

Market Corner

Asian stocks declined as traders mulled the prospect of further interest rate increases by the Federal Reserve following an unexpected acceleration of US inflation.

The MSCI Asia Pacific Index dropped as much as 0.7%, led by technology and materials shares. Australia and South Korea were among the worst-performing markets, while Japan held up better following a drop in the yen and pledge from the Bank of Japan governor nominee to maintain ultra-loose monetary policy.

Chinese and Hong Kong benchmarks swung between gains and losses as investors eyed the National People's Congress meeting starting this weekend. Investors are showing a preference for onshore stocks over Hong Kong peers amid expectations more pro-growth policies will be announced.

US equities plunged on Friday, with the S&P 500 index down for a third week, as scorching hot inflation data stoked fears that the Federal Reserve will have to keep its policy rate higher for longer.

The benchmark gauge sank 1.1%, putting the weekly decline at 2.7% — the worst drop this year. Nine of eleven major industry groups fell, led by the real estate and information technology sectors. The tech-heavy Nasdaq 100 Index lost 1.7%, while the blue-chip down Jones Industrial Average slid 1%.

The market selloff came after the release of the personal consumption expenditures price index — the Fed's preferred inflation gauge. Headline PCE increased 0.6% in January from the month before, the most since June. Consumer spending, meanwhile, rose the most since 2021.

For traders and market watchers, the higher than expected PCE inflation boosted expectations for Fed policy tightening, while the solid income and spending growth data further allayed fears of an imminent recession.

World Indices	Last	1D Change	YTD
Dow Jones	32 816.9	-1.02%	-1.00%
S&P 500	3 970.0	-1.05%	3.40%
Nasdaq	11 394.9	-1.69%	8.87%
Eurostoxx 50	4 178.8	-1.86%	10.15%
FTSE 100	7 878.7	-0.37%	5.73%
CAC 40	7 187.3	-1.78%	11.02%
DAX	15 209.7	-1.72%	9.24%
SMI	11 181.8	-0.59%	4.22%
Nikkei	27 424.0	-0.11%	5.09%
Hang Seng	19 878.3	-0.66%	0.49%
CSI 300	4 043.2	-0.44%	4.44%
VIX Index	21.7	2.51%	0.00%

World Bonds	Last	1D Change	YTD
US 10Y	3.9375	-0.01	0.063
EUR 10Y	2.5370	0.06	-0.034
Swiss 10Y	1.4610	0.02	-0.156
UK 10Y	3.6590	0.07	-0.013

Source: Bloomberg



Morning Call
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Crypto Corner

Developers who operate and maintain the Solana blockchain restarted the crypto network after a technical problem triggered an hours-long slowdown over the weekend.

It is the latest in a series of outages, technical issues, and processing problems that has plagued Solana since its debut in 2020. Last October, the blockchain underwent a similar restart process after a glitch caused a prolonged outage.

An official Twitter account associated with the blockchain cited an issue during a software upgrade as prompting the need for the restart. The outage was resolved at around 9 p.m. New York time and the Solana community was able to restart the network.

The problems encountered during the upgrade sent the blockchain into what's called a "vote-only" mode, according to Austin Federa, head of strategy and communications at Solana Foundation, the nonprofit that helps support the blockchain. While that usually allows for a swift resolution of any problems, this time the blockchain was not able to recover. That meant the network had to undertake a full restart, he said.

The "vote-only" failsafe means that most of the transactions on the blockchain were essentially halted, according to a tweet by Richard Patel, a software developer at Firedancer, a Jump Crypto-backed project focusing on improving Solana's performance.

Solana has been championed by its supporters as an "Ethereum killer" because it offers lower transaction costs and faster processing speeds. The blockchain supports different types of crypto applications including lending, trading and nonfungible tokens. Among its most stalwart champions was Sam Bankman-Fried, the founder and former Chief Executive Officer of the bankrupt FTX exchange.

After Bankman-Fried's arrest and the collapse of FTX and its sister firm Alameda Research, those close ties hurt the perception of Solana as a network and sent the price of its native SOL token to record lows.

The Solana Foundation disclosed that it had around \$1 million in cash or cash equivalents deposited with FTX prior to its bankruptcy filing.

Crypto Market Cap: [\\$1.07T](#)

24h Vol: [\\$35.8B](#)

Dominance: [BTC: 42.2%](#) [ETH:18.7%](#)

Crypto	Last	1D Change	YTD
Bitcoin	23 439.48	-0.52%	41.68%
Ethereum	1 638.29	-0.26%	36.58%



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

Commodity Corner

Gold edged up after two consecutive weekly declines, as a raft of US inflation-linked data dented traders' expectations that the Federal Reserve's aggressive monetary-tightening cycle was nearing an end.

The central bank's preferred inflation gauges unexpectedly accelerated in January and consumer spending surged after a year-end slump. That's likely to add pressure on policymakers to keep ratcheting up interest rates, which would be negative for non-interest-bearing gold.

International Monetary Fund Managing Director Kristalina Georgieva urged central banks to "stay the course until we are comfortable that price stability is returning," as inflation wasn't yet declining fast enough

Spot gold was up 0.1% to \$1,812.67 an ounce at 8:23 a.m. in Singapore, following its 1.7% decline last week. The Bloomberg Dollar Spot Index was flat. Silver, platinum and palladium all gained

Precious Metals	Last	1D Change	YTD
Gold	1 808.29	-0.15%	-0.87%
Silver	20.65	-0.55%	-13.78%
Platinum	911.17	-0.20%	-15.24%
Palladium	1 403.88	-0.83%	-21.81%

Oil fell as concerns that the Federal Reserve will keep on raising US interest rates to combat inflation eclipsed the latest disruption to supplies in Europe and optimism over a demand recovery in China.

West Texas Intermediate sank below \$76 a barrel after failing to hold early gains. While Poland's largest oil company, PKN Orlen SA, unexpectedly stopped receiving oil via the Druzhba pipeline from Russia, traders remain anxious that still-elevated US inflation will compel the Fed to go on raising rates. That may aid the dollar, trigger a US recession, and hurt commodities.

Crude has traded within a tight \$10 range so far this year as investors weigh a welter of conflicting forces, including the outlook for supplies from Russia, China's reopening, and the trajectory of monetary policy. The market's prospects will come into focus over the coming days as traders congregate in London for International Energy Week, one of the industry's marquee events.

World Commodities	Last	1D Change
WTI Crude	75.87	-0.59%
Brent Crude	82.61	-0.66%
Nat Gas (HH)	2.61	2.39%
Nickel	24 377.50	-3.33%
Copper	394.10	-0.28%
Corn	653.00	0.46%
Wheat	707.75	-0.07%
Soybean	1 527.25	-0.11%
Coffee	191.20	-1.27%
Cotton	85.13	3.30%
Sugar	21.28	-1.39%

Source: fxstreet.com / Bloomberg

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FX Corner

EUR/USD is trading under pressure below 1.0550 in early Europe. The pair is undermined by a firmer US Dollar amidst hawkish Fed bets and geopolitical risks. ECB Chief Lagarde sees 50 bps hike in March, as focus shifts to EU sentiment and US Durable Good data.

GBP/USD drops toward 1.1900 ahead of a potential Brexit deal due to be announced later this Monday. The renewed US Dollar demand amid a tepid risk tone and hawkish Fed expectations weigh on the pair. Encouraging Brexit headlines fail to lift the Pound Sterling.

USD/JPY is struggling to extend recovery above the immediate resistance of 136.40 in the early European session. The asset has turned sideways as investors are awaiting the release of the United States Durable Goods Orders data for fresh cues.

AUD/USD has refreshed its seven-week low at 0.6700 amid geopolitical tensions and rising hawkish Fed bets. The USD Index has refreshed its day's high above 104.90 and is expected to recapture the 105.00 resistance. A higher-than-projected Australia GDP will accelerate troubles for the RBA.

World Currencies	Last	1D Change	YTD
EURUSD	1.0542	-0.06%	-1.51%
EURCHF	0.9926	-0.04%	-0.32%
EURGBP	0.8830	0.02%	-0.32%
EURJPY	143.6700	0.12%	-2.33%
USDCHF	0.9416	-0.13%	1.85%
USDJPY	136.2800	0.15%	-3.94%
USDCAD	1.3613	-0.01%	-0.43%
USDTRY	18.8856	-0.06%	-0.94%
GBPUSD	1.1940	-0.03%	-1.18%
AUDUSD	0.6708	-0.27%	-1.56%
NZDUSD	0.6142	-0.37%	-3.28%

Devise	S3	S2	S1	R1	R2	R3
EURUSD	1.0408	1.0487	1.0518	1.0597	1.0645	1.0724
USDJPY	130.7667	133.2267	134.8533	137.3133	138.1467	140.6067
GBPUSD	1.1746	1.1859	1.1901	1.2014	1.2085	1.2198
USDCAD	1.3327	1.3464	1.3538	1.3675	1.3738	1.3875
AUDUSD	0.6546	0.6651	0.6689	0.6794	0.6861	0.6966
NZDUSD	0.6003	0.6095	0.6130	0.6222	0.6279	0.6371
USDCHF	0.9207	0.9294	0.9349	0.9436	0.9468	0.9555
USDTRY	18.6439	18.7489	18.8117	18.9167	18.9589	19.0639
XAUUSD	1778.307	1797.147	1804.093	1822.933	1834.827	1853.667
XAGUSD	19.6450	20.3071	20.5356	21.1977	21.6313	22.2934

Source: fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars

G8 Browse 08:04:32 02/27/23 - 02/27/23

Economic Releases All Economic Releases View Agenda Weekly

Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
02/27	06:00	JN				Leading Index CI	Dec F	--	--	97.2	--
02/27	06:00	JN				Coincident Index	Dec F	--	--	98.9	--
02/27	10:00	EC				M3 Money Supply YoY	Jan	--	--	4.1%	--
02/27	10:00	IT				Consumer Confidence Index	Feb	--	--	100.9	--
02/27	10:00	IT				Manufacturing Confidence	Feb	--	--	102.7	--
02/27	10:00	IT				Economic Sentiment	Feb	--	--	109.1	--
02/27	11:00	EC				Consumer Confidence	Feb F	--	--	-19.0	--
02/27	11:00	EC				Economic Confidence	Feb	--	--	99.9	--
02/27	11:00	EC				Industrial Confidence	Feb	--	--	1.3	--
02/27	11:00	EC				Services Confidence	Feb	--	--	10.7	--
02/27	14:00	RU				Gold and Forex Reserve	Feb 17	--	--	\$589.0b	--
02/27	14:00	CA				Bloomberg Nanos Confidence	Feb 24	--	--	45.7	--
02/27	14:30	CA				Current Account Balance	4Q	--	--	-\$11.10b	--
02/27	14:30	US				Durable Goods Orders	Jan P	-3.9%	--	5.6%	--
02/27	14:30	US				Durables Ex Transportation	Jan P	0.1%	--	-0.2%	--
02/27	14:30	US				Cap Goods Orders Nondef Ex Air	Jan P	0.0%	--	-0.1%	--
02/27	14:30	US				Cap Goods Ship Nondef Ex Air	Jan P	--	--	-0.6%	--
02/27	16:00	US				Pending Home Sales MoM	Jan	0.9%	--	2.5%	--
02/27	16:00	US				Pending Home Sales NSA YoY	Jan	--	--	-34.3%	--
02/27	16:30	US				Dallas Fed Manf. Activity	Feb	-9.5	--	-8.4	--
02/27-02/28		GE				Import Price Index MoM	Jan	--	--	-1.6%	--
02/27-02/28		GE				Import Price Index YoY	Jan	--	--	12.6%	--
02/27-03/02		GE				Retail Sales MoM	Jan	--	--	-5.3%	-4.9%
02/27-03/02		GE				Retail Sales NSA YoY	Jan	--	--	-6.6%	-6.2%

Source: Refinitiv

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