

Market Corner

Asian stocks fell, hitting their lowest level in about a month, as investors awaited key inflation data from the world's largest economy.

The MSCI Asia Pacific Index declined as much as 1.2%, extending losses after a two-week rout. Tech stocks led the slump with TSMC and Alibaba dragging down the gauge the most. Benchmarks in South Korea, Taiwan and Hong Kong slid.

Asian stocks have declined over the past two weeks as strong US jobs data and hawkish comments by Federal Reserve officials dash hopes of an interest-rate pivot. Investors are reassessing how high US rates will rise this year, with inflation and jobs data likely to still come in hot later this week.

"Part of the reason for the overall decline goes to a lack of economic reports to offset the chorus of central bankers chanting 'higher for longer,'" said Sam Stovall, chief investment strategist at CFRA, adding that investor nervousness may decrease after the release of US inflation figures due Tuesday.

The tech-heavy Nasdaq 100 index suffered its first weekly loss of 2023 on concern the Federal Reserve will keep jacking up interest rates to fight inflation.

The benchmark closed 0.6% lower on Friday, while yields on US Treasuries rose. Yields on the two-year note now exceed 10-year yields by the most since the early 1980s, a sign of flagging confidence in the economy's ability to withstand additional rate increases. The S&P 500 rose 0.2%.

The US tech benchmark is still up over 12% for the year, but expectations that interest rates will remain higher for longer after a blowout US payrolls report and concerns about inflation weighed on sentiment. Investors will closely watch the US inflation report on Tuesday for clues on the Fed's monetary policy outlook.

"The Nasdaq is getting hit the hardest as yields are moving higher again," Ed Moya, senior market analyst at Oanda, wrote in a note to clients. "Traders are fearful that the Valentine's day inflation report will vindicate the Fed's stance that ongoing rate increases will continue."

World Indices	Last	1D Change	YTD
Dow Jones	33 869.3	0.50%	2.18%
S&P 500	4 090.5	0.22%	6.54%
Nasdaq	11 718.1	-0.61%	11.96%
Eurostoxx 50	4 197.9	-1.23%	10.66%
FTSE 100	7 882.5	-0.36%	5.78%
CAC 40	7 129.7	-0.82%	10.13%
DAX	15 308.0	-1.39%	9.94%
SMI	11 130.5	-0.78%	3.74%
Nikkei	27 427.3	-0.88%	5.11%
Hang Seng	21 111.4	-0.37%	6.68%
CSI 300	4 143.6	0.91%	7.02%
VIX Index	20.5	-0.87%	-5.26%

World Bonds	Last	1D Change	YTD
US 10Y	3.7340	0.00	-0.141
EUR 10Y	2.3710	0.01	-0.199
Swiss 10Y	1.4100	0.00	-0.207
UK 10Y	3.3960	0.11	-0.276

Source: Bloomberg



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Crypto Corner

A lucrative corner of crypto that's fast becoming the lifeblood of the way many networks operate got a shock to the system this week.

The US Securities and Exchange Commission on Thursday signaled a crackdown on platforms offering rewards to their customers via a process called staking, as it reached a settlement with trading platform Kraken for \$30 million and won agreement from the exchange to shut down those offerings domestically. It's possible other providers such as larger rival exchange Coinbase Global Inc. may feel the heat and follow suit in discontinuing their own staking services, experts said — or move them offshore.

Staking allows users to lock up their coins on blockchains and help order the transactions that keep the protocols running, earning yields in return at an average of 7.7%, according to an estimate by data provider Staking Rewards based on 176 tracked assets.

The “proof-of-stake” method for running a network became a popular choice for developers in recent years, because it uses much less energy than so-called proof-of-work chains like Bitcoin and potentially allows more people to share in the rewards. Networks including Ethereum, Solana, Tezos, Cosmos and Polygon all rely on some version of staking to operate their chains, with Staking Rewards putting the global value of all staked assets at \$91.8 billion as of Friday.

Large exchanges like Kraken, Coinbase and Binance are at the heart of the staking-as-a-service industry, taking on the significant upfront cost and technical know-how for customers in return for a fee. Coinbase, one of the biggest providers of staking-as-a-service at \$3.3 billion in value locked, was previously forecast to be in line for around \$450 million in related revenue this year.

The enforcement action against Kraken “may cause all retail-focused and US-based staking-as-a-service businesses to shut down their operations,” Christine Kim, research associate at Galaxy Digital, wrote in a note Friday, adding that Kraken and Coinbase account for nearly 20% of all staking on Ethereum combined. “If the recent enforcement action by the SEC is, as it appears, targeted against all staking-as-a-service businesses in the US, this will have wide-reaching impacts” on proof-of-stake blockchains, she said.

Crypto Market Cap: **\$1.01T**

24h Vol: **\$74.3B**

Dominance: **BTC: 41.4% ETH:18,6%**

Crypto	Last	1D Change	YTD
Bitcoin	21 887.00	0.67%	32.30%
Ethereum	1 524.49	0.87%	27.08%



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

Commodity Corner

Gold edged lower in Asia — after ending last week little changed — ahead of US inflation figures due Tuesday that may give a steer on the trajectory of rate hikes this year.

There are increasing signs the Federal Reserve may need to stay hawkish for longer, with that view reinforced by US consumer sentiment rising to the highest in more than a year in early February. The 10-year Treasury yield jumped more than 20 basis points last week, a negative for non-interest-bearing bullion.

Former Treasury Secretary Lawrence Summers warned Friday that complacency is setting into financial markets about inflation, and that the Fed may need to tighten further than what investors are currently expecting

Spot gold declined 0.2% to \$1,861.56 an ounce as of 8:35 a.m. in Singapore. The Bloomberg Dollar Spot Index added 0.1% after rising 0.3% last week. Silver and platinum dropped, while palladium edged higher

Precious Metals	Last	1D Change	YTD
Gold	1 865.33	-0.01%	2.27%
Silver	21.99	-0.05%	-8.13%
Platinum	946.62	-0.31%	-11.85%
Palladium	1 541.33	-0.28%	-13.94%

Oil retreated as concerns about the scope for higher US interest rates hurt risk assets, offsetting some of the lift for crude that came from Russia's plan to curb supply in retaliation for western sanctions.

West Texas Intermediate sank below \$79 a barrel, after gaining more than 2% on Friday after Moscow said it will cut supply by half a million barrels a day. Investors remain wary the Federal Reserve needs to keep pushing rates higher to tame inflation, aiding the dollar. That's a headwind for most commodities.

Oil has had a bumpy start to 2023 as investors contend with the continued fallout for the energy market from the war in Ukraine, as well as the positive impact from China's reopening after Covid Zero curbs were dropped. In addition, there has been a host of minor supply disruptions in Europe, plus the backdrop of concern about the outlook for even tighter US monetary policy.

World Commodities	Last	1D Change	YTD
WTI Crude	78.83	-1.12%	-2.00%
Brent Crude	85.55	-0.97%	-0.12%
Nat Gas (HH)	2.54	1.07%	-38.04%
Nickel	27 579.25	-4.76%	
Copper	402.20	0.14%	5.54%
Corn	679.75	-0.11%	0.18%
Wheat	785.25	-0.10%	-0.53%
Soybean	1 543.50	0.06%	1.28%
Coffee	174.75	0.63%	4.61%
Cotton	84.64	-0.74%	1.68%
Sugar	21.58	0.61%	7.05%

Source: fxstreet.com / Bloomberg

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FX Corner

EUR/USD is consolidating losses below 1.0700 in the early European morning. The currency pair is feeling the pull of gravity amid a broadly firmer US Dollar and a risk-off market profile. Investors remain unnerved amid US-Sino woes and pre-US CPI anxiety.

GBP/USD clings to mild gains near 1.2050 heading into Monday's London open as traders brace for this week's key data from the UK and the US. Also exerting downside pressure on the Cable pair is the risk-off mood and the firmer US Dollar.

USD/JPY is hovering near its day high around 132.00 in the Tokyo session. The asset is expected to refresh a four-day high above 132.00 as investors are extremely risk-averse ahead of the United States inflation report and airborne threats near the territory of the United States.

AUD/USD is trading close to the 0.6900 level, undermined by the market's cautious mood in Monday's Asian trading. The US Dollar keeps the upper hand on US-China geopolitical woes and pre-US CPI anxiety.

World Currencies	Last	1D Change
EURUSD	1.0688	0.09%
EURCHF	0.9862	0.00%
EURGBP	0.8859	-0.06%
EURJPY	141.1500	-0.54%
USDCHF	0.9228	0.11%
USDJPY	132.0600	-0.53%
USDCAD	1.3359	-0.11%
USDTRY	18.8383	-0.13%
GBPUSD	1.2065	0.02%
AUDUSD	0.6927	0.14%
NZDUSD	0.6329	0.38%

Devise	S3	S2	S1	R1	R2	R3
EURUSD	1.0525	1.0612	1.0645	1.0732	1.0786	1.0873
USDJPY	126.8767	128.9467	130.1533	132.2233	133.0867	135.1567
GBPUSD	1.1899	1.1991	1.2026	1.2118	1.2175	1.2267
USDCAD	1.3117	1.3251	1.3297	1.3431	1.3519	1.3653
AUDUSD	0.6827	0.6878	0.6897	0.6948	0.6980	0.7031
NZDUSD	0.6223	0.6270	0.6287	0.6334	0.6364	0.6411
USDCHF	0.9120	0.9175	0.9206	0.9261	0.9285	0.9340
USDTRY	18.7692	18.7963	18.8054	18.8325	18.8505	18.8776
XAUUSD	1824.680	1844.110	1854.840	1874.270	1882.970	1902.400
XAGUSD	21.1062	21.5771	21.7904	22.2613	22.5189	22.9898

Source: fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars											
G8		Browse		08:31:36		02/13/23		02/13/23			
Economic Releases		All Economic Releases				View		Agenda			
Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
02/13	08:30	EC				Bloomberg Feb. Eurozone Economic Survey					
02/13	08:35	GE				Bloomberg Feb. Germany Economic Survey					
02/13	08:40	FR				Bloomberg Feb. France Economic Survey					
02/13	08:45	IT				Bloomberg Feb. Italy Economic Survey					
02/13	09:30	UK				Bloomberg Feb. United Kingdom Economic Survey					
02/13	11:00	EC				European Commission Publishes Economic Forecasts					
02/13	16:00	CA				Bloomberg Nanos Confidence	Feb 10	--	--	45.7	--
02/13-02/16		GE				Wholesale Price Index MoM	Jan	--	--	-1.6%	--
02/13-02/16		GE				Wholesale Price Index YoY	Jan	--	--	12.8%	--

Source: Refinitiv

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