

Market Corner

Asian stocks gained, 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. Hong Kong's equity benchmark was among the top gainers in Asia, boosted by tech names, while Japan's gauges also rose in catch-up trade.

Sentiment improved following authorities' assurances including comments from Treasury Secretary Janet Yellen, who said the US government could intervene if the stability of smaller lenders are threatened. Asian investors are now focused on the Fed's decision as they assess the outlook for international money flows, with most of the region's emerging markets seeing foreign funds turn net sellers this month.

Equities whipsawed, rising to session highs before ending the day sharply lower as Federal Reserve Chair Jerome Powell said Wednesday that inflation has been decelerating for months but saw no potential for interest-rate cuts after the central bank raised its key rate by a quarter percentage point.

The S&P 500 Index, which gyrated between session highs and lows, ended 1.7%, lower with real estate and financials leading the declines as every sector fell. The Dow Jones Industrial dropped 1.6% while the Nasdaq 100 fell 1.4%.

While the 25-basis-point hike was expected, the Fed altered its wording on the future outlook to say that "some" — rather than "ongoing" — rate hikes are appropriate in its fight against inflation. Banking-sector tumult raised the stakes for the decision, with traders lacking conviction about the central bank's plans heading into the meeting for the first time since the tightening cycle began a year ago.

The S&P 500 was "all over the place," IndexIQ chief investment officer Sal Bruno said, ascribing some of the volatility to the fact that Treasury Secretary Janet Yellen spoke on banking supports at the same time as Powell.

World Indices	Last	1D Change	YTD
Dow Jones	32 030.1	-1.63%	-3.37%
S&P 500	3 937.0	-1.65%	2.54%
Nasdaq	11 670.0	-1.60%	11.50%
Eurostoxx 50	4 195.7	0.34%	10.60%
FTSE 100	7 566.8	0.41%	1.54%
CAC 40	7 131.1	0.26%	10.15%
DAX	15 216.2	0.14%	9.28%
SMI	10 782.3	-0.10%	0.49%
Nikkei	27 419.6	-0.17%	5.08%
Hang Seng	19 958.1	1.87%	0.87%
CSI 300	4 039.1	0.99%	4.33%
VIX Index	21.5	-3.59%	-1.02%

World Bonds	Last	1D Change	YTD
US 10Y	3.4434	0.01	-0.430
EUR 10Y	2.3280	0.04	-0.243
Swiss 10Y	1.2360	-0.09	-0.469
UK 10Y	3.4510	0.08	-0.221

Source: Bloomberg



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Crypto Corner

The forces that have re-awakened crypto prices have aroused activity in the digital-assets derivatives market too.

Open interest in Bitcoin options has skyrocketed, with the number of contracts rising to an all-time high in recent days, according to data from derivatives exchange Deribit. Looked at another way, there's also been an "astonishing increase" in Bitcoin open interest as measured in Bitcoin itself, according to Coinglass data compiled by Noelle Acheson, author of the "Crypto Is Macro Now" newsletter.

Meanwhile, options volumes have also risen, with some traders seeing that as a sign that new entrants might be stepping into the market. All in all, derivative trading volumes currently account for more than 60% of the overall total — including spot — across crypto exchanges, according to CryptoCompare.

It's all happening as the digital-assets market sees renewed interest amid the folding of a handful of banks in the traditional-finance space. Bitcoin, the largest token, has gained roughly 70% so far this year to trade around \$28,600 as of 12:37 p.m. in New York.

"The options market has absolutely exploded with demand and interest on these moves," said Chris Newhouse, a crypto derivatives trader at crypto investment firm GSR. "It really seems like other big players have started to step into the options markets."

Crypto prices, coming off a banner start to the year, have surged anew in recent weeks amid turmoil in the US and European financials sector, to which three US banks have succumbed and which brought about the takeover of Credit Suisse Group AG by UBS Group AG over the weekend. Digital-asset proponents say that their industry is a beneficiary as investors realize that tokens are out of the reach of governments and are far removed from any of the issues occurring with different lenders.

Read more: [Four Banks Collapse and a Fifth Wobbles in 11 Days of Turmoil](#)

Options volume has picked up recently especially as traders expect high market volatility amid the banking crisis, said Luuk Strijers, chief commercial officer at Deribit.

He added: "Talking to clients in November and December was all about protection and trust and security. And now it's about opportunity. People are coming back" to trade derivatives.

And there are signs that the new options participants are taking more bullish positions, said Acheson. Currently, there's a lot of demand for calls.

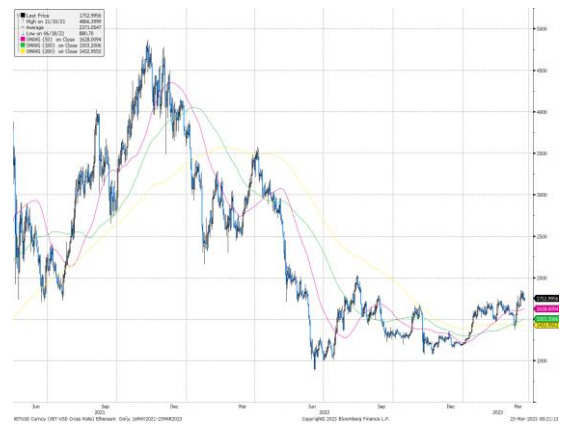
"Traders are coming back into the market with sizable volumes — the combination of cheap options and possibly sharp price moves — which we are seeing — is a strong opportunity for any trader, not just crypto traders," she said.

Crypto	Last	1D Change	YTD
Bitcoin	27 691.92	1.09%	67.42%
Ethereum	1 752.84	0.87%	46.16%

Crypto Market Cap: [1.15T](#)

24h Vol: [\\$67.9B](#)

Dominance: [BTC: 46.2%](#) [ETH:18.5%](#)



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

Commodity Corner

Gold steadied after surging in the wake of fresh indications from the Federal Reserve that its aggressive monetary-tightening cycle is nearing an end, even as the central bank re-emphasized tackling inflation is its highest priority.

After increasing rates by another 25 basis points on Wednesday, Fed Chair Jerome Powell said policy makers considered pausing in their hiking campaign because of recent banking turmoil. The dollar and Treasury yields fell, boosting the appeal of bullion which climbed as much as 2%.

Still, gold's gains on Wednesday were later trimmed after the central bank chief made clear that inflation remains a top concern, and it will raise rates higher than expected if needed. Higher borrowing costs typically hurt demand for gold, since it bears no interest.

Bullion's haven status could be bolstered in coming months. Futures markets are forecasting the rate cuts as soon as this year — which is to say they see something close to a recession.

Spot gold was steady at \$1,970.70 an ounce as of 8:24 a.m. in Singapore, after closing 1.6% higher in the previous session. The Bloomberg Dollar Spot Index was little changed after falling 0.5% Wednesday. Silver and platinum were flat and palladium fell — all three precious metals surged in the previous session.

Precious Metals	Last	1D Change	YTD
Gold	1 979.76	0.49%	8.56%
Silver	22.98	-0.02%	-4.05%
Platinum	991.24	0.46%	-7.71%
Palladium	1 449.00	-0.30%	-19.24%

Oil fell as investors weighed the Federal Reserve policy outlook after another hike and digested a mixed snapshot of US supply and demand.

West Texas Intermediate futures for May dipped toward \$70 a barrel, although they traded off the intraday low as the dollar eased. Fed Chair Jerome Powell advised that more tightening may be in store after Wednesday's 25 basis-point rise and added that rates won't be cut this year. The comments came less than two weeks after the most severe banking crisis since 2008.

The appeal of risk assets including commodities was also bruised after Treasury Secretary Janet Yellen said regulators weren't looking to provide "blanket" deposit insurance to stabilize the banking system without working with lawmakers, putting the focus back on the fragility of financial institutions.

World Commodities	Last	1D Change
WTI Crude	70.50	-0.56%
Brent Crude	76.35	-0.44%
Nat Gas (HH)	2.21	1.80%
Nickel	22 278.00	-0.36%
Copper	410.10	0.80%
Corn	636.50	0.47%
Wheat	669.00	0.83%
Soybean	1 451.25	0.19%
Coffee	178.00	-1.28%
Cotton	78.63	0.45%
Sugar	21.14	1.63%

Source: fxstreet.com / Bloomberg

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FX Corner

EUR/USD is trading above 1.0900, extending gains early Thursday. The pair stays firmer amid a broadly depressed US Dollar. Investors are assessing the latest dovish outlook from the Fed ahead of the SNB and BoE policy outcomes, which could trigger fresh volatility surge across the FX board.

GBP/USD is advancing toward 1.2350 ahead of the BoE's policy announcements. Strong UK CPI data, PM Sunak's Brexit success and dovish Fed hike add strength to the Cable's bullish momentum.

USD/JPY downside decelerates after strong sell-off due to dovish Fed. Bulls could target a 61.8% Fibonacci retracement into the neckline of the M-formation.

AUD/USD is trading firmer above 0.6700, having rallied to the highest in nearly two weeks on Wednesday after the Fed hiked rates by another 25bps, as expected. The dovish guidance by the Fed smashed the US Dollar alongside the Treasury bond yields.

World Currencies	Last	1D Change	YTD
EURUSD	1.0919	0.58%	1.99%
EURCHF	0.9989	-0.29%	-0.94%
EURGBP	0.8855	-0.07%	-0.94%
EURJPY	142.8300	-0.11%	-1.71%
USDCHF	0.9148	0.28%	-1.05%
USDJPY	130.8100	0.48%	0.24%
USDCAD	1.3670	0.45%	-0.86%
USDTRY	19.0470	-0.03%	-1.81%
GBPUSD	1.2332	0.52%	2.07%
AUDUSD	0.6747	0.93%	-0.98%
NZDUSD	0.6288	1.06%	-0.98%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	1.0536	1.0689	1.0773	1.0926	1.0995	1.1148
USDJPY	127.8367	129.8267	130.6333	132.6233	133.8067	135.7967
GBPUSD	1.2019	1.2145	1.2206	1.2332	1.2397	1.2523
USDCAD	1.3537	1.3624	1.3677	1.3764	1.3798	1.3885
AUDUSD	0.6503	0.6602	0.6644	0.6743	0.6800	0.6899
NZDUSD	0.6004	0.6115	0.6168	0.6279	0.6337	0.6448
USDCHF	0.8993	0.9091	0.9133	0.9231	0.9287	0.9385
USDTRY	18.4743	18.7760	18.9083	19.2100	19.3794	19.6811
XAUUSD	1872.017	1916.557	1943.333	1987.873	2005.637	2050.177
XAGUSD	21.1755	21.9775	22.4835	23.2855	23.5815	24.3835

Source: fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars											
G8		Browse		08:09:34		03/23/23		03/23/23			
Economic Releases		All Economic Releases				View		Agenda			
Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
03/23	06:30	JN				Nationwide Dept Sales YoY	Feb	--	--	15.1%	--
03/23	06:30	JN				Tokyo Dept Store Sales YoY	Feb	--	--	19.6%	--
03/23	13:00	UK				Bank of England Bank Rate	Mar 23	4.250%	--	4.000%	--
03/23	13:30	US				Initial Jobless Claims	Mar 18	198k	--	192k	--
03/23	13:30	US				Continuing Claims	Mar 11	1691k	--	1684k	--
03/23	13:30	US				Current Account Balance	4Q	-\$213.3b	--	-\$217.1b	--
03/23	13:30	US				Chicago Fed Nat Activity Index	Feb	0.10	--	0.23	--
03/23	14:00	RU				Gold and Forex Reserve	Mar 17	--	--	\$573.3b	--
03/23	15:00	US				New Home Sales	Feb	650k	--	670k	--
03/23	15:00	US				New Home Sales MoM	Feb	-3.0%	--	7.2%	--
03/23	16:00	US				Kansas City Fed Manf. Activity	Mar	-2	--	0	--
03/23	16:00	EC				Consumer Confidence	Mar P	-18.2	--	-19.0	--

Source: Refinitiv

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