

Morning Call

Geneva, April 4, 2023

Market Corner

Asian stocks slipped, on course for their first drop in six sessions, as Chinese tech stocks declined and investors parsed weak US factory data and inflation risks from a surge in oil prices.

The MSCI Asia Pacific Index lost as much as 0.4%, dragged down by Alibaba and Meituan. Hong Kong's benchmark gauge was set to end its five-day winning streak on profit taking ahead of a Hong Kong holiday. The Hang Seng Tech Index dropped more than 2%, weighed on by Chinese electric-vehicle makers.

The main stock measures in Japan and Australia swung between small gains and losses, while the benchmark in South Korea posted modest gains. India and Taiwan markets are closed for holidays.

US equities were mostly higher Monday as a key gauge of US manufacturing activity showed the lowest reading in three years, helping offset renewed concerns around inflation after OPEC+ cut oil production in a surprise weekend move.

The S&P 500 Index ticked up 0.4%, adding to its 3.5% rise last week. The Dow Jones Industrial Average closed up 1%, as the energy sector led gains. The Nasdaq 100 index was an outlier, slipping 0.3% alongside a 6% drop in Tesla shares after the electric-vehicle giant reported price cuts only marginally boosted vehicle deliveries last quarter.

Meanwhile, West Texas Intermediate crude surged past \$80 per barrel for first time in almost a month after OPEC+ unexpectedly announced plans to slash output by more than one million barrels a day to tighten the market. Energy stocks including Chevron Corp. and Exxon Mobil Corp. advanced.

Following a strong first quarter for stocks led by the tech sector, investors started the week by assessing how the OPEC+ decision could affect the path of Federal Reserve monetary policy. St. Louis Fed President James Bullard said the implications of OPEC's decision on US monetary policy are unclear at this point.

World Indices	Last	1D Change	YTD
Dow Jones	33 601.2	0.98%	1.37%
S&P 500	4 124.5	0.37%	7.42%
Nasdaq	12 189.5	-0.27%	16.46%
Eurostoxx 50	4 311.1	-0.09%	13.64%
FTSE 100	7 673.0	0.54%	2.97%
CAC 40	7 346.0	0.32%	13.47%
DAX	15 580.9	-0.31%	11.90%
SMI	11 093.1	-0.12%	3.39%
Nikkei	28 287.4	0.35%	8.40%
Hang Seng	20 240.1	-0.83%	2.32%
CSI 300	4 085.4	-0.13%	5.50%
VIX Index	18.6	-0.80%	-14.40%

World Bonds	Last	1D Change	YTD
US 10Y	3.4263	0.01	-0.449
EUR 10Y	2.2750	0.02	-0.298
Swiss 10Y	1.2400	-0.01	-0.377
UK 10Y	3.4300	-0.06	-0.242

Source: Bloomberg



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Crypto Corner

Dogecoin rose as much as 30% after Twitter users noticed their home buttons changed into the dog meme after which the cryptocurrency is named.

Some Twitter users began to notice the home button in the top left corner of their web browsers — usually the company’s solid blue bird logo — replaced with a cartoon of the Shiba Inu that is the face of the Doge meme at around 1:45 p.m. New York time.

Dogecoin rose to as high as 10.2 cents from around 7.7 cents after the change. Doge also began to trend on Twitter.

The shift comes days after Twitter began making changes to its verification system. Some accounts with so-called legacy verification, like the New York Times, saw their check marks removed. Others have kept their checks with a note they were either Blue subscribers or legacy verified accounts.

Twitter did not respond to a question about the home button change. At 3:44 p.m. in New York, Twitter owner Elon Musk posted a photo of an earlier exchange in which a Twitter user urged him to change the bird logo to a doge. Musk tweeted “As promised.”

Crypto Market Cap: [1.17T](#)

24h Vol: [\\$48.5B](#)

Dominance: [BTC: 46% ETH:18.6%](#)

Crypto	Last	1D Change	YTD
Bitcoin	27 885.95	1.08%	68.59%
Ethereum	1 808.67	1.60%	50.80%



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



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Commodity Corner

Gold held Monday's rally that came after inflationary signs eased in the US, leading to a weaker dollar.

The precious metal reversed losses made earlier on Monday when a gauge of manufacturing activity showed a slump in March to the lowest since 2009, excluding the pandemic. The measure suggests tightening lending conditions are taking a toll on business sentiment, slowing economic activity and further boosting gold's appeal.

Bullion, up about 9% so far this year, has been on a turbulent ride amid mixed signals on the state of the global economy and whether inflation is easing. The Federal Reserve has been adamant it needs to see a decline in cost pressures before it will end its hiking policy, with higher rates typically negative for non-interest-bearing gold

Spot gold was little changed at \$1,984.25 an ounce as of by 8:09 a.m. in Singapore, after gaining 0.8% in the previous session. The Bloomberg Dollar Spot Index was flat after falling 0.4% on Monday. Silver, platinum and palladium were steady

Precious Metals	Last	1D Change	YTD
Gold	1 978.75	-0.30%	8.50%
Silver	23.85	-0.55%	-0.44%
Platinum	986.94	-0.53%	-8.15%
Palladium	1 459.27	-0.38%	-18.64%

Oil built on the largest gain in a year after OPEC+ delivered an unexpected and substantial production cut in a shift that tightened the global crude market, widened key timespreads, and likely punished short sellers.

West Texas Intermediate advanced toward \$81 a barrel after rallying by more than 6% on Monday, with backwardation strengthening. The surprise reduction in supply by the Organization of Petroleum Exporting Countries and its allies blindsided the global crude market, prompting many banks to jack up price forecasts, although some bears remain.

"The supply cuts have thrown short sellers under the bus," said Jessica Amir, a market strategist at Saxo Capital Markets Ltd., referring to traders who held bets on losses before the move by OPEC+ members including Saudi Arabia.

Crude has soared by about a quarter after collapsing in mid-March to its lowest level since late 2021. The rebound was driven initially by expectations Chinese demand would pick up as Covid Zero abruptly ended, and by interruptions to supplies from Iraq. It was then supercharged by the OPEC+ decision to remove more than 1 million barrels of daily output from the market.

Widely watched timespreads signaled increased market strength after the OPEC+ salvo. Among them, the gap between the nearest two December contracts for global benchmark Brent rose to \$5.71 a barrel in backwardation — a bullish pricing pattern — up from \$3.80 on Friday.

World Commodities	Last	1D Change
WTI Crude	80.69	0.34%
Brent Crude	85.20	0.32%
Nat Gas (HH)	2.14	1.96%
Nickel	23 208.50	-2.01%
Copper	402.90	-0.41%
Corn	655.25	-0.38%
Wheat	695.00	0.22%
Soybean	1 519.50	-0.16%
Coffee	176.25	3.37%
Cotton	82.67	0.35%
Sugar	22.40	0.67%

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

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FX Corner

EUR/USD is retreating toward 1.0850, as the Euro bulls take a breather early Tuesday. The pair's latest leg down could be linked to the rebound in the US Dollar amid a mixed market mood and sluggish US Treasury bond yields. Mid-tier US data, Fed speak eyed.

GBP/USD is trading on the back foot at around 1.2400 in the European morning. A cautious market mood revives the safe-haven demand for the US Dollar, as investors assess inflation risks and weak US industrial data. Speeches from the BoE and Fed officials awaited.

USD/JPY grinds near intraday high, looking to challenge 133.00 early Tuesday. The pair is reversing the previous day's losses, tracking the recovery in the US Dollar, as risk sentiment turns cautious. Focus shifts to mid-tier US economic data.

AUD/USD is losing ground toward 0.6750 following the Reserve Bank of Australia's (RBA) no-rate change announcement this Tuesday. RBA's bleak outlook on the Australian economy weighs on the Aussie dollar while the US Dollar attempts a rebound amid a tepid mood.

World Currencies	Last	1D Change	YTD
EURUSD	1.0900	0.01%	1.81%
EURCHF	0.9950	0.00%	-0.57%
EURGBP	0.8781	-0.02%	-0.57%
EURJPY	144.6900	-0.22%	-3.03%
USDCHF	0.9129	-0.04%	-1.23%
USDJPY	132.7500	-0.22%	-1.24%
USDCAD	1.3432	0.04%	0.90%
USDTRY	19.2075	-0.06%	-2.66%
GBPUSD	1.2412	-0.02%	2.71%
AUDUSD	0.6762	-0.35%	-0.79%
NZDUSD	0.6296	-0.02%	-0.87%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	1.0610	1.0739	1.0819	1.0948	1.0997	1.1126
USDJPY	129.7100	131.2600	131.8600	133.4100	134.3600	135.9100
GBPUSD	1.2073	1.2222	1.2318	1.2467	1.2520	1.2669
USDCAD	1.3212	1.3337	1.3387	1.3512	1.3587	1.3712
AUDUSD	0.6464	0.6603	0.6695	0.6834	0.6881	0.7020
NZDUSD	0.6084	0.6176	0.6237	0.6329	0.6360	0.6452
USDCHF	0.8986	0.9066	0.9095	0.9175	0.9226	0.9306
USDTRY	19.1530	19.1749	19.1856	19.2075	19.2187	19.2406
XAUUSD	1893.313	1934.143	1959.397	2000.227	2015.803	2056.633
XAGUSD	22.6747	23.2956	23.6401	24.2610	24.5374	25.1583

Source: fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars

Options

G8 Browse 08:36:41 04/04/23 - 04/04/23

Economic Releases All Economic Releases View Agenda Weekly

Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
04/04	01:50	JN				Monetary Base YoY	Mar	--	--	-1.6%	--
04/04	01:50	JN				Monetary Base End of period	Mar	--	--	¥651.8t	--
04/04	08:00	GE				Trade Balance SA	Feb	16.8b	--	16.7b	16.0b
04/04	08:00	GE				Exports SA MoM	Feb	1.8%	--	2.1%	2.7%
04/04	08:00	GE				Imports SA MoM	Feb	1.5%	--	-3.4%	-2.1%
04/04	11:00	EC				PPI MoM	Feb	-0.5%	--	-2.8%	--
04/04	11:00	EC				PPI YoY	Feb	13.2%	--	15.0%	--
04/04	14:30	CA				Building Permits MoM	Feb	2.0%	--	-4.0%	--
04/04	16:00	US				Factory Orders	Feb	-0.5%	--	-1.6%	--
04/04	16:00	US				Factory Orders Ex Trans	Feb	0.0%	--	1.2%	--
04/04	16:00	US				JOLTS Job Openings	Feb	10500k	--	10824k	--
04/04	16:00	US				Durable Goods Orders	Feb F	-1.0%	--	-1.0%	--
04/04	16:00	US				Durables Ex Transportation	Feb F	--	--	0.0%	--
04/04	16:00	US				Cap Goods Orders Nondef Ex Air	Feb F	--	--	0.2%	--
04/04	16:00	US				Cap Goods Ship Nondef Ex Air	Feb F	--	--	0.0%	--

Source: Refinitiv

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