



Morning Call

Geneva, December 13, 2022

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. Risk-off sentiment prevailed with investors on edge ahead of the Federal Reserve’s decision this week — where a 50 basis point hike is expected. The European Central Bank will also set policy.

Chinese shares were among the worst performers, with the Hang Seng Index falling 2.2%, as Covid spread through the nation’s households and offices after the country’s pandemic rules were unexpectedly unwound last week. Investors are also taking profit after reopening optimism spurred huge gains over the past few weeks.

US equities climbed Monday as investors snapped up shares in anticipation Tuesday’s inflation data and Wednesday’s Federal Reserve decision will establish a slower pace of interest-rate increases.

The S&P 500 Index gained 1.4% in New York, with all 11 major industry groups in the green, led higher by the energy and utilities sectors. The tech-heavy Nasdaq 100 Index rose 1.2%, while the blue-chip Dow Jones Industrial Average advanced 1.6%.

Traders are focused on any insights into the economic path ahead and whether the central bank will slow the speed of its increases into next year. The market expects the Fed to raise interest rates by 50 basis points, less than its last four hikes. Tuesday’s consumer price index data will also make clear whether significant progress has been made in the Fed’s fight to tamp down inflation or whether it remains stubbornly high.

“The 0.75% pace that had prevailed for the last 4 meetings was the outlier – a step that hadn’t previously been taken in 28 years but was employed 4 meetings consecutively given the urgency of the task of getting inflation under control. The months ahead will see the Fed raising interest rates at a more customary pace,” Greg McBride, chief financial analyst at Bankrate wrote in a note to clients.

The Cboe Volatility Index, or VIX, rose slightly above where it sat last week, hovering around 25, with traders bracing for the Fed’s next move.

World Indices	Last	1D Change
<u>Dow Jones</u>	34 005,04	1,58%
<u>S&P 500</u>	3 990,56	1,43%
<u>Nasdaq</u>	11 143,74	1,26%
<u>Eurostoxx 50</u>	3 921,82	-0,53%
<u>FTSE 100</u>	7 445,97	-0,41%
<u>CAC 40</u>	6 650,55	-0,41%
<u>DAX</u>	14 306,63	-0,45%
<u>SMI</u>	11 033,64	-0,31%
<u>Nikkei</u>	27 954,85	0,40%
<u>Hang Seng</u>	19 637,98	0,90%
<u>CSI 300</u>	3 945,68	-0,20%
<u>VIX Index</u>	25,00	9,51%

World Bonds	Last	1D Change
<u>US 10Y</u>	3,5872	-0,67%
<u>EUR 10Y</u>	1,9480	0,46%
<u>Swiss 10Y</u>	1,2200	1,84%
<u>UK 10Y</u>	3,20	0,63%

Source: Bloomberg



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Crypto Corner

Bahamas government officials worked closely with Sam Bankman-Fried and tried to help him regain access to key computer systems of bankrupt FTX Trading, lawyers for FTX said in a court filing before the failed crypto magnate was arrested on Monday.

Before Bankman-Fried was blocked from FTX systems, the Bahamas asked him to mint new digital coins worth hundreds of millions of dollars and then transfer those tokens to the control of island officials, according to the legal team in control of FTX.

The accusations escalate a battle between an American team of restructuring executives trying to collect FTX assets to repay creditors, and officials in the Bahamas. Liquidators in the island nation have asked a US judge for access to FTX data controlled by their American counterparts.

“It is a request for live, dynamic access that would be provided immediately to the government of the Bahamas and to Messrs. Samuel Bankman-Fried and Gary Wang, who are located in the Bahamas and working closely with Bahamian officials,” American lawyers wrote in a court filing Tuesday. Wang is an FTX co-founder.

Bankman-Fried and Wang didn’t immediately respond to messages seeking comment. Bankman-Fried was arrested Monday in the Bahamas after the US filed criminal charges against him.

In attempting to paint a portrait of coziness between Bankman-Fried and Bahamas authorities, the company’s US lawyers called out a Nov. 9 email — just days before the bankruptcy — in which Bankman-Fried said he would be “more than happy” to open up withdrawals for all Bahamian customers, allowing them to be made whole.

“It’s your call whether you want us to do this — but we are more than happy to and would consider it the very least of our duty to the country and could open it up immediately if you reply saying you want us to,” Bankman-Fried wrote, according to court papers.

The next day, \$100 million began leaving the platform, according to FTX’s US lawyers.

Crypto Market Cap: [\\$841B](#)

24h Vol: [\\$30,6B](#)

Dominance: [BTC: 38,7%](#) [ETH:18,1%](#)

Crypto	Last	1D Change
Bitcoin	17 155,50	-0,13%
Ethereum	1 264,26	-0,84%



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



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Commodity Corner

Gold was steady as the market waited for key US inflation data, along with rate decisions from the Federal Reserve and other central banks.

The Fed's round of aggressive tightening this year has helped push gold about 14% lower from a March peak. Still, bullion has trended upward since early November on less hawkish language from the central bank.

US consumer inflation data Tuesday will shed more light on whether tightening will continue or if markets can expect rate cuts in late 2023. The Fed is widely expected to announce a 50-basis point rise on Wednesday

The European Central Bank and Bank of England are also poised to announce rate hikes this week

Bullion was trading little changed at \$1,781.97 an ounce at 7:53 a.m. in Singapore, after falling 0.9% on Monday. The Bloomberg Dollar Spot Index dipped 0.1%. Silver and platinum gained while palladium was flat.

Precious Metals	Last	1D Change
<u>Gold</u>	1 788,38	0,39%
<u>Silver</u>	23,50	0,80%
<u>Platinum</u>	1 010,15	0,60%
<u>Palladium</u>	1 915,20	1,20%

Oil rose for a second day on signs of further easing of China's Covid-19 restrictions and as a key North American pipeline remained shut.

West Texas Intermediate climbed above \$74 a barrel after closing 3% higher on Monday, the first gain in seven sessions. China's ambassador to the US said the nation will continue relaxing its curbs and will welcome more international travelers soon, lifting demand hopes in the world's top oil importer.

China's rapidly dismantling of its Covid Zero policy has led to a sharp recovery in the world's biggest domestic air-travel market, although a surge in cases has raised some concerns about energy consumption. Economists are also expecting China to loosen fiscal and monetary policy to bolster growth.

World Commodities	Last	1D Change
<u>WTI Crude</u>	74,32	1,57%
<u>Brent Crude</u>	79,35	1,74%
<u>Nat Gas (HH)</u>	6,81	3,37%
<u>Nickel</u>	29 231,00	0,03%
<u>Copper</u>	382,50	0,70%
<u>Corn</u>	641,75	0,08%
<u>Wheat</u>	733,00	2,84%
<u>Soybean</u>	1 465,00	0,31%
<u>Coffee</u>	166,35	5,45%
<u>Cotton</u>	80,60	1,52%
<u>Sugar</u>	19,38	-1,12%

Source: fxstreet.com / Bloomberg



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FX Corner

EUR/USD is clinging to gains at around 1.0550, as a sense of calm prevails ahead of the critical inflation data on Tuesday. Recession fears in the Eurozone and anxiety ahead of the Fed and the ECB policy decisions keep the pair's upside in check. German ZEW also eyed.

GBP/USD trades in positive territory at around 1.2300 in the early European morning after the data from the UK showed that the ILO Unemployment Rate edged higher to 3.7% in October as expected. Investors await the November inflation report from the US.

USD/JPY bulls struggle to defend the previous day's run-up around 137.70-80, despite refreshing a multi-day high, during early Tuesday. That said, the Yen pair remains sidelined after rising to the highest levels since December 01.

AUD/USD picks up bids to pare the previous day's losses around 0.6755-60 heading into Tuesday's European session. In doing so, the Aussie pair bounces off intraday low but stays inside a one-month-old rising wedge bearish chart pattern.

World Currencies	Last	1D Change
<u>EURUSD</u>	1,0555	0,17%
<u>EURCHF</u>	0,9859	0,05%
<u>EURGBP</u>	0,8585	0,04%
<u>EURJPY</u>	145,01	0,03%
<u>USDCHF</u>	0,9341	0,24%
<u>USDJPY</u>	137,38	0,21%
<u>USDCAD</u>	1,3615	0,15%
<u>USDTRY</u>	18,65	-0,02%
<u>GBPUSD</u>	1,2295	0,21%
<u>AUDUSD</u>	0,6779	0,50%
<u>NZDUSD</u>	0,6405	0,36%

XDSH FX Dashboard My Pivot Points 1 Month - Support /... : EURUSD BGN Currency							
Views	Actions						
Currencies	S3	S2	S1	R1	R2	R3	
EURUSD	1.0393	1.0467	1.0502	1.0576	1.0615	1.0689	
USDJPY	134.29	135.79	136.73	138.23	138.79	140.29	
GBPUSD	1.2079	1.2169	1.2219	1.2309	1.2349	1.2439	
USDCAD	1.3518	1.3582	1.3609	1.3673	1.3710	1.3774	
AUDUSD	0.6608	0.6684	0.6714	0.6790	0.6836	0.6912	
NZDUSD	0.6278	0.6334	0.6358	0.6414	0.6446	0.6502	
USDCHF	0.9218	0.9285	0.9324	0.9391	0.9419	0.9486	
USDTRY	18.5264	18.5815	18.6121	18.6672	18.6917	18.7468	
XAUUSD	1747.65	1766.40	1773.92	1792.67	1803.90	1822.65	
XAGUSD	22.4734	22.8956	23.1027	23.5249	23.7400	24.1622	

Source: fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars											
G8		Browse		08:39:31		12/13/22		12/13/22			
Economic Releases		All Economic Releases				View		Agenda Weekly			
Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
12/09-12/13		RU				Budget Balance YTD	Nov	--	--	128.4b	--
12/13	02:00	JN				Bloomberg Dec. Japan Economic Survey					
12/13	07:30	FR				Private Sector Payrolls QoQ	3Q F	0.4%	--	0.4%	--
12/13	07:30	FR				Total Payrolls	3Q	0.4%	--	0.4%	--
12/13	08:00	UK				Payrolled Employees Monthly Change	Nov	42k	--	74k	--
12/13	08:00	UK				Claimant Count Rate	Nov	--	--	3.9%	--
12/13	08:00	GE				CPI MoM	Nov F	-0.5%	--	-0.5%	--
12/13	08:00	UK				Jobless Claims Change	Nov	--	--	3.3k	--
12/13	08:00	GE				CPI YoY	Nov F	10.0%	--	10.0%	--
12/13	08:00	UK				Average Weekly Earnings 3M/YoY	Oct	6.1%	--	6.0%	--
12/13	08:00	GE				CPI EU Harmonized MoM	Nov F	0.0%	--	0.0%	--
12/13	08:00	UK				Weekly Earnings ex Bonus 3M/YoY	Oct	5.9%	--	5.7%	--
12/13	08:00	GE				CPI EU Harmonized YoY	Nov F	11.3%	--	11.3%	--
12/13	08:00	UK				ILO Unemployment Rate 3Mths	Oct	3.7%	--	3.6%	--
12/13	08:00	UK				Employment Change 3M/3M	Oct	-17k	--	-52k	--
12/13	10:00	IT				Industrial Production MoM	Oct	-0.4%	--	-1.8%	--
12/13	10:00	IT				Industrial Production WDA YoY	Oct	--	--	-0.5%	--
12/13	10:00	IT				Industrial Production NSA YoY	Oct	--	--	-0.5%	--
12/13	11:00	GE				ZEW Survey Expectations	Dec	-26.4	--	-36.7	--
12/13	11:00	GE				ZEW Survey Current Situation	Dec	-57.0	--	-64.5	--
12/13	11:00	EC				ZEW Survey Expectations	Dec	--	--	-38.7	--
12/13	12:00	US				NFIB Small Business Optimism	Nov	90.5	--	91.3	--
12/13	14:30	US				CPI MoM	Nov	0.3%	--	0.4%	--
12/13	14:30	US				CPI Ex Food and Energy MoM	Nov	0.3%	--	0.3%	--
12/13	14:30	US				CPI YoY	Nov	7.3%	--	7.7%	--
12/13	14:30	US				CPI Ex Food and Energy YoY	Nov	6.1%	--	6.3%	--
12/13	14:30	US				CPI Index NSA	Nov	298.078	--	298.012	--
12/13	14:30	US				CPI Core Index SA	Nov	300.429	--	299.471	--
12/13	14:30	US				Real Avg Hourly Earning YoY	Nov	--	--	-2.8%	-2.7%
12/13	14:30	US				Real Avg Weekly Earnings YoY	Nov	--	--	-3.7%	-3.5%
12/13		GE				Current Account Balance	Oct	--	--	14.8b	--

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."