

Market Corner

Asian stocks edged higher as risk sentiment improved following a softer tone by the Federal Reserve's chief on further interest rate increases, while Chinese shares fluctuated after consumer inflation slowed in February.

The MSCI Asia Pacific Index rose as much as 0.3% on Thursday, led by financial shares. Japan led gains in the region ahead of the Bank of Japan meeting this week, where expectations are for ultra-easy policies to continue.

Chinese stocks underperformed after the nation's costs of food and consumer goods eased following the end of the Lunar New Year holiday, underscoring that economic recovery may be slower than expected.

Fed Chair Jerome Powell said on his second day of congressional testimony that no decision has been made yet on the rate hike later this month. That soothed investors' nerves after his hawkish remarks the previous day. Focus will now be on the upcoming US jobs report due Friday and inflation data next week.

US stocks closed modestly higher Wednesday after swinging between small gains and losses all session, with investors continuing to digest the hawkish comments from Federal Reserve Chair Jerome Powell during his two-day Congressional testimony.

The S&P 500 closed up 0.1%, with seven of the 11 sectors higher. The tech-heavy Nasdaq 100 rose 0.5% and the Dow Jones Industrial Average fell 0.2%.

"Powell did not deliver any surprises, repeating that the Fed may need to speed up the pace of its interest rate increases, if necessary," said Ed Moya, senior market analyst at Oanda. "It appears that Wall Street is getting ready for a recession."

US stocks largely struggled to find direction Wednesday, after Tuesday's steep selloff on Powell's initial comments that the ultimate level of interest rates was likely to be higher than previously anticipated, given economic data has been stronger than expected. Powell spoke to Congress again Wednesday.

World Indices	Last	1D Change	YTD
Dow Jones	32 798.4	-0.18%	-1.05%
S&P 500	3 992.0	0.14%	3.97%
Nasdaq	11 576.0	0.40%	10.60%
Eurostoxx 50	4 288.5	0.22%	13.04%
FTSE 100	7 929.9	0.13%	6.42%
CAC 40	7 324.8	-0.20%	13.15%
DAX	15 631.9	0.46%	12.27%
SMI	11 025.3	-0.35%	2.76%
Nikkei	28 623.2	0.63%	9.69%
Hang Seng	20 007.5	-0.22%	1.16%
CSI 300	4 019.9	-0.35%	3.83%
VIX Index	19.1	-2.45%	-11.81%

World Bonds	Last	1D Change	YTD
US 10Y	3.9992	0.01	0.124
EUR 10Y	2.6880	0.04	0.117
Swiss 10Y	1.4510	-0.10	-0.166
UK 10Y	3.7650	-0.06	0.093

Source: Bloomberg



Morning Call

Geneva, March 9, 2023

Crypto Corner

Bitcoin fell to a three-week low, sapped by the collapse of crypto-friendly bank Silvergate Capital Corp. and the prospect of higher-than-expected central bank interest rates.

The largest token fell as much as 1.9% on Thursday, dropping for a fourth session, and was trading at about \$21,780 as of 10:28 a.m. in Singapore. Smaller coins ranging from Ether and Solana to Avalanche were subdued.

Silvergate bank, which closed a key crypto payments network last week, said Wednesday it plans to liquidate. The US lender is another victim of the digital-asset rout and the blowup of the FTX exchange. Few banks are willing to work with the volatile crypto sector and Silvergate's demise adds to that challenge.

"It's hard to make a fundamental argument for crypto here, just given all the uncertainty — you don't know what regulation is coming down the pike," said Kara Murphy, chief investment officer at Kestra Investment Management.

Investors across global markets are also digesting the likelihood of higher borrowing costs to prevent elevated inflation becoming entrenched. That backdrop bodes ill for riskier investments like virtual coins.

Federal Reserve Chair Jerome Powell on Wednesday repeated his message that the central bank is likely to take rates higher than previously anticipated and that it could move at a faster pace if economic data keeps coming in hot. He said no decision had been made about what to do at the March policy meeting.

Bitcoin may well "continue its correction" toward its 200-day moving average near \$20,000 as long as the token stays below an area of resistance at \$25,000, Tony Sycamore, market analyst at IG Australia Pty, wrote in a note.

The Grayscale Bitcoin Trust gained on optimism Grayscale Investments LLC may win a court fight challenging the US Securities and Exchange Commission's decision to reject its conversion into an exchange-traded fund.

The fund's discount to net asset value has narrowed to about 34% from a peak of almost 50% in December.

Crypto Market Cap: **\$997B**

24h Vol: **\$43.05B**

Dominance: **BTC: 42.1% ETH:18.9%**

Crypto	Last	1D Change	YTD
Bitcoin	21 712.30	-1.34%	31.27%
Ethereum	1 538.67	-0.90%	28.28%



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

Commodity Corner

Gold held near its lowest price this year, as investor speculation grows the Federal Reserve will return to a stronger pace of rate hikes this month.

Bullion has struggled for momentum over the past month as traders increase bets the central bank will implement a 50-basis-point rise later this month in a bid to curb stubbornly high inflation. Higher rates are typically negative for non-interest-bearing gold.

Fed Chair Jerome Powell said in testimony in Washington this week the central bank was “prepared to increase the pace of rate hikes” should data including employment, job openings, consumer prices and producer prices come in hot. The key jobs report is due Friday

Spot gold was up 0.1% to \$1,815.65 an ounce at 8:55 a.m. in Singapore, heading for a weekly decline of 2.2%. The Bloomberg Dollar Spot Index was little changed. Silver and palladium were steady while platinum edged up — all are at least 4% lower this week

Precious Metals	Last	1D Change	YTD
Gold	1 813.82	0.00%	-0.53%
Silver	20.02	-0.04%	-16.38%
Platinum	940.67	0.05%	-12.39%
Palladium	1 362.51	-1.06%	-23.85%

Oil held losses on a persistently hawkish tone from the Federal Reserve, despite an unexpected decline in US crude inventories.

West Texas Intermediate traded below \$77 a barrel after sliding almost 5% over the previous two sessions. Chair Jerome Powell reiterated that the bank may boost rates higher than anticipated but said a decision hadn't been made about the March meeting. He made the remarks during congressional testimony.

The negative sentiment around further monetary tightening overshadowed the unexpected drop in US crude inventories. Stockpiles fell about 1.7 million barrels last week, the first decline this year, according to the Energy Information Administration. Analysts had forecast another gain.

Oil has endured a bumpy year as concerns over more rate hikes from the Fed compete with optimism around China's recovery after the dismantling of Covid Zero. Most market watchers are still bullish about the price outlook, with top trader Trafigura expecting Brent to hit \$90 a barrel by the middle of the year as Asia's biggest economy rebounds and Russian supply fades.

World Commodities	Last	1D Change
WTI Crude	76.69	0.04%
Brent Crude	82.70	0.05%
Nat Gas (HH)	2.61	2.12%
Nickel	23 766.25	-0.72%
Copper	404.50	0.09%
Corn	635.75	0.20%
Wheat	674.50	-1.50%
Soybean	1 529.50	0.18%
Coffee	179.55	-2.71%
Cotton	82.74	-0.18%
Sugar	20.88	-0.67%

Source: fxstreet.com / Bloomberg

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FX Corner

EUR/USD is holding mild gains at around 1.0550 in early Europe. The US Dollar is losing ground, despite a cautious risk tone and firmer US Treasury bond yields. Investors assess the Fed and ECB rate hike expectations. The focus shifts to the US jobs data.

GBP/USD is trading above 1.1850, struggling for further upside in the European morning. The Cable is gathering strength on the back of a fresh pullback in the US Dollar across the board. Fed-BoE policy contrast is likely to cap gains in the major.

USD/JPY continues with its struggle to make it through a technically significant 200-day Simple Moving Average (SMA) and meets with a fresh supply during the Asian session on Thursday.

AUD/USD is keeping its range play intact below 0.6600 in Thursday's Asian trading. Softer-than-expected Chinese inflation data is capping the upside in the pair, despite a minor pullback in the US Dollar. Cautious market mood also remains a drag on the Aussie pair.

World Currencies	Last	1D Change	YTD
EURUSD	1.0556	0.10%	-1.39%
EURCHF	0.9916	0.11%	-0.20%
EURGBP	0.8904	-0.02%	-0.20%
EURJPY	144.2400	0.42%	-2.72%
USDCHF	0.9394	0.26%	1.60%
USDJPY	136.6500	0.52%	-4.21%
USDCAD	1.3799	0.04%	-1.79%
USDTRY	18.9586	-0.11%	-1.32%
GBPUSD	1.1854	0.08%	-1.90%
AUDUSD	0.6612	0.35%	-2.92%
NZDUSD	0.6120	0.21%	-3.61%

Devise	S3	S2	S1	R1	R2	R3
EURUSD	1.0450	1.0499	1.0522	1.0571	1.0597	1.0646
USDJPY	134.3900	135.8200	136.5900	138.0200	138.6800	140.1100
GBPUSD	1.1726	1.1781	1.1813	1.1868	1.1891	1.1946
USDCAD	1.3648	1.3718	1.3762	1.3832	1.3858	1.3928
AUDUSD	0.6473	0.6534	0.6562	0.6623	0.6656	0.6717
NZDUSD	0.6004	0.6057	0.6082	0.6135	0.6163	0.6216
USDCHF	0.9315	0.9365	0.9392	0.9442	0.9465	0.9515
USDTRY	18.8449	18.8932	18.9150	18.9633	18.9898	19.0381
XAUUSD	1786.250	1801.060	1807.430	1822.240	1830.680	1845.490
XAGUSD	19.4315	19.7434	19.8845	20.1964	20.3672	20.6791

Source: fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars											
G8		Browse		08:29:41		03/09/23		03/09/23			
Economic Releases		All Economic Releases				View		Agenda			
Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
03/09	00:50	JN				Money Stock M2 YoY	Feb	--	2.6%	2.7%	--
03/09	00:50	JN				Money Stock M3 YoY	Feb	--	2.2%	2.3%	--
03/09	00:50	JN				GDP Annualized SA QoQ	4Q F	0.8%	0.1%	0.6%	--
03/09	00:50	JN				GDP SA QoQ	4Q F	0.2%	0.0%	0.2%	--
03/09	00:50	JN				GDP Nominal SA QoQ	4Q F	1.3%	1.2%	1.3%	--
03/09	00:50	JN				GDP Deflator YoY	4Q F	1.1%	1.2%	1.1%	--
03/09	00:50	JN				GDP Private Consumption QoQ	4Q F	0.5%	0.3%	0.5%	--
03/09	00:50	JN				GDP Business Spending QoQ	4Q F	-0.5%	-0.5%	-0.5%	--
03/09	00:50	JN				Inventory Contribution % GDP	4Q F	-0.4%	-0.5%	-0.5%	--
03/09	00:50	JN				Net Exports Contribution % GDP	4Q F	0.3%	0.4%	0.3%	--
03/09	00:50	JN				Japan Buying Foreign Bonds	Mar 3	--	-¥168.6b	¥211.6b	--
03/09	00:50	JN				Foreign Buying Japan Bonds	Mar 3	--	-¥800.7b	-¥208.9b	--
03/09	00:50	JN				Japan Buying Foreign Stocks	Mar 3	--	-¥18.4b	-¥440.4b	--
03/09	00:50	JN				Foreign Buying Japan Stocks	Mar 3	--	-¥595.4b	-¥403.0b	--
03/09	01:01	UK				RICS House Price Balance	Feb	-49%	-48%	-47%	-46%
03/09	03:00	JN				Tokyo Avg Office Vacancies	Feb	--	6.15	6.26	--
03/09	07:00	JN				Machine Tool Orders YoY	Feb P	--	-10.7%	-9.7%	--
03/09	07:30	FR				Private Sector Payrolls QoQ	4Q F	0.0%	0.2%	0.0%	--
03/09	07:30	FR				Total Payrolls	1Q	--	0.2%	0.4%	0.3%
Bank of Italy Releases Banks and Money Monthly Statistics											
03/09	10:30	IT				Challenger Job Cuts YoY	Feb	--	--	440.0%	--
03/09	14:00	RU				Official Reserve Assets	Feb	--	--	597.0b	--
03/09	14:30	US				Initial Jobless Claims	Mar 4	195k	--	190k	--
03/09	14:30	US				Continuing Claims	Feb 25	1660k	--	1655k	--
03/09	18:00	US				Household Change in Net Worth	4Q	--	--	-\$392b	--

Source: Refinitiv

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