

Market Corner

Asian stocks headed for their first weekly gain in a month after a Federal Reserve official made dovish comments and traders stayed alert for any supportive measures from China's upcoming political meeting.

The MSCI Asia Pacific Index rose as much as 1% on Friday, lifted by industrial and technology shares. Japanese stocks led gains in the region after a report showed the nation's unemployment rate reached the lowest level in three years. Shares in Hong Kong and Taiwan also gained.

Onshore Chinese stocks fluctuated before the National People's Congress this weekend. Some investors have trimmed their expectations for further stimulus given China's faster-than-expected economic recovery.

US stocks erased a morning selloff on Thursday after Federal Reserve Bank of Atlanta President Raphael Bostic said policy makers could be able to pause hikes to interest rates by mid-to-late summer.

The benchmark S&P 500 surged 0.8% after testing its 200-day moving average, while the tech-heavy Nasdaq 100 jumped 0.9%. Bond yields finished off of the session's peak after surpassing 4%, their highest since November.

"I would expect that we could be in position by the middle of the summer, late summer," Bostic said of when the Fed might pause rates. "We'll have to see sort of where things are."

Markets continue to turn on the latest developments in the central bank's fight against inflation. Equities started the session lower after US jobless claims for last week came in below the median forecast, adding to fears rates would stay higher for longer.

"We're in a good situation where the economy has not cracked," Wells Fargo's head of equity strategy, Chris Harvey, said on Bloomberg Television. "Ultimately, we are going to get to a lower level of inflation, but 2% I think is more aspirational than anything else."

Bostic's message wasn't entirely dovish. He also expressed an openness to a higher rate peak if data remain hot.

"I let the data guide me," he said. "I am going to stay open to any possibility. If the data continue to come in suggesting the economy is stronger than I had projected, I'll adjust my policy trajectory."

US stocks broke below a key technical threshold on Wednesday in what analysts called a sign that bearish price pressures have strong potential to accelerate.

World Indices	Last	1D Change	YTD
Dow Jones	33 003.6	1.05%	-0.43%
S&P 500	3 981.4	0.76%	3.69%
Nasdaq	11 463.0	0.73%	9.52%
Eurostoxx 50	4 240.6	0.59%	11.78%
FTSE 100	7 944.0	0.37%	6.61%
CAC 40	7 284.2	0.69%	12.52%
DAX	15 327.6	0.15%	10.08%
SMI	11 165.6	0.99%	4.07%
Nikkei	27 927.5	1.56%	7.02%
Hang Seng	20 658.4	1.12%	4.44%
CSI 300	4 131.4	0.33%	6.71%
VIX Index	19.6	-4.81%	-9.60%

World Bonds	Last	1D Change	YTD
US 10Y	4.0343	-0.02	0.161
EUR 10Y	2.7510	0.04	0.180
Swiss 10Y	1.5600	0.05	-0.057
UK 10Y	3.8810	0.04	0.209

Source: Bloomberg



Morning Call
Geneva, March 3, 2023

Crypto Corner

Bitcoin dropped to the lowest level in about two weeks, part of a wider retreat in crypto markets as investors digested the unraveling of a key industry payments network.

The largest token sank as much as 6% before paring some of the slide to trade around \$22,330 as of noon Friday in Singapore. Smaller coins such as Ether, Avalanche and the meme token Dogecoin also suffered declines.

The digital-asset industry is absorbing the fallout of the troubles at crypto-friendly US bank Silvergate Capital Corp., which has said that it's reviewing whether it can remain viable. The bank offers a widely used payments network that facilitates the real-time transfer of funds between crypto firms. But many digital-asset exchanges, stablecoin issuers and trading desks are no longer accepting or initiating payments through Silvergate.

"Silvergate is one of the main US dollar banking providers for the crypto industry," said John Toro, head of trading at digital-asset exchange Independent Reserve. "Any liquidity concerns will have a direct impact on market conditions and may affect the access and availability of some client funds."

Silvergate's woes are the latest example of the contagion caused by the collapse of the FTX crypto exchange in November. The bank suffered a run-on deposits last year in the wake of the bankruptcy of FTX, which was a key client.

The digital-asset sector is also contending with a broader regulatory clampdown in the US as well as expectations that interest rates will stay higher for longer to fight inflation, sapping risk appetite.

Bitcoin's tumble brought some key technical levels into focus. The token has dropped below its 50-day moving average, which for some chart analysts adds to the risk of further declines.

Crypto investors often turn some of their gaze to Tether, the largest stablecoin, during periods of market stress. The token is meant to have a constant \$1 value and is widely used to facilitate digital-asset trading but has long faced questions about the makeup of the reserves underpinning its peg.

The stablecoin doesn't have any exposure to Silvergate, Paolo Ardoino, chief technology officer at Tether, said on Twitter. Hayden Hughes, co-founder of social-trading platform Alpha Impact, said he detected "heavy buying" of Tether over a five-minute span in the Friday morning trading session in Asia. "We saw a strong defense," Hughes said, adding that it was "probably by a market-maker."

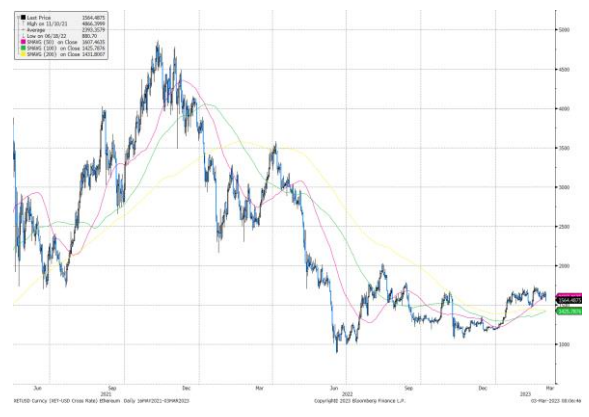
Bitcoin's rebound in 2023 has cooled to 35%, still comfortably above the 4% return from global stocks. Crypto markets last year endured a \$1.5 trillion rout amid tightening monetary policy and a series of blowups that exposed high counterparty risk.

Crypto Market Cap: [\\$1.02T](#)

24h Vol: [\\$55.3B](#)

Dominance: [BTC: 42.1%](#) [ETH:18.7%](#)

Crypto	Last	1D Change	YTD
Bitcoin	22 369.32	-4.47%	35.18%
Ethereum	1 565.80	-4.57%	30.47%



Source: fxstreet.com / Bloomberg/Coinmarketcap.com

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Commodity Corner

Gold is poised for its best week since mid-January on declines in the dollar and signs that an economic recovery in major buyer China is gathering pace.

Bullion edged higher on Friday and is up 1.6% for the week as a gauge of the dollar headed for its first weekly decline in five, making the precious metal cheaper for most buyers. China's economy is rebounding rapidly, data showed this week, with a virus wave following the end of Covid Zero ebbing.

The gains have come despite Federal Reserve officials warning that US rates may need to be lifted higher than previously anticipated to curb inflation. There could be more upside for gold this year if central banks buckle under political pressure to pivot away from tightening even as inflationary pressures remain, according to John Feeney, business development manager at Guardian Gold Australia.

"If they start cutting rates while inflation is still high, you'd likely see central bank demand for gold continue in that environment, while retail demand will rise from those who want an inflation hedge," he said. "The market this year could be quite positive and surprise some people."

Spot gold rose 0.3% to \$1,840.74 an ounce as of 10:36 a.m. in Singapore. The Bloomberg Dollar Spot Index declined 0.2%, taking its weekly loss to 0.5%. Silver climbed, platinum rallied for a fifth straight day and palladium was also higher.

Precious Metals	Last	1D Change	YTD
Gold	1 844.41	0.47%	1.08%
Silver	21.06	0.75%	-12.21%
Platinum	969.48	0.50%	-9.84%
Palladium	1 454.67	0.21%	-18.89%

Oil headed for a weekly gain as optimism over China's recovery offset concern that US monetary policy is set to tighten further.

West Texas Intermediate traded slightly weaker near \$78 a barrel but is more than 2% higher this week after a three-day run of gains. China's rebound since it abandoned Covid Zero has reignited hopes of a banner year for demand in the world's top oil importer. Data this week pointed to a surge in activity, and Saudi Aramco described Chinese consumption as "very strong."

World Commodities	Last	1D Change
WTI Crude	78.07	-0.12%
Brent Crude	84.65	-0.12%
Nat Gas (HH)	2.80	1.23%
Nickel	24 208.50	-2.02%
Copper	411.10	0.66%
Corn	640.50	0.43%
Wheat	701.25	0.61%
Soybean	1 522.00	0.15%
Coffee	183.95	-0.73%
Cotton	82.85	-2.03%
Sugar	20.31	-1.26%

Source: fxstreet.com / Bloomberg

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FX Corner

EUR/USD has scaled back above 1.0600 in early Europe this Friday. The pair is helped by a broad-based US Dollar weakness amid retreating US Treasury bond yields and an upbeat mood. The Euro finds demand from hawkish ECB commentary. US ISM PMI data eyed.

GBP/USD is extending the rebound toward 1.2000 in the early European morning. A better risk profile combined with a broadly weaker US Dollar is aiding the renewed upside in the pair. UK Final Services PMI and US ISM Services PMI are next of note.

USD/JPY touched its highest level since December 20 on Thursday, albeit struggled to capitalize on the move beyond the 137.00 mark and faced rejection near the 200-day Simple Moving Average (SMA).

AUD/USD appears well-set to snap a two-week downtrend as it seesaws around the intraday top of 0.6752 during early Friday in Europe. In doing so, the Aussie pair cheers the US Dollar's pullback amid risk-positive headlines about China.

World Currencies	Last	1D Change	YTD
EURUSD	1.0618	0.20%	-0.82%
EURCHF	0.9972	0.14%	-0.77%
EURGBP	0.8863	0.08%	-0.77%
EURJPY	144.8300	0.08%	-3.14%
USDCHF	0.9392	0.34%	1.59%
USDJPY	136.4100	0.26%	-4.03%
USDCAD	1.3577	0.15%	-0.16%
USDTRY	18.8985	-0.20%	-1.01%
GBPUSD	1.1979	0.28%	-0.86%
AUDUSD	0.6755	0.37%	-0.87%
NZDUSD	0.6230	0.19%	-1.87%

Devise	S3	S2	S1	R1	R2	R3
EURUSD	1.0424	1.0520	1.0558	1.0654	1.0712	1.0808
USDJPY	134.4867	135.5567	136.1633	137.2333	137.6967	138.7667
GBPUSD	1.1747	1.1858	1.1902	1.2013	1.2080	1.2191
USDCAD	1.3489	1.3548	1.3573	1.3632	1.3666	1.3725
AUDUSD	0.6616	0.6675	0.6703	0.6762	0.6793	0.6852
NZDUSD	0.6105	0.6165	0.6192	0.6252	0.6285	0.6345
USDCHF	0.9313	0.9365	0.9395	0.9447	0.9469	0.9521
USDTRY	18.6302	18.7455	18.8029	18.9182	18.9761	19.0914
XAUUSD	1817.167	1826.077	1830.973	1839.883	1843.897	1852.807
XAGUSD	20.1863	20.5250	20.7113	21.0500	21.2024	21.5411

Source: fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars											
G8		Browse		08:35:33		03/03/23		03/03/23			
Economic Releases		All Economic Releases				View		Agenda			
Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
03/03	00:30	JN				Tokyo CPI YoY	Feb	3.3%	--	4.4%	--
03/03	00:30	JN				Tokyo CPI Ex-Fresh Food YoY	Feb	3.3%	--	4.3%	--
03/03	00:30	JN				Tokyo CPI Ex-Fresh Food, Energy YoY	Feb	3.1%	--	3.0%	--
03/03	00:30	JN				Jobless Rate	Jan	2.5%	--	2.5%	--
03/03	00:30	JN				Job-To-Applicant Ratio	Jan	1.36	--	1.35	--
03/03	01:30	JN				Jibun Bank Japan PMI Composite	Feb F	--	--	50.7	--
03/03	01:30	JN				Jibun Bank Japan PMI Services	Feb F	--	--	53.6	--
03/03	07:00	RU				S&P Global Russia Services PMI	Feb	--	--	48.7	--
03/03	07:00	RU				S&P Global Russia Composite PMI	Feb	--	--	49.7	--
03/03	08:00	GE				Trade Balance SA	Jan	11.0b	--	10.0b	--
03/03	08:00	GE				Exports SA MoM	Jan	1.5%	--	-6.3%	-5.9%
03/03	08:00	GE				Imports SA MoM	Jan	2.0%	--	-6.1%	-5.7%
03/03	08:45	FR				Industrial Production YoY	Jan	0.2%	--	1.4%	--
03/03	08:45	FR				Manufacturing Production MoM	Jan	-0.3%	--	0.3%	--
03/03	08:45	FR				Manufacturing Production YoY	Jan	--	--	3.6%	--
03/03	08:45	FR				Industrial Production MoM	Jan	-0.2%	--	1.1%	--
03/03	09:00	RU				Money Supply Narrow Def	Feb 22	--	--	16.60t	--
03/03	09:45	IT				S&P Global Italy Composite PMI	Feb	52.0	--	51.2	--
03/03	09:45	IT				S&P Global Italy Services PMI	Feb	52.3	--	51.2	--
03/03	09:50	FR				S&P Global France Composite PMI	Feb F	51.6	--	51.6	--
03/03	09:50	FR				S&P Global France Services PMI	Feb F	52.8	--	52.8	--
03/03	09:55	GE				S&P Global Germany Services PMI	Feb F	51.3	--	51.3	--
03/03	09:55	GE				S&P Global Germany Composite PMI	Feb F	51.1	--	51.1	--
03/03	10:00	EC				S&P Global Eurozone Composite PMI	Feb F	52.3	--	52.3	--
03/03	10:00	EC				S&P Global Eurozone Services PMI	Feb F	53.0	--	53.0	--
03/03	10:00	IT				GDP WDA YoY	4Q F	1.7%	--	1.7%	--
03/03	10:00	IT				GDP WDA QoQ	4Q F	-0.1%	--	-0.1%	--
03/03	10:30	UK				Official Reserves Changes	Feb	--	--	\$2512m	--
03/03	10:30	UK				S&P Global/CIPS UK Services PMI	Feb F	53.3	--	53.3	--
03/03	10:30	UK				S&P Global/CIPS UK Composite PMI	Feb F	53.0	--	53.0	--
03/03	11:00	EC				PPI MoM	Jan	-0.3%	--	1.1%	--
03/03	11:00	EC				PPI YoY	Jan	17.7%	--	24.6%	--
03/03	14:30	CA				Building Permits MoM	Jan	1.5%	--	-7.3%	--
03/03	14:30	CA				Labor Productivity QoQ	4Q	--	--	0.6%	--
03/03	15:45	US				S&P Global US Services PMI	Feb F	50.5	--	50.5	--
03/03	15:45	US				S&P Global US Composite PMI	Feb F	--	--	50.2	--
03/03	16:00	US				ISM Services Index	Feb	54.5	--	55.2	--
03/03	16:00	US				ISM Services Prices Paid	Feb	--	--	67.8	--
03/03	16:00	US				ISM Services Employment	Feb	--	--	50.0	--
03/03	16:00	US				ISM Services New Orders	Feb	--	--	60.4	--
03/03-03/11		RU				Wellbeing Fund	Feb	--	--	\$155.3b	--

Source: Refinitiv

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