



# Morning Call

Geneva, December 14, 2022

## Market Corner

**Asian stocks eked out a small gain as Hong Kong scrapped more of its Covid restrictions, supporting sentiment ahead of inflation data that could impact the trajectory of future US interest rates.**

The MSCI Asia Pacific Index rose as much as 0.5%, led by financial and industrial shares. Key gauges in Hong Kong advanced while Chinese stocks linked to reopening were mostly higher, after the city's leader said restrictions on international arrivals going to bars or eating at restaurants will be removed.

Most markets rose as some investors held onto hopes that US consumer price inflation — due later Tuesday — could be soft enough to justify a slowdown in rate increases by the Federal Reserve, which sets policy later this week.

**US stocks rose Tuesday as investors cheered an unexpected slowdown in inflationary pressures, a positive sign ahead of a highly-anticipated Federal Reserve meeting Wednesday.**

The S&P 500 Index advanced 0.7% in New York, with 10 of 11 major industry groups in the green, led higher by the real estate and energy sectors. Only consumer staples shares dipped. The tech-heavy Nasdaq 100 Index climbed 1.1%, while the blue-chip Dow Jones Industrial Average rose 0.3%. The rate-sensitive two-year Treasury yield hovered around 4.2%, while the yield on the 10-year security sat near 3.5%.

The consumer price index, a key gauge of US consumer prices, posted the smallest monthly advance in November in more than a year, suggesting the worst of inflation has likely passed. Excluding food and energy, the CPI rose 0.2% in November and was up 6% from a year earlier, according to a Labor Department report Tuesday. Economists see the gauge — known as the core CPI — as a better indicator of underlying inflation than the headline measure.

World Indices	Last	1D Change
<u>Dow Jones</u>	34 108,64	0,30%
<u>S&amp;P 500</u>	4 019,65	0,73%
<u>Nasdaq</u>	11 256,81	1,01%
<u>Eurostoxx 50</u>	3 986,83	1,66%
<u>FTSE 100</u>	7 502,89	0,76%
<u>CAC 40</u>	6 744,98	1,42%
<u>DAX</u>	14 497,89	1,34%
<u>SMI</u>	11 136,62	0,93%
<u>Nikkei</u>	28 156,21	0,72%
<u>Hang Seng</u>	19 717,78	0,62%
<u>CSI 300</u>	3 950,67	0,13%
<u>VIX Index</u>	22,55	-9,80%

World Bonds	Last	1D Change
<u>US 10Y</u>	3,4774	-0,68%
<u>EUR 10Y</u>	1,9250	-0,72%
<u>Swiss 10Y</u>	1,1790	-1,59%
<u>UK 10Y</u>	3,30	3,12%

Source: Bloomberg



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## Crypto Corner

**Sam Bankman-Fried’s trading house Alameda Research had a secret speed advantage when executing orders on his now-collapsed FTX crypto exchange, according to the US Commodity Futures Trading Commission.**

Alameda, which also tumbled into bankruptcy last month along with FTX, was able to skirt certain portions of the exchange’s trading architecture and sidestep some automated verification processes, the CFTC said in a complaint filed Tuesday in Manhattan federal court.

“These advantages were not publicly disclosed” and yielded a “significant speed advantage,” the CFTC said.

While most or all other customers accessing the FTX platform through an application programming interface — API — “had their transaction orders routed through the FTX system, Alameda was able to bypass certain portions of the system and gain faster access to the API,” according to the suit.

“Alameda’s transaction orders were received several milliseconds faster than those of other API users,” the CFTC said. “In the high-frequency trading sector, this is a significant time advantage.”

The features of Alameda’s account at FTX also allowed the trading shop to avoid automated steps like verifying available funds ahead of executing a transaction, according to the lawsuit.

If other customers “placed several orders at once, these checks occurred in sequential order, so that each transaction could be confirmed as viable,” the CFTC alleged. “This did not apply to the Alameda account.”

Bankman-Fried’s spokesman Mark Botnick declined to comment on the specific CFTC claims about a speed advantage.

There were longstanding concerns in the crypto industry that Alameda was getting preferential treatment on FTX. As recently as September, Bankman-Fried said Alameda sent orders and accessed customer information the same way other users did.

The CFTC is suing Bankman-Fried, FTX and Alameda Research for violations of federal commodities laws. The Securities and Exchange Commission on Tuesday accused him of carrying out a multi-year scheme to defraud investors. He’s also facing US criminal charges and was arrested Monday in the Bahamas.

Crypto Market Cap: [\\$870B](#)

24h Vol: [\\$51,6B](#)

Dominance: [BTC: 39,3%](#) [ETH:18,6%](#)

Crypto	Last	1D Change
<b>Bitcoin</b>	<b>17 787,39</b>	<b>0,14%</b>
<b>Ethereum</b>	<b>1 322,77</b>	<b>0,23%</b>



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

## Commodity Corner

**Gold steadied near its highest level since July as bets the Federal Reserve may temper interest-rate hikes intensified after slower-than-expected US inflation data.**

The metal has gained almost 12% since a September low on expectations the Fed could become less hawkish. On Tuesday, bullion surged past the \$1,800-an-ounce mark after a key gauge of US consumer prices posted the smallest monthly advance in more than a year.

**Spot gold** was steady at \$1,809.99 an ounce as of 12:17 p.m. in Singapore, after jumping 1.7% on Tuesday. The Bloomberg Dollar Spot Index was little changed after falling 0.9% the previous session. Silver and palladium edged lower while platinum was flat.

Precious Metals	Last	1D Change
<u>Gold</u>	1 810,61	-0,01%
<u>Silver</u>	23,79	0,22%
<u>Platinum</u>	1 037,48	0,21%
<u>Palladium</u>	1 929,71	0,02%

**Oil edged lower ahead of a decision on monetary policy from the Federal Reserve after rallying 6% over the previous two sessions.**

US consumer prices posted the smallest monthly gain in more than a year on Tuesday, indicating the worst of inflation has likely passed and sparking hopes the Fed will ease the pace of its interest rate rises. West Texas Intermediate futures slipped toward \$75 a barrel, while global benchmark Brent dipped.

China is ramping up vaccination efforts as the nation rapidly dismantles its Covid Zero policy, which has weighed on its economy this year. A surge in virus cases has raised concerns about near-term energy demand, but the easing of restrictions is expected to boost commodity consumption in the long term.

Crude is still on track for its first back-to-back quarterly decline since 2019 on concerns about the global economy. Goldman Sachs Group Inc. trimmed its oil price forecasts for early next year due to a weak outlook, while OPEC reduced estimates for the amount of crude it will need to pump in the coming months.

World Commodities	Last	1D Change
<u>WTI Crude</u>	75,10	-0,38%
<u>Brent Crude</u>	80,32	-0,45%
<u>Nat Gas (HH)</u>	6,66	-3,94%
<u>Nickel</u>	28 007,00	-4,19%
<u>Copper</u>	385,70	0,46%
<u>Corn</u>	644,25	0,08%
<u>Wheat</u>	728,75	-0,58%
<u>Soybean</u>	1 470,75	-0,61%
<u>Coffee</u>	167,15	0,48%
<u>Cotton</u>	81,87	0,29%
<u>Sugar</u>	19,76	1,96%

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



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## FX Corner

**EUR/USD** is falling back toward 1.0600 in early Europe, retreating from six-month highs. The pair eases amid a renewed demand for the US Dollar, as investors turn cautious and reposition ahead of the critical Fed policy announcements.

**GBP/USD** continues to trade in a narrow range above 1.2350 on Wednesday after the data from the UK showed that the annual CPI declined to 10.7% in November from 11.1% in October. Market participants stay on the sidelines while gearing up for the Fed's policy announcements.

**USD/JPY** struggles to defend the bounce off the 200-DMA as it seesaws around 135.50 during early Wednesday morning in Europe. In doing so, the Yen pair portrays the market's cautious mood ahead of the key Federal Open Market Committee (FOMC) monetary policy meeting.

**AUD/USD** is extending the decline toward 0.6800, as the US Dollar attempts a minor rebound amid a cautious market mood. Investors stay unnerved ahead of the critical Fed policy announcements after the US CPI cooled down in November.

World Currencies	Last	1D Change
<u>EURUSD</u>	1,0633	0,00%
<u>EURCHF</u>	0,9876	-0,02%
<u>EURGBP</u>	0,8607	-0,10%
<u>EURJPY</u>	143,93	0,15%
<u>USDCHF</u>	0,9288	-0,04%
<u>USDJPY</u>	135,36	0,17%
<u>USDCAD</u>	1,3565	-0,15%
<u>USDTRY</u>	18,65	-0,14%
<u>GBPUSD</u>	1,2355	-0,09%
<u>AUDUSD</u>	0,6850	-0,07%
<u>NZDUSD</u>	0,6443	-0,32%

XDSH FX Dashboard My Pivot Points 1 Month - Support / ... : EURUSD BGN Curncy						
Views	Actions					
Currencies	S3	S2	S1	R1	R2	R3
EURUSD	1.0321	1.0466	1.0550	1.0695	1.0756	1.0901
USDJPY	129.45	132.76	134.18	137.49	139.38	142.69
GBPUSD	1.1963	1.2158	1.2262	1.2457	1.2548	1.2743
USDCAD	1.3326	1.3448	1.3497	1.3619	1.3692	1.3814
AUDUSD	0.6523	0.6676	0.6766	0.6919	0.6982	0.7135
NZDUSD	0.6171	0.6311	0.6387	0.6527	0.6591	0.6731
USDCHF	0.9011	0.9154	0.9219	0.9362	0.9440	0.9583
USDTRY	18.3744	18.5049	18.5623	18.6928	18.7659	18.8964
XAUUSD	1717.87	1761.61	1786.21	1829.95	1849.09	1892.83
XAGUSD	22.0626	22.8920	23.3138	24.1432	24.5508	25.3802

Source: fxstreet.com / Bloomberg



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## Event Corner

ECO Economic Calendars											
G8		Browse		08:56:13		12/14/22		12/14/22			
Economic Releases		All Economic Releases				View		Agenda Weekly			
Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
12/14	00:50	JN				Core Machine Orders YoY	Oct	1.5%	--	2.9%	--
12/14	00:50	JN				Core Machine Orders MoM	Oct	1.8%	--	-4.6%	--
12/14	00:50	JN				Tankan Large Mfg Index	4Q	6	--	8	--
12/14	00:50	JN				Tankan Large Mfg Outlook	4Q	6	--	9	--
12/14	00:50	JN				Tankan Large Non-Mfg Index	4Q	17	--	14	--
12/14	00:50	JN				Tankan Large Non-Mfg Outlook	4Q	15	--	11	--
12/14	00:50	JN				Tankan Large All Industry Capex	4Q	20.7%	--	21.5%	--
12/14	00:50	JN				Tankan Small Mfg Index	4Q	-5	--	-4	--
12/14	00:50	JN				Tankan Small Mfg Outlook	4Q	-7	--	-5	--
12/14	00:50	JN				Tankan Small Non-Mfg Index	4Q	5	--	2	--
12/14	00:50	JN				Tankan Small Non-Mfg Outlook	4Q	3	--	-3	--
12/14	05:30	JN				Industrial Production MoM	Oct F	--	--	-2.6%	--
12/14	05:30	JN				Industrial Production YoY	Oct F	--	--	3.7%	--
12/14	05:30	JN				Capacity Utilization MoM	Oct	--	--	-0.4%	--
12/14	08:00	UK				CPIH YoY	Nov	9.6%	--	9.6%	--
12/14	08:00	UK				CPI MoM	Nov	0.6%	--	2.0%	--
12/14	08:00	UK				CPI YoY	Nov	10.9%	--	11.1%	--
12/14	08:00	UK				CPI Core YoY	Nov	6.5%	--	6.5%	--
12/14	08:00	UK				Retail Price Index	Nov	358.1	--	356.2	--
12/14	08:00	UK				RPI MoM	Nov	0.5%	--	2.5%	--
12/14	08:00	UK				RPI YoY	Nov	13.9%	--	14.2%	--
12/14	08:00	UK				RPI Ex Mort Int.Payments (YoY)	Nov	13.6%	--	13.9%	--
12/14	10:00	IT				Unemployment Rate Quarterly	3Q	8.0%	--	8.1%	--
12/14	10:30	UK				House Price Index YoY	Oct	11.2%	--	9.5%	--
12/14	11:00	EC				Industrial Production SA MoM	Oct	-1.5%	--	0.9%	--
12/14	11:00	EC				Industrial Production WDA YoY	Oct	3.4%	--	4.9%	--
12/14	13:00	US				MBA Mortgage Applications	Dec 9	--	--	-1.9%	--
12/14	14:30	CA				Manufacturing Sales MoM	Oct	2.0%	--	0.0%	--
12/14	14:30	US				Import Price Index MoM	Nov	-0.5%	--	-0.2%	--
12/14	14:30	US				Import Price Index ex Petroleum MoM	Nov	-0.5%	--	-0.2%	--
12/14	14:30	US				Import Price Index YoY	Nov	3.2%	--	4.2%	--
12/14	14:30	US				Export Price Index MoM	Nov	-0.5%	--	-0.3%	--
12/14	14:30	US				Export Price Index YoY	Nov	5.7%	--	6.9%	--
12/14	17:00	RU				GDP YoY	3Q P	-4.0%	--	-4.0%	--
12/14	17:00	RU				CPI WoW	Dec 12	--	--	0.58%	--
12/14	17:00	RU				CPI Weekly YTD	Dec 12	--	--	11.71%	--
12/14	20:00	US				FOMC Rate Decision (Lower Bound)	Dec 14	4.25%	--	3.75%	--
12/14	20:00	US				FOMC Rate Decision (Upper Bound)	Dec 14	4.50%	--	4.00%	--
12/14	20:00	US				Interest on Reserve Balances Rate	Dec 15	4.40%	--	3.90%	--

Source: Refinitiv

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