



## Morning Call

Geneva, January 4, 2023

# Market Corner

**Asian stocks rose as China's tech shares surged after regulators approved a plan by Ant Group to raise 10.5 billion yuan (\$1.5 billion) for Alibaba's consumer unit, boosting sentiment for the sector.**

The MSCI Asia Pacific Index climbed as much as 0.6%, rising for a fourth day in its longest winning streak since mid August. Hong Kong led the advance, while Japan fell after traders returned from a two-day holiday.

Gains were limited as investors awaited minutes of the Federal Open Market Committee's December meeting and a US jobs report this week.

"The Fed is trying to regain its credibility by playing tough on the inflation until that monster is truly beaten," Tai Hui, Asia Pacific chief market strategist at JPMorgan Asset Management, told Bloomberg Television. "We could still have disruption in any supply, for example, that could push up energy prices."

**US stocks dropped on the first trading session of the new year, as losses in Apple Inc. and Tesla Inc. weighed on broader markets.**

The S&P 500 fell 0.4%, after closing out its worst year in more than a decade. Six of the 11 major industry groups lower, led by losses in energy and information technology. The tech-heavy Nasdaq 100 dropped 0.7%, while the blue-chip Dow Jones Industrial Average fell less than 0.1%.

Among individual stocks, Tesla was the worst-performing company in the S&P 500, dropping 12% to snap three sessions of gains after fourth-quarter deliveries missed estimates. Apple fell 3.7%, pushing the iPhone maker's market value below \$2 trillion as investors assessed news that it asked suppliers for fewer AirPods and watch components.

World Indices	Last	1D Change
<u>Dow Jones</u>	33 136,37	-0,03%
<u>S&amp;P 500</u>	3 824,14	-0,40%
<u>Nasdaq</u>	10 386,98	-0,76%
<u>Eurostoxx 50</u>	3 882,29	0,68%
<u>FTSE 100</u>	7 554,09	1,37%
<u>CAC 40</u>	6 623,89	0,44%
<u>DAX</u>	14 181,67	0,80%
<u>SMI</u>	10 978,64	2,32%
<u>Nikkei</u>	25 716,86	-1,45%
<u>Hang Seng</u>	20 618,51	2,35%
<u>CSI 300</u>	3 892,38	0,12%
<u>VIX Index</u>	22,90	5,68%

World Bonds	Last	1D Change
<u>US 10Y</u>	3,7145	-0,65%
<u>EUR 10Y</u>	2,3890	-2,25%
<u>Swiss 10Y</u>	1,4590	-9,77%
<u>UK 10Y</u>	3,65	-0,57%

Source: Bloomberg



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# Crypto Corner

**The top US bank regulators issued a fresh warning to lenders about the risks associated with delving into crypto.**

The Federal Reserve, Federal Deposit Insurance Corp. and the Office of the Comptroller of the Currency on Tuesday detailed concerns with the volatile asset class. Officials said in a statement that it was important that risks that can't be controlled aren't allowed to migrate to the banking system.

"The events of the past year have been marked by significant volatility and the exposure of vulnerabilities in the crypto-asset sector," the agencies said.

The warning follows a particularly fraught period for crypto. The collapse in November of the FTX exchange has left customers around the world facing the potential of billions of dollars in losses.

Federal watchdogs have insisted that the impact on the broader financial system from FTX's implosion was minimal. However, it has kindled calls for American regulators to do more to prevent further calamities.

"It is important that risks related to the crypto-asset sector that cannot be mitigated or controlled do not migrate to the banking system," the regulators said.

The watchdogs said they would continue "to take a careful and cautious approach related to current or proposed crypto-asset-related activities and exposures at each banking organization."

Some of the risks that the regulators identified include:

- **Fraud and scams.**
- **Legal uncertainties around custody.**
- **Misleading statements by crypto firms.**
- **Contagion within the crypto sector.**

Although Wall Street has been slow to embrace crypto, the FTX collapse has exposed how some smaller US banks have gotten involved in the sector. For example, the firm listed in bankruptcy filings Silvergate Capital Corp. and Signature Bank, which are both federally regulated, as places where it or related entities had accounts. Both firms have said that deposits related to the exchange represented a very small percentage of their overall deposits.

On Tuesday, Signature Bank said that it supported regulators' focus on crypto and that it has been taking steps to significantly reduce deposit concentrations related to crypto clients and others. "We do not lend in this space, nor do we trade, invest or custody crypto assets," the firm said. Silvergate declined to comment on the joint statement from watchdogs.

Crypto	Last	1D Change
Bitcoin	16 866,23	1,23%
Ethereum	1 250,69	3,27%

Crypto Market Cap: **\$818B**

24h Vol: **\$30,8B**

Dominance: **BTC: 39,6% ETH:18,7%**



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



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# Commodity Corner

**Gold rose for a fourth day on a decline in Treasury yields that's boosting the appeal of the non-interest-bearing metal.** Bullion climbed toward \$1,850 an ounce on Wednesday after jumping 0.9% in the previous session to close at the highest since June. Speculation the Federal Reserve will soften its hawkish stance on interest rates is aiding bullion, which finished 2022 almost unchanged, with the dollar in retreat since early November.

Gold may also be drawing some haven support as warnings of recessions in major economies have come thick and fast in the last few days, while China is struggling with a vicious virus wave  
US jobs data due later in the week will be monitored for signs that wage pressures are easing. The tight labor market has been a major driver of inflation, spurring the Fed's most aggressive tightening cycle in decades

**Spot gold rose** 0.3% to \$1,845.17 an ounce as of 10:47 a.m. in Singapore. The Bloomberg Dollar Spot Index fell 0.2% after climbing 0.7% Tuesday. Silver edged higher, platinum was steady, while palladium was up more than 1%

Precious Metals		Last	1D Change
<u>Gold</u>		1 848,02	0,46%
<u>Silver</u>		24,12	0,48%
<u>Platinum</u>		1 090,15	0,27%
<u>Palladium</u>		1 742,75	1,79%

**Oil's miserable start to the year deepened as a deteriorating demand outlook came to the fore, buttressed by predictions for a US recession, China's near-term struggle with Covid-19, and milder winter weather.**

West Texas Intermediate fell toward \$76 a barrel after sinking 4.2% on Tuesday in the biggest drop since November. A rising death toll in China from the swift easing of virus curbs is overwhelming crematoriums, and there are warnings of more casualties heading into the Lunar New Year. Above-average temperatures in the US and Europe, meanwhile, are easing fears of an energy crunch.

World Commodities		Last	1D Change
<u>WTI Crude</u>		76,52	-0,53%
<u>Brent Crude</u>		81,71	-0,48%
<u>Nat Gas (HH)</u>		3,94	-1,15%
<u>Nickel</u>		30 978,00	3,60%
<u>Copper</u>		377,05	0,11%
<u>Corn</u>		670,50	0,00%
<u>Wheat</u>		775,00	-0,06%
<u>Soybean</u>		1 494,25	0,47%
<u>Coffee</u>		166,30	-0,60%
<u>Cotton</u>		83,56	0,51%
<u>Sugar</u>		19,70	-1,70%

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



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## FX Corner

**EUR/USD** is consolidating the bounce below 1.0600 amid a broad US Dollar retreat in early Europe. Hawkish ECB-speak power the Euro amid weak US Treasury yields. All eyes are on US ISM Manufacturing PMI and Fed Minutes.

**GBP/USD** has turned sideways below 1.2000 as investors await US ISM PMI data for fresh cues. Cable is defending mild gains, as the US Dollar retreat amid a broad sell-off in the US Treasury yields amid a cautiously optimistic mood. Fed Minutes also eyed.

**USD/JPY** is struggling to extend its recovery above 131.00 in the early European session. Earlier, the asset rebounded after sensing buying interest around 129.50 as investors underpinned the US Dollar amid a risk-off market mood.

**AUD/USD** is extending the recovery above 0.6750 in Wednesday's Asian trading. The US Treasury yields sell-off is weighing negatively on the US Dollar while boosting the Aussie. The upbeat mood is also boding well for the pair ahead of the US ISM PMI and Fed Minutes.

World Currencies	Last	1D Change
<u>EURUSD</u>	1,0572	0,23%
<u>EURCHF</u>	0,9858	0,14%
<u>EURGBP</u>	0,8818	-0,05%
<u>EURJPY</u>	138,20	-0,01%
<u>USDCHF</u>	0,9324	0,39%
<u>USDJPY</u>	130,72	0,23%
<u>USDCAD</u>	1,3647	0,18%
<u>USDTRY</u>	18,73	-0,05%
<u>GBPUSD</u>	1,1990	0,18%
<u>AUDUSD</u>	0,6802	1,11%
<u>NZDUSD</u>	0,6279	0,43%

XDSH FX Dashboard My Pivot Points 1 Month - Support / ... : EURUSD BGN Curncy							
Currencies	S3	S2	S1	R1	R2	R3	
EURUSD	1.0258	1.0421	1.0484	1.0647	1.0747	1.0910	
USDJPY	126.89	128.77	129.89	131.77	132.53	134.41	
GBPUSD	1.1617	1.1801	1.1884	1.2068	1.2169	1.2353	
USDCAD	1.3302	1.3464	1.3568	1.3730	1.3788	1.3950	
AUDUSD	0.6456	0.6603	0.6665	0.6812	0.6897	0.7044	
NZDUSD	0.5947	0.6109	0.6181	0.6343	0.6433	0.6595	
USDCHF	0.8994	0.9162	0.9261	0.9429	0.9498	0.9666	
USDTRY	18.6566	18.6913	18.7066	18.7413	18.7607	18.7954	
XAUUSD	1792.74	1815.77	1827.63	1850.66	1861.83	1884.86	
XAGUSD	22.8261	23.4867	23.7469	24.4075	24.8079	25.4685	

Source: fxstreet.com / Bloomberg



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## Event Corner

ECO Economic Calendars Options

G8 Browse 08:24:49 01/04/23 - 01/04/23

Economic Releases All Economic Releases View Agenda Weekly

Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
01/04	00:50	JN				Japan Buying Foreign Bonds	Dec 23	--	--	-¥941.8b	--
01/04	00:50	JN				Foreign Buying Japan Bonds	Dec 23	--	--	-¥479.1b	--
01/04	00:50	JN				Japan Buying Foreign Stocks	Dec 23	--	--	¥156.3b	--
01/04	00:50	JN				Foreign Buying Japan Stocks	Dec 23	--	--	-¥667.1b	--
01/04	01:01	UK				BRC Shop Price Index YoY	Dec	--	--	7.4%	--
01/04	01:30	JN				Jibun Bank Japan PMI Mfg	Dec F	--	--	48.8	--
01/04	06:00	JN				Vehicle Sales YoY	Dec	--	--	1.0%	--
01/04	08:00	GE				Import Price Index MoM	Nov	-1.7%	--	-1.2%	--
01/04	08:00	GE				Import Price Index YoY	Nov	18.0%	--	23.5%	--
01/04	08:45	FR				CPI EU Harmonized MoM	Dec P	0.4%	--	0.4%	--
01/04	08:45	FR				CPI EU Harmonized YoY	Dec P	7.3%	--	7.1%	--
01/04	08:45	FR				CPI MoM	Dec P	0.5%	--	0.3%	--
01/04	08:45	FR				CPI YoY	Dec P	6.4%	--	6.2%	--
01/04	08:45	FR				Consumer Confidence	Dec	84	--	83	--
01/04	09:45	IT				S&P Global Italy Composite PMI	Dec	--	--	48.9	--
01/04	09:45	IT				S&P Global Italy Services PMI	Dec	49.5	--	49.5	--
01/04	09:50	FR				S&P Global France Composite PMI	Dec F	48.0	--	48.0	--
01/04	09:50	FR				S&P Global France Services PMI	Dec F	48.1	--	48.1	--
01/04	09:55	GE				S&P Global Germany Services PMI	Dec F	49.0	--	49.0	--
01/04	09:55	GE				S&P Global Germany Composite PMI	Dec F	48.9	--	48.9	--
01/04	10:00	EC				S&P Global Eurozone Composite PMI	Dec F	48.8	--	48.8	--
01/04	10:00	EC				S&P Global Eurozone Services PMI	Dec F	49.1	--	49.1	--
01/04	10:30	UK				Net Consumer Credit	Nov	1.0b	--	0.8b	--
01/04	10:30	UK				Consumer Credit YoY	Nov	--	--	7.0%	--
01/04	10:30	UK				Net Lending Sec. on Dwellings	Nov	--	--	4.0b	--
01/04	10:30	UK				Mortgage Approvals	Nov	53.0k	--	59.0k	--
01/04	10:30	UK				Money Supply M4 MoM	Nov	--	--	0.0%	--
01/04	10:30	UK				M4 Money Supply YoY	Nov	--	--	4.8%	--
01/04	10:30	UK				M4 Ex IOFCs 3M Annualised	Nov	--	--	9.2%	--
01/04	13:00	US				MBA Mortgage Applications	Dec 30	--	--	0.9%	--
01/04	16:00	US				ISM Employment	Dec	--	--	48.4	--
01/04	16:00	US				ISM Manufacturing	Dec	48.5	--	49.0	--
01/04	16:00	US				ISM New Orders	Dec	--	--	47.2	--
01/04	16:00	US				ISM Prices Paid	Dec	42.9	--	43.0	--
01/04	16:00	US				JOLTS Job Openings	Nov	10000k	--	10334k	--
01/04	20:00	US				FOMC Meeting Minutes	Dec 14	--	--	--	--
01/04		US				Wards Total Vehicle Sales	Dec	13.70m	--	14.14m	--

Source: Refinitiv

Disclaimer: "This information, including any opinion, news and reports is based on publicly available source, but its accuracy cannot be guaranteed and may be subject to change without notice. BankMed (Suisse) does not guarantee the accuracy, timeliness, continued availability or completeness of such information. Neither the information provided nor any opinion expressed therein, constitutes a solicitation, offer, personal recommendation or advice. BankMed (Suisse) is not acting as an adviser to you and you are free to rely or not on such information at your own risk. Certain transactions involving securities give rise to substantial risks, including currency and volatility risk, and are not suitable for all investors."