jerome Powell said interest rates will need to go higher than previously projected.

The S&P 500 Index slumped 2.5% with all 11 major industry groups in the red, led by declines of more than 3% in the consumer discretionary, information technology and communications services sectors. The Nasdaq 100 Index sank 3.4%, while the blue-chip Dow Jones Industrial Average lost 1.6%. Yields surged, with the policy-sensitive two-year Treasury at 4.6% and the 10-year at 4.1%.

The stock market had turned positive after the Fed confirmed its widely expected a 75 basis-point rate hike, while noting that it will take cumulative tightening lags into account.

Labor demand remains strong as private payrolls rose 239,000 last month after a revised 192,000 gain in September, according to data from ADP Research Institute. A resilient job market has fueled fast wage growth, contributing to rapid inflation and putting pressure on the Fed to aggressively tighten monetary policy.

World Indices	Last	1D Change
<u>Dow Jones</u>	32 147,76	-1,55%
<u>S&P 500</u>	3 759,69	-2,50%
<u>Nasdaq</u>	10 524,80	-3,36%
<u>Eurostoxx 50</u>	3 622,01	-0,79%
<u>FTSE 100</u>	7 144,14	-0,58%
<u>CAC 40</u>	6 276,88	-0,81%
<u>DAX</u>	13 256,74	-0,61%
<u>SMI</u>	10 806,23	0,21%
<u>Nikkei</u>	27 663,39	-0,06%
<u>Hang Seng</u>	15 370,27	-2,89%
<u>CSI 300</u>	3 647,90	-0,81%
<u>VIX Index</u>	26,14	1,08%

World Bonds	Last	1D Change
<u>US 10Y</u>	4,1511	1,23%
<u>EUR 10Y</u>	2,2730	6,17%
<u>Swiss 10Y</u>	1,1870	4,49%
<u>UK 10Y</u>	3,40	-2,05%

Source: Bloomberg



Morning Call

Geneva, November 3, 2022

Crypto Corner

Vitalik Buterin, co-founder of the Ethereum blockchain, said more rivals to Twitter Inc. could spring up amid a push for a better social media experience.

Buterin, speaking at the Singapore FinTech Festival on Thursday, said he's "hopeful in the next five to 10 years there's going to be better social media platform" whether that's "Twitter itself or whether we'll see a big ground-swell with alternatives -- we could even see both."

He said one of the problems on Twitter that bugs him is the way other accounts try to leverage his posts and profile to market highly speculative cryptocurrency tokens that often lack any rules of operation.

Buterin was responding to questions about Twitter following Elon Musk's \$44 billion acquisition of the company. Musk plans to eliminate half of the social media company's workforce to cut costs, according to people familiar with the matter.

"Elon is a very high variance actor," Buterin said. He could make Twitter "really great" or "really terrible" -- and the latter scenario might open up "opportunities for other people to do something great."

Twitter may also end up somewhere in the middle between those two extreme outcomes, Buterin added.

The Ethereum network Buterin helped to create is the most important blockchain commercially, facilitating an array of financial applications. Buterin said he intends to maintain a leadership role at Ethereum but that he wants to create space for others to contribute as well.

Crypto Market Cap: **\$1,01T**

24h Vol: **\$103,2B**

Dominance: **BTC: 38,6% ETH:18,8%**

Crypto	Last	1D Change
Bitcoin	20 304,03	0,64%
Ethereum	1 547,45	2,39%



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



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Commodity Corner

Gold held steady in Asia as Federal Reserve Chair Jerome Powell signaled the central bank would start implementing smaller rate hikes, although monetary policy would need to be tightened more than previously anticipated to stamp out inflation.

Bullion is trading near its lowest level in two weeks, pressured by a hawkish Fed which has sent prices tumbling 20% since its year-high in March. Higher interest rates could continue to pressure the non-yielding metal, which tends to have a negative correlation with the dollar and rates as it is priced in the US currency.

The Fed raised rates 75 basis points for the fourth time in a row, bringing the top of its target range to 4%, the highest level since 2008

Commodities analyst at Commonwealth Bank of Australia, Vivek Dhar: “The direction of US 10-year real yields will likely dictate where gold futures stabilize.”

Spot gold was steady at \$1,638.28 an ounce as of 12:34 p.m. in Singapore, after dropping 0.8% in the previous session. The Bloomberg Dollar Spot Index was little changed. Silver and palladium gained, while platinum was little changed

Precious Metals		Last	1D Change
<u>Gold</u>		1 630,47	-0,29%
<u>Silver</u>		19,19	-0,22%
<u>Platinum</u>		926,38	-1,20%
<u>Palladium</u>		1 861,71	0,21%

Oil fell after Federal Reserve Chair Jerome Powell said interest rates will go higher than earlier projected, overshadowing tightening supply.

West Texas Intermediate futures dropped below \$89 a barrel after rising 4% over the previous two sessions. Powell said it’s “very premature to be thinking about pausing” after the Fed hiked rates again by 75 basis. The Bank of England will make a decision on monetary policy later Wednesday.

Major central banks are seeking to tame rampant inflation, which is weighing on energy demand. Bearish sentiment stemming from the rate hikes has offset a tightening fuel market, with US gasoline stockpiles falling to the least since 2014 and distillate supplies on the East Coast near record seasonal lows.

World Commodities		Last	1D Change
<u>WTI Crude</u>		89,04	-1,07%
<u>Brent Crude</u>		95,29	-0,90%
<u>Nat Gas (HH)</u>		6,09	-2,82%
<u>Nickel</u>		24 066,00	2,31%
<u>Copper</u>		342,95	-1,12%
<u>Corn</u>		682,75	-0,69%
<u>Wheat</u>		833,25	-1,51%
<u>Soybean</u>		1 440,00	0,00%
<u>Coffee</u>		182,15	4,32%
<u>Cotton</u>		79,80	1,01%
<u>Sugar</u>		18,47	0,22%

Source: fxstreet.com / Bloomberg



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FX Corner

EUR/USD is trading above 0.9800, defending mild gains amid a sluggish Thursday European morning. The pair licks its wounds following the hawkish Fed-induced sell-off while the US dollar struggles to find fresh demand. ECB's Lagarde, US ISM PMI awaited.

GBP/USD is defending recovery gains at around 1.1400, as the US dollar rally takes a breather, despite a cautious mood and higher Treasury yields on hawkish Fed. The pair's further upside appears elusive ahead of the all-important BoE rate hike decision.

USD/JPY edges lower for the third successive day, though the downside remains cushioned. The Fed's hawkish outlook pushes the US bond yields higher and underpins the greenback. Geopolitical risks and intervention fears might hold back bulls from placing aggressive bets.

AUD/USD is keeping its recovery mode intact above 0.6350, despite the deepening contraction in China's services sector. The latest pullback in the US dollar is aiding the rebound in the pair amid the Fed-led risk-aversion.

World Currencies	Last	1D Change
<u>EURUSD</u>	0,9784	-0,35%
<u>EURCHF</u>	0,9846	0,06%
<u>EURGBP</u>	0,8620	-0,01%
<u>EURJPY</u>	144,59	0,45%
<u>USDCHF</u>	1,0063	-0,30%
<u>USDJPY</u>	147,79	0,07%
<u>USDCAD</u>	1,3739	-0,20%
<u>USDTRY</u>	18,62	-0,01%
<u>GBPUSD</u>	1,1350	-0,37%
<u>AUDUSD</u>	0,6322	-0,46%
<u>NZDUSD</u>	0,5799	-0,36%

XDSH FX Dashboard My Pivot Points 1 Month - Support /... : EURUSD BGN Curncy							
Views	Actions						
Currencies	S3	S2	S1	R1	R2	R3	
EURUSD	0.9543	0.9706	0.9762	0.9925	1.0032	1.0195	
USDJPY	141.94	144.63	146.26	148.95	150.01	152.70	
GBPUSD	1.1096	1.1272	1.1332	1.1508	1.1624	1.1800	
USDCAD	1.3328	1.3493	1.3603	1.3768	1.3823	1.3988	
AUDUSD	0.6109	0.6253	0.6302	0.6446	0.6541	0.6685	
NZDUSD	0.5603	0.5731	0.5775	0.5903	0.5987	0.6115	
USDCHF	0.9735	0.9865	0.9949	1.0079	1.0125	1.0255	
USDTRY	18.4130	18.5194	18.5682	18.6746	18.7322	18.8386	
XAUUSD	1577.33	1611.93	1623.59	1658.19	1681.13	1715.73	
XAGUSD	17.7781	18.6429	18.9360	19.8008	20.3725	21.2373	

Source: Refinitiv / fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars Options

G8 Browse 08:15:58 11/03/22 - 11/03/22

Economic Releases All Economic Releases View Agenda Weekly

Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
11/03	07:00	RU				S&P Global Russia Services PMI	Oct	50.5	--	51.1	--
11/03	07:00	RU				S&P Global Russia Composite PMI	Oct	50.5	--	51.5	--
11/03	10:00	IT				Unemployment Rate	Sep	7.8%	--	7.8%	--
11/03	10:30	UK				Official Reserves Changes	Oct	--	--	-\$2350m	--
11/03	10:30	UK				S&P Global/CIPS UK Services PMI	Oct F	47.5	--	47.5	--
11/03	10:30	UK				S&P Global/CIPS UK Composite PMI	Oct F	47.2	--	47.2	--
11/03	11:00	EC				Unemployment Rate	Sep	6.6%	--	6.6%	--
11/03	12:00	IT				ECB's Visco Speaks					
11/03	12:30	US				Challenger Job Cuts YoY	Oct	--	--	67.6%	--
11/03	13:00	UK				Bank of England Bank Rate	Nov 3	3.000%	--	2.250%	--
11/03	13:30	US				Trade Balance	Sep	-\$72.3b	--	-\$67.4b	--
11/03	13:30	CA				Building Permits MoM	Sep	-5.0%	--	11.9%	--
11/03	13:30	CA				Int'l Merchandise Trade	Sep	1.20b	--	1.52b	--
11/03	13:30	US				Nonfarm Productivity	3Q P	0.5%	--	-4.1%	--
11/03	13:30	US				Unit Labor Costs	3Q P	4.0%	--	10.2%	--
11/03	13:30	US				Initial Jobless Claims	Oct 29	220k	--	217k	--
11/03	13:30	US				Continuing Claims	Oct 22	1450k	--	1438k	--
11/03	14:00	RU				Gold and Forex Reserve	Oct 28	--	--	541.0b	--
11/03	14:45	US				S&P Global US Services PMI	Oct F	46.6	--	46.6	--
11/03	14:45	US				S&P Global US Composite PMI	Oct F	47.3	--	47.3	--
11/03	15:00	US				Factory Orders	Sep	0.3%	--	0.0%	--
11/03	15:00	US				Factory Orders Ex Trans	Sep	--	--	0.2%	--
11/03	15:00	US				Durable Goods Orders	Sep F	0.4%	--	0.4%	--
11/03	15:00	US				Durables Ex Transportation	Sep F	-0.5%	--	-0.5%	--
11/03	15:00	US				Cap Goods Orders Nondef Ex Air	Sep F	--	--	-0.7%	--
11/03	15:00	US				ISM Services Index	Oct	55.3	--	56.7	--
11/03	15:00	US				Cap Goods Ship Nondef Ex Air	Sep F	--	--	-0.5%	--
11/03-11/10		RU				Wellbeing Fund	Oct	--	--	\$188.0b	--

Source: Refinitiv

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