

Market Corner

Asia's benchmark stock index erased all of its gains for the year as financials extended the rout triggered by the implosion of Silicon Valley Bank.

The MSCI Asia Pacific Index dropped nearly 2% on Tuesday, with Japanese banks among the biggest drags on the gauge. The measure is down more than 8% from this year's high on Jan. 27, nearing a technical correction. The Topix slumped more than 3% before paring some of its decline.

The global turmoil sparked by SVB's troubles has compounded problems for Asian stocks, which were already weighed down in recent weeks by a selloff in heavyweight Chinese shares and concerns about higher-for-longer US interest rates. The first US bank failure since 2008 has deepened concern that policymakers' efforts to quash inflation with rate hikes will catapult the economy into a recession.

US stocks closed slightly lower Monday after rebounding from earlier losses as investors weighed the fallout from the collapse of Silicon Valley Bank, and dip buyers emerged in defensive stocks and some big tech names.

The benchmark S&P 500 Index dropped 0.2% after swinging between gains and losses of more than 1%, with sectors including utilities and healthcare and bids for Apple Inc. and Microsoft Corp. helping counter a slide in financial stocks. The tech-heavy Nasdaq 100 jumped 0.8% while the blue-chip Dow Jones Industrial Average slipped 0.3%. Treasury yields plunged, with the two-year falling to 3.96% and the 10-year to 3.53%.

"Rapid tightening in financial conditions alongside the uncertainty of the situation makes us lean toward the FOMC taking a pause from its hiking campaign at its upcoming meeting on March 22," wrote Wells Fargo economists led by Jay Bryson.

Meanwhile, most major US banking stocks slumped as fears mounted about the health of the broader financial system with the sudden closure of Signature Bank. The fallout of SVB pressured shares of Western Alliance Bancorp and First Republic Bank down more than 45% despite efforts to quell liquidity concerns. PacWest Bancorp lost 21%, while Zions Bancorp NA fell 26%. Most large US banks slipped with JPMorgan Chase & Co., Bank of America Corp. and Wells Fargo & Co. all traded lower.

World Indices	Last	1D Change	YTD
Dow Jones	31 819.1	-0.28%	-4.01%
S&P 500	3 855.8	-0.15%	0.42%
Nasdaq	11 188.8	0.45%	6.90%
Eurostoxx 50	4 096.5	-3.14%	7.99%
FTSE 100	7 548.6	-2.58%	1.30%
CAC 40	7 011.5	-2.90%	8.31%
DAX	14 959.5	-3.04%	7.44%
SMI	10 632.1	-1.24%	-0.91%
Nikkei	27 222.0	-2.19%	4.32%
Hang Seng	19 231.6	-2.36%	-2.79%
CSI 300	3 984.7	-0.60%	2.92%
VIX Index	27.0	1.96%	24.78%

World Bonds	Last	1D Change	YTD
US 10Y	3.5223	-0.05	-0.353
EUR 10Y	2.2590	-0.25	-0.312
Swiss 10Y	1.1630	-0.01	-0.454
UK 10Y	3.3700	-0.27	-0.302

Source: Bloomberg



Morning Call

Geneva, March 14, 2023

Crypto Corner

FTX Trading Ltd., the defunct crypto exchange founded by Sam Bankman-Fried, wants six more months to propose a Chapter 11 reorganization plan, saying it needs the additional time to continue sorting out its finances following its downfall last year.

The company is asking to have until Sept. 7 to propose how it will reorganize, after its initial exclusive period to file a plan was set to expire March 11, according to a motion filed Friday in the US Bankruptcy Court for the District of Delaware. If FTX loses exclusivity, other parties, like FTX account holders, could submit their own plan for how the company should reorganize.

A competing proposal would distract from FTX's efforts to file its own plan, the company said in the filing.

FTX, which filed for bankruptcy in November, is in the "best position to manage the plan formulation process, negotiate with stakeholders, and ultimately propose a value-maximizing chapter 11 plan for all stakeholders at the appropriate time," the company said.

FTX has faced a number of challenges during its bankruptcy, including criminal charges against Bankman-Fried, incomplete financial records and "a lack of basic corporate governance structures," the company said. But it has also made significant progress in identifying assets and launching sale processes, it said, and expects to soon disclose detailed information about its assets and liabilities.

Crypto Market Cap: [\\$1.08T](#)

24h Vol: [\\$90.2B](#)

Dominance: [BTC: 43.8%](#) [ETH:19.1%](#)

Crypto	Last	1D Change	YTD
Bitcoin	24 492.15	1.06%	48.14%
Ethereum	1 682.96	0.64%	40.35%



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

Commodity Corner

Gold edged lower in Asia after surging more than 5% over the three previous sessions as the collapse of a major US bank spurred a flight to haven assets.

The failure of Silicon Valley Bank, combined with a sharp drop in Treasury yields and dollar weakness, has been a boon for bullion. Its 2.4% jump on Monday was the largest since November. The greenback rose for the first time in four sessions on Tuesday, weighing on the precious metal.

As well as the banking crisis, gold is drawing support from fresh expectations the Federal Reserve will be forced to temper aggressive monetary tightening due to risks emanating from SVB. US 10-year bond yields have fallen more than 40 basis points since Wednesday, a positive for non-interest-bearing bullion.

Spot gold dropped 0.5% to \$1,904.65 an ounce as of 10:54 a.m. in Singapore. The Bloomberg Dollar Spot Index rose 0.2%. Silver fell after surging 6.2% on Monday, while platinum and palladium also dropped.

Precious Metals	Last	1D Change	YTD
Gold	1 910.75	-0.15%	4.81%
Silver	21.81	0.02%	-8.97%
Platinum	998.20	-0.43%	-7.07%
Palladium	1 465.31	-0.90%	-18.09%

Oil extended losses ahead of key inflation data as the biggest US bank collapse since 2008 continued to ripple through financial markets.

West Texas Intermediate traded near \$74 a barrel after closing 2.5% lower on Monday following a volatile session. Investors will be watching the consumer price index read due later Tuesday for clues on the path forward for monetary tightening, though bets are increasing the Federal Reserve won't raise interest rates next week due to the fallout from the demise of Silicon Valley Bank.

Brent's nearby put skew — a gauge of how much more traders are willing to pay for contracts that profit from a price decline rather than a rally — rose to the highest level since mid-August on Monday amid the market turmoil.

World Commodities	Last	1D Change
WTI Crude	74.05	-1.00%
Brent Crude	80.06	-0.88%
Nat Gas (HH)	2.63	1.04%
Nickel	22 991.00	1.93%
Copper	403.75	-0.79%
Corn	624.00	-0.08%
Wheat	672.25	0.82%
Soybean	1 500.00	-0.86%
Coffee	183.20	0.52%
Cotton	81.00	-0.22%
Sugar	20.80	-1.70%

Source: fxstreet.com / Bloomberg

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FX Corner

EUR/USD is gauging a cushion near the round-level support of 1.0700 in the early European morning. The pair has corrected from near 1.0740 after exhaustion in the upside momentum. The major is likely to remain on the tenterhooks ahead of the US inflation data.

GBP/USD continues to trade in its daily range slightly below 1.2200 in the European morning on Tuesday. The data from the UK showed that the Unemployment Rate stayed unchanged at 3.7% in January and Average Earnings Including Bonus declined to 5.7% from 6%.

USD/JPY rebounded after hitting the monthly low of 132.34. The short covering just comes ahead of the US Consumer Price Index (CPI) release. The corrective downfall in USD/JPY was started earlier this week on the back of falling US Treasury bond yields.

AUD/USD consolidates the biggest daily gains in nine weeks near 0.6650 amid sluggish markets. Traders take a breather following the SVB-infused volatility; US dollar licks its wounds ahead of US CPI. Downbeat Aussie NAB data, China fears also allowed Aussie bulls the much-needed break.

World Currencies	Last	1D Change	YTD
EURUSD	1.0696	-0.33%	-0.08%
EURCHF	0.9759	0.29%	1.43%
EURGBP	0.8786	0.26%	1.43%
EURJPY	142.8700	0.06%	-1.70%
USDCHF	0.9124	-0.05%	-1.35%
USDJPY	133.5700	-0.27%	-1.82%
USDCAD	1.3721	0.07%	-1.22%
USDTRY	18.9776	-0.06%	-1.43%
GBPUSD	1.2174	-0.07%	0.77%
AUDUSD	0.6662	-0.09%	-2.19%
NZDUSD	0.6223	0.05%	-1.98%

Devise	S3	S2	S1	R1	R2	R3
EURUSD	1.0489	1.0598	1.0664	1.0773	1.0816	1.0925
USDJPY	127.9467	130.7367	131.9733	134.7633	136.3167	139.1067
GBPUSD	1.1795	1.1966	1.2075	1.2246	1.2308	1.2479
USDCAD	1.3444	1.3595	1.3663	1.3814	1.3897	1.4048
AUDUSD	0.6390	0.6523	0.6596	0.6729	0.6789	0.6922
NZDUSD	0.5948	0.6077	0.6149	0.6278	0.6335	0.6464
USDCHF	0.8849	0.8992	0.9056	0.9199	0.9278	0.9421
USDTRY	17.4859	18.1611	18.5634	19.2386	19.5115	20.1867
XAUUSD	1813.937	1856.967	1885.333	1928.363	1943.027	1986.057
XAGUSD	18.7636	20.1022	20.9524	22.2910	22.7794	24.1180

Source: fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars												
G8		Browse		08:44:28		03/14/23		03/14/23				
Economic Releases		All Economic Releases								View	Agenda	Weekly
Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised	
03/14	08:00	UK				Payrolled Employees Monthly Change	Feb	65k	--	102k	--	
03/14	08:00	UK				Claimant Count Rate	Feb	--	--	3.9%	--	
03/14	08:00	UK				Jobless Claims Change	Feb	--	--	-12.9k	--	
03/14	08:00	UK				Average Weekly Earnings 3M/YoY	Jan	5.7%	--	5.9%	--	
03/14	08:00	UK				Weekly Earnings ex Bonus 3M/YoY	Jan	6.6%	--	6.7%	--	
03/14	08:00	UK				ILO Unemployment Rate 3Mths	Jan	3.8%	--	3.7%	--	
03/14	08:00	UK				Employment Change 3M/3M	Jan	56k	--	74k	--	
03/14	10:00	IT				Industrial Production MoM	Jan	-0.4%	--	1.6%	--	
03/14	10:00	IT				Industrial Production WDA YoY	Jan	2.9%	--	0.1%	--	
03/14	10:00	IT				Industrial Production NSA YoY	Jan	--	--	-5.8%	--	
03/14	11:00	US				NFIB Small Business Optimism	Feb	90.2	--	90.3	--	
03/14	11:00	IT				Istat Releases the Monthly Economic Note						
03/14	13:30	US				Real Avg Hourly Earning YoY	Feb	--	--	-1.8%	-1.9%	
03/14	13:30	US				Real Avg Weekly Earnings YoY	Feb	--	--	-1.5%	-1.9%	
03/14	13:30	US				CPI MoM	Feb	0.4%	--	0.5%	--	
03/14	13:30	US				CPI Ex Food and Energy MoM	Feb	0.4%	--	0.4%	--	
03/14	13:30	US				CPI YoY	Feb	6.0%	--	6.4%	--	
03/14	13:30	US				CPI Ex Food and Energy YoY	Feb	5.5%	--	5.6%	--	
03/14	13:30	US				CPI Index NSA	Feb	300.860	--	299.170	--	
03/14	13:30	US				CPI Core Index SA	Feb	303.736	--	302.702	--	
03/14	13:30	CA				Manufacturing Sales MoM	Jan	--	--	-1.5%	--	

Source: Refinitiv

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