



Morning Call

Geneva, February 16, 2023

Market Corner

Equities rallied across the Asia Pacific, led by a rally in Hong Kong-listed tech stocks, as traders awaited key US employment data.

The MSCI Asia Pacific Index advanced as much as 1.4%, the most since Feb. 1. Tencent and Alibaba were among the main contributors to the surge, also helping a rebound in the Hang Seng China Enterprises Index after it had fallen almost 10% from a January peak through Wednesday.

The bull-market run in Asian shares slipped this month as investors began to look for catalysts beyond China's reopening with the jury still out on the pace of US interest rate hikes. Hong Kong benchmarks turned up again Thursday, however, as investors rushed in following the recent pullback.

US stocks erased early losses to finish higher Wednesday as investors weighed robust retail sales data and comments from policy makers that signaled the Federal Reserve could keep interest rates higher for longer.

The S&P 500 Index ticked up 0.3% to notch gains in three of the past four trading sessions. Nine of the 11 major industry groups rose, led by communication services and consumer discretionary. The Nasdaq 100 climbed 0.8%, while the blue-chip Dow Jones Industrial Average edged up by 0.1%.

US retail sales rose in January by the most in nearly two years, underscoring robust consumer demand for goods that threatens to keep prices elevated. The value of overall retail purchases increased 3% in a broad advance after a 1.1% drop in the prior month, Commerce Department data showed Wednesday. Excluding gasoline and autos, retail sales rose 2.6%, also the biggest increase in nearly two years.

World Indices	Last	1D Change	YTD
Dow Jones	34 128.1	0.11%	2.96%
S&P 500	4 147.6	0.28%	8.02%
Nasdaq	12 070.6	0.92%	15.33%
Eurostoxx 50	4 280.0	0.97%	12.82%
FTSE 100	7 997.8	0.55%	7.33%
CAC 40	7 300.9	1.21%	12.78%
DAX	15 506.3	0.82%	11.37%
SMI	11 272.7	0.36%	5.06%
Nikkei	27 696.4	0.71%	6.14%
Hang Seng	21 010.0	0.95%	6.21%
CSI 300	4 093.5	-0.73%	5.73%
VIX Index	18.2	-3.60%	-15.87%

World Bonds	Last	1D Change	YTD
US 10Y	3.7838	-0.02	-0.091
EUR 10Y	2.4750	0.04	-0.096
Swiss 10Y	1.4670	0.01	-0.150
UK 10Y	3.4870	-0.03	-0.185

Source: Bloomberg



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Crypto Corner

A rally in Bitcoin took the token to the cusp of scaling \$25,000 for the first time since August amid broad gains in crypto markets as investors shook off concerns about a US regulatory clampdown.

The largest digital asset rose as much as 3% on Thursday and was trading at \$24,710 as of 12:32 p.m. in Singapore. Smaller tokens such as Ether, Cardano and Polkadot also pushed higher.

A US crackdown on certain crypto products as well as a New York regulator's move to end issuance of BUSD, the third-largest stablecoin, buffeted digital assets at the start of the week. But they have since extended a rebound from last year's rout, including a near-50% year-to-date climb in Bitcoin.

The momentum in crypto is likely making speculators close out bearish bets, further propelling the rally, said Cici Lu, founder of Venn Link Partners, a blockchain adviser.

"People forget the free float of Bitcoin can be limited at times and when shorts get squeezed the price just pops," she said.

Some \$64.5 million of short positions in Bitcoin were liquidated on Wednesday, the most in about a month, according to data from Coinglass. The liquidations came alongside a near-9% jump in the token on Feb. 15.

Crypto prices are climbing as global stocks advance. The latter have been boosted by bets that Federal Reserve interest-rate hikes can quell inflation without driving the US into a recession.

The risk for the sanguine mood in global markets is that investors are too complacent about how high rates have to go, as prolonged monetary tightening could damp demand for a variety of assets.

Crypto Market Cap: [\\$1.11T](#)

24h Vol: [\\$74.2B](#)

Dominance: [BTC: 42.6% ETH:18.5%](#)

Crypto	Last	1D Change	YTD
Bitcoin	24 574.11	1.63%	48.59%
Ethereum	1 679.95	0.84%	40.07%



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



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Commodity Corner

Gold was steady in Asia after touching the lowest since early January as investors weighed fresh data that may prompt the Federal Reserve to extend its aggressive program of monetary tightening.

Bullion slipped 1% on Wednesday as Treasury yields and the dollar rose, with prices continuing their retreat in February amid concerns of a hawkish Fed response to signs of a robust US economy and elevated inflation. Higher borrowing costs hurt the metal's allure because it doesn't pay interest.

Among the latest data, US retail sales jumped in January by the most in almost two years, while homebuilder sentiment rose in February by the most since mid-2020. That follows a hotter-than-expected inflation print on Tuesday and comes ahead of a weekly employment report later Thursday.

Spot gold rose less than 0.1% to \$1,836.58 an ounce at 8:37 a.m. in Singapore. The Bloomberg Dollar Spot Index was little changed. Platinum advanced, while silver and palladium were steady

Benchmark 10-year Treasury yields increased by six basis points on Wednesday, helping the dollar to gain 0.6%

Precious Metals	Last	1D Change	YTD
Gold	1 838.53	0.14%	0.85%
Silver	21.63	0.01%	-9.62%
Platinum	919.91	0.28%	-14.27%
Palladium	1 455.17	-0.85%	-18.78%

Oil advanced as investors assessed more evidence of higher energy demand in China and broader markets gained with a risk-on tone.

West Texas Intermediate rose above \$79 a barrel after losing almost 2% over the previous two sessions as data showed US inventories swelled by more than 16 million barrels. Passenger loads at China's top three airlines are rebounding as travel picks up again, adding to signs of increased mobility and energy consumption after refiners stepped up crude purchases and raised run rates.

The pick-up in crude came as stocks in Asia rose alongside US share futures, adding fuel to a global equity rally that appeared to shrug off the prospect of higher US interest rates. A gauge of the dollar eased, aiding raw materials.

Oil remains slightly lower year-to-date as investors weigh a US plan to sell more oil from the Strategic Petroleum Reserve, and Russian output cuts planned for March. Against that mixed backdrop, the International Energy Agency and the Organization of Petroleum Exporting Countries both issued more positive forecasts for the global market this week, with the IEA raising its consumption estimate for the first quarter as China reopens.

World Commodities	Last	1D Change
WTI Crude	79.32	0.93%
Brent Crude	85.94	0.66%
Nat Gas (HH)	2.50	1.17%
Nickel	25 985.00	-1.21%
Copper	404.80	0.94%
Corn	675.50	-0.11%
Wheat	765.50	-0.49%
Soybean	1 526.75	0.07%
Coffee	176.85	-3.65%
Cotton	83.63	1.31%
Sugar	21.38	-0.88%

Source: fxstreet.com / Bloomberg



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FX Corner

EUR/USD is holding modest gains at around 1.0700 in the early European morning. The US Dollar retreats alongside the US Treasury bond yields amid a better market mood. Focus shifts to the ECB commentary and a fresh batch of US data for further trading impetus.

GBP/USD is rebounding toward 1.2050, jumping back on the bids in early Europe. Risk sentiment remains in a firmer spot, weighing on the US Dollar while boosting the Pound Sterling. GBP/USD dropped the most in a fortnight after the UK CPI poured cold water on hawkish BoE expectations.

USD/JPY prints the first loss-making day in four as bulls take a breather around the 1.5-month high during early Thursday. In doing so, the Yen pair flirts with the 133.60 support confluence heading into the European session.

AUD/USD is trading near 0.6900, recovering ground following a nearly 40 pip slump on the downbeat Australian employment data. The US Dollar is correcting further amid a better market mood and sluggish Treasury yields. China's Xi comments also underpin the pair.

World Currencies	Last	1D Change	YTD
EURUSD	1.0705	0.15%	0.01%
EURCHF	0.9873	-0.01%	0.23%
EURGBP	0.8888	-0.06%	0.23%
EURJPY	143.2900	0.08%	-2.07%
USDCHF	0.9224	0.15%	-0.26%
USDJPY	133.8600	0.22%	-2.09%
USDCAD	1.3382	0.09%	1.28%
USDTRY	18.8546	-0.01%	-0.78%
GBPUSD	1.2044	0.12%	-0.31%
AUDUSD	0.6916	0.19%	1.54%
NZDUSD	0.6300	0.30%	-0.77%

Devise	S3	S2	S1	R1	R2	R3
EURUSD	1.0530	1.0614	1.0652	1.0736	1.0782	1.0866
USDJPY	130.0700	131.8800	133.0200	134.8300	135.5000	137.3100
GBPUSD	1.1683	1.1875	1.1953	1.2145	1.2259	1.2451
USDCAD	1.3177	1.3283	1.3339	1.3445	1.3495	1.3601
AUDUSD	0.6671	0.6795	0.6849	0.6973	0.7043	0.7167
NZDUSD	0.6121	0.6206	0.6243	0.6328	0.6376	0.6461
USDCHF	0.9129	0.9183	0.9210	0.9264	0.9291	0.9345
USDTRY	18.4932	18.6938	18.7732	18.9738	19.0950	19.2956
XAUUSD	1783.323	1812.783	1824.397	1853.857	1871.703	1901.163
XAGUSD	20.7437	21.1948	21.4106	21.8617	22.0970	22.5481

Source: fxstreet.com / Bloomberg



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Event Corner

G8 ECO Economic Calendars 08:04:53

02/16/23 - 02/16/23

View Agenda Weekly

Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
02/16	00:50	JN				Trade Balance	Jan	-¥3976.7b	--	-¥1448.5b	-¥1451.8b
02/16	00:50	JN				Trade Balance Adjusted	Jan	-¥2400.0b	--	-¥1724.2b	--
02/16	00:50	JN				Exports YoY	Jan	-1.7%	--	11.5%	--
02/16	00:50	JN				Imports YoY	Jan	20.6%	--	20.6%	20.7%
02/16	00:50	JN				Core Machine Orders MoM	Dec	2.8%	--	-8.3%	--
02/16	00:50	JN				Core Machine Orders YoY	Dec	-6.1%	--	-3.7%	--
02/16	00:50	JN				Japan Buying Foreign Bonds	Feb 10	--	--	¥1127.5b	--
02/16	00:50	JN				Foreign Buying Japan Stocks	Feb 10	--	--	-¥18.6b	--
02/16	00:50	JN				Foreign Buying Japan Bonds	Feb 10	--	--	¥231.4b	--
02/16	00:50	JN				Japan Buying Foreign Stocks	Feb 10	--	--	-¥543.5b	--
02/16	03:30	JN				Tokyo Condominiums for Sale YoY	Jan	--	--	-13.4%	--
02/16	10:00	IT				Trade Balance Total	Dec	--	--	1445m	--
02/16	10:00	IT				Trade Balance EU	Dec	--	--	-371m	--
02/16	10:00	EC				ECB Publishes Economic Bulletin					
02/16	14:00	RU				Gold and Forex Reserve	Feb 10	--	--	\$601.0b	--
02/16	14:30	US				PPI Final Demand MoM	Jan	0.4%	--	-0.5%	-0.4%
02/16	14:30	US				PPI Ex Food and Energy MoM	Jan	0.3%	--	0.1%	--
02/16	14:30	US				PPI Ex Food, Energy, Trade MoM	Jan	0.2%	--	0.1%	--
02/16	14:30	US				PPI Final Demand YoY	Jan	5.4%	--	6.2%	--
02/16	14:30	US				PPI Ex Food and Energy YoY	Jan	4.9%	--	5.5%	--
02/16	14:30	US				PPI Ex Food, Energy, Trade YoY	Jan	4.0%	--	4.6%	--
02/16	14:30	US				Housing Starts	Jan	1355k	--	1382k	--
02/16	14:30	US				Building Permits	Jan	1350k	--	1330k	1337k
02/16	14:30	US				Housing Starts MoM	Jan	-2.0%	--	-1.4%	--
02/16	14:30	US				Building Permits MoM	Jan	1.0%	--	-1.6%	-1.0%
02/16	14:30	US				Initial Jobless Claims	Feb 11	200k	--	196k	--
02/16	14:30	US				Continuing Claims	Feb 4	1689k	--	1688k	--
02/16	14:30	US				Philadelphia Fed Business Outlook	Feb	-7.5	--	-8.9	--
02/16	14:30	US				New York Fed Services Business Activity	Feb	-17.0	--	-21.4	--

Source: Refinitiv

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