

Market Corner

Asian stocks advanced as Chinese shares continued to rally on hopes for reopening and eased regulation, while investors braced for another possible surprise from the Bank of Japan later this week.

The MSCI Asia Pacific Index rose as much as 0.6%, poised for a fourth day of gains, boosted by financial and technology shares. The onshore Chinese market and the Philippines led gains around the region, while Japanese stocks faltered on the back of a stronger yen ahead of the BOJ's policy decision Wednesday.

China's CSI 300 Index jumped more than 2% to a nearly five-month high, as overseas investors stepped up purchases of the nation's shares amid broader optimism on border reopening. Meanwhile, the People's Bank of China added less cash than expected into the banking system via policy loans while keeping the rate unchanged this month, even with funding demand on the rise into Lunar New Year holidays.

US equities slipped on Thursday after US consumer price data failed to ease as much as some investors had been eyeing and Big Tech companies dropped back after a rally.

The S&P 500 fell 0.5% as of 9:59 a.m. in New York. Nine of the 11 major industry groups retreated, with the health-care and consumer discretionary sectors the biggest losers, while energy shares rose. The tech-heavy Nasdaq 100 index fell 0.9%, breaking its longest-winning streak since September. The blue-chip Dow Jones Industrial Average slipped 0.2%. Meanwhile, the Cboe Volatility Index briefly dipped below the key 20 threshold.

Data showed core consumer prices rose 5.7% in December from a year earlier, in line with analysts estimates. The readout adds to evidence that price pressures have peaked and may give room to the Federal Reserve to slow the pace of interest-rate hikes to a quarter-percentage point. However, the market had geared up for even better data, said Maria Vassalou at Goldman Sachs Asset Management.

World Indices	Last	1D Change
<u>Dow Jones</u>	34 302,61	0,33%
<u>S&P 500</u>	3 999,09	0,40%
<u>Nasdaq</u>	11 079,16	0,71%
<u>Eurostoxx 50</u>	4 150,80	0,58%
<u>FTSE 100</u>	7 844,07	0,64%
<u>CAC 40</u>	7 023,50	0,69%
<u>DAX</u>	15 086,52	0,19%
<u>SMI</u>	11 290,79	0,03%
<u>Nikkei</u>	25 822,32	-1,14%
<u>Hang Seng</u>	21 688,53	-0,23%
<u>CSI 300</u>	4 137,96	1,56%
<u>VIX Index</u>	18,35	-2,55%

World Bonds	Last	1D Change
<u>US 10Y</u>	3,5035	0,00%
<u>EUR 10Y</u>	2,1600	-0,37%
<u>Swiss 10Y</u>	1,1340	0,98%
<u>UK 10Y</u>	3,37	0,96%

Source: Bloomberg



Morning Call
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Crypto Corner

Bitcoin has bolted out of January's starting gates with a climb of more than 28%, turning up the heat on bears who anticipated more challenges for riskier investments after sharp selloffs in 2022.

The token's advance so far is the best for the opening month of a year since a 31% rally in 2020 before the pandemic hit. The surge has helped to lift the overall value of digital assets past \$1 trillion, a level that gave way in November when the FTX exchange imploded, CoinGecko data shows.

The largest token rose as much as 2.5% on Monday and was trading at \$21,230 as of 11:46 a.m. in Tokyo, set for a 13 straight daily advance. Smaller coins from Ether to Cardano were also in the green. Asian crypto-related stocks like Monex Group and Woori Technology Investment Co. pushed higher.

The crypto climb is partly a bet on an end to punishing interest-rate hikes, a prospect that's also boosted the likes of stocks, bonds and gold. Even so, investors are wondering if all these assets have moved too far, too fast given that central banks like the Federal Reserve are pledging to keep policy rates elevated until still-high inflation is vanquished.

While plenty of uncertainty hangs over digital assets, including whether a short squeeze is driving up prices and will peter out, "FOMO is likely to play a role in how the market evolves from here," Noelle Acheson wrote in her "Crypto Is Macro Now" newsletter, using the acronym for "fear of missing out."

The crypto industry continues to brace for further fallout from the bankruptcy of FTX and ensuing fraud charges against co-founder Sam Bankman-Fried. Crypto brokerage Genesis and its parent firm Digital Currency Group are seeking to resolve debt woes, a process that could spark market upheavals.

Crypto Market Cap: **\$992B**

24h Vol: **\$49,5B**

Dominance: **BTC: 41,0% ETH:19,3%**

Crypto	Last	1D Change
Bitcoin	21 106,18	0,96%
Ethereum	1 567,81	0,99%



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



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Commodity Corner

Gold is well set up at present as the Fed prepares to downshift, the dollar sags, and central banks scoop up more tons. An additional plus would be a fresh showdown in the US over raising the debt ceiling. Given there's ample scope for protracted brinkmanship, increasingly heated rhetoric, and sharp shifts in risk appetite, gold may hit a record if things get nasty.

Janet Yellen raised a warning flag last week, saying that the Treasury will begin taking special accounting maneuvers from this Thursday. That'll avoid the limit being breached though until about June (although the time frame is imprecise), so the issue will likely drag on through 1H and probably beyond. What's at stake? "Failure to meet the government's obligations would cause irreparable harm to the US economy, the livelihoods of all Americans and global financial stability," Yellen said in a letter to congressional leaders.

Sitting in distant Singapore I wouldn't offer myself as any form of expert, but the mood inside the Beltway seems pretty febrile at present. That makes finding a compromise that much harder, both between the two main parties, and, importantly, within the GOP — just witness the serial rounds of voting it took before Kevin McCarthy was elected House speaker. So as the skirmishes commence, the mood darkens, and the stakes ratchet ever higher, gold is poised to be the winner.

Precious Metals		Last	1D Change
<u>Gold</u>		1 917,10	-0,16%
<u>Silver</u>		24,33	0,26%
<u>Platinum</u>		1 065,81	-0,32%
<u>Palladium</u>		1 767,46	-1,41%

Oil fell for the first time in eight sessions as traders took stock of a complex outlook for worldwide demand, with China's reopening delivering a lift while other parts of the global economy slow.

West Texas Intermediate fell toward \$79 a barrel after rallying more than 8% last week. China ditched Covid-19 curbs in late 2022 after years of strict lockdowns. That's set to improve economic activity and mobility, with analysts forecasting oil demand in the top crude importer will likely hit a record.

Crude has had a bumpy start to the year, collapsing in the opening week before rebounding. In addition to China's swift pivot, support for crude prices in recent sessions has come from growing expectations that the Federal Reserve is now nearing an end to rate hikes, and a weakening dollar. Traders are also tracking the impact of sanctions on Russian oil and product flows.

World Commodities		Last	1D Change
<u>WTI Crude</u>		79,35	-0,64%
<u>Brent Crude</u>		84,64	-0,75%
<u>Nat Gas (HH)</u>		3,63	6,20%
<u>Nickel</u>		26 601,00	-0,85%
<u>Copper</u>		418,10	-0,83%
<u>Corn</u>		675,00	0,60%
<u>Wheat</u>		743,75	0,13%
<u>Soybean</u>		1 527,75	0,61%
<u>Coffee</u>		151,70	1,54%
<u>Cotton</u>		82,29	0,30%
<u>Sugar</u>		19,73	0,71%

Source: fxstreet.com / Bloomberg



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FX Corner

EUR/USD is falling back toward 1.0800, retracing sharply from a nine-month high of 1.0874 in early Europe. Markets are turning cautious, helping the US Dollar stage a comeback amid thin market conditions.

GBP/USD is paring back gains to trade below 1.2250 in the early European hours on Monday. The US Dollar is finding fresh demand, despite bets for smaller Fed rate hikes, as risk sentiment turns sour. Recession fears weigh on Cable ahead of BoE Bailey's testimony.

USD/JPY is holding the latest downtick below 127.50, having renewed eight-month lows at 127.24. Japanese yen rallies on potential BoJ hawkish move, as yields policy stutters. US holiday-induced thin trading exaggerates moves in the USD/JPY pair.

AUD/USD kicks off the new week on a positive note and climbs to its highest level since mid-August during the Asian session. The pair, however, trim a part of its intraday gains and retreat below the 0.7000 psychological mark in the last hour.

World Currencies	Last	1D Change
<u>EURUSD</u>	1,0840	0,09%
<u>EURCHF</u>	1,0030	0,08%
<u>EURGBP</u>	0,8858	-0,01%
<u>EURJPY</u>	138,73	-0,16%
<u>USDCHF</u>	0,9253	0,17%
<u>USDJPY</u>	127,98	-0,09%
<u>USDCAD</u>	1,3379	0,13%
<u>USDTRY</u>	18,79	0,02%
<u>GBPUSD</u>	1,2237	0,08%
<u>AUDUSD</u>	0,6983	0,22%
<u>NZDUSD</u>	0,6398	0,36%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	1.0652	1.0739	1.0785	1.0872	1.0913	1.1000
USDJPY	124.31	126.28	127.08	129.05	130.22	132.19
GBPUSD	1.2015	1.2112	1.2169	1.2266	1.2306	1.2403
USDCAD	1.3150	1.3268	1.3332	1.3450	1.3504	1.3622
AUDUSD	0.6803	0.6881	0.6925	0.7003	0.7037	0.7115
NZDUSD	0.6213	0.6294	0.6335	0.6416	0.6456	0.6537
USDCHF	0.9159	0.9220	0.9244	0.9305	0.9342	0.9403
USDTRY	18.6565	18.7213	18.7572	18.8220	18.8509	18.9157
XAUUSD	1852.38	1881.95	1901.09	1930.66	1941.09	1970.66
XAGUSD	22.4293	23.2243	23.7443	24.5393	24.8143	25.6093

Source: fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars											
G8		Browse		08:18:19		01/16/23		01/16/23			
Economic Releases		All Economic Releases				View		Agenda Weekly			
Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
01/16	00:50	JN				PPI YoY	Dec	9.5%	--	9.3%	--
01/16	00:50	JN				PPI MoM	Dec	0.3%	--	0.6%	--
01/16	07:00	JN				Machine Tool Orders YoY	Dec P	--	--	-7.7%	--
01/16	08:30	EC				Bloomberg Jan. Eurozone Economic Survey					
01/16	08:35	GE				Bloomberg Jan. Germany Economic Survey					
01/16	08:40	FR				Bloomberg Jan. France Economic Survey					
01/16	08:45	FR				Budget Balance YTD	Nov	--	--	-143.2b	--
01/16	08:45	IT				Bloomberg Jan. Italy Economic Survey					
01/16	09:30	UK				Bloomberg Jan. United Kingdom Economic Survey					
01/16	10:30	IT				General Government Debt	Nov	--	--	2770.8b	--
01/16	14:00	CA				Bloomberg Nanos Confidence	Jan 13	--	--	45.9	--
01/16	14:30	CA				Manufacturing Sales MoM	Nov	--	--	2.8%	--
01/16	15:00	CA				Existing Home Sales MoM	Dec	--	--	-3.3%	--
01/16	16:30	CA				BoC Overall Business Outlook Survey	4Q	--	--	1.7	--
01/16	16:30	CA				BoC Business Outlook Future Sales	4Q	--	--	-18.00	--
01/16-01/17		GE				Wholesale Price Index MoM	Dec	--	--	-0.9%	--
01/16-01/17		GE				Wholesale Price Index YoY	Dec	--	--	14.9%	--

Source: Refinitiv

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