

Market Corner

Asian stocks were steady as traders weighed inflation numbers from the world's two largest economies as well as global corporate earnings.

The MSCI Asia Pacific Index traded mostly flat. Li Auto was among the biggest boosts after robust results, while TSMC and Toyota dragged on the gauge.

The regional benchmark erased an early gain after China reported slower-than-expected inflation amid weak consumer demand. That damped sentiment after the US consumer-price print overnight showed signs of cooling and boosted hopes for a pause in Federal Reserve rate hikes.

Benchmarks in Hong Kong and mainland China pared gains after the inflation report. Key equity indexes rose in South Korea and the Philippines, while stocks fell in Singapore, Taiwan and Australia.

US stocks ended the session higher Wednesday fueled by the latest inflation print that showed signs of consumer prices moderating in April, giving the Federal Reserve room to potentially pause its interest rate hikes.

The S&P 500 Index rose 0.5%. Seven of the 11 major industry groups finished in the green with communication services and info tech leading the gains. Microsoft Corp. and Amazon.com Inc. propelled the equities benchmark higher. The tech-heavy Nasdaq 100 Index rose 1.1%, while the Dow Jones Industrial Average was little changed.

Read more: [US Inflation Shows Signs of Moderating, Giving Fed Room to Pause](#)

Traders were assessing the latest inflation report Wednesday for insight on the direction of Fed policy just a week after the central bank hinted that a pause was in the cards. The overall CPI rose by 4.9% in April from a year earlier while the core reading, which excludes food and energy, increased 0.4% from the prior month and 5.5% on an annual basis — matching economist estimates. Annual inflation is still well above the 2% level targeted by the Fed.

World Indices	Last	1D Change	YTD
Dow Jones	33 531.3	-0.09%	1.16%
S&P 500	4 137.6	0.45%	7.77%
Nasdaq	12 306.4	1.04%	17.58%
Eurostoxx 50	4 306.8	-0.38%	13.53%
FTSE 100	7 741.3	-0.29%	3.89%
CAC 40	7 361.2	-0.49%	13.71%
DAX	15 896.2	-0.37%	14.17%
SMI	11 447.2	-0.86%	6.69%
Nikkei	29 126.7	0.02%	11.62%
Hang Seng	19 652.0	-0.56%	-0.68%
CSI 300	3 995.8	-0.03%	3.21%
VIX Index	16.9	-4.35%	-21.83%

World Bonds	Last	1D Change	YTD
US 10Y	3.4289	-0.01	-0.446
EUR 10Y	2.2840	0.00	-0.287
Swiss 10Y	1.0450	-0.06	-0.572
UK 10Y	3.8000	-0.06	0.128

Source: Bloomberg



Morning Call

Geneva, May 11, 2023

Crypto Corner

Bitcoin has flipped from leader to laggard on the global market scoreboard amid congestion on its blockchain and concern about ebbing liquidity in crypto markets.

The token has retreated about 6% so far in May, whereas Bloomberg gauges of global stocks, bonds and commodities have posted steadier performance while gold has jumped toward a record high.

Bitcoin's recent travails contrast with a 72% rally last quarter that left traditional investments in the shade and stirred talk of a new bull phase for the largest digital asset after 2022's crypto rout.

The spotlight lately fell on sector-specific risks including a traffic jam of transactions on the Bitcoin blockchain, thinner liquidity in digital-asset markets and an ongoing regulatory crackdown in the US.

"We're in a challenging period now," Bitwise Asset Management Chief Investment Officer Matt Hougan said on Bloomberg Television. "We'll eventually exit this period with new rules, with clearer regulations and that will contribute" to a multi-year bull market, he said.

Bitcoin shed as much as 1.9% on Thursday and was trading near \$27,470 as of 11:45 a.m. in Singapore. Tokens like Ether and Solana also declined.

A recent flurry of activity on the Bitcoin network involving meme tokens such as Pepe ended up pressuring the top cryptocurrency by causing a spike in congestion and transaction fees on the blockchain.

The jump in cost led crypto exchange Binance to temporarily halt Bitcoin withdrawals twice on Sunday, weighing on sentiment.

"Investors may be concerned about the reliability and scalability of the Bitcoin network," said Stefan von Haenisch, head of sales trading at OSL SG Pte in Singapore. "It's important to note that these issues are not necessarily indicative of a vulnerability in the blockchain itself, but rather in the way it's being used and maintained."

Crypto Market Cap: [1.13T](#)

24h Vol: [\\$46.2B](#)

Dominance: [BTC: 46.9%](#) [ETH:19.4%](#)

Crypto	Last	1D Change	YTD
Bitcoin	27 501.71	-1.34%	66.28%
Ethereum	1 829.48	-1.57%	52.49%



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

Commodity Corner

Gold crept higher amid signs that US inflation is cooling, fueling speculation that the Federal Reserve will soon pause tightening.

Bullion is up almost 1% this week and is within reach of a record high. It has been trading above \$2,000 an ounce for most of this month on bets for central bank policy loosening, as well as fears about a looming US debt ceiling crisis, which threatens to undermine the dollar's credibility.

Headline US inflation eased to 4.9% in April, the first reading below 5% in two years, driving 10-year Treasury yields lower and supporting market expectations for rate cuts later this year. While lower rates tend to support non-interest-bearing gold, gains have been tempered by US policymakers sticking to hawkish rhetoric as they seek to rein in persistent price pressures.

Spot gold was 0.1% higher at \$2,032.84 an ounce as of 1:44 p.m. in Singapore, after dipping 0.2% on Wednesday. The Bloomberg Dollar Spot Index was steady. Silver and palladium fell, while platinum was flat.

Precious Metals	Last	1D Change	YTD
Gold	2 032.11	0.10%	11.39%
Silver	25.31	-0.36%	5.62%
Platinum	1 116.21	-0.20%	3.85%
Palladium	1 600.03	-0.85%	-10.75%

Oil rose for the fourth session in five as traders assessed inflation trends in the world's two largest economies and halts to supply.

West Texas Intermediate advanced above \$73 a barrel, after ending 1.6% lower on Wednesday following a run of three gains. US inflation showed signs of moderating in April, giving the Federal Reserve room to pause its aggressive monetary tightening campaign. On Thursday, China reported a near-zero pace of price gains, potentially opening the door to more policy stimulus.

Crude supplies from Canada have been hit by a spate of wildfires across Alberta. In the Middle East, Iraq said that it's still waiting for Turkey to restart exports through Ceyhan port as a protracted stoppage drags on.

World Commodities	Last	1D Change
WTI Crude	73.24	0.94%
Brent Crude	77.12	0.93%
Nat Gas (HH)	2.19	-0.09%
Nickel	22 459.00	-4.09%
Copper	382.80	-1.57%
Corn	642.00	-0.54%
Wheat	628.25	-0.36%
Soybean	1 442.75	0.44%
Coffee	187.45	-0.29%
Cotton	80.72	-0.05%
Sugar	26.66	1.79%

Source: fxstreet.com / Bloomberg

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FX Corner

EUR/USD is trading on the defensive below 1.1000 in the early European morning. The Euro fails to cheer hawkish ECB talks and a pause in the US Dollar rebound, as investors continue trading with caution. Focus on US PPI data and Fed speak.

GBP/USD is holding lower above 1.2600, retreating from near 1.2650 heading into the European open. The cautious mood ahead of the BoE monetary policy decision is keeping Pound Sterling bulls at bay. Meanwhile, the US Dollar is struggling following softer US CPI data.

USD/JPY fails to justify dovish signals from the Bank of Japan's (BoJ) latest update as bears keep the reins while refreshing weekly low around 133.90 during early Thursday. The Yen pair takes clues from the broad US Dollar weakness amid cautious optimism and downbeat Treasury bond yields.

AUD/USD is pausing its rebound below 0.6800 after China's CPI and PPI data disappoint markets. Risk sentiment remains mildly positive following softer US inflation data, weighing down on the US Dollar while lending some support to the Aussie. US PPI data and Fed speak next in focus.

World Currencies	Last	1D Change	YTD
EURUSD	1.0973	-0.08%	2.48%
EURCHF	0.9771	0.01%	1.27%
EURGBP	0.8694	0.06%	1.27%
EURJPY	147.3100	0.17%	-4.91%
USDCHF	0.8905	-0.08%	-3.68%
USDJPY	134.2600	0.06%	-2.39%
USDCAD	1.3382	-0.07%	1.24%
USDTRY	19.5489	-0.02%	-4.48%
GBPUSD	1.2622	-0.02%	4.45%
AUDUSD	0.6768	-0.16%	-0.72%
NZDUSD	0.6366	-0.02%	0.19%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	1.0847	1.0912	1.0947	1.1012	1.1042	1.1107
USDJPY	131.9200	133.2800	133.8100	135.1700	136.0000	137.3600
GBPUSD	1.2482	1.2559	1.2592	1.2669	1.2713	1.2790
USDCAD	1.3214	1.3294	1.3333	1.3413	1.3454	1.3534
AUDUSD	0.6632	0.6706	0.6743	0.6817	0.6854	0.6928
NZDUSD	0.6243	0.6300	0.6334	0.6391	0.6414	0.6471
USDCHF	0.8780	0.8839	0.8868	0.8927	0.8957	0.9016
USDTRY	19.4257	19.4869	19.5162	19.5774	19.6093	19.6705
XAUUSD	1980.160	2006.730	2018.410	2044.980	2059.870	2086.440
XAGUSD	24.1249	24.8202	25.1112	25.8065	26.2108	26.9061

Source: fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars Options

G8 Browse 07:57:24 05/11/23 - 05/11/23

Economic Releases All Economic Releases View Agenda Weekly

Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
05/11	01:01	UK				RICS House Price Balance	Apr	-40%	--	-43%	--
05/11	01:50	JN				BoP Current Account Balance	Mar	¥2890.7b	--	¥2197.2b	--
05/11	01:50	JN				BoP Current Account Adjusted	Mar	¥1311.0b	--	¥1089.2b	--
05/11	01:50	JN				Trade Balance BoP Basis	Mar	-¥450.0b	--	-¥604.1b	--
05/11	01:50	JN				Bank Lending Incl Trusts YoY	Apr	--	--	3.0%	--
05/11	01:50	JN				Bank Lending Ex-Trusts YoY	Apr	--	--	3.3%	--
05/11	01:50	JN				Foreign Buying Japan Stocks	May 5	--	--	¥342.9b	--
05/11	01:50	JN				Foreign Buying Japan Bonds	May 5	--	--	¥41.6b	--
05/11	01:50	JN				Japan Buying Foreign Bonds	May 5	--	--	-¥1059.5b	--
05/11	01:50	JN				Japan Buying Foreign Stocks	May 5	--	--	¥173.1b	--
05/11	04:00	JN				Tokyo Avg Office Vacancies	Apr	--	--	6.41	--
05/11	07:00	JN				Eco Watchers Survey Current SA	Apr	54.1	--	53.3	--
05/11	07:00	JN				Eco Watchers Survey Outlook SA	Apr	55.1	--	54.1	--
05/11	13:00	UK				Bank of England Bank Rate	May 11	4,500%	--	4,250%	--
05/11	14:30	US				Initial Jobless Claims	May 6	245k	--	242k	--
05/11	14:30	US				Continuing Claims	Apr 29	1820k	--	1805k	--
05/11	14:30	US				PPI Final Demand MoM	Apr	0.3%	--	-0.5%	--
05/11	14:30	US				PPI Ex Food and Energy MoM	Apr	0.2%	--	-0.1%	--
05/11	14:30	US				PPI Ex Food, Energy, Trade MoM	Apr	0.3%	--	0.1%	--
05/11	14:30	US				PPI Final Demand YoY	Apr	2.5%	--	2.7%	--
05/11	14:30	US				PPI Ex Food and Energy YoY	Apr	3.3%	--	3.4%	--
05/11	14:30	US				PPI Ex Food, Energy, Trade YoY	Apr	3.5%	--	3.6%	--

Source: Refinitiv

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