

## Market Corner

### Asian stocks declined as gloomy economic warnings from US banking chiefs hurt sentiment, even as China moved to further soften its Covid Zero policy.

The MSCI Asia Pacific Index retreated as much as 0.5% on Wednesday, led lower by information technology shares. Equities in Hong Kong and China fluctuated amid a report that mainland authorities are set to allow home quarantine and relax testing requirements, with weak trade data underscoring sluggish demand at home and abroad.

Read: China to Ease Quarantine, Unnecessary Testing in New Covid Moves

Market reactions were relatively muted following outsized gains on China's latest moves toward reopening its economy. Asian equities are still set to extend its outperformance versus global peers. The S&P 500 Index slid more than 1% overnight as Goldman's David Solomon added to a growing chorus of warnings by seeing "bumpy times" ahead.

### US equities declined for a fourth session on Tuesday, as investors mulled prospects for the Federal Reserve to maintain its policy tightening and concerns about an economic contraction.

The S&P 500 Index closed 1.4% lower to 3,941.26 in New York, the lowest level since Nov. 9. Ten of the 11 major industry groups retreated, led by the energy, communication services and information technology sectors. The tech-heavy Nasdaq 100 Index slumped 2%, while the Dow Jones Industrial Average fell 1%.

An unexpected increase in a US service-sector gauge earlier this week fueled bets on a longer-than-expected tightening by the Fed, with swaps traders pricing in that rates will peak around 5% next year. Traders fear higher rates could undermine the outlook for both economic activity and corporate earnings.

Chief executives from Wall Street firms were the latest to sound the alarm on growth headwinds, with Morgan Stanley and Goldman Sachs Group Inc. signaling job cuts are on the table amid what Goldman CEO David Solomon called "bumpy times." Bank of America Corp., which is also slowing hiring, saw its shares tumble over 4%, leading a broader dip in the banking sector.

World Indices	Last	1D Change
<u>Dow Jones</u>	33 596,34	-1,03%
<u>S&amp;P 500</u>	3 941,26	-1,44%
<u>Nasdaq</u>	11 014,89	-2,00%
<u>Eurostoxx 50</u>	3 939,19	-0,44%
<u>FTSE 100</u>	7 521,39	-0,61%
<u>CAC 40</u>	6 687,79	-0,14%
<u>DAX</u>	14 343,19	-0,72%
<u>SMI</u>	11 109,33	-0,76%
<u>Nikkei</u>	27 686,40	-0,72%
<u>Hang Seng</u>	19 208,05	-1,20%
<u>CSI 300</u>	3 959,33	-0,22%
<u>VIX Index</u>	22,17	6,84%

World Bonds	Last	1D Change
<u>US 10Y</u>	3,5221	-0,26%
<u>EUR 10Y</u>	1,8000	-4,26%
<u>Swiss 10Y</u>	1,0100	-6,74%
<u>UK 10Y</u>	3,08	-0,90%

Source: Bloomberg



**Morning Call**  
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## Crypto Corner

**Sam Bankman-Fried, the embattled co-founder of bankrupt crypto exchange FTX, has retained New York defense attorney Mark Cohen to represent him, according to Bankman-Fried's spokesperson Mark Botnick.**

Cohen was previously part of the team that represented convicted sex trafficker Ghislaine Maxwell. He also successfully defended analyst Peter Black against a Securities and Exchange Commission suit in a 2014 trial. Cohen's hiring by Bankman-Fried was first reported by Reuters.

Read more: [Sam Bankman-Fried Should Shut Up, Bernie Madoff's Lawyer Says](#)

Bankman-Fried hasn't been charged with any crime, but federal prosecutors in Manhattan have begun investigating FTX's collapse due in part to an unexplained \$8 billion shortfall in funds. He is also facing class-action lawsuits and regulatory probes by the SEC and Commodities Future Trading Commission. Maxine Waters, chairwoman of the House Financial Services Committee, also wants Bankman-Fried to appear at a hearing on Dec. 13.

In choosing Cohen, Bankman-Fried said he was "going on advice of counsel and people who are able to understand the situation and the context," according to a Twitter Spaces during which he appeared on Tuesday. Bankman-Fried's parents are law professors at Stanford University.

It's unclear how Bankman-Fried plans to pay for the representation. Just weeks ago, he was worth more than \$15 billion, but last week said he only has about \$100,000 and a credit card to his name.

"I don't necessarily have a long-term plan there yet" in how to pay legal fees, Bankman-Fried said Tuesday. "I am not sure I will be able to pay all of the legal fees I need to pay."

Bankman-Fried is also represented by one of his parents' colleagues at Stanford, David Mills.

Cohen was a former federal prosecutor in Brooklyn, New York before moving into defense and co-founding his firm Cohen & Gresser. He mainly appeared for Maxwell in pre-trial proceedings, including her bail hearing, though other lawyers at his firm were active in her trial.

Before FTX filed for bankruptcy last month, Bankman-Fried, 30, was advised by the law firm Paul Weiss Rifkind Wharton & Garrison. But Bankman-Fried, who has ignored legal advice and taken part in several media interviews recently, and the Manhattan attorneys parted ways citing a conflict of interest.

Crypto Market Cap: [\\$851B](#)

24h Vol: [\\$35,5B](#)

Dominance: [BTC: 38,3%](#) [ETH:18,1%](#)

Crypto	Last	1D Change
<b>Bitcoin</b>	16 941,64	-0,31%
<b>Ethereum</b>	1 248,27	-0,60%



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



## Commodity Corner

**Gold remained steady as traders look to Friday's US producer price report for fresh clues about the Federal Reserve's future rate-hike trajectory.**

Bullion has been hurt this year by the US central bank's aggressive monetary tightening, which has propped up the dollar. It's clawed back some losses in recent week on expectations the Fed is becoming less hawkish, as well as on a weakening greenback, amid signs of China easing Covid Zero restrictions.

"The rally in gold prices could last till at least the Fed meeting," said Gnanasekar Thiagarajan, director at Commtrendz Risk Management Services. "Ahead of it, there could be some cap on upside attempts as markets gauge the Fed sentiment."

Bullion-backed exchange-traded funds saw the biggest outflow in 20 months on Monday

**Spot gold** was steady at \$1,772.93 an ounce as of 12:01 p.m. in Singapore, after edging up 0.1% on Tuesday. The Bloomberg Dollar Spot Index was little changed after advancing 0.3% the previous session. Silver, platinum and palladium rose.

<u>Precious Metals</u>	<u>Last</u>	<u>1D Change</u>
<u>Gold</u>	1 773,39	0,13%
<u>Silver</u>	22,32	0,56%
<u>Platinum</u>	992,31	0,09%
<u>Palladium</u>	1 878,98	1,47%

**Oil was steady after a three-day decline as warnings from major US banks of a tough outlook for 2023 stoked concern over demand prospects and dented appetite for risk assets including commodities.**

West Texas Intermediate traded near \$74 a barrel after futures sank almost 9% over the previous three sessions, as optimism surrounding China's move to loosen strict virus curbs was tempered by data showing shrinking exports. Among the gloomy predictions, Goldman Sachs Group Inc. Chief Executive Officer David Solomon said that he saw "bumpy times ahead."

<u>World Commodities</u>	<u>Last</u>	<u>1D Change</u>
<u>WTI Crude</u>	74,37	0,16%
<u>Brent Crude</u>	79,55	0,25%
<u>Nat Gas (HH)</u>	5,62	2,67%
<u>Nickel</u>	29 147,00	2,05%
<u>Copper</u>	381,60	0,12%
<u>Corn</u>	625,75	0,04%
<u>Wheat</u>	705,50	-1,40%
<u>Soybean</u>	1 457,00	0,14%
<u>Coffee</u>	161,05	0,56%
<u>Cotton</u>	85,39	0,53%
<u>Sugar</u>	19,39	-0,82%

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



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## FX Corner

**EUR/USD** is trading sideways near the 1.0450 region in the early European session. The pair is feeling the pull of gravity amid firmer US Dollar and Treasury yields. Growing recession fears offset China's covid easing. Focus shifts to EU data.

**GBP/USD** is aiming to build a cushion around 1.2120 as the US Dollar is displaying chaotic moves. Phenomenal strength in the United States economy is not favorable for Fed's current monetary policy. UK's food supply crisis is expected to accelerate already higher food inflation further.

**USD/JPY** is rallying hard toward 138.00, helped by the latest dovish remarks from BoJ policymaker Nakamura and rebounding US Treasury yields. Nakamura squashed hopes of any hawkish BoJ pivot. The central bank divergence theme will continue to power the pair. .

**AUD/USD** prints mild gains around 0.6700 as buyers struggle to defend the first daily gains in four heading into Wednesday's European session. The Aussie pair's latest gains could be linked to the recently released Covid guidelines from China.

World Currencies	Last	1D Change
<a href="#">EURUSD</a>	1,0455	-0,11%
<a href="#">EURCHF</a>	0,9852	0,08%
<a href="#">EURGBP</a>	0,8625	0,00%
<a href="#">EURJPY</a>	143,85	-0,32%
<a href="#">USDCHE</a>	0,9424	-0,04%
<a href="#">USDJPY</a>	137,60	-0,44%
<a href="#">USDCAD</a>	1,3653	0,00%
<a href="#">USDTRY</a>	18,64	-0,03%
<a href="#">GBPUSD</a>	1,2122	-0,09%
<a href="#">AUDUSD</a>	0,6693	0,07%
<a href="#">NZDUSD</a>	0,6321	-0,03%

XDSH FX Dashboard My Pivot Points 1 Month - Support / ... : EURUSD BGN Curncy

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	1.0338	1.0412	1.0440	1.0514	1.0560	1.0634
USDJPY	133.88	135.34	136.17	137.63	138.26	139.72
GBPUSD	1.1895	1.2036	1.2084	1.2225	1.2318	1.2459
USDCAD	1.3423	1.3528	1.3591	1.3696	1.3738	1.3843
AUDUSD	0.6578	0.6641	0.6665	0.6728	0.6767	0.6830
NZDUSD	0.6225	0.6276	0.6300	0.6351	0.6378	0.6429
USDCHF	0.9269	0.9344	0.9382	0.9457	0.9494	0.9569
USDTRY	18.5852	18.6094	18.6214	18.6456	18.6578	18.6820
XAUUSD	1745.12	1759.05	1765.04	1778.97	1786.91	1800.84
XAGUSD	21.1105	21.6926	21.9421	22.5242	22.8568	23.4389

Source: fxstreet.com / Bloomberg



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## Event Corner

ECO Economic Calendars								Options			
G8								12/07/22 - 12/07/22			
Economic Releases								View Agenda Weekly			
Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
12/05-12/09		RU				Wellbeing Fund	Nov	--	--	\$184.8b	--
12/07	06:00	JN				Leading Index CI	Oct P	98.3	--	97.5	--
12/07	06:00	JN				Coincident Index	Oct P	100.5	--	101.4	--
12/07	08:00	GE				Industrial Production SA MoM	Oct	-0.6%	--	0.6%	--
12/07	08:00	GE				Industrial Production WDA YoY	Oct	-0.7%	--	2.6%	--
12/07	08:45	FR				Trade Balance	Oct	-15971m	--	-17487m	--
12/07	08:45	FR				Current Account Balance	Oct	--	--	-7.3b	--
12/07	10:00	IT				Retail Sales MoM	Oct	-0.5%	--	0.5%	--
12/07	10:00	IT				Retail Sales YoY	Oct	--	--	4.1%	--
12/07	11:00	EC				Gross Fix Cap QoQ	3Q	0.5%	--	0.9%	0.7%
12/07	11:00	EC				Household Cons QoQ	3Q	0.9%	--	1.3%	1.0%
12/07	11:00	EC				Employment QoQ	3Q F	--	--	0.2%	--
12/07	11:00	EC				Employment YoY	3Q F	--	--	1.7%	--
12/07	11:00	EC				GDP SA QoQ	3Q F	0.2%	--	0.2%	--
12/07	11:00	EC				GDP SA YoY	3Q F	2.1%	--	2.1%	--
12/07	11:00	EC				Govt Expend QoQ	3Q	0.3%	--	0.6%	--
12/07	13:00	US				MBA Mortgage Applications	Dec 2	--	--	-0.8%	--
12/07	14:00	RU				Official Reserve Assets	Nov	--	--	547.2b	--
12/07	14:30	US				Nonfarm Productivity	3Q F	0.6%	--	0.3%	--
12/07	14:30	US				Unit Labor Costs	3Q F	3.1%	--	3.5%	--
12/07	16:00	CA				Bank of Canada Rate Decision	Dec 7	4.25%	--	3.75%	--
12/07	17:00	RU				CPI WoW	Dec 5	--	--	0.19%	--
12/07	17:00	RU				CPI Weekly YTD	Dec 5	--	--	11.07%	--
12/07	21:00	US				Consumer Credit	Oct	\$28.000b	--	\$24.976b	--
12/07		IT				Bank of Italy Report on Balance-Sheet Aggregates					

Source: Refinitiv

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