

## Market Corner

### Asian stocks fell, heading for their worst week since early March, as the latest newsflow on geopolitics sapped risk appetite across the region.

The MSCI Asia Pacific Index dropped as much as 0.5% on Friday, led by material shares. Geopolitical risks have resurfaced as US President Biden made plans to limit investments in key parts of China's economy, dealing another blow to worsening ties between the two superpowers. Separately, China's military plans to conduct at least five drills in various areas that include waters off its coast and in the South China Sea, while fresh worries emerged about the nation's diplomatic ties with China.

### US stocks fell Thursday as disappointing earnings from firms including Tesla Inc. weighed on sentiment, while downbeat economic data and hawkish comments from Federal Reserve officials added to the uncertainty around the market outlook.

The S&P 500 index closed 0.6% lower New York, with 10 of the 11 major industry groups in the red. Consumer discretionary, real estate and energy were among the worst-performing sectors. The tech-heavy Nasdaq 100 index took a 0.8% hit, while the blue-chip Dow Jones Industry Average declined 0.3%.

Among major decliners, Tesla slid almost 10% after the electric-vehicle maker said price cuts dented profit margins, prompting at least six analysts to cut price targets. AT&T Inc. tumbled 10%, the most since 2000, as its free cash flow in the first quarter missed analysts' estimates and subscriber additions also slowed.

Investors waded through a slew of fresh Fed signals to gauge whether the central bank will keep on fighting inflation amid lingering recession worries. Fed Cleveland President Loretta Mester signaled support for another interest-rate hike to tame inflation while urging the need to watch recent bank stress. On Wednesday, New York Fed President John Williams said price gains remained too high.

World Indices	Last	1D Change	YTD
Dow Jones	33 786.6	-0.33%	1.93%
S&P 500	4 129.8	-0.60%	7.56%
Nasdaq	12 059.6	-0.80%	15.22%
Eurostoxx 50	4 384.9	-0.20%	15.59%
FTSE 100	7 902.6	0.05%	6.05%
CAC 40	7 538.7	-0.14%	16.45%
DAX	15 796.0	-0.62%	13.45%
SMI	11 390.6	0.21%	6.16%
Nikkei	28 584.4	-0.26%	9.54%
Hang Seng	20 167.9	-1.12%	1.93%
CSI 300	4 058.3	-1.33%	4.79%
VIX Index	17.2	4.31%	-20.77%

  

World Bonds	Last	1D Change	YTD
US 10Y	3.5242	-0.01	-0.351
EUR 10Y	2.4450	-0.07	-0.126
Swiss 10Y	1.1030	-0.06	-0.514
UK 10Y	3.7670	-0.09	0.095

Source: Bloomberg



# Morning Call

Geneva, April 21, 2023

## Crypto Corner

**Bitcoin's dominant showing in 2023 is leaving exchange-traded fund investors divided on what's next for the world's biggest cryptocurrency.**

The \$149 million ProShares Short Bitcoin Strategy ETF (ticker BITI), which tracks the inverse performance of Bitcoin, has absorbed more than \$118 million so far this year despite a 47% drawdown. That's a bigger haul than its bullish — and much bigger — sibling, the \$1 billion ProShares Bitcoin Strategy ETF (BITO), which has attracted \$89 million amid a 60% surge this year.

The flow dynamic across the two ProShares products highlights the apprehension around Bitcoin's eye-watering rally, having surged 70% so far this year. Turbocharged by optimism that the Federal Reserve's tightening cycle is nearing its end, combined with the recent turmoil in the global banking sector, it has easily outperformed every other asset class in the first quarter.

Still, given Bitcoin's speculative nature as well as its lack of traditional fundamentals and valuation metrics, investors seem unsure which way the coin may move next.

"It reflects uncertainty when you have roughly half the market participants go long and half of them go short," said Chris Gaffney, president of world markets at TIAA Bank. "It shows that nobody really knows where we're going." That uncertainty will likely lead to more volatility, he added.

Bitcoin's year-to-date surge following 2022's bruising 64% plunge has renewed interest from ETF issuers. At least three firms filed applications to launch leveraged Bitcoin futures ETFs over the past several weeks — a product structure that doesn't exist yet in US markets.

However, Bitcoin's recent rally hasn't been met with meaningful inflows across the board. For instance, the \$10 million Valkyrie Bitcoin Miners ETF (WGMI), so far this year's best-performing non-leveraged fund with a 127% gain, has raked in just \$5.7 million so far this year.

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Crypto	Last	1D Change	YTD
Bitcoin	28 242.81	0.14%	70.44%
Ethereum	1 938.04	0.00%	61.18%

Crypto Market Cap: [1.19T](#)

24h Vol: [\\$50.1B](#)

Dominance: [BTC: 45.8%](#) [ETH:19.6%](#)



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

## Commodity Corner

### Gold slid, pressured by hawkish commentary from Federal Reserve officials that could lead to further interest rate increases.

Fed officials backed another hike as they monitor the economic fallout from bank strains, after lenders increased emergency borrowings from the Federal Reserve for the first time in five weeks. The data add to concerns about the health of the economy, with significantly tighter credit conditions likely to further stymie growth.

Despite the potential risks posed by the financial stress in the banking sector, the Fed's priority continues to center on getting inflation under control, according to Vivek Dhar, commodities analyst at Commonwealth Bank of Australia. Higher rates are generally negative for non-interest-bearing gold.

Governments and institutions so far appear to have done enough to prevent the banking crisis from "morphing into something larger," he said, adding that CBA expects the Fed to hike by 25 basis points in May and keep rates unchanged for the remainder of 2023. "We should eventually see the US dollar lift and gold prices fall."

**Spot gold** fell 0.3% to \$1,999.78 an ounce at 1:18 p.m. in Singapore, after closing 0.5% higher on Thursday. The Bloomberg Dollar Spot Index was little changed. Silver declined, palladium gained, and platinum was flat.

Precious Metals	Last	1D Change	YTD
Gold	1 995.56	-0.46%	9.36%
Silver	25.17	-0.49%	5.00%
Platinum	1 096.74	0.00%	2.07%
Palladium	1 592.71	-0.08%	-11.15%

### Oil headed for the first weekly loss since last month's banking crisis, weighed down by concerns over demand and the US economy.

West Texas Intermediate was steady near \$77 a barrel and more than 6% lower this week. Fuel markets from gasoline to diesel are flashing signs of weakness, while the Federal Reserve said the US economy had stalled in recent weeks. The prospect of further monetary tightening has added to headwinds.

Oil has given up most of the gains put on after OPEC+ blindsided markets with a surprise pledge to cut production, as persistent concerns over the near-term outlook continues to pressure prices. Still, many are betting that China's rebound from Covid curbs will underpin a crude rally later this year.

The US could begin to refill its Strategic Petroleum Reserve as soon as the third quarter of 2023 if prices are favorable, a US official said. The timing will depend on infrastructure maintenance and how well the administration can manage a congressionally mandated sale of 26 million barrels by June 30.

World Commodities	Last	1D Change
WTI Crude	77.21	-0.21%
Brent Crude	80.95	-0.18%
Nat Gas (HH)	2.20	-2.09%
Nickel	24 968.00	-1.89%
Copper	401.15	-0.35%
Corn	663.25	-0.08%
Wheat	667.25	-0.07%
Soybean	1 493.50	-0.27%
Coffee	195.90	-3.28%
Cotton	79.13	-0.14%
Sugar	25.25	3.61%

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



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## FX Corner

**EUR/USD** is trading with caution, flatlining above 1.0950 awaiting the releases of the preliminary Eurozone and United States S&P Global PMI data. The US Dollar is licking its wounds, despite moderate risk aversion and hawkish Fed speak.

**GBP/USD** is continuously oscillating in a narrow range around 1.2440 in the Tokyo session. The Cable is struggling to find a decisive move as investors are awaiting the release of the United Kingdom Retail Sales data for further guidance.

**USD/JPY** has defended the crucial support of 134.00 in the Asian session despite the release of wider-than-anticipated Japan's National Consumer Price Index (CPI) data.

**AUD/USD** has extended its downside to near 0.6714 in the early London session. The Aussie asset is expected to move south further as the US Dollar Index (DXY) has shown a recovery move after building a base around 101.80.

World Currencies	Last	1D Change	YTD
EURUSD	1.0958	-0.11%	2.37%
EURCHF	0.9794	-0.04%	1.03%
EURGBP	0.8818	-0.02%	1.03%
EURJPY	146.6800	0.40%	-4.45%
USDCHF	0.8938	-0.17%	-3.34%
USDJPY	133.8600	0.28%	-2.06%
USDCAD	1.3508	-0.23%	0.35%
USDTRY	19.4041	0.00%	-3.71%
GBPUSD	1.2427	-0.13%	2.86%
AUDUSD	0.6709	-0.50%	-1.51%
NZDUSD	0.6153	-0.34%	-3.07%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	1.0854	1.0909	1.0940	1.0995	1.1019	1.1074
USDJPY	132.4867	133.4467	133.8433	134.8033	135.3667	136.3267
GBPUSD	1.2313	1.2376	1.2409	1.2472	1.2502	1.2565
USDCAD	1.3392	1.3432	1.3454	1.3494	1.3512	1.3552
AUDUSD	0.6587	0.6662	0.6703	0.6778	0.6812	0.6887
NZDUSD	0.6062	0.6119	0.6147	0.6204	0.6233	0.6290
USDCHF	0.8815	0.8879	0.8901	0.8965	0.9007	0.9071
USDTRY	19.3720	19.3893	19.3970	19.4143	19.4239	19.4412
XAUUSD	1958.953	1980.773	1992.787	2014.607	2024.413	2046.233
XAGUSD	24.4049	24.8431	25.0667	25.5049	25.7195	26.1577

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



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## Event Corner

ECO Economic Calendars

G8 Browse 07:55:55 04/21/23 - 04/21/23

Economic Releases All Economic Releases View Agenda Weekly

Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
04/17-04/28		EC				ECB Survey of Professional Forecasters					
04/21	01:01	UK				GfK Consumer Confidence	Apr	-35	--	-36	--
04/21	01:30	JN				Natl CPI YoY	Mar	3.2%	--	3.3%	--
04/21	01:30	JN				Natl CPI Ex Fresh Food YoY	Mar	3.0%	--	3.1%	--
04/21	01:30	JN				Natl CPI Ex Fresh Food, Energy YoY	Mar	3.6%	--	3.5%	--
04/21	02:30	JN				Jibun Bank Japan PMI Composite	Apr P	--	--	52.9	--
04/21	02:30	JN				Jibun Bank Japan PMI Mfg	Apr P	--	--	49.2	--
04/21	02:30	JN				Jibun Bank Japan PMI Services	Apr P	--	--	55.0	--
04/21	08:00	UK				Retail Sales Inc Auto Fuel MoM	Mar	-0.5%	--	1.2%	--
04/21	08:00	UK				Retail Sales Inc Auto Fuel YoY	Mar	-3.1%	--	-3.5%	--
04/21	08:00	UK				Retail Sales Ex Auto Fuel MoM	Mar	-0.6%	--	1.5%	--
04/21	08:00	UK				Retail Sales Ex Auto Fuel YoY	Mar	-3.1%	--	-3.3%	--
04/21	09:15	FR				S&P Global France Composite PMI	Apr P	52.9	--	52.7	--
04/21	09:15	FR				S&P Global France Manufacturing PMI	Apr P	47.8	--	47.3	--
04/21	09:15	FR				S&P Global France Services PMI	Apr P	53.5	--	53.9	--
04/21	09:30	GE				S&P Global/BME Germany Manufacturing PMI	Apr P	45.7	--	44.7	--
04/21	09:30	GE				S&P Global Germany Services PMI	Apr P	53.4	--	53.7	--
04/21	09:30	GE				S&P Global Germany Composite PMI	Apr P	52.9	--	52.6	--
04/21	10:00	EC				S&P Global Eurozone Manufacturing PMI	Apr P	48.0	--	47.3	--
04/21	10:00	EC				S&P Global Eurozone Composite PMI	Apr P	53.7	--	53.7	--
04/21	10:00	EC				S&P Global Eurozone Services PMI	Apr P	54.5	--	55.0	--
04/21	10:00	RU				Money Supply Narrow Def	Apr 14	--	--	17.00t	--
04/21	10:30	UK				S&P Global/CIPS UK Manufacturing PMI	Apr P	48.4	--	47.9	--
04/21	10:30	UK				S&P Global/CIPS UK Services PMI	Apr P	52.8	--	52.9	--
04/21	10:30	UK				S&P Global/CIPS UK Composite PMI	Apr P	52.2	--	52.2	--
04/21	11:00	EC				Govt Debt/GDP Ratio	2022	--	--	95.4%	--
04/21	14:30	CA				Retail Sales Ex Auto MoM	Feb	0.0%	--	0.9%	--
04/21	14:30	CA				Retail Sales MoM	Feb	-0.6%	--	1.4%	--
04/21	15:00	US				Bloomberg April United States Economic Survey					
04/21	15:45	US				S&P Global US Manufacturing PMI	Apr P	49.0	--	49.2	--
04/21	15:45	US				S&P Global US Services PMI	Apr P	51.5	--	52.6	--
04/21	15:45	US				S&P Global US Composite PMI	Apr P	51.2	--	52.3	--

Source: Refinitiv

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