

## Market Corner

### Asian stocks dropped as a surprise announcement by OPEC+ to cut crude outputs sparked concerns over further inflation risks.

The MSCI Asia Pacific Index fell as much as 0.3%, dragged by tech stocks. Energy shares were the biggest gainers on the regional gauge.

Benchmarks in Japan, mainland China, Australia and Singapore rose while those in Hong Kong fell, led lower by Alibaba and Meituan. The unexpected production cut by OPEC+ overshadowed Friday's data which showed signs that US inflation was cooling, which may cloud outlook on the Fed's rate hike path.

### US equities rallied Friday to record their best week in more than four months as economic data pointed to cooling inflation, bolstering bets the central bank will pause its interest-rate hikes.

The S&P 500 Index closed up 1.4%, led by the consumer discretionary and real estate sectors. The benchmark has surged 7% this year, with Nvidia Corp.'s 90% climb and Facebook-owner Meta Platforms Inc.'s 76% advance leading the gains. The technology-heavy Nasdaq 100 rose 1.7% on the day to mark its best quarterly jump since the second quarter of 2020. The Dow Jones Industrial Average gained 1.3% Friday.

Investors looking for easing inflationary pressures got their wish Friday as the Fed's favored inflation metric, the PCE deflator, showed price growth eased last month. Data also showed lower-than-forecast personal spending and a slowdown in personal income growth.

| World Indices | Last     | 1D Change |
|---------------|----------|-----------|
| Dow Jones     | 33 274.2 | 1.26%     |
| S&P 500       | 4 109.3  | 1.44%     |
| Nasdaq        | 12 221.9 | 1.74%     |
| Eurostoxx 50  | 4 315.1  | 0.69%     |
| FTSE 100      | 7 631.7  | 0.15%     |
| CAC 40        | 7 322.4  | 0.81%     |
| DAX           | 15 628.8 | 0.69%     |
| SMI           | 11 106.2 | 0.67%     |
| Nikkei        | 28 188.2 | 0.52%     |
| Hang Seng     | 20 317.8 | -0.40%    |
| CSI 300       | 4 088.8  | 0.94%     |
| VIX Index     | 18.7     | -1.68%    |

| World Bonds | Last   | 1D Change | YTD    |
|-------------|--------|-----------|--------|
| US 10Y      | 3.5280 | 0.06      | -0.347 |
| EUR 10Y     | 2.3330 | 0.04      | -0.239 |
| Swiss 10Y   | 1.2370 | -0.01     | -0.380 |
| UK 10Y      | 3.4900 | -0.03     | -0.182 |

Source: Bloomberg



# Morning Call

Geneva, April 3, 2023

## Crypto Corner

By just about any measure, Bitcoin liquidity remains low, despite the cryptocurrency’s eye-catching upsurge this year. Investors have been paying more on trades because of slippage, or the difference between the expected price of a transaction and the price at which it’s fully executed, a sign of worsening liquidity, according to Conor Ryder at Kaiko. The higher the difficulty in trading, the more investors are exposed to potential volatile price swings. This can happen due to a change in the bid-ask spread in between the time a trade is placed and filled, or when there’s insufficient order-book depth to support large orders.

Even as a rebound in Bitcoin this year made it the best-performing asset in the first quarter, a widening US regulatory crackdown and the collapse of a few crypto-adjacent banks has tempered some investors’ enthusiasm.

“It’s more indicative of the institutional reluctance to offer liquidity in the space,” Ryder, a research analyst at the Paris-based firm, said. A lot of crypto firms don’t want to get caught in the middle of a battle between US regulators and exchanges.”

Though prices have recovered at the start of 2023, trading volumes and liquidity in the crypto market have dried up when measured over the past year amid an overall plunge in prices, which has seen Bitcoin drop about 38% — to around \$28,000 — and some other coins even more. Investors retreated over that period as a string of scandals scared them away. Analysts are now particularly tuned into how smaller retail investors may behave as they’ve been an integral part of the system, helping to drive up prices during the early pandemic boom.

Crypto Market Cap: [1.15T](#)

24h Vol: [\\$33.8B](#)

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

| Crypto   | Last      | 1D Change | YTD    |
|----------|-----------|-----------|--------|
| Bitcoin  | 27 719.10 | -1.27%    | 67.60% |
| Ethereum | 1 781.51  | -0.44%    | 48.55% |



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

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# Commodity Corner

### Gold fell for a second day, driven down by a stronger dollar amid increased volatility in global markets after the surprise oil production cut announced by OPEC+.

The dollar gained against a gauge of most Group-of-10 currencies while Treasury yields also climbed after the cartel's announcement. A stronger greenback is typically negative for non-interest bearing bullion.

The oil production cut could also further stoke inflation, just as investors were speculating the Federal Reserve would ease its aggressive monetary-tightening policy. That would also be bad news for the precious metal.

The dip in gold comes after it rose 7.8% in March, its biggest monthly gain since November. Still, its attractiveness as a haven asset has waned over the past two weeks as concerns about a contagious collapse in the banking sector dissipated.

**Spot gold** fell 0.4% at \$1,962.34 an ounce as of 9:33 a.m. in Singapore, after ending down 0.6% on Friday. The Bloomberg Dollar Spot Index strengthened 0.2%. Silver, platinum and palladium all slid.

| Precious Metals | Last     | 1D Change | YTD     |
|-----------------|----------|-----------|---------|
| Gold            | 1 953.87 | -0.78%    | 7.16%   |
| Silver          | 23.64    | -1.91%    | -1.27%  |
| Platinum        | 987.07   | -0.82%    | -8.04%  |
| Palladium       | 1 457.41 | -0.43%    | -18.53% |

### Oil surged at the week's open after OPEC+ unexpectedly announced crude output cuts that threaten to tighten the market, delivering a fresh inflationary jolt to the world economy and irking the White House.

West Texas Intermediate soared as much as 8%, the biggest intraday move in more than a year, and traded at \$79.38 a barrel at 7:27 a.m. in London, while in wider markets the dollar advanced along with Treasury yields.

The Organization of Petroleum Exporting Countries and allies including Russia pledged on Sunday to make the cuts from next month that will exceed 1 million barrels a day, with Saudi Arabia leading the way with 500,000 barrels. Traders had expected OPEC+ to hold output steady. The shock move came outside the group's scheduled timetable for reviewing the market and members' supply.

The decision's impact was quickly felt across the global oil market. Goldman Sachs Group Inc. lifted price forecasts for this year and next, key timespreads surged higher in an indication of expectations of tighter supply, and a usually quiet Asian trading session saw hundreds of thousands of contracts change hands. US gasoline futures also surged, underscoring the inflationary risks.

| World Commodities | Last      | 1D Change |
|-------------------|-----------|-----------|
| WTI Crude         | 79.28     | 4.77%     |
| Brent Crude       | 83.76     | 4.84%     |
| Nat Gas (HH)      | 2.09      | -5.69%    |
| Nickel            | 23 685.00 | 2.77%     |
| Copper            | 406.00    | -0.84%    |
| Corn              | 665.00    | 0.68%     |
| Wheat             | 695.75    | 0.51%     |
| Soybean           | 1 513.00  | 0.50%     |
| Coffee            | 170.50    | 0.41%     |
| Cotton            | 82.56     | -0.27%    |
| Sugar             | 22.25     | 1.32%     |

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



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## FX Corner

**EUR/USD** is extending losses below 1.0800 in the early European morning. Unexpected OPEC+ oil output cut fuels oil price rally and stokes up inflation fears, boosting the safe-haven US Dollar alongside firmer US Treasury yields. The focus shifts to the US ISM PMI.

**GBP/USD** is under heavy selling pressure below 1.2300 early Monday. Markets remain risk averse after OPEC+ driven oil price surge rekindled inflation fears, which ramped up the US Dollar demand. UK Final Manufacturing and US ISM Manufacturing PMI awaited.

**USD/JPY** takes the bids to refresh intraday high near 133.50 as bulls keep the reins after witnessing the first weekly gain in five.

**AUD/USD** has gauged an intermediate cushion around 0.6660 after a downside move in the Asian session. The Aussie asset has attempted a decent recovery but is likely to remain on the tenterhooks as investors are awaiting the release of United States ISM Manufacturing PMI data for fresh impetus.

| World Currencies | Last     | 1D Change |
|------------------|----------|-----------|
| EURUSD           | 1.0807   | -0.30%    |
| EURCHF           | 0.9919   | 0.03%     |
| EURGBP           | 0.8794   | -0.05%    |
| EURJPY           | 144.4700 | -0.26%    |
| USDCHF           | 0.9179   | -0.28%    |
| USDJPY           | 133.6900 | -0.62%    |
| USDCAD           | 1.3521   | -0.04%    |
| USDTRY           | 19.1959  | -0.08%    |
| GBPUSD           | 1.2289   | -0.39%    |
| AUDUSD           | 0.6666   | -0.28%    |
| NZDUSD           | 0.6213   | -0.72%    |

| Currencies | S3       | S2       | S1       | R1       | R2       | R3       |
|------------|----------|----------|----------|----------|----------|----------|
| EURUSD     | 1.0689   | 1.0778   | 1.0809   | 1.0898   | 1.0956   | 1.1045   |
| USDJPY     | 131.0133 | 132.0133 | 132.4367 | 133.4367 | 134.0133 | 135.0133 |
| GBPUSD     | 1.2166   | 1.2264   | 1.2300   | 1.2398   | 1.2460   | 1.2558   |
| USDCAD     | 1.3417   | 1.3473   | 1.3495   | 1.3551   | 1.3585   | 1.3641   |
| AUDUSD     | 0.6562   | 0.6630   | 0.6657   | 0.6725   | 0.6766   | 0.6834   |
| NZDUSD     | 0.6142   | 0.6203   | 0.6231   | 0.6292   | 0.6325   | 0.6386   |
| USDCHF     | 0.9025   | 0.9087   | 0.9120   | 0.9182   | 0.9211   | 0.9273   |
| USDTRY     | 19.1181  | 19.1532  | 19.1667  | 19.2018  | 19.2234  | 19.2585  |
| XAUUSD     | 1933.287 | 1953.947 | 1961.613 | 1982.273 | 1995.267 | 2015.927 |
| XAGUSD     | 23.0467  | 23.5167  | 23.8078  | 24.2778  | 24.4567  | 24.9267  |

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



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## Event Corner

| ECO Economic Calendars |       |        |   |          |   |  |        |          |        |        |         |
|------------------------|-------|--------|---|----------|---|--|--------|----------|--------|--------|---------|
| G8                     |       | Browse |   | 08:26:28 |   | 04/03/23                                 |        | 04/03/23 |        |        |         |
| Economic Releases      |       |        |   |          |   |  |        |          |        |        |         |
| Date                   | Time  | C      | A | M        | R | Event                                    | Period | Surv(M)  | Actual | Prior  | Revised |
| 04/03                  | 01:50 | JN     |   |          |   | Tankan Large Mfg Index                   | 1Q     | 3        | --     | 7      | --      |
| 04/03                  | 01:50 | JN     |   |          |   | Tankan Large Mfg Outlook                 | 1Q     | 3        | --     | 6      | --      |
| 04/03                  | 01:50 | JN     |   |          |   | Tankan Large Non-Mfg Index               | 1Q     | 20       | --     | 19     | --      |
| 04/03                  | 01:50 | JN     |   |          |   | Tankan Large Non-Mfg Outlook             | 1Q     | 17       | --     | 11     | --      |
| 04/03                  | 01:50 | JN     |   |          |   | Tankan Large All Industry Capex          | 1Q     | 14.4%    | --     | 19.2%  | --      |
| 04/03                  | 01:50 | JN     |   |          |   | Tankan Small Mfg Index                   | 1Q     | -6       | --     | -2     | --      |
| 04/03                  | 01:50 | JN     |   |          |   | Tankan Small Mfg Outlook                 | 1Q     | -6       | --     | -5     | --      |
| 04/03                  | 01:50 | JN     |   |          |   | Tankan Small Non-Mfg Index               | 1Q     | 7        | --     | 6      | --      |
| 04/03                  | 01:50 | JN     |   |          |   | Tankan Small Non-Mfg Outlook             | 1Q     | 2        | --     | -1     | --      |
| 04/03                  | 02:30 | JN     |   |          |   | Jibun Bank Japan PMI Mfg                 | Mar F  | --       | --     | 48.6   | --      |
| 04/03                  | 08:00 | RU     |   |          |   | S&P Global Russia Manufacturing PMI      | Mar    | --       | --     | 53.6   | --      |
| 04/03                  | 08:45 | FR     |   |          |   | Budget Balance YTD                       | Feb    | --       | --     | -21.1b | --      |
| 04/03                  | 09:45 | IT     |   |          |   | S&P Global Italy Manufacturing PMI       | Mar    | --       | --     | 52.0   | --      |
| 04/03                  | 09:50 | FR     |   |          |   | S&P Global France Manufacturing PMI      | Mar F  | --       | --     | 47.7   | --      |
| 04/03                  | 09:55 | GE     |   |          |   | S&P Global/BME Germany Manufacturing PMI | Mar F  | 44.4     | --     | 44.4   | --      |
| 04/03                  | 10:00 | EC     |   |          |   | S&P Global Eurozone Manufacturing PMI    | Mar F  | 47.1     | --     | 47.1   | --      |
| 04/03                  | 10:30 | UK     |   |          |   | S&P Global/CIPS UK Manufacturing PMI     | Mar F  | --       | --     | 48.0   | --      |
| 04/03                  | 14:00 | CA     |   |          |   | Bloomberg Nanos Confidence               | Mar 31 | --       | --     | 48.7   | --      |
| 04/03                  | 15:30 | CA     |   |          |   | S&P Global Canada Manufacturing PMI      | Mar    | --       | --     | 52.4   | --      |
| 04/03                  | 15:45 | US     |   |          |   | S&P Global US Manufacturing PMI          | Mar F  | --       | --     | 49.3   | --      |
| 04/03                  | 16:00 | US     |   |          |   | Construction Spending MoM                | Feb    | 0.0%     | --     | -0.1%  | --      |
| 04/03                  | 16:00 | US     |   |          |   | ISM Manufacturing                        | Mar    | 47.5     | --     | 47.7   | --      |
| 04/03                  | 16:00 | US     |   |          |   | ISM Prices Paid                          | Mar    | --       | --     | 51.3   | --      |
| 04/03                  | 16:00 | US     |   |          |   | ISM Employment                           | Mar    | --       | --     | 49.1   | --      |
| 04/03                  | 16:00 | US     |   |          |   | ISM New Orders                           | Mar    | --       | --     | 47.0   | --      |
| 04/03                  | 16:30 | CA     |   |          |   | BoC Overall Business Outlook Survey      | 1Q     | --       | --     | 0.1    | --      |
| 04/03                  | 16:30 | CA     |   |          |   | BoC Business Outlook Future Sales        | 1Q     | --       | --     | -24.00 | --      |
| 04/03                  | 18:00 | IT     |   |          |   | New Car Registrations YoY                | Mar    | --       | --     | 17.54% | --      |
| 04/03                  |       | IT     |   |          |   | Budget Balance                           | Mar    | --       | --     | -14.7b | --      |
| 04/03                  |       | US     |   |          |   | Wards Total Vehicle Sales                | Mar    | 14.85m   | --     | 14.89m | --      |

Source: Refinitiv

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