

Market Corner

Asian stocks were poised for a second weekly decline as worries about a more hawkish Federal Reserve weighed on sentiment, while a pullback in China's reopening rally also dragged on the region.

The MSCI Asia Pacific Index fell as much as 1% on Friday, with losses driven by consumer discretionary and communication service shares. The Hang Seng Index declined the most among Asia's benchmarks. Japanese shares edged higher as strong earnings from chipmakers helped lift the market.

Global investors are starting to price in the prospect of higher interest rates, following a strong jobs report last week and a string of hawkish comments by Fed officials. The boost to Asian markets from China's reopening is also cooling. Chinese shares have continued to retreat from their highs as traders await fresh impetus, with a mild pick-up in inflation — seen as reflecting improving demand — doing little to support share prices.

A US stock rally faltered on Thursday as traders assessed the direction of the market amid signs that the Federal Reserve's inflation-fighting campaign has more room to run.

The S&P 500 Index closed 0.9% lower, and the Nasdaq 100 Index also lost 0.9%. All 11 industry groups in the S&P 500 declined, led by communication services and utilities.

Stocks reversed course after an earlier rally as investors mulled developments in the bond market, where the two-year yield exceeded the 10-year by the widest margin since the early 1980s. US curve inversions have a track record of preceding economic downturns. They also weighed jobless claims data that stayed near historically low levels despite the first advance in six weeks.

"Inflation most likely won't get conquered if the economy doesn't break," Ed Moya, senior market analyst at Oanda, wrote in a note to clients. "Disinflation trends remain in place, but it will be hard for them to continue with a strong labor market and as the economy keeps on growing."

US stocks have oscillated this week as optimism around an easing in central bank policy was tempered by a string of Fed speakers who reinforced the view that interest rates will need to keep rising to tame inflation.

World Indices	Last	1D Change	YTD
Dow Jones	33 699.9	-0.73%	1.67%
S&P 500	4 081.5	-0.88%	6.30%
Nasdaq	11 789.6	-1.02%	12.64%
Eurostoxx 50	4 250.1	0.97%	12.03%
FTSE 100	7 911.2	0.33%	6.17%
CAC 40	7 188.4	0.96%	11.04%
DAX	15 523.4	0.72%	11.49%
SMI	11 217.7	-0.52%	4.55%
Nikkei	27 671.0	0.31%	6.04%
Hang Seng	21 234.7	-1.80%	7.38%
CSI 300	4 106.3	-0.59%	6.06%
VIX Index	20.7	5.50%	-4.43%

World Bonds	Last	1D Change	YTD
US 10Y	3.6579	0.00	-0.213
EUR 10Y	2.3280	0.04	-0.227
Swiss 10Y	1.3420	-0.06	-0.275
UK 10Y	3.2910	-0.02	-0.381

Source: Bloomberg



Morning Call

Geneva, February 10, 2023

Crypto Corner

Bitcoin's new-year rebound has hit the buffers, hampered by a crypto crackdown in the US and fears that higher-for-longer interest rates will sap investor appetite for speculative assets.

The largest token's 6% three-day retreat is the worst over such a time-span since December, while a gauge of the largest 100 digital assets is down 5%. Bitcoin hovered near \$21,850 as of 6:25 a.m. Friday in London.

Crypto exchange Kraken on Thursday said it will scrap digital-asset staking products in the US and pay \$30 million to settle Securities and Exchange Commission allegations that the service broke rules. The development highlighted escalating regulatory skepticism about the crypto sector, which continues to squirm under the ramifications of the collapse of the FTX group.

"Regulators have been caught with their pants down on FTX and the community fears that the regulatory pendulum will swing the other way aggressively," said Cici Lu, founder of Venn Link Partners, a blockchain adviser.

She added that there is "wild speculation" going around that the crypto sector is going to find it harder to access banking services in the US.

Riskier investments like crypto are also under pressure because concerns about sticky inflation are hardening bets on a higher peak for interest rates.

Bitcoin's next test may be whether it can hold above its 200-day moving average, near \$20,000, said Tony Sycamore, market analyst at IG Australia Pty. The token's year-to-date bounce from last year's rout has ebbed to 32%.

The Kraken and SEC developments had consequences across crypto-linked assets. Shares in Kraken's rival Coinbase Global Inc. sank over 14%, the most in more than six months, on concern the latter's staking products are at risk.

Crypto Market Cap: [\\$1.01T](#)

24h Vol: [\\$74.3B](#)

Dominance: [BTC: 41.4%](#) [ETH:18,6%](#)

Crypto	Last	1D Change	YTD
Bitcoin	21 852.80	-0.02%	32.14%
Ethereum	1 546.24	0.35%	28.92%



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

Commodity Corner

Gold held near the lowest close in more than a month on signs that US interest rates are headed higher to tame inflation, aiding the dollar and lifting Treasury yields.

Bullion was steady for the week after dropping 0.7% on Thursday. A procession of Federal Reserve policymakers have reiterated their determination to go on boosting rates this week after data pointed to sustained economic resilience. Higher borrowing costs undercut gold's allure as it doesn't pay interest.

Silver was on course for a fourth weekly loss, its worst run since July. Platinum was poised for a fifth weekly drop, while palladium closed in on a second weekly gain

Spot gold added 0.2% \$1,865.13 an ounce at 9:18 a.m. in Singapore after closing at \$1,861.78, the lowest since Jan. 5. The Bloomberg Dollar Spot Index declined 0.1% but was narrowly up for the week. Silver and platinum edged higher, while palladium was up 0.7%

Precious Metals	Last	1D Change	YTD
Gold	1 860.06	-0.09%	1.95%
Silver	22.06	0.36%	-8.04%
Platinum	955.32	-0.34%	-11.09%
Palladium	1 615.74	-1.07%	-9.78%

Oil dipped for a second session, trimming a weekly gain, as investors weighed concerns over a global economic slowdown against a bullish outlook for Chinese demand following the end of Covid Zero.

West Texas Intermediate futures dropped below \$78 a barrel in Asia on Friday, but are still up almost 6% for the week. Federal Reserve officials this week signaled further tightening of monetary policy to combat inflation, with recession risks across the global economy hanging over the market.

The market is still waiting for a sustained rebound in Chinese demand following the nation's dismantling of Covid restrictions, which some predict will drive Brent crude back above \$100 a barrel later this year. However, options traders are betting that price rally may come as soon as late May.

World Commodities	Last	1D Change	YTD
WTI Crude	77.88	-0.23%	-3.14%
Brent Crude	84.40	-0.12%	-1.41%
Nat Gas (HH)	2.45	0.70%	-40.57%
Nickel	28 957.00	6.43%	
Copper	406.25	-0.84%	6.61%
Corn	672.25	0.22%	-0.88%
Wheat	756.00	-0.17%	-4.39%
Soybean	1 526.00	0.44%	0.15%
Coffee	173.65	-1.11%	4.04%
Cotton	84.73	-0.90%	1.75%
Sugar	21.45	1.18%	6.89%

Source: fxstreet.com / Bloomberg

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FX Corner

EUR/USD is holding lower ground, heading toward 1.0700 in the early European morning. Risk sentiment remains in a weaker spot, allowing the US Dollar pullback to gain momentum. The focus remains on the EU economic forecasts and US sentiment data.

GBP/USD stays under modest bearish pressure and trades at around 1.2100. The data from the UK showed on Friday that the GDP contracted by 0.5% on a monthly basis while staying stagnant in the fourth quarter, not allowing Pound Sterling to gain traction.

USD/JPY is marching towards the critical resistance of 132.00 in the Tokyo session. The asset is witnessing significant strength amid the risk-aversion theme and favor for expansionary monetary policy by Bank of Japan (BoJ) Governor Haruhiko Kuroda.

AUD/USD has recovered firmly from 0.6920 in the Asian session as the US Dollar index (DXY) has lost strength amid an easing risk-off impulse. The Aussie asset has accelerated to near 0.6960 and is expected to continue its upside momentum ahead..

World Currencies	Last	1D Change	YTD
EURUSD	1.0732	-0.07%	0.27%
EURCHF	0.9896	0.08%	0.02%
EURGBP	0.8871	-0.12%	0.02%
EURJPY	141.1800	0.10%	-0.31%
USDCHF	0.9221	0.02%	-0.30%
USDJPY	131.5600	0.02%	-0.07%
USDCAD	1.3446	0.06%	0.80%
USDTRY	18.8363	-0.04%	-0.67%
GBPUSD	1.2098	-0.19%	0.16%
AUDUSD	0.6928	-0.12%	1.73%
NZDUSD	0.6322	-0.08%	-0.38%

Devise	S3	S2	S1	R1	R2	R3
EURUSD	1.0585	1.0666	1.0703	1.0784	1.0828	1.0909
USDJPY	128.2967	129.7767	130.6833	132.1633	132.7367	134.2167
GBPUSD	1.1850	1.1987	1.2054	1.2191	1.2261	1.2398
USDCAD	1.3250	1.3340	1.3397	1.3487	1.3520	1.3610
AUDUSD	0.6776	0.6866	0.6901	0.6991	0.7046	0.7136
NZDUSD	0.6168	0.6254	0.6290	0.6376	0.6426	0.6512
USDCHF	0.9068	0.9136	0.9180	0.9248	0.9272	0.9340
USDTRY	18.8019	18.8164	18.8227	18.8372	18.8454	18.8599
XAUUSD	1807.947	1839.147	1850.463	1881.663	1901.547	1932.747
XAGUSD	20.8048	21.4828	21.7301	22.4081	22.8388	23.5168

Source: fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars Options

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Economic Releases All Economic Releases View Agenda Weekly

Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
02/10	00:50	JN				PPI YoY	Jan	9.7%	--	10.2%	--
02/10	00:50	JN				PPI MoM	Jan	0.3%	--	0.5%	--
02/10	08:00	UK				Monthly GDP (MoM)	Dec	-0.3%	--	0.1%	--
02/10	08:00	UK				Industrial Production MoM	Dec	-0.2%	--	-0.2%	--
02/10	08:00	UK				Industrial Production YoY	Dec	-5.2%	--	-5.1%	--
02/10	08:00	UK				Manufacturing Production MoM	Dec	-0.2%	--	-0.5%	--
02/10	08:00	UK				Manufacturing Production YoY	Dec	-6.1%	--	-5.9%	--
02/10	08:00	UK				Index of Services MoM	Dec	-0.3%	--	0.2%	--
02/10	08:00	UK				Index of Services 3M/3M	Dec	0.1%	--	-0.1%	--
02/10	08:00	UK				Construction Output MoM	Dec	-0.2%	--	0.0%	--
02/10	08:00	UK				Construction Output YoY	Dec	2.8%	--	4.0%	--
02/10	08:00	UK				Visible Trade Balance GBP/Mn	Dec	-£17300m	--	-£15623m	--
02/10	08:00	UK				Trade Balance GBP/Mn	Dec	-£2800m	--	-£1802m	--
02/10	08:00	UK				Visible Trade Balance Ex Precious Metals	Dec	--	--	-£21024m	--
02/10	08:00	UK				Trade Balance Ex Precious Metals	Dec	--	--	-£7203m	--
02/10	08:00	UK				GDP QoQ	4Q P	0.0%	--	-0.3%	--
02/10	08:00	UK				GDP YoY	4Q P	0.4%	--	1.9%	--
02/10	08:00	UK				Private Consumption QoQ	4Q P	-0.1%	--	-1.1%	--
02/10	08:00	UK				Government Spending QoQ	4Q P	0.4%	--	0.5%	--
02/10	08:00	UK				Gross Fixed Capital Formation QoQ	4Q P	0.7%	--	1.1%	--
02/10	08:00	UK				Exports QoQ	4Q P	-0.6%	--	8.9%	--
02/10	08:00	UK				Imports QoQ	4Q P	-0.4%	--	-3.6%	--
02/10	08:00	UK				Total Business Investment QoQ	4Q P	-0.3%	--	-2.5%	--
02/10	08:00	UK				Total Business Investment YoY	4Q P	--	--	1.3%	--
02/10	09:00	RU				Money Supply Narrow Def	Feb 3	--	--	16.30t	--
02/10	10:00	IT				Industrial Production MoM	Dec	0.2%	--	-0.3%	--
02/10	10:00	IT				Industrial Production WDA YoY	Dec	-1.7%	--	-3.7%	--
02/10	10:00	IT				Industrial Production NSA YoY	Dec	--	--	-3.7%	--
02/10	11:00	IT				Istat Releases the Monthly Economic Note					
02/10	11:30	RU				Key Rate	Feb 10	7.50%	--	7.50%	--
02/10	14:30	CA				Net Change in Employment	Jan	15.0k	--	104.0k	69.2k
02/10	14:30	CA				Full Time Employment Change	Jan	--	--	84.5k	70.9k
02/10	14:30	CA				Part Time Employment Change	Jan	--	--	19.5k	-1.7k
02/10	14:30	CA				Participation Rate	Jan	65.4%	--	65.0%	65.4%
02/10	14:30	CA				Unemployment Rate	Jan	5.1%	--	5.0%	--
02/10	14:30	CA				Hourly Wage Rate Permanent Employees YoY	Jan	4.4%	--	5.2%	--
02/10	16:00	US				U. of Mich. Sentiment	Feb P	65.0	--	64.9	--
02/10	16:00	US				U. of Mich. Current Conditions	Feb P	68.0	--	68.4	--
02/10	16:00	US				U. of Mich. Expectations	Feb P	63.0	--	62.7	--
02/10	16:00	US				U. of Mich. 1 Yr Inflation	Feb P	4.0%	--	3.9%	--
02/10	16:00	US				U. of Mich. 5-10 Yr Inflation	Feb P	2.9%	--	2.9%	--
02/10	17:00	RU				CPI YoY	Jan	11.63%	--	11.94%	--
02/10	17:00	RU				CPI MoM	Jan	0.80%	--	0.78%	--
02/10	17:00	RU				CPI Core MoM	Jan	--	--	-0.03%	--
02/10	17:00	RU				CPI Core YoY	Jan	--	--	14.31%	--
02/10	20:00	US				Monthly Budget Statement	Jan	-\$55.0b	--	-\$85.0b	--
02/10	02/10	GE				Current Account Balance	Dec	--	--	16.0b	--

Source: Refinitiv

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