

## Market Corner

**Asia's benchmark equity gauge rose for a third day amid broad gains across the region, with state-run Chinese companies in Hong Kong rallying on the back of policy support.**

The MSCI Asia Pacific Index advanced as much as 0.6%, on track for the longest winning run in a month. Shares of Chinese state-owned firms climbed after the general manager of the Shanghai Stock Exchange called for the firms to get better access to funding. Their stocks gained on Monday after a national regulator announced plans to launch a campaign to benchmark these firms to first-class international enterprises.

The Hang Seng China Enterprises Index has rallied more than 6% since slipping into a correction at the end of last month. Hopes of fresh support for private enterprises also got a boost after President Xi Jinping at a meeting on Monday stressed the importance of the sector to the economy.

**US stocks closed slightly higher Monday as investors await the Federal Reserve's monetary policy outlook as well as jobs data later this week, which may offer clues on the strength of the domestic economy.**

The S&P 500 advanced 0.1% — with six out of 11 sectors higher — marking the benchmark gauge's longest winning streak since early February. The tech-heavy Nasdaq 100 climbed 0.1%, extending its rally from Friday. And the Dow Jones Industrial Average rose 0.1%.

The three-day gain in the S&P 500 comes after a subdued February, as investors bet on a slowdown in the pace of interest-rate hikes. The index also bounced from a key support level — the 200-day moving average, and according to Morgan Stanley strategists is now set up to extend gains in the short term.

Still, the overall mood remained cautious after China set a modest economic growth target of around 5% for the year, though some said the lackluster outlook can be a positive if it can prevent pushing prices around the globe higher. Concerns about inflation and the Fed's next moves to quell it also continue to linger.

"Investors remain on edge over the continued strength in inflation that will likely keep global central banks in tightening mode through mid-year," Sam Stovall, chief investment strategist at CFRA, wrote in a note.

| World Indices | Last     | 1D Change | YTD     |
|---------------|----------|-----------|---------|
| Dow Jones     | 33 431.4 | 0.12%     | 0.86%   |
| S&P 500       | 4 048.4  | 0.07%     | 5.44%   |
| Nasdaq        | 11 675.7 | -0.11%    | 11.55%  |
| Eurostoxx 50  | 4 313.8  | 0.44%     | 13.71%  |
| FTSE 100      | 7 929.8  | -0.22%    | 6.42%   |
| CAC 40        | 7 373.2  | 0.00%     | 13.89%  |
| DAX           | 15 653.6 | 0.48%     | 12.42%  |
| SMI           | 11 147.3 | -0.38%    | 3.89%   |
| Nikkei        | 28 309.2 | 0.25%     | 8.49%   |
| Hang Seng     | 20 514.1 | -0.43%    | 3.70%   |
| CSI 300       | 4 048.9  | -1.46%    | 4.58%   |
| VIX Index     | 18.6     | 0.65%     | -14.12% |

| World Bonds | Last   | 1D Change | YTD    |
|-------------|--------|-----------|--------|
| US 10Y      | 3.9441 | -0.01     | 0.069  |
| EUR 10Y     | 2.7490 | 0.03      | 0.178  |
| Swiss 10Y   | 1.5730 | 0.02      | -0.044 |
| UK 10Y      | 3.8660 | 0.02      | 0.194  |

Source: Bloomberg



# Morning Call

Geneva, March 7, 2023

## Crypto Corner

**Alameda Research, the trading arm of the bankrupt digital-asset exchange FTX, filed a lawsuit against Grayscale Investments alleging “exorbitant management fees” and accusing Grayscale of “improperly preventing redemptions” from the Bitcoin and Ether trusts it manages.**

“We will continue to use every tool we can to maximize recoveries for FTX customers and creditors,” John J. Ray III, chief executive officer and chief restructuring officer for FTX, said in the statement. “Our goal is to unlock value that we believe is currently being suppressed by Grayscale’s self-dealing and improper redemption ban.”

The complaint filed by Alameda comes a day before oral arguments scheduled for Mar. 7 in Grayscale’s lawsuit against the US Securities and Exchange Commission. Grayscale sued after the US regulator denied its petition to convert the Bitcoin trust to an exchange-traded fund.

A spokesperson for Grayscale said the lawsuit was “misguided”: “Grayscale has been transparent in our efforts to obtain regulatory approval to convert GBTC into an ETF – an outcome that is undoubtedly the best long-term product structure for Grayscale’s investors. We remain confident in the common sense, compelling legal arguments that will be argued tomorrow before the D.C. Court of Appeals.”

For two years, the \$14 billion Grayscale Bitcoin Trust (ticker GBTC) has been trading at a steep discount to the cryptocurrency it holds. The lawsuit is seeking injunctive relief to unlock \$9 billion or more in value for all shareholders of the two Grayscale trusts.

Alameda said it owned \$290 million worth of shares in Grayscale’s Bitcoin and Ether trusts as of March 3, according to the complaint, which acknowledged that the trading firm’s records may be incomplete. Those shares amounted to more than 3% and 2%, respectively, of the overall float as at the end of 2022, according to the complaint. The lawsuit claims the combined stake would rise in value to more than \$540 million if Grayscale were to cut fees and allow redemptions.

GBTC charges a 2% annual fee, which compares with an average of 0.54% across the entire US ETF universe, according to Bloomberg Intelligence data. Grayscale has stated that it isn’t allowed to redeem shares under the current guidelines.

Grayscale has also faced lawsuits from hedge fund Fir Tree Capital Management and a rival digital-asset manager Osprey Funds.

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

24h Vol: [\\$32.8B](#)

Dominance: [BTC: 42.3%](#) [ETH:18,8%](#)

| Crypto   | Last      | 1D Change | YTD    |
|----------|-----------|-----------|--------|
| Bitcoin  | 22 449.44 | 0.18%     | 35.74% |
| Ethereum | 1 573.65  | 0.46%     | 31.20% |



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

## Commodity Corner

### Gold steadied ahead of commentary from the head of the US Federal Reserve that will provide clues on the trajectory of interest rates.

Chair Jerome Powell will testify before a Senate panel later on Tuesday and a US House of Representatives committee on Wednesday, at which he is expected to underscore that rates will go higher than policy makers had anticipated just a few weeks ago. Higher rates, needed to quell stubbornly elevated inflation, are typically negative for non-interest-bearing bullion.

**Spot gold** was little changed at \$1,845.34 an ounce as of 8:52 a.m. in Singapore, after falling 0.5% on Monday. The Bloomberg Dollar Spot Index was flat, and 10-year US Treasury yields climbed toward 4%. Silver and platinum were steady, while palladium declined

| Precious Metals | Last     | 1D Change | YTD     |
|-----------------|----------|-----------|---------|
| Gold            | 1 848.36 | 0.08%     | 1.32%   |
| Silver          | 21.09    | 0.17%     | -12.02% |
| Platinum        | 974.12   | -0.53%    | -9.34%  |
| Palladium       | 1 444.91 | -0.22%    | -19.37% |

### Oil held gains near the highest close in five weeks ahead of a testimony from Federal Reserve Chair Jerome Powell that will provide clues on the path forward for monetary tightening

West Texas Intermediate traded above \$80 a barrel after advancing for five sessions, which drove futures above its 100-day moving average, a widely-watched technical gauge. Powell will begin two days of testimony before the Senate and House committees in Washington later Tuesday.

Crude has endured a bumpy year, whipsawed by concerns over further interest rate hikes from the Fed and a bullish outlook for Chinese demand following the end of Covid Zero. However, the world's top oil importer has set a cautious economic growth target this year, denting some optimism in the outlook.

Traders are also tracking Russian energy flows following sanctions for the nation's war in Ukraine. They seem to be resilient so far, with Gunvor Group Chief Executive Officer Torbjorn Tornqvist saying Russia's plan to cut its oil output by 500,000 barrels a day in March isn't yet affecting its exports.

| World Commodities | Last      | 1D Change |
|-------------------|-----------|-----------|
| WTI Crude         | 80.56     | 0.12%     |
| Brent Crude       | 86.31     | 0.15%     |
| Nat Gas (HH)      | 2.58      | 0.12%     |
| Nickel            | 24 228.50 | -0.76%    |
| Copper            | 408.00    | -0.50%    |
| Corn              | 645.50    | 0.16%     |
| Wheat             | 682.50    | -1.90%    |
| Soybean           | 1 541.00  | 0.69%     |
| Coffee            | 182.45    | 0.91%     |
| Cotton            | 84.86     | 0.58%     |
| Sugar             | 20.87     | -0.24%    |

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

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## FX Corner

**EUR/USD** is keeping its range play intact below 1.0700 in the early European morning. The pair is helped by a cautiously optimistic market mood. Traders give up on the US Dollar amid weaker US Treasury yields ahead of Fed Chair Powell's testimony.

**GBP/USD** is trading close to 1.2050, sustaining the rebound ahead of the London open. Renewed Brexit concerns, as DUP seeks consultation on the post-Brexit deal, could limit the upside in the pair, despite a broadly weaker US Dollar. Powell's testimony is in focus.

**USD/JPY** holds onto the week-start recovery as it prints mild gains around 136.10 during Tuesday's Asian session. In doing so, the Yen pair justifies the previous day's upside break of a three-day-old resistance line, now support near 135.90.

**AUD/USD** is displaying a sideways auction in the early European session after a Reserve bank of Australia (RBA)'s monetary policy-inspired volatility. The Aussie asset looks vulnerable above the 0.6700 support despite the upbeat market mood.

| World Currencies | Last     | 1D Change | YTD    |
|------------------|----------|-----------|--------|
| EURUSD           | 1.0683   | 0.02%     | -0.20% |
| EURCHF           | 0.9929   | 0.13%     | -0.36% |
| EURGBP           | 0.8858   | 0.27%     | -0.36% |
| EURJPY           | 145.1000 | 0.05%     | -3.35% |
| USDCHF           | 0.9294   | 0.14%     | 0.54%  |
| USDJPY           | 135.8200 | 0.08%     | -3.58% |
| USDCAD           | 1.3615   | -0.01%    | -0.46% |
| USDTRY           | 18.9131  | -0.07%    | -1.09% |
| GBPUSD           | 1.2060   | 0.29%     | -0.20% |
| AUDUSD           | 0.6708   | -0.33%    | -1.56% |
| NZDUSD           | 0.6210   | 0.21%     | -2.20% |

| Devise | S3       | S2       | S1       | R1       | R2       | R3       |
|--------|----------|----------|----------|----------|----------|----------|
| EURUSD | 1.0501   | 1.0582   | 1.0631   | 1.0712   | 1.0744   | 1.0825   |
| USDJPY | 134.1900 | 135.0100 | 135.4700 | 136.2900 | 136.6500 | 137.4700 |
| GBPUSD | 1.1910   | 1.1966   | 1.1996   | 1.2052   | 1.2078   | 1.2134   |
| USDCAD | 1.3514   | 1.3561   | 1.3587   | 1.3634   | 1.3655   | 1.3702   |
| AUDUSD | 0.6631   | 0.6685   | 0.6707   | 0.6761   | 0.6793   | 0.6847   |
| NZDUSD | 0.6094   | 0.6146   | 0.6172   | 0.6224   | 0.6250   | 0.6302   |
| USDCHF | 0.9192   | 0.9260   | 0.9284   | 0.9352   | 0.9396   | 0.9464   |
| USDTRY | 18.7692  | 18.8278  | 18.8639  | 18.9225  | 18.9450  | 19.0036  |
| XAUUSD | 1823.847 | 1836.987 | 1841.923 | 1855.063 | 1863.267 | 1876.407 |
| XAGUSD | 20.4679  | 20.7907  | 20.9213  | 21.2441  | 21.4363  | 21.7591  |

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



**Morning Call**  
Geneva, March 7, 2023

## Event Corner

ECO Economic Calendars Options

G8 Browse 08:34:09 03/07/23 - 03/07/23

Economic Releases All Economic Releases View  Agenda  Weekly

| Date        | Time  | C  | A | M | R | Event                                             | Period | Surv(M)   | Actual | Prior     | Revised |
|-------------|-------|----|---|---|---|---------------------------------------------------|--------|-----------|--------|-----------|---------|
| 03/06-03/07 |       | RU |   |   |   | Wellbeing Fund                                    | Feb    | --        | --     | \$155.3b  | --      |
| 03/06-03/07 |       | RU |   |   |   | Budget Balance YTD                                | Feb    | --        | --     | -1760.0b  | --      |
| 03/07       | 00:30 | JN |   |   |   | Labor Cash Earnings YoY                           | Jan    | 1.8%      | --     | 4.8%      | 4.1%    |
| 03/07       | 00:30 | JN |   |   |   | Real Cash Earnings YoY                            | Jan    | -3.2%     | --     | 0.1%      | -0.6%   |
| 03/07       | 01:01 | UK |   |   |   | BRC Sales Like-For-Like YoY                       | Feb    | --        | --     | 3.9%      | --      |
| 03/07       | 08:00 | GE |   |   |   | Factory Orders MoM                                | Jan    | -0.9%     | --     | 3.2%      | --      |
| 03/07       | 08:00 | GE |   |   |   | Factory Orders WDA YoY                            | Jan    | -12.3%    | --     | -10.1%    | --      |
| 03/07       | 16:00 | US |   |   |   | Wholesale Trade Sales MoM                         | Jan    | -0.5%     | --     | 0.0%      | --      |
| 03/07       | 16:00 | US |   |   |   | Wholesale Inventories MoM                         | Jan F  | -0.4%     | --     | -0.4%     | --      |
| 03/07       | 21:00 | US |   |   |   | Consumer Credit                                   | Jan    | \$25.000b | --     | \$11.565b | --      |
| 03/07       |       | IT |   |   |   | Bank of Italy Reports on Balance-Sheet Aggregates |        |           |        |           |         |

Source: Refinitiv

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