

## Morning Call

Geneva, May 1, 2023

# Market Corner

**Asian stocks rose as shares in Japan and Australia advanced, while most equity markets in the rest of the region remained closed for holidays ahead of a busy week of global earnings.**

The MSCI Asia Pacific Index climbed as much as 0.3%. Japan's benchmark Topix headed for its highest level since September 2021, despite a slump in Sony shares following its disappointing profit guidance. Stocks in Australia advanced amid expectations the Reserve Bank of Australia will keep interest rates on hold when it meets Tuesday. Shares in New Zealand fell. Trading remained thin with China, Singapore and much of Europe closed for May 1.

The lull in activity could give investors a chance to rest up before a slew of earnings results this week from major companies ranging from Apple and Macquarie Group to Volkswagen and energy giant BP. Strong results out of Asia have already put the region's benchmark index on course for a three-day advance in the wake of its monthly slide of more than 1% in April.

"Earnings season is showing the demand in the market, which is a key engine of inflation, is still quite robust," Hebe Chen, an analyst with IG Markets, said in an interview on Bloomberg Television.

**US stocks extended their April advance after better-than-expected earnings outweighed concerns over the prospects of more rate hikes, persistent inflation and signs of slowing economic growth.**

The S&P 500 Index rose 0.8% to end the week almost 1% higher, with a gain of 1.5% for April. The gauge climbed in five of the past seven months.

The tech-heavy Nasdaq 100, which rose 0.5% for the month, climbed 0.7% Friday to end nearly 2% higher for the week. The Dow Jones Industrial Average rose 0.8%.

The quarterly reporting season broadly has been better than feared so far, helped Friday by the likes of Exxon Mobil Corp. and Intel Corp. That helped offset concerns about Amazon.com Inc.'s cautious comments on its cloud computing business, which sent shares of the e-commerce giant 4% lower. Shares had surged as much as 12% in extended trading Thursday, before reversing course as the comments highlighted weakness in Amazon Web Services, its most profitable division.

World Indices	Last	1D Change	YTD
Dow Jones	34 098.2	0.80%	2.87%
S&P 500	4 169.5	0.83%	8.59%
Nasdaq	12 226.6	0.69%	16.82%
Eurostoxx 50	4 359.3	0.03%	14.91%
FTSE 100	7 870.6	0.50%	5.62%
CAC 40	7 491.5	0.10%	15.72%
DAX	15 922.4	0.77%	14.36%
SMI	11 437.1	0.66%	6.60%
Nikkei	29 128.3	0.94%	11.62%
Hang Seng	19 894.6	0.27%	0.57%
CSI 300	4 029.1	1.02%	4.07%
VIX Index	15.8	-7.34%	-27.18%

World Bonds	Last	1D Change	YTD
US 10Y	3.4635	0.04	-0.411
EUR 10Y	2.3130	-0.15	-0.258
Swiss 10Y	1.0490	-0.09	-0.568
UK 10Y	3.7190	-0.08	0.047

Source: Bloomberg



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## Crypto Corner

**Bitcoin slipped back Monday after climbing for four consecutive months through April in the longest such winning run since 2021.**

The token slid as much as 3.2% and was trading at \$28,580 as of 12:28 p.m. in Tokyo. Smaller coins such as Ether, Solana and Polkadot also retreated, as did an index of the top 100 digital assets.

Bitcoin's 73% rebound in 2023 from last year's crypto rout has stalled around the \$30,000 level as traders await further catalysts. The rally has been fueled by bets on an eventual Federal Reserve pivot to looser monetary policy as well as arguments that the US banking crisis eroded confidence in fiat currency.

First Republic Bank is at the center of the latest leg of the banking woes in the US. Regulators worked into the night to try to resolve the situation and the uncertainty restrained the mood in global markets.

"The market is very jittery as it waits to see what happens to First Republic Bank," said Adrian Przelozny, head of crypto exchange Independent Reserve. Monday's Bitcoin wobble may be "just volatility related to this, and some long positions got liquidated as the market dropped a bit, which then cascaded."

Bitcoin's four-month stretch of gains through April ranks as the longest since a six-month advance to March 2021. In the past decade, four-month winning runs in Bitcoin foreshadowed an average surge of 260% over the subsequent year, data compiled by Bloomberg show.

Bitcoin and the wider crypto world remain exposed to a variety of risks, such as the US crackdown on the sector and the possibility of traders paring back expectations that monetary policy will become less restrictive later this year.

For now, the Fed is expected to boost interest rates by another quarter percentage point on Wednesday to damp inflation even as economic risks build.

Crypto Market Cap: [1.18T](#)

24h Vol: [\\$38.2B](#)

Dominance: [BTC: 46.9%](#) [ETH:18.8%](#)

Crypto	Last	1D Change	YTD
Bitcoin	28 489.95	-2.92%	72.27%
Ethereum	1 845.08	-2.54%	53.85%



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

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# Commodity Corner

**Gold edged lower, pressured by rising Treasury yields as traders look ahead to this week's US Federal Reserve gathering where policymakers are expected to again raise interest rates.**

The precious metal has struggled to make a lasting breakthrough above \$2,000 an ounce after reaching the threshold about a month ago for the first time in a year. On Monday, the prospect of higher rates helped lift 10-year yields after they plunged last week amid worries about the health of the economy.

The Fed is forecast to increase borrowing costs at its May 2-3 meeting by 25 basis points to a range of 5% to 5.25%, a level not seen since 2007. Higher rates, along with rising Treasury yields, are typically negative for non-interest bearing gold

**Spot gold** fell 0.3% to \$1,984.65 an ounce as of 9:21 a.m. in Singapore. The Bloomberg Dollar Spot Index edged 0.1% higher. Silver, platinum and palladium all declined

Precious Metals	Last	1D Change	YTD
Gold	1 981.62	-0.42%	8.64%
Silver	25.10	0.17%	4.76%
Platinum	1 072.84	-0.51%	-0.13%
Palladium	1 496.69	-0.68%	-16.51%

**Oil extended two weeks of losses after data from China reignited concerns about a patchy recovery in the world's biggest crude importer.**

West Texas Intermediate futures declined 0.8%, after rallying 2.7% on Friday on the back of strong US company earnings to pare a weekly fall. China's manufacturing activity unexpectedly contracted in April, data released Sunday showed, in a sign the nation's economy may be struggling to regain momentum even as consumers splurged at the start of the Labor Day break.

Hedge funds and money managers have turned deeply bearish on crude after prices swung sharply in April — surging to a 15-month high after the Organization of Petroleum Exporting Countries and its allies announced an output cut, before giving up those gains amid a deteriorating outlook. With China on holiday through Wednesday, the focus will likely be on whether major central banks including the Federal Reserve will continue tightening rates.

World Commodities	Last	1D Change
WTI Crude	76.13	-0.85%
Brent Crude	79.75	-0.72%
Nat Gas (HH)	2.36	-1.95%
Nickel	24 236.50	0.56%
Copper	386.50	-0.13%
Corn	633.50	-0.39%
Wheat	620.00	0.04%
Soybean	1 445.00	0.05%
Coffee	189.85	-1.17%
Cotton	79.03	0.51%
Sugar	26.35	0.00%

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



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## FX Corner

**EUR/USD** renews intraday low as bears attack the 1.1000 round figures early Monday amid broad US Dollar strength, as well as sluggish markets due to holidays at many bourses.

**GBP/USD** is aiming to claim the round-level resistance of 1.2600 in the Asian session. The Cable has corrected marginally after failing to sustain above 1.2580. However, the scale of correction in the Cable is critically low in comparison with the recovery in the US Dollar Index (DXY), which indicates that Pound Sterling is holding some strength.

**USD/JPY** : The Nikkei experienced a solid start to the day, rallying in the opening hours. This optimism was also reflected in USD/JPY, climbing 0.34% to start the new month of May with highs of 136.77.

**AUD/USD** is looking to surpass the crucial resistance of 0.6640 in the Asian session. The Aussie asset has stretched its rally as the US Dollar Index (DXY) is struggling in extending its recovery above 101.80.

World Currencies	Last	1D Change
EURUSD	1.1006	-0.12%
EURCHF	0.9845	0.09%
EURGBP	0.8769	-0.01%
EURJPY	150.7100	-0.42%
USDCHF	0.8945	0.01%
USDJPY	136.9000	-0.44%
USDCAD	1.3554	-0.01%
USDTRY	19.4598	-0.04%
GBPUSD	1.2551	-0.13%
AUDUSD	0.6640	0.38%
NZDUSD	0.6184	0.03%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	1.0845	1.0927	1.0973	1.1055	1.1091	1.1173
USDJPY	129.0533	132.2333	134.2667	137.4467	138.5933	141.7733
GBPUSD	1.2259	1.2396	1.2481	1.2618	1.2670	1.2807
USDCAD	1.3321	1.3453	1.3503	1.3635	1.3717	1.3849
AUDUSD	0.6474	0.6542	0.6579	0.6647	0.6678	0.6746
NZDUSD	0.6038	0.6101	0.6142	0.6205	0.6227	0.6290
USDCHF	0.8781	0.8860	0.8903	0.8982	0.9018	0.9097
USDTRY	19.4177	19.4351	19.4433	19.4607	19.4699	19.4873
XAUUSD	1949.900	1968.520	1979.260	1997.880	2005.760	2024.380
XAGUSD	24.2705	24.6115	24.8330	25.1740	25.2935	25.6345

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



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## Event Corner

ECO Economic Calendars Options

G8 Browse 07:52:08 05/01/23 - 05/01/23

Economic Releases All Economic Releases View  Agenda  Weekly

Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
05/01	02:30	JN				Jibun Bank Japan PMI Mfg	Apr F	--	--	49.5	--
05/01	07:00	JN				Consumer Confidence Index	Apr	35.0	--	33.9	--
05/01	14:00	CA				Bloomberg Nanos Confidence	Apr 28	--	--	50.4	--
05/01	15:30	CA				S&P Global Canada Manufacturing PMI	Apr	--	--	48.6	--
05/01	15:45	US				S&P Global US Manufacturing PMI	Apr F	50.4	--	50.4	--
05/01	16:00	US				Construction Spending MoM	Mar	0.2%	--	-0.1%	--
05/01	16:00	US				ISM Manufacturing	Apr	46.8	--	46.3	--
05/01	16:00	US				ISM Prices Paid	Apr	49.0	--	49.2	--
05/01	16:00	US				ISM Employment	Apr	--	--	46.9	--
05/01	16:00	US				ISM New Orders	Apr	--	--	44.3	--

Source: Refinitiv

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