

Market Corner

Asia stocks erased earlier declines as bond yields dropped following a projection by Goldman Sachs for the Federal Reserve to hold the key rate at its next meeting. Equities in China and Hong Kong rallied the most.

The MSCI Asia Pacific Index advanced as much as 0.6%, reversing a loss of as much as 0.9%. Chinese shares led the region higher as traders bet on policy continuity after the nation retained several familiar faces in its economic leadership team, including the central bank governor.

Tech shares in the region also got a boost from falling US Treasury yields as Goldman Sachs economists said the recent stress in America's banking system may push the Fed to pause its monetary tightening cycle next week. It flagged uncertainty about the rate path in the months ahead.

US stock index futures climbed as efforts by regulators to limit damage from the collapse of Silicon Valley Bank helped improve market sentiment, while economists at Goldman Sachs Group said they no longer expect the Federal Reserve to raise rates this month.

Nasdaq 100 futures gained as much as 2.1% at about 6:13 a.m. in London. Futures on the S&P 500 climbed 1.8%, while those on the Dow Jones Industrial Average added 1.3%. Euro Stoxx 50 contracts rose 0.4%.

US regulators moved on Sunday to protect depositors' funds and set up a new financial backstop following SVB's failure, seeking to stem fears that households and businesses would flee smaller lenders. Customers of Signature Bank, another lender that collapsed over the weekend, will be able to access deposits under the same "systemic risk exception," regulators said.

Meanwhile, economists at Goldman Sachs said they don't expect the Fed to deliver a hike at its March 22 meeting, citing "recent stress in the banking system." They also see "considerable uncertainty about the path beyond March," a team led by Jan Hatzius wrote in a note.

World Indices	Last	1D Change
Dow Jones	31 909.6	-1.07%
S&P 500	3 861.6	-1.45%
Nasdaq	11 138.9	-1.76%
Eurostoxx 50	4 229.5	-1.32%
FTSE 100	7 748.4	-1.67%
CAC 40	7 220.7	-1.30%
DAX	15 428.0	-1.31%
SMI	10 765.3	-1.68%
Nikkei	27 833.0	-1.11%
Hang Seng	19 635.7	1.63%
CSI 300	4 008.7	1.05%
VIX Index	24.8	9.69%

World Bonds	Last	1D Change	YTD
US 10Y	3.6949	-0.01	-0.182
EUR 10Y	2.4760	-0.03	-0.096
Swiss 10Y	1.3470	-0.03	-0.270
UK 10Y	3.6400	-0.16	-0.032

Source: Bloomberg



Morning Call

Geneva, March 13, 2023

Crypto Corner

Bitcoin jumped the most of almost a month after US authorities sought to stem concern about the health of the nation's financial system.

The largest cryptocurrency gained as much as 5.3% to \$21,582, the biggest increase since Feb. 15, after US agencies pledged to fully protect all depositors' money following the collapse of Silicon Valley Bank while also giving any banks squeezed for cash easier terms on short-term loans. Signature Bank was closed by New York state financial regulators, while saying depositors will have access to their money.

"The Federal Reserve's rescue plan has bolstered market confidence and allayed concerns about the potential collapse of additional players, particularly given that Signature is a major bank within the crypto industry," said Rachel Lin, co-founder of SynFutures, a decentralized derivatives trading platform.

Other altcoins posted larger gains, with Cardano gaining about 6.1%, Litecoin increasing 7.4%, Tron jumping 12% and Avalanche 6.7%.

Bitcoin had posted its worst week since November as an equity selloff, jitters in the banking sector and an escalating US regulatory crackdown on crypto combine to hurt investor sentiment.

SVB's failure triggered a knock-on effect in the crucial market for stablecoins after digital-asset giant Circle Internet Financial Corp., one of the biggest issuers of the widely used tokens known for their perceived safety, revealed it had \$3.3 billion of reserves with the bank. The news caused Circle's token, USD Coin, to slip below its intended 1-for-1 peg with the dollar, sending a shock through the market. It was trading at around 99 cents.

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

24h Vol: [\\$76.6B](#)

Dominance: [BTC: 42.2%](#) [ETH:19.2%](#)

Crypto	Last	1D Change	YTD
Bitcoin	22 497.19	4.68%	35.96%
Ethereum	1 617.78	3.88%	34.85%



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



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Commodity Corner

Gold kept rising in Asia — after jumping 2% on Friday — as investors flocked to havens following the collapse of a US bank.

The failure of Silicon Valley Bank — the second-largest collapse of an American lender in history — has spurred nervousness about potential spillover effects across the financial system and prompted regulators to move to protect depositors' funds on Sunday.

Bullion is benefiting from the uncertainty and is at a one-month high after having rallied 3.7% since Wednesday's close as concern over SVB grew. Meanwhile, US data released late last week painted a mixed picture of the economy as the Federal Reserve mulls picking up the pace of interest-rate hikes. Inflation figures due Tuesday may be critical in determining the central bank's next move.

Spot gold rose 0.7% to \$1,881.03 an ounce as of 8:20 a.m. in Singapore after climbing as much as 1.1% earlier to the highest since Feb. 9. The Bloomberg Dollar Spot Index declined 0.5% following a 0.4% drop on Friday. Silver, platinum and palladium all advanced.

Precious Metals	Last	1D Change	YTD
Gold	1 873.11	0.26%	2.86%
Silver	20.67	0.64%	-13.52%
Platinum	964.23	-0.07%	-10.13%
Palladium	1 401.73	1.28%	-21.87%

Oil fluctuated near \$77 a barrel in a volatile start to the week as the fallout from the collapse of Silicon Valley Bank — the worst since the 2008 financial crisis — rippled across markets.

US authorities announced late Sunday efforts aimed at strengthening confidence in the banking system, while Goldman Sachs Group Inc. scrapped its call for an interest-rate hike from the Federal Reserve next week due to the turmoil. That drove the dollar lower, providing a tailwind for commodities.

Traders have been paying big premiums for bearish put options as the demise of SVB led some to hedge against the risk of an oil-price decline. The premium of puts over bullish calls rose to the highest since November last week.

The banking turmoil has added further volatility to the oil market, which has been whipsawed this year by concerns over tightening monetary policy in the US and optimism around China's economic recovery. Most are still bullish on the longer term outlook, with Saudi Aramco forecasting consumption will probably hit a record of 102 million barrels a day by the end of 2023.

World Commodities	Last	1D Change
WTI Crude	76.95	0.35%
Brent Crude	83.05	0.33%
Nat Gas (HH)	2.49	2.59%
Nickel	22 490.00	-2.48%
Copper	402.30	-0.56%
Corn	624.25	0.93%
Wheat	666.75	2.03%
Soybean	1 521.75	0.58%
Coffee	182.25	2.39%
Cotton	79.90	2.20%
Sugar	21.16	0.05%

Source: fxstreet.com / Bloomberg

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FX Corner

EUR/USD is holding strong gains above 1.0700 in early Europe. Recovery in risk sentiment weighs on the safe-haven US Dollar amid renewed dovish Fed bets. US regulators' efforts to tame financial markets risk from SVB, Signature Bank favor risk profile. US CPI next of note.

GBP/USD takes the bids to refresh a three-week high above 1.2100 during early Monday morning in Europe. It should be noted that the multiple catalysts including the UK jobs report and the US inflation data highlight this week an important one for the Cable traders.

USD/JPY bears keep the reins for the third consecutive day heading into Monday's European session. In doing so, the Yen pair seesaws around the lowest levels in one month, marked earlier in the day, as sellers poke the 134.00 threshold.

AUD/USD bulls celebrate the biggest daily gains since early February around the 0.6665-70 hurdle during early Monday in Europe. The Aussie pair's latest inaction could be linked to its struggle to overcome the five-week-old descending resistance line amid the broadly risk-on mood, as well as the US Dollar weakness.

World Currencies	Last	1D Change
EURUSD	1.0721	0.73%
EURCHF	0.9828	-0.27%
EURGBP	0.8853	-0.11%
EURJPY	144.2600	-0.39%
USDCHF	0.9166	0.45%
USDJPY	134.5500	0.36%
USDCAD	1.3741	0.66%
USDTRY	18.9795	-0.06%
GBPUSD	1.2111	0.67%
AUDUSD	0.6662	1.25%
NZDUSD	0.6181	0.83%

Devise	S3	S2	S1	R1	R2	R3
EURUSD	1.0385	1.0512	1.0578	1.0705	1.0766	1.0893
USDJPY	129.6400	132.5100	133.7700	136.6400	138.2500	141.1200
GBPUSD	1.1605	1.1811	1.1921	1.2127	1.2223	1.2429
USDCAD	1.3619	1.3719	1.3775	1.3875	1.3919	1.4019
AUDUSD	0.6445	0.6520	0.6550	0.6625	0.6670	0.6745
NZDUSD	0.5963	0.6048	0.6089	0.6174	0.6218	0.6303
USDCHF	0.8907	0.9074	0.9141	0.9308	0.9408	0.9575
USDTRY	18.2925	18.5968	18.7825	19.0868	19.2054	19.5097
XAUUSD	1770.633	1813.033	1840.647	1883.047	1897.833	1940.233
XAGUSD	18.6325	19.5225	20.0310	20.9210	21.3025	22.1925

Source: fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars Options

G8 Browse 08:37:37 03/13/23 - 03/13/23

Economic Releases All Economic Releases View Agenda Weekly

Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
03/13	00:50	JN				BSI Large All Industry QoQ	1Q	--	-3.0	0.7	--
03/13	00:50	JN				BSI Large Manufacturing QoQ	1Q	--	-10.5	-3.6	--
03/13	08:30	EC				SURVEY REPORT: Euro Area Economic Forecasts in March 2023					
03/13	08:35	GE				SURVEY REPORT: Germany Economic Forecasts in March 2023					
03/13	08:40	FR				Bloomberg March France Economic Survey					
03/13	08:45	IT				Bloomberg March Italy Economic Survey					
03/13	09:30	UK				Bloomberg March United Kingdom Economic Survey					
03/13	13:00	CA				Bloomberg Nanos Confidence	Mar 10	--	--	47.9	--

Source: Refinitiv

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