

## Market Corner

**Asia stocks snapped a two-day decline as bond yields eased following the release of the Federal Reserve's latest minutes, with traders now focused on US economic data due Thursday.**

The MSCI Asia Pacific ex Japan Index rose as much as 0.9%. A gauge of tech stocks soared as the US 10-year Treasury yield eased toward 3.9%. The Fed minutes showed that officials continued to anticipate further increases in borrowing costs, although most were in favor of smaller rate increases.

The US will release data on gross domestic product and employment, providing more clues on the Fed's policy path. The MSCI Asia gauge is trading more than 5% lower than a high reached in late January as investors assess higher bond yields and China's path to recovery.

**US equities dropped on Wednesday, erasing modest mid-morning gains, as minutes from the Federal Reserve's latest meeting signaled a determination to keep hiking interest rates to combat inflation.**

The S&P 500 Index closed 0.2% lower on the day, registering a four-day losing streak. Nine of the 11 major industry groups declined, led by the real estate and energy sectors. The tech-heavy Nasdaq 100 index rose 0.1%, while the blue-chip Dow Jones Industrial Average declined 0.3%.

The pullbacks came after the release of the minutes underscored that Fed officials continue to anticipate further increases in borrowing costs to bring inflation down to their target despite recession risk. "Almost all" officials backed slowing pace of increases by 25 basis points at the meeting earlier this month, while "a few" favored a bigger hike.

Over the past few days, investors were increasingly concerned that the Fed would need to keep policy tight for longer than anticipated to tame persistently high inflation. The stronger-than-expected inflation reports — as well as those on January employment and retail sales — that have come out since the last Fed meeting further fueled fears about rate hikes.

World Indices	Last	1D Change	YTD
Dow Jones	33 045.1	-0.26%	-0.31%
S&P 500	3 991.1	-0.16%	3.95%
Nasdaq	11 507.1	0.13%	9.94%
Eurostoxx 50	4 242.9	-0.18%	11.84%
FTSE 100	7 930.6	-0.59%	6.43%
CAC 40	7 299.3	-0.13%	12.75%
DAX	15 399.9	0.01%	10.60%
SMI	11 300.3	0.16%	5.32%
Nikkei	27 104.3	-1.34%	3.87%
Hang Seng	20 344.5	-0.39%	2.86%
CSI 300	4 095.2	-0.29%	5.77%
VIX Index	22.3	-2.54%	2.86%

  

World Bonds	Last	1D Change	YTD
US 10Y	3.9156	-0.04	0.041
EUR 10Y	2.5200	-0.01	-0.051
Swiss 10Y	1.4780	-0.01	-0.139
UK 10Y	3.6000	-0.01	-0.072

Source: Bloomberg



# Morning Call

Geneva, February 23, 2023

## Crypto Corner

**The US Securities and Exchange Commission and the US Federal Trade Commission are pushing back in court against Voyager Digital Ltd.'s plan to sell assets to Binance.US in a deal previously valued at \$1 billion.**

On Wednesday, the SEC filed a new objection to the sale, following an initial objection in January. The agency said there's insufficient explanation regarding how Binance.US would ensure no third parties would have access to customer wallets or assets. The plan also doesn't adequately describe the impact of any potential regulatory actions against Binance.US, it said.

The SEC added it's formally investigating whether Voyager violated securities registration law and said transactions involving the VGX token issued by Voyager may constitute the unregistered offer or sale of securities.

Meanwhile, the FTC said the deal could wrongly shield the cryptocurrency lender from a probe into its marketing, according to a bankruptcy court filing.

The agency is investigating Voyager and some of its employees — including directors — for “deceptive and unfair marketing of cryptocurrency to the public,” court papers show. But its bankruptcy plan, as currently drafted, could release the company and employees from lawsuits or other FTC actions that result from its probe, according to the agency. Its current plan calls for selling customer accounts to Binance.US for about \$20 million and liquidating the rest of its assets.

Releases are a common part of Chapter 11 bankruptcy and allow troubled firms to exit court protection with a clean slate. But the scope of those releases are a frequent subject of debate. The FTC is arguing that Voyager's plan should specifically exclude releasing claims related to “false pretenses and false representations,” according to its objection.

Additional regulators have also objected to the sale, including the Texas State Securities Board, which has voiced concern over Binance.US's staking product.

Voyager declined to comment on the FTC objection and didn't immediately comment on the SEC filing. A representative for Binance.US didn't immediately respond to a request for comment.

In a hearing on Wednesday, Allyson Smith, an attorney representing the firm, said the company is moving “full steam ahead” with a vote on the plan slated for next week.

The bankruptcy is Voyager Digital Holdings Inc., 22-10943, U.S. Bankruptcy Court for the Southern District of New York (Manhattan).

Crypto Market Cap: [\\$1.10T](#)

24h Vol: [\\$61.1B](#)

Dominance: [BTC: 42.4%](#) [ETH:18.4%](#)

Crypto	Last	1D Change	YTD
Bitcoin	24 369.26	2.37%	47.33%
Ethereum	1 663.66	2.73%	38.70%



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



## Commodity Corner

**Gold held a three-day drop that pushed prices to their lowest close this year on the outlook for tighter US monetary policy.**

Bullion has declined this month as investors price in further rate hikes from the Federal Reserve. Minutes from the bank's last meeting released on Wednesday showed that policymakers continued to anticipate further increases in borrowing costs would be necessary to bring inflation back down.

The prospect of further US tightening has boosted both the dollar and Treasury yields. Gold, which doesn't pay interest, tends to move inversely to both of those drivers

**Spot gold** was 65 cents lower at \$1,824.74 an ounce at 8:32 a.m. in Singapore after ending on Wednesday at the lowest close since Dec. 30. The Bloomberg Dollar Spot Index was steady after a two-day gain. Silver, platinum and palladium were all little changed

Precious Metals	Last	1D Change	YTD
Gold	1 832.84	0.41%	0.44%
Silver	21.65	0.66%	-9.66%
Platinum	959.23	0.59%	-10.78%
Palladium	1 485.24	0.06%	-17.21%

**Oil edged higher — after the longest run of losses this year — as the dollar fell and traders took stock of a mixed demand outlook dominated by tightening US monetary policy and China's reopening.**

West Texas Intermediate rose above \$74 a barrel after slumping around 3% on Wednesday following Federal Reserve minutes that showed further interest-rate hikes are expected to combat inflation. That's overshadowed more evidence of a robust rebound in China's demand after it scrapped Covid Zero curbs last last year. A weaker dollar makes crude cheaper for most buyers.

"The salvation for the oil market is the recovery in China, but that will take time to take hold," said John Driscoll, director of JTD Energy Ltd. in Singapore. Hawkish signs from the Fed add to bearish signals and pessimism is going to weigh on markets for awhile, he added.

World Commodities	Last	1D Change
WTI Crude	74.09	0.19%
Brent Crude	80.72	0.15%
Nat Gas (HH)	2.16	-0.83%
Nickel	26 276.00	-2.49%
Copper	415.25	-0.91%
Corn	675.50	0.22%
Wheat	737.25	0.10%
Soybean	1 537.75	-0.11%
Coffee	199.50	2.60%
Cotton	82.25	1.64%
Sugar	21.29	-0.19%

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

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## FX Corner

**EUR/USD** is holding a rebound above 1.0600 in the early European morning. Investors remain on the edge amid hawkish Fed and ECB rate hike expectations, awaiting a fresh batch of the Eurozone and US economic data for a fresh trading direction.

**GBP/USD** is advancing above 1.2050 in early Europe. A broad-based US Dollar pullback amid a mixed market sentiment is lending support to the pair. Brexit-related news and US data are in focus after Brexit deal talks stalled on Wednesday.

**USD/JPY** renews intraday low near 134.70 during early Thursday as it prints the first daily loss in five heading into the European session. In doing so, the Yen pair remains depressed inside a one-week-old rising wedge bearish chart formation.

**AUD/USD** has entered a phase of consolidation below 0.6850 in Thursday's Asian trading. The pair is feeling the heat from the cautious market mood but the downside remains capped amid a broad US Dollar retreat and upbeat Australian Capex data. The focus shifts to the US economic data.

World Currencies	Last	1D Change	YTD
EURUSD	1.0624	0.18%	-0.76%
EURCHF	0.9875	0.03%	0.20%
EURGBP	0.8802	0.01%	0.20%
EURJPY	143.1700	-0.06%	-1.98%
USDCHF	0.9295	0.20%	0.54%
USDJPY	134.7600	0.06%	-2.79%
USDCAD	1.3523	0.21%	0.23%
USDTRY	18.8770	-0.14%	-0.89%
GBPUSD	1.2069	0.19%	-0.12%
AUDUSD	0.6830	0.38%	0.25%
NZDUSD	0.6246	0.45%	-1.64%

Devise	S3	S2	S1	R1	R2	R3
EURUSD	1.0493	1.0558	1.0581	1.0646	1.0688	1.0753
USDJPY	133.3767	134.0667	134.4533	135.1433	135.4467	136.1367
GBPUSD	1.1870	1.1971	1.2009	1.2110	1.2173	1.2274
USDCAD	1.3439	1.3492	1.3522	1.3575	1.3598	1.3651
AUDUSD	0.6681	0.6751	0.6778	0.6848	0.6891	0.6961
NZDUSD	0.6133	0.6179	0.6199	0.6245	0.6271	0.6317
USDCHF	0.9163	0.9229	0.9272	0.9338	0.9361	0.9427
USDTRY	18.6933	18.7772	18.8141	18.8980	18.9450	19.0289
XAUUSD	1786.877	1809.277	1817.333	1839.733	1854.077	1876.477
XAGUSD	20.5769	21.1112	21.3105	21.8448	22.1798	22.7141

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



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## Event Corner

ECO Economic Calendars Options

G8 Browse 07:53:05 02/23/23 - 02/23/23

Economic Releases All Economic Releases View  Agenda  Weekly

Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
02/23	11:00	EC				CPI YoY	Jan F	8.6%	--	8.5%	--
02/23	11:00	EC				CPI MoM	Jan F	-0.2%	--	-0.4%	--
02/23	11:00	EC				CPI Core YoY	Jan F	5.2%	--	5.2%	--
02/23	12:00	UK				CBI Total Dist. Reported Sales	Feb	--	--	-22	--
02/23	12:00	UK				CBI Retailing Reported Sales	Feb	-10	--	-23	--
02/23	13:00	CA				CFIB Business Barometer	Feb	--	--	51.4	--
02/23	14:30	CA				Payroll Employment Change - SEPH	Dec	--	--	7.1k	--
02/23	14:30	US				Chicago Fed Nat Activity Index	Jan	-0.25	--	-0.49	--
02/23	14:30	US				GDP Annualized QoQ	4Q S	2.9%	--	2.9%	--
02/23	14:30	US				Personal Consumption	4Q S	2.0%	--	2.1%	--
02/23	14:30	US				GDP Price Index	4Q S	3.5%	--	3.5%	--
02/23	14:30	US				Core PCE QoQ	4Q S	3.9%	--	3.9%	--
02/23	14:30	US				Initial Jobless Claims	Feb 18	200k	--	194k	--
02/23	14:30	US				Continuing Claims	Feb 11	1700k	--	1696k	--
02/23	17:00	US				Kansas City Fed Manf. Activity	Feb	-2	--	-1	--

Source: Refinitiv

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