

Market Corner

Asia stocks rebounded, trimming weekly losses, led by mainland China and Hong Kong shares as risk appetite was helped by a rescue package for First Republic Bank.

The MSCI Asia Pacific Index advanced as much as 1.4%, reversing Thursday's drop. Hong Kong's Hang Seng China Enterprises Index jumped more than 2%, leading indexes in the region, as Baidu drove China's artificial intelligence stocks higher after brokers tested its ChatGPT-like service.

Gains in Asia were broad-based with most markets in the green, after the biggest US lenders agreed to contribute \$30 billion in deposits to First Republic. Bank stocks rose as jitters about the health of the US financial system and economy eased.

The MSCI Asia gauge was still on track for a second straight week of losses, as the recent failures of US lenders and Credit Suisse's woes affected riskier assets. The measure was close to entering correction territory prior to Friday's rebound, with markets also digesting a 50-basis-point rate hike by the European Central Bank and its future path for rates.

Shares in Taiwan, South Korea and the tech hardware sector "have over-delivered" this year and are looking particularly vulnerable to shockwaves from the US banking stress, according to Goldman Sachs Group Inc.

The S&P 500 rallied for its best day since January, rebounding from an initial decline, as fears over the finance sector began to ease with big banks stepping in to support First Republic Bank.

The benchmark jumped 1.8% in New York, with Microsoft Corp., Apple Inc., and Amazon.com Inc. providing the biggest lift, while the tech-heavy Nasdaq 100 rallied 2.7%. The blue-chip Dow Jones Industrial Average rose 1.2%.

First Republic Bank erased a 36% drop to rally with banks including JPMorgan Chase & Co. and Bank of America Corp. agreeing to deposit \$30 billion to stem the turmoil that's sent depositors fleeing from regional banks.

"Banking jitters are fading quickly for now and that has everyone scrambling back into risky assets," said Ed Moya, a senior market analyst at Oanda Corp. The NYSE FANG+ Index rallied 3.7% to the highest level since Feb. 2.

The Federal Reserve, Treasury, Federal Deposit Insurance Corp. and Office of the Comptroller of the Currency welcomed the \$30 billion deposit. The Fed said it "stands ready to provide liquidity through the discount window to all eligible institutions."

World Indices	Last	1D Change	YTD
Dow Jones	32 246.6	1.17%	-2.72%
S&P 500	3 960.3	1.76%	3.15%
Nasdaq	11 717.3	2.48%	11.95%
Eurostoxx 50	4 117.0	2.03%	8.52%
FTSE 100	7 410.0	0.89%	-0.56%
CAC 40	7 025.7	2.03%	8.53%
DAX	14 967.1	1.57%	7.49%
SMI	10 719.1	1.93%	-0.10%
Nikkei	27 333.8	1.20%	4.75%
Hang Seng	19 438.7	1.22%	-1.71%
CSI 300	3 954.3	0.38%	2.13%
VIX Index	23.0	-12.05%	6.09%

World Bonds	Last	1D Change	YTD
US 10Y	3.5393	-0.04	-0.336
EUR 10Y	2.2900	0.16	-0.281
Swiss 10Y	1.0900	0.02	-0.527
UK 10Y	3.4250	0.10	-0.247

Source: Bloomberg



Morning Call

Geneva, March 17, 2023

Crypto Corner

The crypto market pushed higher as efforts to shore up the banking sector and bets that the US may start cutting interest-rates later this year bolstered investor sentiment.

Bitcoin, the largest token, rose as much as 4.9% and was trading at about \$25,610 as of 10:45 a.m. in Singapore on Friday. Second-ranked Ether added roughly 3%, while smaller tokens like Solana and Polkadot also jumped.

“Any sign of interest-rate cuts should push funds to riskier assets, which is likely to be enough to bring more institutional funds into the crypto market, regardless of whether macro traders understand or believe in the longer-term Bitcoin investment thesis,” wrote Noelle Acheson, author of the “Crypto Is Macro Now” newsletter.

Bitcoin has climbed about 55% so far this year and is in touching distance of the highest level since June 2022. But the token remains a long way off its record of almost \$69,000 from November 2021.

Nervousness about the banking sector after the collapse of three regional US lenders and pressure on Credit Suisse Group AG has triggered a powerful rally in sovereign bonds as investors seek out perceived havens.

“The plunge in yields is welcome news for many crypto startups,” Edward Moya, senior market analyst with Oanda Corp., wrote in a note.

Crypto Market Cap: [1.11T](#)

24h Vol: [\\$67.4B](#)

Dominance: [BTC: 45% ETH:18.8%](#)

Crypto	Last	1D Change	YTD
Bitcoin	26 212.71	5.89%	58.10%
Ethereum	1 729.35	4.19%	43.84%



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

Commodity Corner

Gold headed for a third straight weekly gain after attracting haven demand due to banking crises in the US and Europe.

Bullion was steady on Friday and is up around 3% this week amid worries about US regional lenders after the collapse of Silicon Valley Bank and troubles at Credit Suisse Group AG. Rescue packages in the US and Europe have eased concern there will be a full-blown crisis.

US bond yields rose Thursday, taking some of the shine off non-interest-bearing gold. The market now sees an 80% chance the Federal Reserve will hike rates this week, with speculation that a pause or even cut was likely dissipating ETF holdings of the precious metal rose for four straight days through Thursday, and are now at a three-week high

Spot gold rose 0.1% to \$1,920.73 an ounce as of 8:30 a.m. in Singapore and is up 2.8% this week. The Bloomberg Dollar Spot Index was steady and is down 0.2% for the week. Silver was little changed, while platinum and palladium edged higher

Precious Metals	Last	1D Change	YTD
Gold	1 932.23	0.66%	5.96%
Silver	21.97	1.26%	-8.27%
Platinum	987.14	1.09%	-8.06%
Palladium	1 451.24	1.30%	-19.05%

A crude oil exchange-traded product pulled in the most cash since 2020 this week, one sign investors may be buying the dip after prices plunged to a 15-month low.

The ProShares Ultra Bloomberg Crude Oil ETF reported a daily inflow of \$158 million, the second-largest amount the fund has pulled in over a single day, according to data going back to 2008.

The ETF, ticker UCO, is one of the largest in the oil market, with assets of almost \$800 million. As a leveraged product it seeks to return twice the daily performance of its underlying index. It has posted six consecutive inflows

Oil slumped this week as turmoil in the European and US banking systems pulled crude out of the narrow range that it had traded for much of the year. Several analysts said that unless the crisis spreads further, the drop could be overdone, even if prices are likely to remain volatile.

World Commodities	Last	1D Change
WTI Crude	68.62	0.40%
Brent Crude	75.00	0.40%
Nat Gas (HH)	2.50	-0.48%
Nickel	23 096.00	1.04%
Copper	394.25	1.47%
Corn	637.75	0.79%
Wheat	707.50	1.22%
Soybean	1 493.50	0.13%
Coffee	185.50	4.18%
Cotton	78.63	-0.67%
Sugar	20.76	1.27%

Source: fxstreet.com / Bloomberg

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FX Corner

EUR/USD has extended its recovery toward 1.0650, as the US Dollar Index is losing further steam on Friday. Dovish Fed expectations and US First Republic Bank's relief plan revive risk appetite and weigh on the safe-haven US Dollar. Eurozone/US data next on tap.

GBP/USD clings to mild gains around 1.2150 heading into the European morning. The Cable pair remains firmer for the second consecutive day amid the notable US Dollar weakness, as risk sentiment improves on ebbing global banking sector fears. US data awaited.

USD/JPY is heading down, looking to test the 130.00 mark on the back of softer US Treasury (UST) yields. Although the soft footing of the US Dollar across the board is not indicating anything significant yet, USD/JPY bounced on Thursday due to stabilization in UST yields.

AUD/USD is rallying above 0.6700, perking up from the 0.6660s. The Aussie capitalizes on an improved approved appetite for risk assets after US authorities stepped in and rescued First Republic Bank. All eyes remain on the baking sector updates and US data.

World Currencies	Last	1D Change	YTD
EURUSD	1.0660	0.47%	-0.43%
EURCHF	0.9863	0.00%	0.31%
EURGBP	0.8766	-0.03%	0.31%
EURJPY	141.7200	0.13%	-0.88%
USDCHF	0.9252	0.44%	0.11%
USDJPY	132.9300	0.61%	-1.34%
USDCAD	1.3698	0.17%	-1.03%
USDTRY	19.0056	-0.01%	-1.58%
GBPUSD	1.2161	0.43%	0.70%
AUDUSD	0.6712	0.84%	-1.44%
NZDUSD	0.6248	0.82%	-1.54%

Devise	S3	S2	S1	R1	R2	R3
EURUSD	1.0431	1.0515	1.0562	1.0646	1.0683	1.0767
USDJPY	128.8767	130.9867	132.3633	134.4733	135.2067	137.3167
GBPUSD	1.1888	1.1988	1.2049	1.2149	1.2188	1.2288
USDCAD	1.3593	1.3667	1.3694	1.3768	1.3815	1.3889
AUDUSD	0.6531	0.6588	0.6622	0.6679	0.6702	0.6759
NZDUSD	0.6064	0.6121	0.6159	0.6216	0.6235	0.6292
USDCHF	0.9064	0.9176	0.9235	0.9347	0.9400	0.9512
USDTRY	18.1058	18.5511	18.7773	19.2226	19.4417	19.8870
XAUUSD	1868.420	1894.320	1906.920	1932.820	1946.120	1972.020
XAGUSD	20.5161	21.1352	21.4160	22.0351	22.3734	22.9925

Source: fxstreet.com / Bloomberg



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Event Corner

Date TimeC		A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
03/17	05:30	JN			Tertiary Industry Index MoM	Jan	0.5%	--	-0.4%	--
03/17	09:00	RU			Money Supply Narrow Def	Mar 10	--	--	16.72t	--
03/17	10:00	IT			Trade Balance Total	Jan	--	--	1067m	--
03/17	10:00	IT			Trade Balance EU	Jan	--	--	-2932m	--
03/17	10:30	UK			BoE/Ipsos Inflation Next 12 Mths	Feb	--	--	4.8%	--
03/17	11:00	EC			CPI YoY	Feb F	8.5%	--	8.6%	--
03/17	11:00	EC			Labour Costs YoY	4Q	--	--	2.9%	--
03/17	11:00	EC			CPI MoM	Feb F	0.8%	--	0.8%	--
03/17	11:00	EC			CPI Core YoY	Feb F	5.6%	--	5.6%	--
03/17	11:30	RU			Key Rate	Mar 17	7.50%	--	7.50%	--
03/17	12:00	EC			OECD Publishes Interim Economic Outlook					
03/17	13:30	CA			Int'l Securities Transactions	Jan	--	--	21.22b	--
03/17	13:30	CA			Industrial Product Price MoM	Feb	0.2%	--	0.4%	--
03/17	13:30	CA			Raw Materials Price Index MoM	Feb	-0.1%	--	-0.1%	--
03/17	14:15	US			Industrial Production MoM	Feb	0.2%	--	0.0%	--
03/17	14:15	US			Capacity Utilization	Feb	78.4%	--	78.3%	--
03/17	14:15	US			Manufacturing (SIC) Production	Feb	-0.3%	--	1.0%	--
03/17	15:00	US			Leading Index	Feb	-0.3%	--	-0.3%	--
03/17	15:00	US			U. of Mich. Sentiment	Mar P	67.0	--	67.0	--
03/17	15:00	US			U. of Mich. Current Conditions	Mar P	70.5	--	70.7	--
03/17	15:00	US			U. of Mich. Expectations	Mar P	64.8	--	64.7	--
03/17	15:00	US			U. of Mich. 1 Yr Inflation	Mar P	4.1%	--	4.1%	--
03/17	15:00	US			U. of Mich. 5-10 Yr Inflation	Mar P	2.9%	--	2.9%	--

Source: Refinitiv

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