

Morning Call

Geneva, January 17, 2023

Market Corner

Asian stocks headed for a two-day decline as investors assessed data on China's economic growth and braced for the Bank of Japan's key policy decision due Wednesday.

The MSCI Asia Pacific Index slipped 0.3%, erasing earlier gains, as losses in financial shares offset an advance in consumer discretionary stocks. Hong Kong's Hang Seng Index fell as much as 1.2%, ending a four-day rally.

China's CSI 300 Index briefly erased losses after a report showed the nation's gross domestic product grew 3% in 2022, higher than economists expected. Onshore Chinese shares ended a three-day rally as the market took a breather from gains fueled by optimism over reopening and eased tech regulations.

Japanese stocks outperformed the rest of Asia, ending two-day loss. While almost all economists polled by Bloomberg expect no change at the BOJ on Wednesday, some investors are bracing for more action as the central bank struggles to keep bond yields below its target.

US equity futures fell as of 6:05 p.m. in New York. The S&P 500 Index gained in regular trading, led by S&P Consumer Discretionary and S&P Financials.

- S&P 500 futures fell 0.1%
- Nasdaq 100 futures declined 0.2%
- Dow Jones Industrial Average futures were unchanged.
- VIX Index futures gained 0.7%
- U.S. Dollar Index rose 0.2%
- 10-Year Treasury yield at 3.504%

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>	4 157,00	0,15%
<u>FTSE 100</u>	7 860,07	0,20%
<u>CAC 40</u>	7 043,31	0,28%
<u>DAX</u>	15 134,04	0,31%
<u>SMI</u>	11 435,99	1,29%
<u>Nikkei</u>	26 138,68	1,23%
<u>Hang Seng</u>	21 530,97	-0,99%
<u>CSI 300</u>	4 137,24	-0,02%
<u>VIX Index</u>	19,49	6,21%

World Bonds	Last	1D Change
<u>US 10Y</u>	3,5513	1,36%
<u>EUR 10Y</u>	2,2020	1,24%
<u>Swiss 10Y</u>	1,1520	2,58%
<u>UK 10Y</u>	3,38	0,54%

Source: Bloomberg



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Crypto Corner

Binance, the operator of the world’s biggest crypto exchange, will allow institutional investors to keep the collateral for leveraged positions off the platform, a move to ease concerns caused by the collapse of one-time rival FTX.

The company said that such firms will have the option instead to post collateral with Binance Custody, which will hold the assets in so-called cold storage, or wallets that are unconnected to the internet. After the trades are settled, the assets would then become unlocked and accessible to the user again.

Binance Custody, launched in 2021, is a separate legal entity registered in Lithuania, the company said.

The collapse of FTX late last year sowed doubts about the ability of crypto exchanges to keep assets safe after prosecutors alleged it misused customers’ funds.

After FTX’s demise, users yanked funds from Binance and other rivals. At the peak of that pullback in early December, users withdrew billions of dollars in one day from Binance’s trading platform. Additional concern surfaced in mid December when the accounting firm Mazars halted work for Binance and other crypto firms on proof-of-reserves reports.

“Our clients are a lot more conscious of managing risks,” said Catherine Chen, the head of VIP & Institutional at Binance, in an interview. “We hear from our users that they love to trade on Binance, but at the same time they are getting ‘pressure’ from their internal risk control. For them to scale up further activities on Binance, they need to look for ways to help them diversify the on-exchange risks.”

Binance’s institutional arm, catering to proprietary trading firms, hedge funds, family offices and others, said its new clients increased by 17.4% in the fourth quarter from the prior quarter, according to a company spokesperson.

Crypto Market Cap: **\$988B**

24h Vol: **\$48,6B**

Dominance: **BTC: 41,2% ETH:19,4%**

Crypto	Last	1D Change
Bitcoin	21 073,49	-0,28%
Ethereum	1 559,53	-1,28%



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



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Commodity Corner

Gold held near an eight-month high as the focus turned to the latest US data later this week for more clues on the Federal Reserve’s monetary-policy tightening path.

The precious metal has rallied in the past two months to more than \$1,900 an ounce, amid speculation the central bank will start to ease the pace of its interest-rate hikes. Data including retail sales and the producer price index are due Wednesday, and may provide insight on whether inflation is starting to be reined in.

Eyes will be on the reaction of Fed officials to the latest economic data, after two regional bank presidents advocated moving to smaller hikes going forward. Voting members John Williams, Lael Brainard and Christopher Waller all give remarks this week

Gains in the US 10-year bond yield in recent trading days have negatively impacted on gold

Spot gold edged up 0.1% to \$1,918.09 an ounce as of 7:53 a.m. in Singapore. The Bloomberg Dollar Spot Index dipped 0.1%. Silver and palladium gained, while platinum was little changed

Precious Metals		Last	1D Change
<u>Gold</u>		1 908,59	-0,39%
<u>Silver</u>		24,07	-0,78%
<u>Platinum</u>		1 056,08	-0,97%
<u>Palladium</u>		1 750,74	-0,46%

Oil steadied as traders looked to a revival in Chinese demand this year after data showed that the economy fared better than expected last quarter, with further clues on the outlook to come in an OPEC analysis.

Global benchmark Brent held above \$84 a barrel after shedding 1% on Monday. China’s economy grew by a larger-than-expected amount in the fourth quarter as virus curbs swiftly ended, data from Beijing showed. That looks set to bolster traders’ expectations for higher energy consumption this year.

Ahead of the data, Goldman Sachs Group Inc. reiterated its case for higher crude prices, arguing that Western economies would avoid recession, aiding consumption, just as Chinese demand improves and Russian supply drops. Commodity markets are now pricing in a recession “that we don’t believe is going to materialize,” the bank said in a note dated Jan. 16.

Crude has had a rocky start to 2023, sinking in the opening week on concerns over a global slowdown before rebounding. Aside from China, oil has found support from growing expectations that the Federal Reserve is nearing an end to its aggressive series of interest-rate hikes and a weakening dollar.

World Commodities		Last	1D Change
<u>WTI Crude</u>		79,13	-0,91%
<u>Brent Crude</u>		84,49	0,04%
<u>Nat Gas (HH)</u>		3,74	9,30%
<u>Nickel</u>		27 077,00	1,61%
<u>Copper</u>		411,50	-2,40%
<u>Corn</u>		669,25	-0,85%
<u>Wheat</u>		734,25	-1,28%
<u>Soybean</u>		1 515,25	-0,82%
<u>Coffee</u>		151,70	1,54%
<u>Cotton</u>		82,02	-0,33%
<u>Sugar</u>		19,73	0,71%

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



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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>	1,0820	-0,02%
<u>EURCHF</u>	1,0004	0,18%
<u>EURGBP</u>	0,8864	0,13%
<u>EURJPY</u>	139,44	-0,22%
<u>USDCHF</u>	0,9246	0,21%
<u>USDJPY</u>	128,88	-0,23%
<u>USDCAD</u>	1,3421	-0,10%
<u>USDTRY</u>	18,79	-0,03%
<u>GBPUSD</u>	1,2207	0,11%
<u>AUDUSD</u>	0,6954	-0,01%
<u>NZDUSD</u>	0,6391	0,16%

XDSH FX Dashboard My Pivot Points 1 Month - Support /... : EURUSD BGN Curncy							
Currencies	S3	S2	S1	R1	R2	R3	
EURUSD	1.0689	1.0761	1.0791	1.0863	1.0905	1.0977	
USDJPY	124.95	126.59	127.58	129.22	129.87	131.51	
GBPUSD	1.1984	1.2101	1.2148	1.2265	1.2335	1.2452	
USDCAD	1.3263	1.3328	1.3368	1.3433	1.3458	1.3523	
AUDUSD	0.6816	0.6894	0.6924	0.7002	0.7050	0.7128	
NZDUSD	0.6258	0.6324	0.6352	0.6418	0.6456	0.6522	
USDCHF	0.9094	0.9178	0.9222	0.9306	0.9346	0.9430	
USDTRY	18.6216	18.7200	18.7534	18.8518	18.9168	19.0152	
XAUUSD	1882.51	1900.59	1908.31	1926.39	1936.75	1954.83	
XAGUSD	23.0875	23.6604	23.9575	24.5304	24.8062	25.3791	

Source: fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars											
G8		Browse		08:58:42		01/17/23		01/17/23			
Economic Releases		All Economic Releases				View		Agenda Weekly			
Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
01/17	05:30	JN				Tertiary Industry Index MoM	Nov	0.1%	--	0.2%	--
01/17	08:00	UK				Payrolled Employees Monthly Change	Dec	60k	--	107k	--
01/17	08:00	UK				Claimant Count Rate	Dec	--	--	3.9%	--
01/17	08:00	UK				Jobless Claims Change	Dec	--	--	30.5k	--
01/17	08:00	UK				Average Weekly Earnings 3M/YoY	Nov	6.2%	--	6.1%	--
01/17	08:00	UK				Weekly Earnings ex Bonus 3M/YoY	Nov	6.3%	--	6.1%	--
01/17	08:00	UK				ILO Unemployment Rate 3Mths	Nov	3.7%	--	3.7%	--
01/17	08:00	UK				Employment Change 3M/3M	Nov	0k	--	27k	--
01/17	08:00	GE				CPI MoM	Dec F	-0.8%	--	-0.8%	--
01/17	08:00	GE				CPI YoY	Dec F	8.6%	--	8.6%	--
01/17	08:00	GE				CPI EU Harmonized MoM	Dec F	-1.2%	--	-1.2%	--
01/17	08:00	GE				CPI EU Harmonized YoY	Dec F	9.6%	--	9.6%	--
01/17	10:00	IT				CPI EU Harmonized YoY	Dec F	12.3%	--	12.3%	--
01/17	10:00	IT				CPI FOI Index Ex Tobacco	Dec	118.2	--	117.9	--
01/17	11:00	GE				ZEW Survey Expectations	Jan	-15.0	--	-23.3	--
01/17	11:00	GE				ZEW Survey Current Situation	Jan	-57.0	--	-61.4	--
01/17	11:00	EC				ZEW Survey Expectations	Jan	--	--	-23.6	--
01/17	14:00	RU				Current Account Balance	4Q P	--	--	48044m	--
01/17	14:15	CA				Housing Starts	Dec	257.6k	--	264.2k	--
01/17	14:30	CA				Int'l Securities Transactions	Nov	--	--	8.46b	--
01/17	14:30	US				Empire Manufacturing	Jan	-8.6	--	-11.2	--
01/17	14:30	CA				CPI NSA MoM	Dec	-0.5%	--	0.1%	--
01/17	14:30	CA				CPI YoY	Dec	6.4%	--	6.8%	--
01/17	14:30	CA				Consumer Price Index	Dec	153.4	--	154.0	--
01/17	14:30	CA				CPI Core- Median YoY%	Dec	4.9%	--	5.0%	--
01/17	14:30	CA				CPI Core- Trim YoY%	Dec	5.2%	--	5.3%	--

Source: Refinitiv

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