

Market Corner

Asia's benchmark stock index was on track to enter a bull market, as China's reopening and a weakening dollar lure investors back to the region.

The MSCI Asia Pacific Index climbed as much as 1.7% on Monday, taking its advance from an Oct. 24 low to more than 20%. Gauges in Hong Kong and South Korea led gains in the session, while Japan was closed for a holiday.

The potential milestone marks a turnaround for the MSCI Asia gauge, which tumbled nearly 40% from a peak in early 2021 as China stuck to its stringent Covid-zero policy and the region's heavyweight chip stocks entered a downcycle on waning demand. Chinese stocks, which carry the second-highest weighting in the Asia gauge after Japan, turned a corner since November as the nation signaled a shift away from virus-control measures.

The Asian benchmark is up 3.7% so far in 2023, beating the S&P 500 Index by about two percentage points. That's after they both slumped about 19% last year, their worst performance since 2008.

US stocks eased off session lows Thursday after Federal Reserve Bank of St. Louis President James Bullard said the central bank has almost raised interest rates as high as needed to cool inflation.

The S&P 500 was down 0.9% as of 2:15 p.m. in New York, after falling as much as 1.3% earlier in the session. Ten of the 11 major industry groups fell, led by losses in real estate and utilities. The tech-heavy Nasdaq 100 lost 1.1% as declines in Microsoft Corp., Amazon.com Inc. and Nvidia Corp. weighed on key US equity indexes, while the blue-chip Dow Jones Industrial Average fell 0.9%.

Bullard said rates are getting closer to a high enough level to bring down decades-high prices, suggesting he's comfortable with policymakers' projections of how much further they will hike this year. Earlier, Kansas City Fed President Esther George said the central bank should raise its benchmark interest rate above 5% and hold it there well into 2024 to bring inflation down.

World Indices	Last	1D Change
<u>Dow Jones</u>	33 630,61	2,13%
<u>S&P 500</u>	3 895,08	2,28%
<u>Nasdaq</u>	10 569,29	2,56%
<u>Eurostoxx 50</u>	4 017,83	1,47%
<u>FTSE 100</u>	7 699,49	0,87%
<u>CAC 40</u>	6 860,95	1,47%
<u>DAX</u>	14 610,02	1,20%
<u>SMI</u>	11 144,54	0,79%
<u>Nikkei</u>	25 973,85	0,59%
<u>Hang Seng</u>	21 373,88	1,82%
<u>CSI 300</u>	4 013,12	0,81%
<u>VIX Index</u>	21,13	-5,92%

World Bonds	Last	1D Change
<u>US 10Y</u>	3,5782	0,57%
<u>EUR 10Y</u>	2,2300	0,91%
<u>Swiss 10Y</u>	1,3270	2,39%
<u>UK 10Y</u>	3,47	-2,28%

Source: Bloomberg



Morning Call
Geneva, January 9, 2023

Crypto Corner

Brett Harrison, the former president of collapsed crypto exchange FTX US, said on Twitter that he'll provide more details in due course on what he knew about the firm.

Responding to a question on what he was aware of and when, Harrison posted Sunday that "I'll share in time." He didn't respond to a follow-up query on whether he's working with US regulators or prosecutors.

Harrison also replied to a comment expressing surprise that he's "not in jail" with the response "use powers of inference." He has rarely referenced FTX on Twitter since the company's implosion.

FTX and its sister trading house Alameda Research were among some 130 group entities that slid into bankruptcy in November last year. The unraveling rocked the digital-asset sector and has morphed into one of the highest-profile corporate crime cases in US history.

Prosecutors and regulators allege FTX founder Sam Bankman-Fried misled investors and misused billions of dollars of FTX customer funds to pay off debts and expenses of Alameda.

Bankman-Fried pleaded not guilty to criminal charges last week and is set to face a trial in October. Former Alameda Research Chief Executive Officer Caroline Ellison and FTX Chief Technology Officer Gary Wang have pleaded guilty to fraud charges in cooperation agreements with the US government.

Harrison, who hasn't been accused of wrongdoing, stepped down as FTX US president in September last year. Bloomberg News reported last month that he's been seeking funding to create a crypto software company.

Crypto Market Cap: [\\$847B](#)

24h Vol: [\\$32.4B](#)

Dominance: [BTC: 39,1%](#) [ETH:18,9%](#)

Crypto	Last	1D Change
Bitcoin	17 207,55	1,48%
Ethereum	1 311,51	3,30%



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



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Commodity Corner

Gold extended advances after US data added to signs the Federal Reserve will become less hawkish this year.

Bullion traded just shy of \$1,880 an ounce after jumping 1.8% Friday as the US reported an unexpected contraction in services activity and a slowdown in wage growth. Treasury yields and the dollar slumped on the data, offering support for the non-interest-bearing metal.

The People's Bank of China, meanwhile, said it increased its gold reserves for a second straight month in December. Buying from Asia's largest economy, which is struggling with a vicious virus wave after dismantling its Covid Zero policy, has helped support bullion over the last few weeks.

Spot gold rose 0.6% to \$1,877.47 an ounce as of 12:41 p.m. in Singapore. The Bloomberg Dollar Spot Index dipped 0.4% after dropping 1% in the previous session. Silver, palladium and platinum also advanced. All three metals jumped at least 2.5% on Friday.

Precious Metals		Last	1D Change
<u>Gold</u>		1 878,42	0,68%
<u>Silver</u>		24,00	0,69%
<u>Platinum</u>		1 096,98	0,24%
<u>Palladium</u>		1 831,50	1,08%

Oil rose as investors weighed the outlook for China's demand recovery and the prospect of less restrictive monetary policy from the US.

West Texas Intermediate futures climbed toward \$75 a barrel on Monday after ending last week 8% lower. A Chinese central bank official said the nation's growth would be back on track soon as Beijing provides more financial support to households and companies, according to an interview with People's Daily.

The Federal Reserve may lean toward smaller interest-rate rises after wage growth cooled in December, another stepdown in its aggressive campaign of monetary tightening. That's put pressure on the US dollar and added to tailwinds for commodities priced in the currency.

World Commodities		Last	1D Change
<u>WTI Crude</u>		75,08	1,78%
<u>Brent Crude</u>		79,88	1,67%
<u>Nat Gas (HH)</u>		3,87	4,23%
<u>Nickel</u>		27 919,00	1,10%
<u>Copper</u>		396,60	1,41%
<u>Corn</u>		655,00	0,15%
<u>Wheat</u>		744,75	0,17%
<u>Soybean</u>		1 503,00	0,10%
<u>Coffee</u>		158,30	-1,40%
<u>Cotton</u>		85,61	-0,08%
<u>Sugar</u>		18,96	-1,96%

Source: fxstreet.com / Bloomberg



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FX Corner

EUR/USD is holding on to the upside below 1.0700 in the early European trades. The pair is taking advantage of the extended weakness in the US Dollar amid hopes of a dovish Fed pivot and China's reopening optimism. Eurozone data awaited.

GBP/USD is trading with sizeable gains at around 1.2150 amid risk-on impulse ahead of the London open. Broad US Dollar weakness is underpinning the pair, as investors assess Fed rate hike expectations and BOE policymaker Mann's comments on inflation.

USD/JPY stands on slippery grounds as the Yen pair renews its intraday low near 131.35 during early Monday. In doing so, the major currency pair extends the previous day's pullback from the three-week high, as well as a downside break of the 100 and 200-hour Exponential Moving Average (EMA).

AUD/USD is extending the rally above 0.6900 at the start of the week on Monday. China's reopening optimism combined with Fed pivot hopes boost risk sentiment and weigh on the safe-haven US Dollar. The pair ignores downbeat Australian housing data.

World Currencies	Last	1D Change
<u>EURUSD</u>	1,0674	0,28%
<u>EURCHF</u>	0,9874	0,03%
<u>EURGBP</u>	0,8793	0,11%
<u>EURJPY</u>	140,94	-0,26%
<u>USDCHF</u>	0,9250	0,31%
<u>USDJPY</u>	132,04	0,03%
<u>USDCAD</u>	1,3399	0,34%
<u>USDTRY</u>	18,78	-0,33%
<u>GBPUSD</u>	1,2140	0,39%
<u>AUDUSD</u>	0,6930	0,77%
<u>NZDUSD</u>	0,6399	0,82%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	1.0264	1.0428	1.0536	1.0700	1.0756	1.0920
USDJPY	127.41	130.18	131.13	133.90	135.72	138.49
GBPUSD	1.1497	1.1754	1.1924	1.2181	1.2268	1.2525
USDCAD	1.3050	1.3282	1.3363	1.3595	1.3746	1.3978
AUDUSD	0.6499	0.6664	0.6770	0.6935	0.6994	0.7159
NZDUSD	0.5960	0.6130	0.6238	0.6408	0.6470	0.6640
USDCHF	0.9044	0.9182	0.9230	0.9368	0.9458	0.9596
USDTRY	18.4597	18.5912	18.6538	18.7853	18.8542	18.9857
XAUUSD	1778.63	1817.16	1841.43	1879.96	1894.22	1932.75
XAGUSD	22.2323	22.9400	23.3852	24.0929	24.3554	25.0631

Source: fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars Options

G8 Browse 07:56:57 01/09/23 - 01/09/23

Economic Releases All Economic Releases View Agenda Weekly

Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
01/09	08:00	GE				Industrial Production SA MoM	Nov	0.1%	--	-0.1%	--
01/09	08:00	GE				Industrial Production WDA YoY	Nov	--	--	0.0%	--
01/09	08:45	FR				Trade Balance	Nov	--	--	-12150m	--
01/09	08:45	FR				Current Account Balance	Nov	--	--	-3.8b	--
01/09	10:00	IT				Unemployment Rate	Nov	--	--	7.8%	--
01/09	10:30	EC				Sentix Investor Confidence	Jan	-18.0	--	-21.0	--
01/09	11:00	EC				Unemployment Rate	Nov	6.5%	--	6.5%	--
01/09	14:00	CA				Bloomberg Nanos Confidence	Jan 6	--	--	45.6	--
01/09	14:30	CA				Building Permits MoM	Nov	--	--	-1.4%	--
01/09	21:00	US				Consumer Credit	Nov	\$25.000b	--	\$27.078b	--
01/09		IT				Bank of Italy Reported on Balance-Sheet Aggregates					

Source: Refinitiv

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