

Market Corner

Asian stocks edged lower as volatility across global markets remained subdued, with investors awaiting new catalysts including upcoming corporate earnings.

The MSCI Asia Pacific Index dropped as much as 0.4%, before paring its loss. Mainland China led declines around the region. Most major benchmarks were up or down by less than 0.5%, with volumes muted outside of South Korea. In key results due later Thursday, Taiwanese chip giant TSMC is expected to post disappointing quarterly earnings, while Chinese EV battery maker CATL is seen report strong revenue growth.

China tech earnings so far have been in line, "could have been better but we stay more optimistic," given positive initiatives from companies such as Alibaba, Xiaolin Chen, head of international at Kraneshares, told Bloomberg TV. "Overall, you see very encouraging and constructive policies get introduced by policymakers or corporates themselves to become more market oriented."

US stocks were muted Wednesday as investors weighed a batch of moderate hiring and inflation data, against the prospect of aggressive rate hikes from the Federal Reserve.

The S&P 500 Index and tech-heavy Nasdaq 100 Index ended the session almost unchanged, paring early losses. The blue-chip Dow Jones Industrial Average fell 0.2%. The VIX or Cboe Volatility Index, Wall Street's so-called fear gauge, dropped to its lowest level since November 2021 and registered a six-day falling streak.

Investors were parsing Fed's latest Beige Book report that showed the US economy stalled in recent weeks, with hiring and inflation slowing and access to credit narrowing. The report released this afternoon marks a step down from the tone of the previous edition, showing dovish implications for the central bank's monetary policy.

"The upside from the picture painted by the Beige Book is the Fed will have some leeway to cut rates by the end of the year as inflation moves closer to the Fed's long run target. Investors should anticipate a positive move in risk assets," according to Jeffrey Roach, chief economist for LPL Financial.

World Indices	Last	1D Change	YTD
Dow Jones	33 897.0	-0.23%	2.26%
S&P 500	4 154.5	-0.01%	8.20%
Nasdaq	12 157.2	0.03%	16.15%
Eurostoxx 50	4 393.6	-0.01%	15.81%
FTSE 100	7 898.8	-0.13%	6.00%
CAC 40	7 549.4	0.21%	16.62%
DAX	15 895.2	0.08%	14.16%
SMI	11 366.2	0.06%	5.94%
Nikkei	28 666.0	0.21%	9.84%
Hang Seng	20 338.0	-0.15%	2.81%
CSI 300	4 097.3	-0.66%	5.79%
VIX Index	16.5	-2.20%	-24.04%

World Bonds	Last	1D Change	YTD
US 10Y	3.5890	0.00	-0.286
EUR 10Y	2.5150	0.04	-0.056
Swiss 10Y	1.1590	0.01	-0.458
UK 10Y	3.8560	0.11	0.184

Source: Bloomberg



Morning Call

Geneva, April 20, 2023

Crypto Corner

Bitcoin’s rally this year is facing a test as the token struggles around \$30,000. A pattern buried in the coin’s recent swings suggests it could vault above that level again en route to a 7% short-term gain.

The pattern is a minimum daily jump of 3% followed by a next-day reversal of at least that magnitude during a generally bullish period for Bitcoin. The token flashed that signal over Tuesday and Wednesday.

Bitcoin rose about 7% on average over three, five and 10 days after the previous 17 such signals in the last five years, data analyzed by Bloomberg show. The study identified bullish periods by using the token’s relative strength index, a momentum gauge, which had to be above 50.

Bitcoin has rebounded about 74% in 2023 from last year’s crypto rout, helped by expectations of an eventual loosening in monetary policy. But bets on Federal Reserve interest-rate cuts are cooling because of persistent inflation, which is sapping the revival in Bitcoin and other digital assets.

Bitcoin dropped about 1% to \$28,860 as of 10:42 a.m. on Thursday in Singapore. Second-ranked Ether shed roughly 2%, holding below \$2,000. Smaller coins like Avalanche and meme token Dogecoin posted mixed performance.

The largest digital asset shed 3.9% on Wednesday, a retreat that may have been caused in part by a “build-up in leverage which could have triggered a liquidation,” wrote Noelle Acheson, author of the “Crypto Is Macro Now” newsletter.

“This suggests that the drop is unlikely to be long-lasting, as recent support as well as derivatives positioning points to a bias to accumulate,” Acheson added.

Other analysts are a little more cautious given the challenging monetary policy outlook and other obstacles such as the US’s crypto crackdown.

“The scaling back of Fed rate cut expectations into the end of the year removes a pillar of recent support for Bitcoin,” Tony Sycamore, a market analyst at IG Australia Pty, wrote in a note. “We continue to look for a test of support at \$27,500 in coming sessions.”

Crypto	Last	1D Change	YTD
Bitcoin	28 865.88	-1.31%	74.50%
Ethereum	1 950.77	-1.52%	62.58%

Crypto Market Cap: [1.21T](#)

24h Vol: [\\$64.2B](#)

Dominance: [BTC: 46.1%](#) [ETH:19.2%](#)



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

Commodity Corner

Gold held losses that pushed it back below \$2,000 an ounce, with traders weighing expectations for further rate hikes against early signs that the US economy is stalling.

The rate of inflation in the US appears to be slowing, the Federal Reserve said in its monthly Beige Book survey. A slightly more negative shift in tone from the previous report raised concerns about a recession, which would boost the appeal of haven assets like gold.

Still, traders are betting on further monetary tightening this year. A rate-hike premium has been built into the June meeting over the past week, with a May increase already expected.

The hawkish outlook is keeping a lid on recent strength in non-interest-bearing bullion, with prices struggling to make a lasting breakthrough above the \$2,000 an ounce threshold

Spot gold dipped 0.1% to \$1,992.35 an ounce as of 1:26 p.m. in Singapore, after closing 0.5% lower on Wednesday. The Bloomberg Dollar Spot Index was little changed. Silver, platinum and palladium declined

Precious Metals	Last	1D Change	YTD
Gold	1 993.34	-0.08%	9.29%
Silver	25.13	-0.65%	4.97%
Platinum	1 087.24	-0.49%	1.20%
Palladium	1 607.13	-0.49%	-10.39%

Oil retreated for the third time in four days as further signs of a US slowdown overshadowed a substantial draw in crude stockpiles.

Global benchmark Brent dropped below \$83 a barrel after closing 2% lower on Wednesday. The US economy stalled in recent weeks, the Federal Reserve said in its Beige Book survey, casting a cloud over prospects for energy demand. The dollar has also ticked higher, providing another headwind for commodities.

In Asia, meanwhile, gasoline markets are showing signs of weakness as profits from producing the fuel slump. Diesel is also lagging, with some refiners considering cuts to processing as margins decline. That's weighing on prices of crude grades like Murban, which briefly traded in a bearish contango structure.

Despite this week's pullback, crude is still up from a 15-month low reached in mid-March following turmoil in the banking sector. A surprise announcement by OPEC+ on production cuts and curbed Iraqi flows have underpinned some of the gains, with expectations of a rebound in Chinese demand also supportive.

World Commodities	Last	1D Change
WTI Crude	78.21	-1.20%
Brent Crude	82.14	-1.18%
Nat Gas (HH)	2.19	-1.35%
Nickel	25 450.00	-0.35%
Copper	405.65	-0.50%
Corn	673.50	0.19%
Wheat	677.75	-0.59%
Soybean	1 502.00	-0.30%
Coffee	202.55	-1.32%
Cotton	83.22	-0.02%
Sugar	24.37	-0.69%

Source: fxstreet.com / Bloomberg

Morning Call

Geneva, April 20, 2023

FX Corner

EUR/USD grinds higher, consolidating the previous day's losses at around 1.0960 in the early European morning. The pair cheers the latest retreat in the US Dollar alongside the US Treasury bond yields. Eurozone data, ECB-speak next in focus.

GBP/USD witnessed good two-way price swings on Wednesday and finally settled with modest intraday gains for the second successive day. The British Pound got a goodish lift following the release of the UK consumer inflation figures, though broad-based US Dollar (USD) strength acted as a headwind for the major.

USD/JPY is on the front side of the bullish trend and testing key resistance at 135.00 early Thursday. Looming recession risks and Tesla's revenue miss fuel risk aversion and underpin the US Dollar's safe haven demand. Mixed Japanese data also support the pair.

AUD/USD is holding lower ground while attacking the 0.6700 support early Thursday. PBOC's status quo and RBA Lowe's comments have little impact on the Aussie, as fears of higher inflation in globally leading to more rate hikes and recession weigh on sentiment.

World Currencies	Last	1D Change	YTD
EURUSD	1.0960	0.05%	2.39%
EURCHF	0.9822	0.11%	0.74%
EURGBP	0.8817	-0.11%	0.74%
EURJPY	147.7100	-0.08%	-5.19%
USDCHF	0.8962	0.15%	-3.07%
USDJPY	134.7700	-0.04%	-2.77%
USDCAD	1.3470	-0.07%	0.63%
USDTRY	19.4066	-0.04%	-3.72%
GBPUSD	1.2431	-0.06%	2.90%
AUDUSD	0.6707	-0.09%	-1.53%
NZDUSD	0.6163	-0.61%	-2.93%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	1.0818	1.0885	1.0920	1.0987	1.1019	1.1086
USDJPY	132.2633	133.4333	134.0767	135.2467	135.7733	136.9433
GBPUSD	1.2271	1.2353	1.2396	1.2478	1.2517	1.2599
USDCAD	1.3273	1.3355	1.3408	1.3490	1.3519	1.3601
AUDUSD	0.6613	0.6664	0.6688	0.6739	0.6766	0.6817
NZDUSD	0.6094	0.6147	0.6174	0.6227	0.6253	0.6306
USDCHF	0.8889	0.8934	0.8954	0.8999	0.9024	0.9069
USDTRY	19.1956	19.3133	19.3561	19.4738	19.5487	19.6664
XAUUSD	1912.917	1951.877	1973.403	2012.363	2029.797	2068.757
XAGUSD	23.6447	24.3743	24.8329	25.5625	25.8335	26.5631

Source: fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars											
G8		Browse		08:00:25		04/20/23		04/20/23			
Economic Releases		All Economic Releases				View		Agenda			
Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
04/17-04/28 EC											
ECB Survey of Professional Forecasters											
04/20	01:50	JN				Trade Balance	Mar	-¥1294.8b	--	-¥897.7b	-¥898.1b
04/20	01:50	JN				Trade Balance Adjusted	Mar	-¥1719.8b	--	-¥1190.7b	--
04/20	01:50	JN				Exports YoY	Mar	2.4%	--	6.5%	--
04/20	01:50	JN				Imports YoY	Mar	11.6%	--	8.3%	--
04/20	01:50	JN				Foreign Buying Japan Stocks	Apr 14	--	--	¥2368.9b	--
04/20	01:50	JN				Foreign Buying Japan Bonds	Apr 14	--	--	¥1311.1b	--
04/20	01:50	JN				Japan Buying Foreign Bonds	Apr 14	--	--	-¥788.8b	--
04/20	01:50	JN				Japan Buying Foreign Stocks	Apr 14	--	--	¥28.2b	--
04/20	06:30	JN				Tertiary Industry Index MoM	Feb	0.4%	--	0.9%	--
04/20	08:00	GE				PPI MoM	Mar	-0.6%	--	-0.3%	--
04/20	08:00	GE				PPI YoY	Mar	9.8%	--	15.8%	--
04/20	08:00	JN				Machine Tool Orders YoY	Mar F	--	--	-15.2%	--
04/20	08:45	FR				Business Confidence	Apr	103	--	103	--
04/20	08:45	FR				Manufacturing Confidence	Apr	103	--	104	--
04/20	08:45	FR				Production Outlook Indicator	Apr	--	--	-1	--
04/20	08:45	FR				Own-Company Production Outlook	Apr	--	--	11	--
04/20	08:45	FR				Business Survey Overall Demand	Apr	--	--	5	--
04/20	11:00	EC				Trade Balance SA	Feb	--	--	-11.3b	--
04/20	11:00	EC				Trade Balance NSA	Feb	--	--	-30.6b	--
04/20	14:30	US				Initial Jobless Claims	Apr 15	240k	--	239k	--
04/20	14:30	US				Continuing Claims	Apr 8	1825k	--	1810k	--
04/20	14:30	US				Philadelphia Fed Business Outlook	Apr	-19.2	--	-23.2	--
04/20	15:00	RU				Gold and Forex Reserve	Apr 14	--	--	\$600.8b	--
04/20	16:00	US				Existing Home Sales	Mar	4.50m	--	4.58m	--
04/20	16:00	US				Existing Home Sales MoM	Mar	-1.8%	--	14.5%	--
04/20	16:00	US				Leading Index	Mar	-0.7%	--	-0.3%	--
04/20	16:00	EC				Consumer Confidence	Apr P	-18.5	--	-19.2	--
04/20		FR				Retail Sales SA YoY	Mar	--	--	-4.3%	--

Source: Refinitiv

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