

Market Corner

Asian stocks were mixed as investors awaited Chinese data for further clues on the recovery in the world's second-largest economy. Japanese stocks rose, pushing the Topix toward a 30-year high, while Thai stocks dropped after an election.

The MSCI Asia Pacific Index swung in a narrow range, with gains in communication services and losses in utilities. Hong Kong gauges rose slightly, with Tencent helping drive gains ahead of its earnings report.

Japanese equities extended their recent outperformance of global peers, pushing the Topix toward its highest since August 1990, helped by strong earnings and a resumed weakening of the yen. Foreign inflows have been a boost, amid renewed interest from Warren Buffett, while the Tokyo Stock Exchange's effort to improve corporate valuations has been another tailwind.

US stocks capped another listless week with mild losses after long-term inflation expectations unexpectedly climbed to a 12-year high, raising doubts over whether the Federal Reserve could halt its tightening campaign soon.

The S&P 500 Index came off session lows Friday to end just 0.2% lower, leaving it down 0.3% for the week. Four of the 11 major industry groups declined, with consumer discretionary and financials the worst performers. The Nasdaq 100 Index dropped 0.4% as bond yields climbed but finished the week 0.6% higher. The Dow Jones Industrial Average ticked down less than 0.1%, weighed down by bank shares.

While Wall Street hopes that easing inflation may convince the Federal Reserve to hold off on raising interest rates at its meeting in June, concerns linger over the stability of the banking sector and the US debt ceiling. Yet, the S&P 500 has posted tranquil moves since early April and recorded its sixth straight week where it has moved less than 1%. Volatility remains subdued, with the VIX Index back to around 17, nearing its low for the year.

World Indices	Last	1D Change	YTD
Dow Jones	33 300.6	-0.03%	0.46%
S&P 500	4 124.1	-0.16%	7.41%
Nasdaq	12 284.7	-0.36%	17.37%
Eurostoxx 50	4 317.9	0.19%	13.82%
FTSE 100	7 754.6	0.31%	4.06%
CAC 40	7 414.9	0.45%	14.54%
DAX	15 913.8	0.50%	14.29%
SMI	11 564.7	0.36%	7.79%
Nikkei	29 626.3	0.81%	13.53%
Hang Seng	20 037.4	2.09%	1.23%
CSI 300	3 978.2	1.03%	2.72%
VIX Index	17.0	0.59%	-21.41%

World Bonds	Last	1D Change	YTD
US 10Y	3.4812	0.02	-0.394
EUR 10Y	2.3170	0.04	-0.254
Swiss 10Y	0.9780	0.03	-0.639
UK 10Y	3.7780	0.07	0.106

Source: Bloomberg



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Crypto Corner

A frog-themed digital token that's only been around for a month may be signaling pain ahead for Bitcoin bulls.

Trading in memecoins — crypto assets that can be inspired by viral images and memes and attract loyal social-media communities but otherwise lack in inherent utility — soared in recent days. Leading the pack was Pepe, a newfangled amphibian-themed token, which sparked frenzied speculation and spawned many copycats ever since its birth in April. Pepe was obsessively promoted on Twitter before and after its launch, and it peaked at a market value of more than \$1.6 billion on May 5 before reversing course and plummeting as much as 70% in following days, according to CoinMarketCap. The ill-fated frog — which, like many memecoins, never traded higher than a fraction of a cent even at its height — took Bitcoin and Ether down with it. Both coins have dropped about 10% since May 5, a notable step-down after four straight months of gains.

Long-time crypto traders have seen this play out before: Memecoin booms typically start during frothy periods, when traders whose wallets have recently gotten fat grow more willing to take on added risk. These speculators typically offload some of their Bitcoin or Ether holdings to invest in memecoins, so a craze can lead to a drawdown in the prices of the two major coins, Kyle Doane, a trader at digital-asset manager Arca, said in an interview.

Once the memecoin frenzy fades, as it inevitably does, most traders lose their funds, and have less to invest back in Bitcoin and Ether, he said.

“At the end of the day it’s a lottery ticket,” said Doane, who doesn’t trade Pepe. “That type of trading is basically a centralized casino.”

Past memecoin crazes have signaled market tops that have been followed by multi-month drawdowns in Bitcoin, data from price tracker Dune shows. For example, when Shiba Inu-themed Dogecoin led a meme-based boom in May 2021, it was followed soon after by a Bitcoin selloff that lasted into July.

Another memecoin rally that same year happened in October. That was just weeks before Bitcoin reached its all-time high, after which it began a wrenching retreat that lasted all last year.

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Crypto	Last	1D Change	YTD
Bitcoin	27 412.13	1.70%	65.95%
Ethereum	1 826.23	1.50%	52.45%

Crypto Market Cap: [1.13T](#)

24h Vol: [\\$26.3B](#)

Dominance: [BTC: 46.5%](#) [ETH:19.7%](#)



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

Commodity Corner

Gold was steady after a three-day drop amid speculation that sticky US inflation may prompt the Federal Reserve to extend its run of rate hikes, while investors also tracked the debt-ceiling stand-off in Washington.

Bullion traded near \$2,010 an ounce after shedding 1.2% in the final three days of last week. US inflation concerns persist, with a preliminary University of Michigan sentiment survey showing consumers' expectations for price gains at a 12-year high. A gauge of the dollar ticked higher, reducing the haven's allure.

President Joe Biden said he expects to meet House Speaker Kevin McCarthy on Tuesday to discuss budget negotiations to avoid a potentially catastrophic default. More than half of finance professionals said gold is what they would buy if the US fails to honor its obligations, a Bloomberg survey showed.

Bullion has rallied 10% this year, and flirted with a record high earlier this month, on expectations that the Fed will soon be able to pause its tightening policy, then move to cutting rates as inflation cools. Higher rates are generally negative for gold, which doesn't off any interest.

Investment in the precious has been rising, with worldwide holdings in gold-backed exchange-traded funds swelling to the highest in six months last week, according to a Bloomberg tally.

Spot gold was 27 cents lower at \$2,010.50 an ounce as of 8:48 a.m. Singapore. The Bloomberg Dollar Index added 0.1% after rising 1% over the previous two sessions. Platinum and palladium climbed, while silver was steady.

Precious Metals	Last	1D Change	YTD
Gold	2 016.16	0.27%	10.52%
Silver	24.05	0.33%	0.39%
Platinum	1 062.86	0.93%	-1.01%
Palladium	1 518.95	0.41%	-15.28%

Oil fell for a fourth day as concerns over the US economy and China's slower-than-expected recovery weighed on the outlook.

West Texas Intermediate futures dropped below \$70 a barrel after capping a fourth weekly loss, the longest such run since September. Talks are continuing to avert a US default related to the debt ceiling, with Treasury Secretary Janet Yellen warning that the department could run out of money as soon as June 1.

Oil is down 13% for the year as fears over a possible US recession outweigh supply cuts pledged by OPEC+. Demand for physical barrels also appears weak, while refinery margins — the profits that refiners make from processing crude into petroleum products like diesel and gasoline — remain low.

World Commodities	Last	1D Change
WTI Crude	69.90	-0.20%
Brent Crude	74.01	-0.22%
Nat Gas (HH)	2.28	0.49%
Nickel	22 112.00	1.87%
Copper	371.65	0.51%
Corn	588.25	0.34%
Wheat	641.50	1.02%
Soybean	1 394.50	0.32%
Coffee	186.00	0.11%
Cotton	81.27	0.92%
Sugar	26.22	0.77%

Source: fxstreet.com / Bloomberg

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FX Corner

EUR/USD is attempting a mild recovery toward 1.0900 early Monday, as the US Dollar bulls take a breather after the recent upsurge. Mixed ECB-speak and a cautious market mood could limit the further upside in the pair. EU Industrial Production and Economic Forecasts eyed.

GBP/USD edges higher on Monday, though any meaningful upside still seems elusive. A combination of factors continues to underpin the USD and should act as a headwind. The BoE's less hawkish outlook might further contribute to capping gains for the major.

USD/JPY picks up bids to remain firmer around 136.00, printing a three-day uptrend at a one-week high during early Monday. In doing so, the Yen pair cheers the previous day's upside break of a horizontal area comprising multiple levels marked since April 28, close to 135.50.

AUD/USD refreshes intraday high near 0.6665 as it bounces off short-term key support to print the first daily gains in three amid early Monday.

World Currencies	Last	1D Change	YTD
EURUSD	1.0869	0.18%	1.50%
EURCHF	0.9750	-0.05%	1.48%
EURGBP	0.8714	0.02%	1.48%
EURJPY	147.9600	-0.49%	-5.35%
USDCHF	0.8971	0.04%	-2.95%
USDJPY	136.1300	-0.32%	-3.82%
USDCAD	1.3521	0.21%	0.23%
USDTRY	19.6377	-0.27%	-4.96%
GBPUSD	1.2474	0.13%	3.22%
AUDUSD	0.6682	0.54%	-1.94%
NZDUSD	0.6222	0.47%	-2.06%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	1.0703	1.0790	1.0820	1.0907	1.0964	1.1051
USDJPY	132.5667	133.9267	134.8133	136.1733	136.6467	138.0067
GBPUSD	1.2289	1.2385	1.2422	1.2518	1.2577	1.2673
USDCAD	1.3362	1.3447	1.3498	1.3583	1.3617	1.3702
AUDUSD	0.6523	0.6593	0.6619	0.6689	0.6733	0.6803
NZDUSD	0.5976	0.6102	0.6147	0.6273	0.6354	0.6480
USDCHF	0.8771	0.8862	0.8919	0.9010	0.9044	0.9135
USDTRY	19.1866	19.3805	19.4824	19.6763	19.7683	19.9622
XAUUSD	1968.340	1989.890	2000.330	2021.880	2032.990	2054.540
XAGUSD	23.0369	23.5050	23.7370	24.2051	24.4412	24.9093

Source: fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars Options

G8 Browse 08:03:29 05/15/23 - 05/15/23

Economic Releases All Economic Releases View Agenda Weekly

Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
05/15	01:50	JN				PPI MoM	Apr	0.0%	--	0.0%	--
05/15	01:50	JN				PPI YoY	Apr	5.6%	--	7.2%	--
05/15	08:00	JN				Machine Tool Orders YoY	Apr P	--	--	-15.2%	--
05/15	08:30	EC				Bloomberg May Eurozone Economic Survey					
05/15	08:35	GE				Bloomberg May Germany Economic Survey					
05/15	08:40	FR				Bloomberg May France Economic Survey					
05/15	08:45	IT				Bloomberg May Italy Economic Survey					
05/15	10:30	IT				General Government Debt	Mar	--	--	2772.0b	--
05/15	11:00	EC				Industrial Production SA MoM	Mar	-1.3%	--	1.5%	--
05/15	11:00	EC				Industrial Production WDA YoY	Mar	1.9%	--	2.0%	--
05/15	11:00	EC				EU Commission Economic Forecasts					
05/15	14:00	CA				Bloomberg Nanos Confidence	May 12	--	--	52.5	--
05/15	14:15	CA				Housing Starts	Apr	--	--	213.9k	--
05/15	14:30	CA				Wholesale Trade Sales MoM	Mar	--	--	-1.7%	--
05/15	14:30	US				Empire Manufacturing	May	-4.0	--	10.8	--
05/15	15:00	RU				Gold and Forex Reserve	May 5	--	--	\$598.9b	--
05/15	15:00	CA				Existing Home Sales MoM	Apr	--	--	1.4%	--
05/15	22:00	US				Net Long-term TIC Flows	Mar	--	--	\$71.0b	--
05/15	22:00	US				Total Net TIC Flows	Mar	--	--	\$28.0b	--
05/15-05/16		GE				Wholesale Price Index MoM	Apr	--	--	0.2%	--
05/15-05/16		GE				Wholesale Price Index YoY	Apr	--	--	2.0%	--

Source: Refinitiv

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