

Market Corner

Asian stocks declined as investors monitored China's rapidly spreading Covid cases and awaited policy decisions from major central banks.

The MSCI Asia Pacific Index slid as much as 1.1%, halting a two-day rally as most sectors remained in the red. Tech-heavy markets including South Korea and Taiwan were among the worst performers, after Kyodo reported the US directly asked Japan to cooperate on its chip export curbs against China.

Chinese shares declined, with the Hang Seng Index falling 2%, as Covid spread through the nation's households and offices after the country's pandemic rules were unexpectedly unwound last week.

"China re-opening cheer and whispers of further property sector support" may boost Asian emerging markets, but "these will not be sufficient to override caution ahead of the Fed or structural China risks," said Vishnu Varathan, head of economics & strategy at Mizuho Bank.

US stocks retreated on Friday, completing their biggest weekly decline since September, as traders adopted a cautious stance before an anticipated interest-rate increase from the Federal Reserve at its policy meeting next week.

The S&P 500 Index closed down 0.7%, near its session low. Ten of the 11 major industry groups declined, with the energy and health care sectors leading losses. Communication services was the sole gainer. The tech-heavy Nasdaq 100 Index fell 0.6%, while the Russell 2000 index decreased 1.2%.

Stocks came under pressure after a report showed US producer prices topping forecasts for November. The slightly hotter-than-expected data was somewhat countered by falling one-year inflation expectations at the University of Michigan survey, which moved to 4.6% from 4.9%.

World Indices	Last	1D Change
<u>Dow Jones</u>	33 476,46	-0,90%
<u>S&P 500</u>	3 934,38	-0,73%
<u>Nasdaq</u>	11 004,62	-0,70%
<u>Eurostoxx 50</u>	3 942,62	0,54%
<u>FTSE 100</u>	7 476,63	0,06%
<u>CAC 40</u>	6 677,64	0,46%
<u>DAX</u>	14 370,72	0,74%
<u>SMI</u>	11 068,30	0,58%
<u>Nikkei</u>	27 842,33	-0,21%
<u>Hang Seng</u>	19 438,05	-2,33%
<u>CSI 300</u>	3 953,44	-1,12%
<u>VIX Index</u>	22,83	2,42%

World Bonds	Last	1D Change
<u>US 10Y</u>	3,5525	-0,72%
<u>EUR 10Y</u>	1,9460	0,67%
<u>Swiss 10Y</u>	1,1600	0,35%
<u>UK 10Y</u>	3,18	2,98%

Source: Bloomberg



Morning Call

Geneva, December 12, 2022

Crypto Corner

US prosecutors, laying the groundwork for a potential fraud case against Sam Bankman-Fried and others involved in the collapse of cryptocurrency giant FTX, are scrutinizing how funds held by the exchange operator moved outside the US as it was hurtling toward bankruptcy, according to a person familiar with the matter.

Prosecutors are closely examining whether hundreds of millions of dollars were improperly transferred to the Bahamas around the time of FTX's Nov. 11 bankruptcy filing in Delaware, the person said, asking not to be named without authorization to discuss the case publicly.

As Justice Department officials embark on a sweeping investigation into how FTX handled customers' cash and assets, they met this week with FTX's court-appointed overseers to discuss materials they aim to gather, the person said. They're also digging into whether FTX broke the law by transferring funds to Alameda Research, the bankrupt investment firm also founded by Bankman-Fried, an area of inquiry that has been reported previously.

Bankman-Fried, who's in the Bahamas and hasn't been charged with any crimes, has admitted to grievous managerial errors at FTX but steadfastly denied that he ever knowingly misused customers' funds. A spokesperson for Bankman-Fried declined to comment on Friday.

The New York Times reported this week that federal prosecutors are also examining whether Bankman-Fried engaged in market manipulation by orchestrating trades that led to the collapse of the TerraUSD ecosystem earlier this year.

Prosecutors in the Southern District of New York, including Assistant US Attorney Nicolas Roos, met for about two hours this week in a conference room in lower Manhattan with dozens of people investigating FTX's collapse. Potential charges were not discussed at the organizational meeting. A spokesperson for the Southern District declined to comment.

The meeting included officials from that office and the Justice Department in Washington, agents from the Federal Bureau of Investigation, and the bankruptcy team led by John J. Ray III, who was appointed FTX's chief executive officer last month. Lawyers for FTX from Sullivan & Cromwell, including former Securities and Exchange Commission enforcement director Steve Peikin and former Manhattan federal prosecutor Nicole Friedlander, were also present, the people said.

Crypto Market Cap: **\$841B**

24h Vol: **\$30,6B**

Dominance: **BTC: 38,7% ETH:18,1%**

Crypto	Last	1D Change
Bitcoin	16 923,87	-1,12%
Ethereum	1 246,50	-1,47%



Source: fxstreet.com / Bloomberg/Coinmarketcap.com



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Commodity Corner

Gold edged lower before rate decisions by the Federal Reserve and other major central banks this week that will influence how the global push to rein in inflation plays out in 2023.

The Fed's aggressive monetary tightening has pushed down bullion this year, while aiding Treasury yields and the dollar. The metal has clawed back some losses since early November on signs the US central bank is becoming less hawkish and is near \$1,800 an ounce.

The Fed on Wednesday is set to raise its key rate by 50 basis points to a range of 4% to 4.5%, and is expected to signal more increases in early 2023

Other central banks, including the European Central Bank and the Bank of England, will also wrap up the most aggressive year for interest-rate hikes in four decades

Spot gold fell 0.2% to \$1,794.45 an ounce as of 8:19 a.m. in Singapore, after climbing 0.5% on Friday. The Bloomberg Dollar Spot Index rose 0.1%. Silver, platinum and palladium dropped

Precious Metals		Last	1D Change
<u>Gold</u>		1 790,19	-0,40%
<u>Silver</u>		23,46	-0,07%
<u>Platinum</u>		1 020,19	-0,72%
<u>Palladium</u>		1 935,44	-1,09%

Oil advanced as a crucial North American pipeline remained shut and the market digested the latest virus developments in China.

West Texas Intermediate rose toward \$72 a barrel after falling 11% last week. TC Energy Corp. is continuing recovery efforts at its shuttered Keystone pipeline - which links fields in Canada to refiners on the US Gulf Coast — and a date for a restart hasn't yet been set, according to a statement on Sunday.

China has been moving away from its Covid Zero policy following a wave of protests, offering prospects for a revival in demand in the world's largest crude importer. However, a surge in cases is now spurring concern on consumption over winter, with industry consultant FGE saying in a note that the sudden lifting of restrictions could pose downside risks for oil demand.

World Commodities		Last	1D Change
<u>WTI Crude</u>		71,52	0,70%
<u>Brent Crude</u>		76,45	0,46%
<u>Nat Gas (HH)</u>		6,88	10,22%
<u>Nickel</u>		29 222,00	-1,12%
<u>Copper</u>		383,50	-1,06%
<u>Corn</u>		636,50	0,28%
<u>Wheat</u>		712,75	-1,59%
<u>Soybean</u>		1 468,00	-1,06%
<u>Coffee</u>		157,75	0,54%
<u>Cotton</u>		80,31	-0,79%
<u>Sugar</u>		19,60	-0,41%

Source: fxstreet.com / Bloomberg



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FX Corner

EUR/USD grinds lower toward 1.0500, printing mild losses to extend Friday's downward trajectory. Traders await this week's bumper US and EU events in early Europe. Economic slowdown fears, EU-Russia tensions join pre-Fed anxiety to fuel the US Dollar rebound.

GBP/USD struggles to gain traction early Monday and continues to trade below 1.2250. The data published by the UK's ONS showed that GDP grew by 0.5% on a monthly basis in October, compared to market expectation for a contraction of 0.1%, but failed to provide a boost to the pair.

USD/JPY picks up bids to favor buyers around the 137.00 threshold as the cautious mood in the market underpins the US Dollar demand during early Monday. Adding strength to the upside momentum is the technical breakout and hawkish hopes from the US Federal Reserve (Fed).

AUD/USD retreats to 0.6775 as it defies the three-day winning streak heading into Monday's European session. In doing so, the Aussie pair retreats toward the 200-Hour Moving Average (HMA) amid the bearish MACD signals.

World Currencies	Last	1D Change
<u>EURUSD</u>	1,0532	-0,08%
<u>EURCHF</u>	0,9853	-0,11%
<u>EURGBP</u>	0,8607	-0,18%
<u>EURJPY</u>	144,08	-0,16%
<u>USDCHF</u>	0,9356	-0,15%
<u>USDJPY</u>	136,80	-0,18%
<u>USDCAD</u>	1,3642	0,02%
<u>USDTRY</u>	18,65	0,03%
<u>GBPUSD</u>	1,2236	-0,19%
<u>AUDUSD</u>	0,6777	-0,26%
<u>NZDUSD</u>	0,6395	-0,23%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	1.0383	1.0464	1.0502	1.0583	1.0626	1.0707
USDJPY	133.78	135.07	135.81	137.10	137.65	138.94
GBPUSD	1.2036	1.2150	1.2204	1.2318	1.2378	1.2492
USDCAD	1.3391	1.3513	1.3579	1.3701	1.3757	1.3879
AUDUSD	0.6644	0.6714	0.6755	0.6825	0.6854	0.6924
NZDUSD	0.6265	0.6332	0.6371	0.6438	0.6466	0.6533
USDCHF	0.9207	0.9276	0.9309	0.9378	0.9414	0.9483
USDTRY	18.5885	18.6190	18.6349	18.6654	18.6800	18.7105
XAUUSD	1762.13	1779.74	1788.54	1806.15	1814.96	1832.57
XAGUSD	21.9187	22.6450	23.0592	23.7855	24.0976	24.8239

Source: fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars		Options	
G8		Browse 08:40:56	
Economic Releases		All Economic Releases	
Date Time C	A M R	Event	Period
12/09-12/13 RU		Budget Balance YTD	Nov
12/11-12/16 GE		Wholesale Price Index MoM	Nov
12/11-12/16 GE		Wholesale Price Index YoY	Nov
12/12 00:50 JN		PPI YoY	Nov
12/12 00:50 JN		PPI MoM	Nov
12/12 00:50 JN		BSI Large Manufacturing QoQ	4Q
12/12 00:50 JN		BSI Large All Industry QoQ	4Q
12/12 01:01 UK		Rightmove House Prices MoM	Dec
12/12 01:01 UK		Rightmove House Prices YoY	Dec
12/12 07:00 JN		Machine Tool Orders YoY	Nov P
12/12 08:00 UK		Monthly GDP (MoM)	Oct
12/12 08:00 UK		Monthly GDP (3M/3M)	Oct
12/12 08:00 UK		Industrial Production MoM	Oct
12/12 08:00 UK		Industrial Production YoY	Oct
12/12 08:00 UK		Manufacturing Production MoM	Oct
12/12 08:00 UK		Manufacturing Production YoY	Oct
12/12 08:00 UK		Index of Services MoM	Oct
12/12 08:00 UK		Index of Services 3M/3M	Oct
12/12 08:00 UK		Construction Output MoM	Oct
12/12 08:00 UK		Construction Output YoY	Oct
12/12 08:00 UK		Visible Trade Balance GBP/Mn	Oct
12/12 08:00 UK		Trade Balance GBP/Mn	Oct
12/12 08:00 UK		Visible Trade Balance Ex Precious Metals	Oct
12/12 08:00 UK		Trade Balance Ex Precious Metals	Oct
12/12 08:30 EC		Bloomberg Dec. Eurozone Economic Survey	
12/12 08:35 GE		Bloomberg Dec. Germany Economic Survey	
12/12 08:40 FR		Bloomberg Dec. France Economic Survey	
12/12 08:45 IT		Bloomberg Dec. Italy Economic Survey	
12/12 09:30 UK		Bloomberg Dec. United Kingdom Economic Survey	
12/12 10:30 IT		Bank of Italy Releases Banks and Money Monthly Statistics	
12/12 14:00 CA		Bloomberg Nanos Confidence	Dec 9
12/12 20:00 US		Monthly Budget Statement	Nov

Source: Refinitiv

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