

Market Corner

Asian stocks headed for their steepest slide in two weeks amid reluctance to buy shares before the release of closely watched US inflation data, and as losses in state-owned enterprises dragged China's market lower.

The MSCI Asia Pacific Index dropped as much as 0.6%, with technology names TSMC and Samsung Electronics among the heaviest drags on the regional gauge. All of the benchmark's 11 sub-indexes declined.

Shares in China and Hong Kong fell as a rally in the nation's state-linked companies lost momentum, with an index of central government-owned firms slipping as much as 1.4% in an extension of Tuesday's drop. Disappointing trade data and fresh signs of geopolitical tensions continued to weigh on the market.

Asian stocks have fallen over the past two days in the run-up to Wednesday's US data, which may show price pressures remained high in April. That could dash hopes for a pause in monetary tightening or even interest rate cuts by the Federal Reserve. Washington's debt ceiling impasse also damped sentiment.

US stocks halted two days of gains ahead of a critical inflation report as investors assessed a batch of mixed earnings reports and the debt-ceiling impasse.

The S&P 500 Index fell 0.5%, with trading volumes about 10% below the 30-day average. Eight of the 11 major industry groups fell, with materials and information technology the worst performers. The tech-heavy Nasdaq 100 Index declined 0.7% to post losses in five of the past seven sessions. The Dow Jones Industrial Average slipped 0.2%.

Major stock indexes have been stuck in narrow trading range as traders weigh the potential end of the Federal Reserve's tightening campaign against recession worries as price pressures remain uncomfortably high. While the quarterly reporting season broadly has been better than feared so far, PayPal Holdings Inc. was the worst performer in the S&P 500 after delivering a disappointing outlook.

Wall Street is also tracking efforts in Washington to end a standoff over the US debt ceiling, with President Joe Biden and House Speaker Kevin McCarthy facing pressure to forge a deal. Treasury Secretary Janet Yellen has warned that the debt limit could be breached as soon as June 1.

World Indices	Last	1D Change	YTD
Dow Jones	33 561.8	-0.17%	1.25%
S&P 500	4 119.2	-0.46%	7.28%
Nasdaq	12 179.6	-0.63%	16.37%
Eurostoxx 50	4 323.1	-0.59%	13.96%
FTSE 100	7 764.1	-0.18%	4.19%
CAC 40	7 397.2	-0.59%	14.26%
DAX	15 955.5	0.02%	14.59%
SMI	11 546.0	-0.42%	7.61%
Nikkei	29 144.1	-0.34%	11.68%
Hang Seng	19 764.1	-0.52%	-0.10%
CSI 300	4 004.0	-0.59%	3.36%
VIX Index	17.7	4.30%	-18.27%

World Bonds	Last	1D Change	YTD
US 10Y	3.5167	0.00	-0.358
EUR 10Y	2.3500	0.03	-0.221
Swiss 10Y	1.1000	-0.01	-0.517
UK 10Y	3.8550	0.07	0.183

Source: Bloomberg



Morning Call
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Crypto Corner

Jane Street Group and Jump Crypto — two of the world’s top market-making firms — are pulling back from trading digital assets in the US as regulators crack down on the industry.

Jane Street is going even further by scaling back its crypto ambitions globally because regulatory uncertainty has made it difficult for the firm to operate the business in a way that meets internal standards, according to a person familiar with the matter.

Jump Crypto, the digital-assets unit of Jump Trading, is pulling back from the US market for the same reason, though it’s expanding internationally, two people familiar with the matter said. Both firms are still making markets, though on a smaller scale, and not abandoning crypto entirely, the people said.

Representatives for Jane Street and Jump Trading declined to comment.

Scrutiny of the digital-asset industry has intensified following the collapse of high-profile firms and projects, including FTX, the crypto exchange founded by Sam Bankman-Fried, and TerraUSD stablecoin.

Regulatory crackdowns have focused on multiple fronts, including trading platforms, stablecoin issuers and brokers. In one example, Coinbase Global Inc., the largest US crypto exchange, received a warning earlier this year from the Securities and Exchange Commission about a potential enforcement action.

Jane Street and Jump Trading were caught up in some of the turmoil and were among trading firms questioned by US prosecutors in a probe of the failed TerraUSD stablecoin project. Jump Crypto had been a major backer of the TerraUSD project since 2019. No one has been accused of wrongdoing, and inquiries don’t necessarily mean that charges will be brought.

Jane Street was also among the three US quant-trading firms cited anonymously by the Commodity Futures Trading Commission in its lawsuit against Binance Holdings Ltd. as examples of how US-headquartered clients were able to access the platform despite Binance’s promises to exclude them. The regulator also didn’t accuse the trading firms of wrongdoing.

Crypto Market Cap: [1.14T](#)

24h Vol: [\\$31.5B](#)

Dominance: [BTC: 47%](#) [ETH:19.4%](#)

Crypto	Last	1D Change	YTD
Bitcoin	27 682.67	0.08%	67.40%
Ethereum	1 844.67	-0.26%	53.84%



Source: fxstreet.com / Bloomberg/Coinmarketcap.com

Commodity Corner

Gold held gains, with investors turning their focus to upcoming US inflation data that will influence the Federal Reserve as it mulls when to pause its monetary tightening cycle.

The precious metal has risen almost 1% this week following its 1.4% increase last week, to put it within reach of a record high. Core consumer price index figures due Wednesday are expected to show headline inflation in the US rose by 5% in April on a year-on-year basis, a level likely to be still uncomfortably high for the Fed.

Options traders are now betting on further rate hikes into the next couple of central bank policy meetings in June and July. While higher rates are generally negative for non-interest-bearing bullion, gold could be entering a “win-win scenario,” according to Oanda senior market analyst Ed Moya.

Spot gold was steady at \$2,035.12 an ounce as of 9:28 a.m. in Singapore. The Bloomberg Dollar Spot Index edged down. Silver was little changed, while platinum and palladium gained.

Precious Metals	Last	1D Change	YTD
Gold	2 028.21	-0.31%	11.20%
Silver	25.54	-0.24%	6.67%
Platinum	1 111.15	0.21%	3.45%
Palladium	1 567.23	-0.52%	-12.54%

Oil fell with risk assets ahead of a critical US inflation report and as investors digested a mixed report on supplies from an industry group.

West Texas Intermediate sank toward \$73 a barrel after jumping 7.5% over the previous three sessions as the White House said it would begin purchasing crude to replenish the emergency reserves after maintenance work later this year. Gains were also supported by wildfires in Canada that have cut output.

The US consumer price inflation data later Wednesday will be closely watched for a read on the Federal Reserve’s likely interest-rate path in the second half as the economy shows signs of a slowdown that could hurt energy demand. Ahead of the release, equities in Asia declined and copper erased gains.

Crude has retreated this year as worries over Fed tightening and a potential US recession outweighed a solid physical market and supply cuts by the Organization of Petroleum Exporting Countries and its allies. Still, Russian exports have continued to show little sign of ebbing despite Moscow saying its output curbs had almost hit a pledged goal of 500,000 barrels a day.

World Commodities	Last	1D Change
WTI Crude	73.20	-0.69%
Brent Crude	76.94	-0.65%
Nat Gas (HH)	2.24	-1.10%
Nickel	23 417.00	-4.25%
Copper	388.90	-0.74%
Corn	642.00	-0.04%
Wheat	630.50	-1.64%
Soybean	1 450.75	-0.07%
Coffee	188.00	0.59%
Cotton	81.25	0.32%
Sugar	26.19	0.38%

Source: fxstreet.com / Bloomberg

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FX Corner

EUR/USD is facing barricades in extending its recovery above the immediate resistance of 1.0980 in the early European session. The shared currency pair has sensed pressure as the US Dollar Index (DXY) has shown some recovery.

GBP/USD treads water around 1.2630-20 heading into Wednesday's London open as candlesticks and chart formations print mixed signals as US inflation data looms. The Cable pair seesaws around the highest levels since May 2022, marked during early weekdays.

USD/JPY retreats to 135.15 as it prods a three-day winning streak heading into Wednesday's European session. In doing so, the Yen pair eases within a one-week-old rising wedge bearish chart pattern.

AUD/USD is holding higher ground near 0.6770, struggling to extend the upside as it bears the burden of the market's cautious mood and softer second-tier Aussie data. The US Dollar is retreating in tandem with the US Treasury bond yields ahead of the US CPI data.

World Currencies	Last	1D Change	YTD
EURUSD	1.0967	0.05%	2.44%
EURCHF	0.9766	-0.05%	1.31%
EURGBP	0.8692	-0.08%	1.31%
EURJPY	148.4300	-0.13%	-5.70%
USDCHF	0.8905	0.00%	-3.68%
USDJPY	135.3400	-0.08%	-3.23%
USDCAD	1.3391	-0.05%	1.20%
USDTRY	19.5252	-0.02%	-4.36%
GBPUSD	1.2618	-0.02%	4.43%
AUDUSD	0.6761	-0.01%	-0.76%
NZDUSD	0.6338	0.05%	-0.19%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	1.0840	1.0905	1.0933	1.0998	1.1035	1.1100
USDJPY	133.8233	134.4633	134.8467	135.4867	135.7433	136.3833
GBPUSD	1.2489	1.2551	1.2586	1.2648	1.2675	1.2737
USDCAD	1.3303	1.3344	1.3364	1.3405	1.3426	1.3467
AUDUSD	0.6685	0.6725	0.6744	0.6784	0.6805	0.6845
NZDUSD	0.6272	0.6303	0.6319	0.6350	0.6365	0.6396
USDCHF	0.8802	0.8857	0.8881	0.8936	0.8967	0.9022
USDTRY	19.4494	19.4863	19.5037	19.5406	19.5601	19.5970
XAUUSD	1994.457	2012.527	2023.543	2041.613	2048.667	2066.737
XAGUSD	24.8373	25.1856	25.3939	25.7422	25.8822	26.2305

Source: fxstreet.com / Bloomberg



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Event Corner

Economic Releases		All Economic Releases		05/10/23 - 05/10/23		View Agenda Weekly					
Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
05/10	07:00	JN				Leading Index CI	Mar P	97.9	--	98.0	--
05/10	07:00	JN				Coincident Index	Mar P	98.7	--	98.6	--
05/10	08:00	GE				CPI MoM	Apr F	0.4%	--	0.4%	--
05/10	08:00	GE				CPI YoY	Apr F	7.2%	--	7.2%	--
05/10	08:00	GE				CPI EU Harmonized MoM	Apr F	0.6%	--	0.6%	--
05/10	08:00	GE				CPI EU Harmonized YoY	Apr F	7.6%	--	7.6%	--
05/10	10:00	IT				Industrial Production MoM	Mar	0.3%	--	-0.2%	--
05/10	10:00	IT				Industrial Production WDA YoY	Mar	-1.7%	--	-2.3%	--
05/10	10:00	IT				Industrial Production NSA YoY	Mar	--	--	-2.2%	--
05/10	10:30	IT				Bank of Italy Releases Banks and Money Monthly Statistics					
05/10	11:00	IT				Istat Releases the Monthly Economic Note					
05/10	13:00	US				MBA Mortgage Applications	May 5	--	--	-1.2%	--
05/10	14:30	CA				Building Permits MoM	Mar	-2.2%	--	8.6%	--
05/10	14:30	US				CPI MoM	Apr	0.4%	--	0.1%	--
05/10	14:30	US				CPI Ex Food and Energy MoM	Apr	0.3%	--	0.4%	--
05/10	14:30	US				CPI YoY	Apr	5.0%	--	5.0%	--
05/10	14:30	US				CPI Ex Food and Energy YoY	Apr	5.5%	--	5.6%	--
05/10	14:30	US				CPI Index NSA	Apr	303.491	--	301.836	--
05/10	14:30	US				CPI Core Index SA	Apr	306.243	--	305.240	--
05/10	14:30	US				Real Avg Weekly Earnings YoY	Apr	--	--	-1.6%	-1.5%
05/10	14:30	US				Real Avg Hourly Earning YoY	Apr	--	--	-0.7%	-0.6%
05/10	15:00	RU				Official Reserve Assets	Apr	--	--	593.9b	--
05/10	20:00	US				Monthly Budget Statement	Apr	\$235.0b	--	\$308.2b	--
05/10		RU				Budget Balance YTD	Apr	--	--	-2400.0b	-2401.6b

Source: Refinitiv

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