

Market Corner

Asian stocks advanced, as miners in Australia climbed on demand optimism ahead of highly-awaited US inflation data.

The MSCI Asia Pacific Index rose as much as 0.8% to the highest since August before paring. Japan's MUFJ and Australia's BHP boosted the index the most while the Chinese tech rally took a pause.

The stock benchmark in Australia was the notable winner in the region, advancing more than 1% to the highest in a month, as miners rallied amid hopes China's reopening will spur demand for metals.

China Reopening Sends Australian Mining Stocks Near Record High

Benchmarks in Japan posted moderate gains but equities in Hong Kong and mainland China dropped, pausing their recent rebound. Trading volume was 17% lighter than average ahead of key consumer price data from the US due later Thursday.

US equities clocked their first back-to-back gains in three weeks as traders bet key inflation data due Thursday morning will give the Federal Reserve room to slow its pace of rate hikes.

The S&P 500 rose 1.3% as all 11 major industry groups advanced, with the rate-sensitive real estate sector leading gains. Amazon notched its longest winning streak since October and other Big Tech names, among the most hammered stocks last year, drove the Nasdaq 100 index up 1.8%. The blue-chip Dow Jones Industrial Average increased 0.8%.

Stocks extended early gains after Fed Bank of Boston President Susan Collins told The New York Times she's leaning toward downshifting to a quarter-point hike at the central bank's next meeting ending Feb. 1.

CPI data due on Thursday is set to spark a significant move. The stock market has been lifted by bets the data could show inflation is easing, which would allow the Federal Reserve to slow the pace of rate hikes. Cooler-than-expected data could send the market sharply higher, while signs of persistent price pressures could reverse the new year's rally.

World Indices	Last	1D Change
<u>Dow Jones</u>	33 973,01	0,80%
<u>S&P 500</u>	3 969,61	1,28%
<u>Nasdaq</u>	10 931,67	1,76%
<u>Eurostoxx 50</u>	4 099,76	1,04%
<u>FTSE 100</u>	7 724,98	0,40%
<u>CAC 40</u>	6 924,19	0,80%
<u>DAX</u>	14 947,91	1,17%
<u>SMI</u>	11 246,01	0,75%
<u>Nikkei</u>	26 449,82	0,01%
<u>Hang Seng</u>	21 402,26	-0,16%
<u>CSI 300</u>	4 017,87	0,20%
<u>VIX Index</u>	21,09	2,48%

World Bonds	Last	1D Change
<u>US 10Y</u>	3,5354	-0,11%
<u>EUR 10Y</u>	2,2190	0,68%
<u>Swiss 10Y</u>	1,2520	-0,40%
<u>UK 10Y</u>	3,41	-4,16%

Source: Bloomberg



Morning Call
Geneva, January 12, 2023

Crypto Corner

A prolonged rally in Bitcoin is giving crypto enthusiasts a smidgen of something to be happy about during a dark period for the industry.

The world's largest token has advanced for nine straight days, the longest such streak since 2020, according to data compiled by Bloomberg. Bitcoin has added more than 10% this month and second-largest token Ether about 17%. Bitcoin was up 4% to trade at \$18,258 as of 10:15 a.m. in Singapore. Ether climbed over 4%, while Avalanche jumped about 9%.

Bets that inflation is cooling and that the Federal Reserve will slow the pace of interest-rate hikes have helped all manner of assets at the start of 2023. For Bitcoin, the recent gains are a stark contrast to last year's slump of more than 60% amid a series of crypto blowups, including the fall of the FTX exchange.

"Risk assets have been rallying, I think, for the reason that the terminal rate is coming slowly but surely into the foreground and positioning has been bearish and transitioning, which means bullish near-term price action," said Michael Purves, founder of Tallbacken Capital Advisors.

Institutions may make a comeback once the issues overhanging the digital-asset market clear up, according to Noelle Acheson, author of the "Crypto Is Macro Now" newsletter.

"There is little doubt that large players will come back into the market when the outlook is less murky, pushing up transactions and also price," she wrote in a note this week.

Crypto Market Cap: **\$885B**

24h Vol: **\$46,5B**

Dominance: **BTC: 39,5% ETH:19,3%**

Crypto	Last	1D Change
Bitcoin	18 168,80	3,46%
Ethereum	1 402,35	4,42%



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

Commodity Corner

Gold gained ahead of key US inflation data due later Thursday that could determine whether its two-month uptrend continues.

The Federal Reserve's monetary tightening weighed on non-interest-bearing gold last year, causing it to drop for seven months through October. It's rallied around 15% since then as the dollar and US bond yields fell on signs the tightening cycle was nearing an end.

Cooler US inflation and labor-market numbers have raised expectations the Fed will dial back their hawkishness this year, even as officials caution more rate hikes are needed. That optimism could be boosted by the consumer-price index data, which is expected to show a month-on-month decline.

"Gold prices were buoyant on Thursday morning in Asia as traders await key US inflation data that could influence the Federal Reserve's policy path," brokerage Phillip Nova said in an emailed report.

Spot gold rose 0.4% to \$1,883.50 an ounce as of 12:25 p.m. in Singapore after dipping 0.1% in the previous session. The Bloomberg Dollar Spot Index declined 0.2%. Silver gained, while platinum and palladium were steady.

Precious Metals		Last	1D Change
<u>Gold</u>		1 881,87	0,33%
<u>Silver</u>		23,61	0,82%
<u>Platinum</u>		1 067,26	-0,52%
<u>Palladium</u>		1 788,33	0,47%

Oil steadied after five days of gains ahead of key US inflation data as China's crude buying ramps up before the Lunar New Year holidays.

West Texas Intermediate traded near \$77 a barrel after closing 3.1% higher in the previous session. Investors are keenly watching the consumer price index read due later Thursday, which will provide clues on the path forward for monetary tightening in the world's biggest economy.

China's crude buying after Beijing issued a bumper batch of import quota added some bullish optimism to the demand outlook. Consumption in the top importer is set to rebound following the end of the nation's Covid Zero policy.

World Commodities		Last	1D Change
<u>WTI Crude</u>		77,28	-0,17%
<u>Brent Crude</u>		82,56	-0,13%
<u>Nat Gas (HH)</u>		3,65	-0,63%
<u>Nickel</u>		26 846,00	-1,49%
<u>Copper</u>		414,05	-0,61%
<u>Corn</u>		656,75	0,11%
<u>Wheat</u>		739,25	-0,10%
<u>Soybean</u>		1 525,50	0,69%
<u>Coffee</u>		143,90	-4,64%
<u>Cotton</u>		84,47	0,25%
<u>Sugar</u>		19,65	0,05%

Source: fxstreet.com / Bloomberg



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FX Corner

EUR/USD is extending its bullish momentum toward 1.0800, awaiting the all-important US CPI data on Thursday. The pair capitalizes on hawkish ECB commentary while the US Dollar licks its wounds amid weaker US Treasury bond yields.

GBP/USD justifies the previous day's bullish candlestick formation above the 200-day Exponential Moving Average (EMA) as it prints the first daily gains in three. The Cable pair portrays mild gains near 1.2165 heading into Thursday's London open.

USD/JPY is resuming its sell-off from the high of 132.48, heading toward 131.00 in early Europe. The Japanese yen jumped on reports that the BoJ is up for reviewing the side effects of massive monetary easing in the policy meeting next week.

AUD/USD clings to mild gains around 0.6920, despite lacking follow-through, amid slightly positive market sentiment during early Thursday. In doing so, the Aussie pair cheers the early-day economics from Australia and China, as well as hopes of softer US inflation, amid a cautious mood ahead of the key US Consumer Price Index (CPI) for December.

World Currencies	Last	1D Change
<u>EURUSD</u>	1,0760	0,03%
<u>EURCHF</u>	1,0045	-0,26%
<u>EURGBP</u>	0,8862	-0,06%
<u>EURJPY</u>	141,80	0,50%
<u>USDCHF</u>	0,9336	-0,25%
<u>USDJPY</u>	131,78	0,51%
<u>USDCAD</u>	1,3441	-0,12%
<u>USDTRY</u>	18,78	-0,04%
<u>GBPUSD</u>	1,2142	-0,03%
<u>AUDUSD</u>	0,6894	-0,14%
<u>NZDUSD</u>	0,6348	-0,27%

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

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	1.0653	1.0703	1.0730	1.0780	1.0803	1.0853
USDJPY	130.86	131.66	132.06	132.86	133.26	134.06
GBPUSD	1.1988	1.2065	1.2105	1.2182	1.2219	1.2296
USDCAD	1.3345	1.3385	1.3405	1.3445	1.3465	1.3505
AUDUSD	0.6795	0.6848	0.6876	0.6929	0.6954	0.7007
NZDUSD	0.6257	0.6310	0.6337	0.6390	0.6416	0.6469
USDCHF	0.9031	0.9157	0.9235	0.9361	0.9409	0.9535
USDTRY	18.6856	18.7324	18.7541	18.8009	18.8260	18.8728
XAUUSD	1837.70	1857.11	1866.39	1885.80	1895.93	1915.34
XAGUSD	21.9144	22.7358	23.0758	23.8972	24.3786	25.2000

Source: fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars											
G8		Browse		08:26:50		01/12/23		01/12/23			
Economic Releases		All Economic Releases				View		Agenda			
Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
01/11-01/13		RU				Budget Balance YTD	Dec	--	--	557.0b	--
01/12	00:50	JN				BoP Current Account Balance	Nov	¥481.0b	--	-¥64.1b	--
01/12	00:50	JN				BoP Current Account Adjusted	Nov	¥657.5b	--	-¥609.4b	--
01/12	00:50	JN				Trade Balance BoP Basis	Nov	-¥1620.0b	--	-¥1875.4b	--
01/12	00:50	JN				Bank Lending Incl Trusts YoY	Dec	--	--	2.7%	--
01/12	00:50	JN				Bank Lending Ex-Trusts YoY	Dec	--	--	3.0%	--
01/12	02:00	JN				Bloomberg Jan. Japan Economic Survey					
01/12	03:00	JN				Tokyo Avg Office Vacancies	Dec	--	--	6.38	--
01/12	06:00	JN				Eco Watchers Survey Current SA	Dec	47.7	--	48.1	--
01/12	06:00	JN				Eco Watchers Survey Outlook SA	Dec	45.0	--	45.1	--
01/12	10:00	EC				ECB Publishes Economic Bulletin					
01/12	14:00	RU				Gold and Forex Reserve	Dec 30	--	--	\$581.7b	--
01/12	14:30	US				CPI MoM	Dec	-0.1%	--	0.1%	--
01/12	14:30	US				CPI Ex Food and Energy MoM	Dec	0.3%	--	0.2%	--
01/12	14:30	US				CPI YoY	Dec	6.5%	--	7.1%	--
01/12	14:30	US				CPI Ex Food and Energy YoY	Dec	5.7%	--	6.0%	--
01/12	14:30	US				CPI Index NSA	Dec	296.699	--	297.711	--
01/12	14:30	US				CPI Core Index SA	Dec	300.820	--	300.066	--
01/12	14:30	US				Real Avg Hourly Earning YoY	Dec	--	--	-1.9%	-2.1%
01/12	14:30	US				Real Avg Weekly Earnings YoY	Dec	--	--	-3.0%	-3.3%
01/12	14:30	US				Initial Jobless Claims	Jan 7	215k	--	204k	--
01/12	14:30	US				Continuing Claims	Dec 31	1709k	--	1694k	--
01/12	20:00	US				Monthly Budget Statement	Dec	-\$60.0b	--	-\$21.3b	--
01/12		GE				Current Account Balance	Nov	--	--	5.9b	--
01/12		RU				Light Vehicle Car Sales YoY	Dec	--	--	-61.6%	--

Source: Refinitiv

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