

Market Corner

Asian stocks rallied, with a gauge of the region's financial shares headed for its biggest advance in more than two months, as concerns over a global banking crisis abated and focus turned to the Federal Reserve's rate decision.

The MSCI Asia Pacific Index climbed as much as 1.6% as firms including Mitsubishi UFJ Financial Group and Commonwealth Bank of Australia jumped. Treasury Secretary Janet Yellen said the US government could repeat the drastic actions it took recently to protect bank depositors if smaller lenders are threatened. Hong Kong's equity benchmark was among the top gainers in Asia, boosted by tech names, while Japan's gauges also rose on return from holiday.

Asian investors are focused on the Fed's decision as they assess the outlook for international money flows. The region's emerging-market stocks, outside of China, have seen foreign funds turn net sellers this month for the first time since December amid concerns about the health of the global financial system.

US equities gained for a second day on efforts to stem the turmoil in the banking sector and investor hopes the Federal Reserve would adopt a more dovish tone as it is expected to raise interest rates Wednesday.

The S&P 500 Index climbed 1.3% as energy, consumer discretionary and financial sectors led a broad, risk-on rally. The Dow Jones Industrial Average rose 1%, while the tech-heavy Nasdaq 100 advanced 1.4%. The VIX, Wall Street's preferred gauge of market volatility, posted its biggest two-day drop since May.

First Republic Bank led market gains, advancing almost 30%, rebounding from a record low on efforts to help the struggling mid-size lender and as Treasury Secretary Janet Yellen said the US government would intervene again, if necessary, to protect smaller banks.

World Indices	Last	1D Change	YTD
Dow Jones	32 560.6	0.98%	-1.77%
S&P 500	4 002.9	1.30%	4.26%
Nasdaq	11 860.1	1.58%	13.32%
Eurostoxx 50	4 181.6	1.51%	10.23%
FTSE 100	7 536.2	1.79%	1.13%
CAC 40	7 112.9	1.42%	9.87%
DAX	15 195.3	1.75%	9.13%
SMI	10 792.6	1.40%	0.59%
Nikkei	27 466.6	1.93%	5.26%
Hang Seng	19 615.5	1.85%	-0.83%
CSI 300	3 997.1	0.37%	3.24%
VIX Index	21.4	-11.47%	-1.34%

World Bonds	Last	1D Change	YTD
US 10Y	3.5657	-0.04	-0.307
EUR 10Y	2.2920	0.17	-0.279
Swiss 10Y	1.1620	0.15	-0.455
UK 10Y	3.3670	0.06	-0.305

Source: Bloomberg



Morning Call
Geneva, March 22, 2023

Crypto Corner

Bitcoin is hurtling toward a quarterly gain bigger than any since the start of 2021, the year when it went on to hit a record high.

Some analysts argue the token is being viewed as a hedge against the woes in the US and European banking sectors and benefiting from expectations of looser monetary policy to cushion economies from the fallout of those troubles.

“The behavior of the price through this crisis is going to attract more institutions,” Ark Investment Management’s Cathie Wood said on Bloomberg Television, referring to the unraveling of three US lenders and the emergency takeover of Credit Suisse Group AG by rival UBS Group AG.

Bitcoin’s revival has helped the digital-asset market add about \$390 billion in value in 2023 after a \$1.5 trillion rout last year. The rebound has weathered crypto bankruptcies, a US regulatory crackdown and the temporary de-peg of a key stablecoin that’s meant to hold a constant \$1 value.

The rally has paused this week, leaving the token near \$28,000 as traders await the latest Federal Reserve policy decision. Key charts suggest any hiatus or pullback is likely a temporary speed bump on the way to further gains.

Bitcoin is up 70% since the start of 2023. A \$300 billion increase in the Federal Reserve’s balance sheet last week — part of efforts to support liquidity in the US banking sector — is positive for risk assets and has aided crypto and gold, Chris Weston, head of research at Pepperstone Group Ltd., wrote in a note.

Bitcoin has traced a reverse head-and-shoulders, a pattern often viewed as bullish. The technical study indicates a price objective of about \$35,000. “With interest-rate markets gone from pricing in rate hikes to pricing in rate cuts, there is now a gentle tailwind supporting Bitcoin,” Tony Sycamore, market analyst at IG Australia Pty, wrote in a note.

Bitcoin has jumped into an area marked by a weekly Ichimoku cloud, an indicator that uses mathematical formulas to help define levels of resistance and support. The break into the cloud signals the potential for further increases. The token could “ride the narrative as a system hedge” and draw succor from central banks being forced to inject liquidity to tackle bank-sector wobbles, Bendik Schei, head of research at K33, wrote in a note.

The DeMARK Sequential indicator — a method of analyzing price momentum that tries to anticipate when a market trend has run its course — is flashing red. The study uses a system of counting applied to chart patterns and has printed a 9 count that likely presages a pullback, according to the analysis. DeMARK indicators support a neutral short-term bias, but other chart patterns could soon point to a “long-term breakout,” Katie Stockton, founder of Fairlead Strategies LLC, wrote in a note.

Crypto	Last	1D Change	YTD
Bitcoin	28 278.41	0.44%	70.99%
Ethereum	1 801.05	0.00%	50.23%

Crypto Market Cap: [1.18T](#)

24h Vol: [\\$66.01B](#)

Dominance: [BTC: 46.1%](#) [ETH:18.6%](#)



Source: fxstreet.com / Bloomberg/Coinmarketcap.com

Commodity Corner

Gold steadied in Asia before a Federal Reserve rate decision after dropping 2.5% over the previous two sessions amid a return to risk assets as worries over banking crises eased.

The collapse of three US regional banks and Credit Suisse Group AG's travails saw bullion surge 6.5% last week on haven demand and rise above \$2,000 an ounce on Monday for the first time in a year. This week's retracement came after UBS AG took over the Swiss lender and Treasury Secretary Janet Yellen said the White House would protect bank deposits, helping to push up US bond yields.

"The risk-on tone in the markets and higher Treasury yields took off some more shine from the yellow metal," said Charu Chanana, a markets strategist for Saxo Capital Markets Pte. Gold is still on an uptrend in the short- and medium-term and could test the record high of around \$2,074 an ounce, she said.

Spot gold rose 0.1% to \$1,941.40 an ounce as of 10:13 a.m. in Singapore after falling 2% on Tuesday. The Bloomberg Dollar Spot Index was little changed for a second straight session. Silver, platinum and palladium edged higher.

Precious Metals	Last	1D Change	YTD
Gold	1 942.58	0.13%	6.42%
Silver	22.44	0.25%	-6.47%
Platinum	983.17	0.86%	-8.46%
Palladium	1 412.24	0.42%	-21.23%

Oil dipped ahead of an interest-rate decision from the Federal Reserve following a two-day rally that was driven by an easing of concern over banking crises in the US and Europe.

West Texas Intermediate futures traded near \$69 a barrel after rising almost 4% over the previous two sessions, as US officials studied ways, they might temporarily expand protection for all deposits. Markets are pricing in a roughly 80% chance that the Fed will hike rates by a quarter point on Wednesday.

The banking turmoil drove oil to a 15-month low last week and whipped up volatility across global markets. A raft of market watchers remain bullish on the outlook, in part due to China's rebound from Covid curbs, with predictions for prices in the second half ranging between \$80 and \$140 a barrel.

Russian has decided to keep its output at a reduced level through June, taking into account the current situation, Deputy Prime Minister Alexander Novak said. The nation pledged to cut its production by 500,000 barrels a day in March.

World Commodities	Last	1D Change
WTI Crude	69.12	-0.79%
Brent Crude	74.76	-0.74%
Nat Gas (HH)	2.28	-2.85%
Nickel	22 358.50	-1.25%
Copper	400.50	-0.34%
Corn	630.50	0.08%
Wheat	677.75	-0.80%
Soybean	1 466.75	-0.02%
Coffee	180.30	1.01%
Cotton	78.10	0.32%
Sugar	20.80	1.56%

Source: fxstreet.com / Bloomberg

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FX Corner

EUR/USD is consolidating recent gains below 1.0800 in the early European morning. The pair capitalizes on a subdued US Dollar on a less hawkish Fed outlook. The upside in EUR/USD, however, appears elusive, as traders stay cautious ahead of Lagarde's speech and the Fed verdict.

GBP/USD has gained traction and advanced beyond 1.2250 early Wednesday. The data published by the UK's ONS showed that annual CPI rose to 10.4% in February from 10.1%, compared to the market expectation of 9.8%, and provided a boost to Pound Sterling.

USD/JPY hovers around the 132.50 level amid softer US Treasury (UST) bond yields and calmer US futures. On Tuesday, US Treasury Secretary Janet Yellen addressed a group of bankers, suggesting that the federal deposit guarantee could be extended to all small banks in the US.

AUD/USD is holding gains below 0.6700 and is at a crossroads on the daily chart. Investors' focus moves to the Fed policy decision on Wednesday after days of volatility in markets rocked the antipodeans back and forth amidst the global banking crisis.

World Currencies	Last	1D Change	YTD
EURUSD	1.0767	-0.01%	0.59%
EURCHF	0.9932	0.01%	-0.38%
EURGBP	0.8802	0.14%	-0.38%
EURJPY	142.4800	0.14%	-1.52%
USDCHF	0.9224	0.00%	-0.22%
USDJPY	132.3200	0.14%	-0.96%
USDCAD	1.3702	0.08%	-1.08%
USDTRY	19.0364	-0.02%	-1.75%
GBPUSD	1.2233	0.13%	1.39%
AUDUSD	0.6697	0.42%	-1.67%
NZDUSD	0.6212	0.29%	-2.16%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	1.0585	1.0669	1.0719	1.0803	1.0837	1.0921
USDJPY	128.8800	130.4700	131.4900	133.0800	133.6500	135.2400
GBPUSD	1.2020	1.2123	1.2170	1.2273	1.2329	1.2432
USDCAD	1.3512	1.3605	1.3659	1.3752	1.3791	1.3884
AUDUSD	0.6530	0.6606	0.6637	0.6713	0.6758	0.6834
NZDUSD	0.6028	0.6117	0.6155	0.6244	0.6295	0.6384
USDCHF	0.9036	0.9143	0.9184	0.9291	0.9357	0.9464
USDTRY	18.8748	18.9436	18.9884	19.0572	19.0812	19.1500
XAUUSD	1854.063	1903.823	1921.947	1971.707	2003.343	2053.103
XAGUSD	21.4085	21.9037	22.1458	22.6410	22.8941	23.3893

Source: fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars Options

G8 Browse 08:41:38 03/22/23 - 03/22/23

Economic Releases All Economic Releases View Agenda Weekly

Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
03/22	07:00	JN				Machine Tool Orders YoY	Feb F	--	--	-10.7%	--
03/22	08:00	UK				CPIH YoY	Feb	8.7%	--	8.8%	--
03/22	08:00	UK				CPI MoM	Feb	0.6%	--	-0.6%	--
03/22	08:00	UK				CPI YoY	Feb	9.9%	--	10.1%	--
03/22	08:00	UK				CPI Core YoY	Feb	5.7%	--	5.8%	--
03/22	08:00	UK				Retail Price Index	Feb	362.6	--	360.3	--
03/22	08:00	UK				RPI MoM	Feb	0.6%	--	0.0%	--
03/22	08:00	UK				RPI YoY	Feb	13.3%	--	13.4%	--
03/22	08:00	UK				RPI Ex Mort Int.Payments (YoY)	Feb	12.5%	--	12.6%	--
03/22	08:00	UK				PPI Output NSA MoM	Feb	0.1%	--	0.5%	--
03/22	08:00	UK				PPI Output NSA YoY	Feb	12.4%	--	13.5%	--
03/22	08:00	UK				PPI Input NSA MoM	Feb	-0.2%	--	-0.1%	--
03/22	08:00	UK				PPI Input NSA YoY	Feb	12.0%	--	14.1%	--
03/22	10:00	EC				ECB Current Account SA	Jan	--	--	15.9b	--
03/22	10:30	UK				House Price Index YoY	Jan	6.5%	--	9.8%	--
03/22	10:30	IT				Current Account Balance	Jan	--	--	2527m	--
03/22	12:00	US				MBA Mortgage Applications	Mar 17	--	--	6.5%	--
03/22	12:00	UK				CBI Trends Total Orders	Mar	-15	--	-16	--
03/22	12:00	UK				CBI Trends Selling Prices	Mar	37	--	40	--
03/22	17:00	RU				Consumer Confidence Index	1Q	--	--	-23	--
03/22	17:00	RU				PPI YoY	Feb	--	--	-4.6%	--
03/22	17:00	RU				CPI WoW	Mar 20	--	--	0.02%	--
03/22	17:00	RU				CPI Weekly YTD	Mar 20	--	--	1.32%	--
03/22	17:00	RU				PPI MoM	Feb	--	--	-0.9%	--
03/22	18:30	CA				Bank of Canada Releases Summary of Deliberations					
03/22	19:00	US				FOMC Rate Decision (Upper Bound)	Mar 22	5.00%	--	4.75%	--
03/22	19:00	US				FOMC Rate Decision (Lower Bound)	Mar 22	4.75%	--	4.50%	--
03/22	19:00	US				Interest on Reserve Balances Rate	Mar 23	4.90%	--	4.65%	--

Source: Refinitiv

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