



Morning Call

Geneva, January 5, 2023

Market Corner

Asia stocks rose, on track for a fifth-straight daily gain, as investors continued to buy shares in China and Hong Kong on positive policy momentum.

The MSCI Asia Pacific Index advanced as much as 1.1%, before paring much of that advance. Internet giants Alibaba and Tencent were among the biggest boosts, helped by China's moves to ease its tech crackdown as well as support property firms and smooth geopolitical relations.

Equities slid from session highs Wednesday but still managed to snap two sessions of losses as Federal Reserve officials signaled, they expect higher interest rates to remain in place until more progress is made on inflation.

The S&P 500 ended 0.8% higher, after climbing more than 1% earlier in the session. All of the 11 major industry groups rose, led by gains in real estate and materials. The tech-heavy Nasdaq 100 rose 0.5%, while the blue-chip Dow Jones Industrial Average added 0.4%.

Minutes from the central bank's December policy meeting showed officials affirming their resolve to bring down inflation, cautioning that an "unwarranted" loosening of financial conditions would hurt their efforts to achieve price stability.

Federal Reserve Bank of Minneapolis President Neel Kashkari said the central bank has at least another percentage point of interest-rate increases to do in 2023 even as inflation is showing signs of reversing.

Both job openings and ISM Employment figures point to a strong labor market. The next signal in the US will come from the jobs report on Friday, and market strategists have warned any indication of a possible economic contraction could further pressure equities this year.

<u>World Indices</u>	<u>Last</u>	<u>1D Change</u>
<u>Dow Jones</u>	33 269,77	0,40%
<u>S&P 500</u>	3 852,97	0,75%
<u>Nasdaq</u>	10 458,76	0,69%
<u>Eurostoxx 50</u>	3 973,97	2,36%
<u>FTSE 100</u>	7 585,19	0,41%
<u>CAC 40</u>	6 776,43	2,30%
<u>DAX</u>	14 490,78	2,18%
<u>SMI</u>	11 140,27	1,47%
<u>Nikkei</u>	25 820,80	0,40%
<u>Hang Seng</u>	21 068,55	1,32%
<u>CSI 300</u>	3 972,03	2,03%
<u>VIX Index</u>	22,01	-3,89%

<u>World Bonds</u>	<u>Last</u>	<u>1D Change</u>
<u>US 10Y</u>	3,7125	0,81%
<u>EUR 10Y</u>	2,2720	-4,90%
<u>Swiss 10Y</u>	1,3600	-6,79%
<u>UK 10Y</u>	3,49	-4,38%

Source: Bloomberg



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Crypto Corner

The US government has seized — or is in the process of seizing — hundreds of millions of dollars worth of Robinhood Markets Inc. shares as part of the fraud case against Sam Bankman-Fried, founder of the failed crypto firm FTX, lawyers said in court Wednesday.

The government also is taking control of assets in bank accounts that were part of a bankruptcy case involving one unit of the FTX empire in the Bahamas, said James Bromley, a lawyer leading the main FTX insolvency proceeding in the US.

The seizures began as part of the fraud case against Bankman-Fried and other top FTX officials.

The shares, now worth more than \$460 million, have been claimed by various creditors of FTX, who filed court cases to try to control of them. A court hearing will eventually be held to determine what happens to the shares and the assets seized from the bank accounts, Seth B. Shapiro, a lawyer with U.S. Department of Justice said during a court hearing held by video in Wilmington, Delaware.

Bankman-Fried was extradited from the Bahamas last month to face fraud charges in the US.

The bankruptcy case is FTX Trading Ltd., 22-11068, U.S. Bankruptcy Court for the District of Delaware.

Crypto Market Cap: **\$819B**

24h Vol: **\$31,9B**

Dominance: **BTC: 39,5% ETH:18,7%**

Crypto	Last	1D Change
Bitcoin	16 817,01	-0,03%
Ethereum	1 250,47	-0,16%



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

Commodity Corner

Gold traded near a six-month high as fears of recessions in the US and Europe, and China's struggles with a severe virus wave boosted demand for haven assets.

Bullion dipped slightly on Thursday but remained above \$1,850 an ounce and has rallied almost 3% in a run of gains since the close on Dec. 28. The precious metal has been aided by the dollar, which often benefits from a worsening macroeconomic outlook, declining over the same period. A drop in US bond yields this week is also helping non-interest-bearing gold.

Federal Reserve officials affirmed their resolve to bring down inflation, according to minutes of their December meeting. Their unusually blunt warning to investors portends higher rates for longer, which may deepen the slowdown in the US and possibly boost gold's allure. Around a third of the global economy is expected to be in recession this year, International Monetary Fund Managing Director Kristalina Georgieva warned this week.

Chinese buying remains the underlying driver behind gold's gains this week, Daniel Ghali, a strategist at TD Securities, said in a note. Tracking of positioning for the top 10 market participants in China showed they waged bullish bets equating to more than 100 tons of bullion over the last two weeks alone, he said.

Spot gold fell 0.1% to \$1,852.61 an ounce as of 1:45 p.m. in Singapore. The Bloomberg Dollar Spot Index was little changed. Silver, palladium and platinum were all flat.

Precious Metals		Last	1D Change
<u>Gold</u>		1 853,14	-0,08%
<u>Silver</u>		23,74	-0,08%
<u>Platinum</u>		1 076,20	-0,53%
<u>Palladium</u>		1 793,51	-0,15%

Oil rose amid broader market gains after tumbling around 9% over two sessions, with demand concerns continuing to hang over the market.

West Texas Intermediate futures climbed above \$73 a barrel after capping the biggest two-day decline since March. A surge in Covid-19 cases across China is clouding the near-term demand outlook, overshadowing optimism commodity consumption in the world's top importer will eventually rebound.

The gloomy start to the year has been exacerbated by thin liquidity, which has left oil futures prone to wild price swings. Investors are also weighing cautious commentary from the Federal Reserve meeting last month, which affirmed its resolve to bring down inflation without slowing the economy too much.

World Commodities		Last	1D Change
<u>WTI Crude</u>		73,90	1,46%
<u>Brent Crude</u>		78,89	1,35%
<u>Nat Gas (HH)</u>		4,09	-2,04%
<u>Nickel</u>	29 636,00		-4,33%
<u>Copper</u>	375,05		0,27%
<u>Corn</u>	656,50		0,42%
<u>Wheat</u>	747,50		0,27%
<u>Soybean</u>	1 479,75		0,10%
<u>Coffee</u>	161,30		-3,01%
<u>Cotton</u>	82,01		1,95%
<u>Sugar</u>	19,54		-0,81%

Source: fxstreet.com / Bloomberg



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FX Corner

EUR/USD witnessed selling pressure after failing to surpass the crucial resistance of 1.0630. The major currency pair has slipped to near the round-level support of 1.0600 as the risk appetite of the market participants has trimmed.

GBP/USD is displaying a sideways auction ahead of US Employment data. Investors' risk appetite has trimmed as S&P500 futures are facing immense heat. The RSI (14) has slipped into the 40.00-60.00 range, which indicates a consolidation ahead.

USD/JPY has picked bids after a corrective move below the crucial support of 132.00 in the Tokyo session. The asset has displayed a recovery as the risk-off impulse has rebounded firmly amid soaring anxiety ahead of the United States Employment data.

AUD/USD is trading near 0.6800, breaking its consolidative mode to the downside in Asia this Thursday. A minor bounce in the US Dollar amid a cautious market mood is weighing on the Aussie pair, despite the upbeat Chinese Caixin Services PMI. US ADP coming up next.

World Currencies	Last	1D Change
<u>EURUSD</u>	1,0608	0,04%
<u>EURCHF</u>	0,9868	-0,07%
<u>EURGBP</u>	0,8819	-0,26%
<u>EURJPY</u>	140,57	0,05%
<u>USDCHF</u>	0,9302	-0,04%
<u>USDJPY</u>	132,51	0,09%
<u>USDCAD</u>	1,3513	-0,26%
<u>USDTRY</u>	18,75	-0,01%
<u>GBPUSD</u>	1,2029	-0,22%
<u>AUDUSD</u>	0,6818	-0,31%
<u>NZDUSD</u>	0,6287	-0,11%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	1.0405	1.0499	1.0552	1.0646	1.0687	1.0781
USDJPY	126.18	128.97	130.80	133.59	134.55	137.34
GBPUSD	1.1775	1.1904	1.1980	1.2109	1.2162	1.2291
USDCAD	1.3135	1.3340	1.3409	1.3614	1.3750	1.3955
AUDUSD	0.6476	0.6645	0.6742	0.6911	0.6983	0.7152
NZDUSD	0.6070	0.6183	0.6238	0.6351	0.6409	0.6522
USDCHF	0.9069	0.9189	0.9243	0.9363	0.9429	0.9549
USDTRY	18.6714	18.7064	18.7262	18.7612	18.7764	18.8114
XAUUSD	1794.40	1823.20	1838.88	1867.68	1880.80	1909.60
XAGUSD	22.1944	23.0657	23.4127	24.2840	24.8083	25.6796

Source: fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars										
G8		Browse		08:08:02		01/05/23 - 01/05/23		Options		
Economic Releases		All Economic Releases				View Agenda Weekly				
Date	Time	C	A	M	R	Event	Period	Surv(M)	Prior	Revised
01/05	00:50	JN				Monetary Base End of period	Dec	¥629.0t	--	¥619.9t
01/05	00:50	JN				Monetary Base YoY	Dec	-6.0%	--	-6.4%
01/05	06:00	JN				Vehicle Sales YoY	Dec	--	--	1.0%
01/05	06:00	JN				Consumer Confidence Index	Dec	28.3	--	28.6
01/05	08:00	GE				Exports SA MoM	Nov	0.0%	--	-0.6%
01/05	08:00	GE				Imports SA MoM	Nov	-0.9%	--	-3.7%
01/05	08:00	GE				Trade Balance SA	Nov	7.5b	--	6.9b
01/05	09:30	GE				S&P Global Germany Construction PMI	Dec	--	--	41.5
01/05	10:00	UK				New Car Registrations YoY	Dec	--	--	23.5%
01/05	10:00	IT				Deficit to GDP YTD	3Q	--	--	6.0%
01/05	10:30	UK				Official Reserves Changes	Dec	--	--	\$2933m
01/05	10:30	UK				S&P Global/CIPS UK Services PMI	Dec F	50.0	--	50.0
01/05	10:30	UK				S&P Global/CIPS UK Composite PMI	Dec F	49.0	--	49.0
01/05	11:00	EC				PPI MoM	Nov	-0.8%	--	-2.9%
01/05	11:00	EC				PPI YoY	Nov	27.5%	--	30.8%
01/05	11:00	IT				CPI EU Harmonized YoY	Dec P	12.3%	--	12.6%
01/05	11:00	IT				CPI EU Harmonized MoM	Dec P	0.2%	--	0.6%
01/05	11:00	IT				CPI NIC incl. tobacco YoY	Dec P	11.6%	--	11.8%
01/05	11:00	IT				CPI NIC incl. tobacco MoM	Dec P	--	--	0.5%
01/05	13:30	US				Challenger Job Cuts YoY	Dec	--	--	416.5%
01/05	14:15	US				ADP Employment Change	Dec	150k	--	127k
01/05	14:30	CA				Int'l Merchandise Trade	Nov	1.60b	--	1.21b
01/05	14:30	US				Trade Balance	Nov	-\$63.2b	--	-\$78.2b
01/05	14:30	US				Initial Jobless Claims	Dec 31	225k	--	225k
01/05	14:30	US				Continuing Claims	Dec 24	1726k	--	1710k
01/05	15:45	US				S&P Global US Services PMI	Dec F	44.4	--	44.4
01/05	15:45	US				S&P Global US Composite PMI	Dec F	--	--	44.6

Source: Refinitiv

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