

Market Corner

Asian stocks followed a slump on Wall Street after comments from two Federal Reserve officials weighed on the region's tech shares.

The MSCI Asia Pacific Index fell as much as 1%, set for a three-week decline that would be its longest losing streak since October. Korea was the region's worst performer, dropping along with Hong Kong, Taiwan and Australia.

Tech shares including TSMC and Samsung slid after Fed Bank of Cleveland President Loretta Mester said she had seen a "compelling economic case" for rolling out another 50 basis-point hike. St. Louis President James Bullard said he would not rule out supporting a half-percentage-point increase in March.

"Markets in general have been too sanguine year to date in terms of the prospect of imminent Fed pivot," Helen Zhu, managing director and chief investment officer at NH Trinity, said in an interview with Bloomberg TV.

US equities dropped Thursday to post their biggest decline since mid-January as investors mulled whether stubbornly high inflation pressures could keep the Federal Reserve on a steadfast interest-rate path.

The S&P 500 Index shed 1.4%. All of the 11 major industry groups declined, led by consumer discretionary and information technology. The tech-heavy Nasdaq 100 dropped 1.9%, while the blue-chip Dow Jones Industrial Average also fell by 1.3%.

Major US indexes slumped, with the S&P 500 finishing under 4,100 — a key technical threshold — after producer prices rebounded in January by more than expected, jumping 0.7% last month — the most since June. What's more, new claims for unemployment benefits fell to 194,000 against expectations of 200,000, underscoring a resilient jobs market. Losses extended after St. Louis President James Bullard urged additional rate increases to ensure inflation eventually returns to the central bank's 2% target. Fed Bank of Cleveland President Loretta Mester said she saw a compelling case for rolling out another 50 basis-point hike earlier this month and the central bank has to be prepared to move rates higher if inflation remains stubbornly high.

World Indices	Last	1D Change	YTD
Dow Jones	33 696.9	-1.26%	1.66%
S&P 500	4 090.4	-1.38%	6.54%
Nasdaq	11 855.8	-1.78%	13.27%
Eurostoxx 50	4 297.2	0.40%	13.28%
FTSE 100	8 012.5	0.18%	7.53%
CAC 40	7 366.2	0.89%	13.78%
DAX	15 533.6	0.18%	11.56%
SMI	11 194.9	-0.69%	4.34%
Nikkei	27 513.1	-0.66%	5.44%
Hang Seng	20 773.9	-1.02%	5.01%
CSI 300	4 050.0	-1.06%	4.62%
VIX Index	20.2	10.64%	-6.92%

World Bonds	Last	1D Change	YTD
US 10Y	3.8902	0.03	0.015
EUR 10Y	2.4780	0.00	-0.093
Swiss 10Y	1.4660	0.00	-0.151
UK 10Y	3.4990	0.01	-0.173

Source: Bloomberg



Morning Call

Geneva, February 17, 2023

Crypto Corner

Bitcoin fell the most in about a week as hawkish rhetoric from Federal Reserve officials and further signs of an aggressive US regulatory clampdown spread caution.

The largest digital token slid as much as 4.2% and was trading below \$24,000 as of 7:55 a.m. Friday in Singapore. Smaller tokens such as Ether, Polkadot and Avalanche also retreated.

The Securities and Exchange Commission sued the company behind TerraUSD in the latest regulatory step in the US. TerraUSD was a stablecoin whose collapse last year kicked off an industrywide crisis and a cascade of high-profile bankruptcies.

Meanwhile, two of the Federal Reserve's most hawkish policy makers signaled they may favor returning to bigger interest-rate hikes in the future. The comments sapped risk appetite across global markets and pushed up Treasury yields.

Crypto Market Cap: [\\$1.08T](#)

24h Vol: [\\$80.6B](#)

Dominance: [BTC: 42.2%](#) [ETH:18,7%](#)

Crypto	Last	1D Change	YTD
Bitcoin	23 683.61	-3.47%	43.14%
Ethereum	1 656.54	-1.57%	38.09%



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

Commodity Corner

Gold headed for a weekly loss after a slew of data pointed to the need for the US to keep raising rates to curb inflation.

Bullion is down sharply in February — after a run of three-monthly gains — on signs the Federal Reserve won't be able to turn less hawkish as quickly as hoped. The dollar and Treasury yields have also risen this month, typically a negative for non-interest-bearing gold.

US producer prices for January rebounded by more than expected, data showed Thursday, following a brisk rise in consumer prices earlier in the week

Spot gold declined 0.2% to \$1,832.51 an ounce as of 8:35 a.m. in Singapore and is down 1.8% this week. The Bloomberg Dollar Spot Index added 0.2%. Silver fell for a fifth day, while platinum and palladium edged lower

Precious Metals	Last	1D Change	YTD
Gold	1 824.45	-0.65%	0.04%
Silver	21.39	-0.88%	-10.74%
Platinum	920.21	-0.23%	-14.35%
Palladium	1 471.46	-2.68%	-17.85%

Oil headed for a weekly decline as rising US inventories and the prospect of further tightening by the Federal Reserve eclipsed the lift from more signs that Chinese demand is improving.

West Texas Intermediate fell below \$78 a barrel in Asia, dropping for a fourth day in the longest run of losses this year. The US crude benchmark has declined by more than 2% this week and is lower year-to-date. Data this week showed another build in US inventories, which swelled to the most since 2021.

Traders are factoring in the prospect of far tighter monetary policy as the US central bank seeks to drive down inflation. Two policymakers, Loretta Mester and James Bullard, have signaled they may favor returning to sharper rate hikes. That's aiding the dollar, which is a headwind for most commodities.

Oil has struggled this year despite China's re-emergence from Covid Zero and Russia's plan to cut supply in March in response to sanctions imposed because of the war in Ukraine. The Organization of Petroleum Exporting Countries and its allies have made plain they won't boost output to offset Moscow's move.

World Commodities	Last	1D Change
WTI Crude	77.49	-1.27%
Brent Crude	84.13	-1.19%
Nat Gas (HH)	2.39	0.17%
Nickel	26 338.00	1.36%
Copper	409.45	-0.99%
Corn	676.25	0.04%
Wheat	765.25	0.03%
Soybean	1 530.25	0.25%
Coffee	180.70	2.18%
Cotton	81.25	0.00%
Sugar	21.45	0.33%

Source: fxstreet.com / Bloomberg

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FX Corner

EUR/USD is dropping toward 1.0600, at its lowest level in six weeks in early Europe this Friday. The pair is undermined by a broadly firmer US Dollar amid rallying US Treasury bond yields and risk aversion. ECB and Fed speeches eyed.

GBP/USD stands on slippery grounds near 1.1950 in the early European morning. Expectations of weak UK Retail Sales data and broad-based US Dollar strength are weighing negatively on the currency pair.

USD/JPY holds its upside momentum near the 1.5-month high, above 134.50 on Friday. Divergent Fed-BoJ policy outlooks continue to favor the US Dollar amidst a damp mood and a rally in the US Treasury bond yields.

AUD/USD extends this week's retracement slide from the 0.7030 area and continues losing ground for the third successive day on Friday. The downward trajectory drags spot prices to the lowest level since January 6 during the Asian session and is sponsored by broad-based US Dollar strength.

World Currencies	Last	1D Change	YTD
EURUSD	1.0637	-0.35%	-0.64%
EURCHF	0.9885	-0.04%	0.09%
EURGBP	0.8905	-0.04%	0.09%
EURJPY	143.3100	-0.24%	-2.04%
USDCHF	0.9294	-0.41%	0.54%
USDJPY	134.7300	-0.59%	-2.74%
USDCAD	1.3492	-0.25%	0.46%
USDTRY	18.8603	-0.05%	-0.81%
GBPUSD	1.1944	-0.41%	-1.15%
AUDUSD	0.6841	-0.55%	0.41%
NZDUSD	0.6220	-0.59%	-2.06%

Devise	S3	S2	S1	R1	R2	R3
EURUSD	1.0550	1.0617	1.0645	1.0712	1.0751	1.0818
USDJPY	132.3033	133.1533	133.5467	134.3967	134.8533	135.7033
GBPUSD	1.1795	1.1903	1.1948	1.2056	1.2119	1.2227
USDCAD	1.3190	1.3311	1.3384	1.3505	1.3553	1.3674
AUDUSD	0.6693	0.6789	0.6834	0.6930	0.6981	0.7077
NZDUSD	0.6114	0.6190	0.6224	0.6300	0.6342	0.6418
USDCHF	0.9131	0.9189	0.9223	0.9281	0.9305	0.9363
USDTRY	18.7704	18.8127	18.8313	18.8736	18.8973	18.9396
XAUUSD	1801.263	1818.853	1827.607	1845.197	1854.033	1871.623
XAGUSD	20.8543	21.2320	21.4053	21.7830	21.9874	22.3651

Source: fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars							Options				
G8		Browse		08:28:07		02/17/23		02/17/23			
Economic Releases		All Economic Releases		View		Agenda		Weekly			
Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
02/17	08:00	GE				PPI MoM	Jan	--	--	-0.4%	--
02/17	08:00	GE				PPI YoY	Jan	--	--	21.6%	--
02/17	08:00	UK				Retail Sales Inc Auto Fuel MoM	Jan	-0.3%	--	-1.0%	--
02/17	08:00	UK				Retail Sales Inc Auto Fuel YoY	Jan	-5.6%	--	-5.8%	--
02/17	08:00	UK				Retail Sales Ex Auto Fuel MoM	Jan	-0.2%	--	-1.1%	--
02/17	08:00	UK				Retail Sales Ex Auto Fuel YoY	Jan	-5.4%	--	-6.1%	--
02/17	08:45	FR				CPI EU Harmonized MoM	Jan F	0.4%	--	0.4%	--
02/17	08:45	FR				CPI EU Harmonized YoY	Jan F	7.0%	--	7.0%	--
02/17	08:45	FR				CPI MoM	Jan F	0.4%	--	0.4%	--
02/17	08:45	FR				CPI YoY	Jan F	6.0%	--	6.0%	--
02/17	08:45	FR				CPI Ex-Tobacco Index	Jan	113.84	--	113.42	--
02/17	09:00	RU				Money Supply Narrow Def	Feb 10	--	--	16.35t	--
02/17	10:00	EC				ECB Current Account SA	Dec	--	--	13.6b	--
02/17	10:30	IT				Current Account Balance	Dec	--	--	446m	--
02/17	14:30	CA				Teranet/ National Bank HPI MOM SA	Jan	--	--	-0.3%	--
02/17	14:30	CA				Teranet/National Bank HPI YoY	Jan	--	--	0.0%	--
02/17	14:30	CA				Int'l Securities Transactions	Dec	--	--	12.76b	--
02/17	14:30	US				Import Price Index MoM	Jan	-0.1%	--	0.4%	--
02/17	14:30	US				Import Price Index ex Petroleum MoM	Jan	-0.3%	--	0.8%	--
02/17	14:30	CA				Industrial Product Price MoM	Jan	-0.1%	--	-1.1%	--
02/17	14:30	US				Import Price Index YoY	Jan	1.4%	--	3.5%	--
02/17	14:30	CA				Raw Materials Price Index MoM	Jan	-0.2%	--	-3.1%	--
02/17	14:30	US				Export Price Index MoM	Jan	-0.2%	--	-2.6%	--
02/17	14:30	US				Export Price Index YoY	Jan	2.8%	--	5.0%	--
02/17	16:00	US				Leading Index	Jan	-0.3%	--	-0.8%	--
02/17	17:00	RU				GDP YoY	4Q A	-4.6%	--	-3.7%	--
02/17	17:00	RU				Annual GDP YOY	2022	--	--	4.7%	--

Source: Refinitiv

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