

Market Corner

Asian stocks rose as Japan's Topix benchmark headed for its highest close in more than three decades, while worse-than-estimated economic data from China dragged on its mainland-traded equities.

The MSCI Asia Pacific Index gained as much as 0.6%, with technology names TSMC, Samsung and Tencent among the top contributors. Taiwan and Philippine markets were among the best performers. Onshore Chinese stocks fell amid weak economic data that suggest the recovery in the world's second-largest economy is losing momentum.

Japan's benchmark Topix has climbed 12% so far this year, beating the MSCI Asia Index's 4.5% gain and a 7.7% advance in the S&P 500. A weakening yen and solid earnings are among factors that have boosted Japanese stocks, with Goldman Sachs among strategists seeing more gains to come.

US stocks rose as investors assessed the progress of debt-ceiling talks in Washington and the Federal Reserve's policy path.

The S&P 500 Index closer 0.3% higher and the Nasdaq 100 Index rose 0.6%. The yield on a 10-year Treasury note rose to 3.50%. The VIX Index edged higher to 17.12.

The debt ceiling remains a big focus for investors this week, with strategists warning about market and economic turmoil if politicians don't agree to raise the government's \$31.4 trillion borrowing limit. President Joe Biden, House Speaker Kevin McCarthy and other congressional leaders are planning to hold further talks on Tuesday.

Earlier this morning, Federal Reserve Bank of Atlanta President Raphael Bostic pushed back against bets in financial markets that the central bank will cut interest rates this year and cautioned against taking further hikes off the table if inflation doesn't cool.

World Indices	Last	1D Change	YTD
Dow Jones	33 348.6	0.14%	0.61%
S&P 500	4 136.3	0.30%	7.73%
Nasdaq	12 365.2	0.66%	18.14%
Eurostoxx 50	4 316.4	-0.03%	13.78%
FTSE 100	7 777.7	0.30%	4.37%
CAC 40	7 418.2	0.05%	14.59%
DAX	15 917.2	0.02%	14.32%
SMI	11 578.3	0.12%	7.91%
Nikkei	29 843.0	0.73%	14.37%
Hang Seng	19 928.2	-0.21%	0.74%
CSI 300	3 973.9	-0.62%	2.66%
VIX Index	17.1	0.53%	-21.00%

World Bonds	Last	1D Change	YTD
US 10Y	3.4738	-0.03	-0.403
EUR 10Y	2.2750	-0.04	-0.300
Swiss 10Y	0.9930	-0.02	-0.625
UK 10Y	3.8170	0.04	0.145

Source: Bloomberg



Morning Call
Geneva, May 16, 2023

Crypto Corner

Last year's run on crypto platforms like lender Celsius Network were "spearheaded by customers with large holdings, some of which were sophisticated institutional customers," according to research from the Federal Reserve Bank of Chicago.

In the case of Celsius, 35% of all withdrawals in June — before the lender froze withdrawals and eventually filed for bankruptcy — were by owners of accounts of more than \$1 million, according to Chicago Fed estimates. Owners of accounts with more than \$500,000 in investments were the fastest to withdraw and withdrew proportionately more of their funding, the research said.

The Chicago Fed used bankruptcy filings to characterize outflows of customer funds from lenders Celsius, BlockFi and Genesis Global Capital LLC, in addition to FTX and broker Voyager Digital, all of which went bankrupt last year, leaving hundreds of thousands of retail investors in a lurch. It also said the platforms' run risk and planning for a potential rush of withdrawals was inadequate in the lead-up to the collapse of FTX and the Terra-Luna ecosystem.

Customers withdrew a quarter of their investments held by FTX within just one day, the Chicago Fed found. Voyager lost nearly 39% of its holdings in the June 12-July 2 run, after losing nearly 14% to outflows in May.

"These episodes together formed a classic financial crisis in a novel setting that has raised urgent policy concerns," wrote the study's authors Radhika Patel, a Chicago Fed research assistant, and Jonathan Rose, historian of the Federal Reserve System.

Actual bank runs — such as the recent collapse of Silicon Valley Bank — can happen even faster than crypto bank runs, Rose said in an interview. That's largely a function of the type of depositors who participate in these platforms and technology and processes being used to make withdrawals.

"The runs on those banks were extraordinarily large and fast — the largest and fastest we've ever seen," Rose said.

Crypto	Last	1D Change	YTD
Bitcoin	27 057.96	-1.09%	63.57%
Ethereum	1 810.18	-0.88%	50.92%

Crypto Market Cap: [1.12T](#)

24h Vol: [\\$28.8B](#)

Dominance: [BTC: 46.6%](#) [ETH:19.4%](#)



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

Commodity Corner

Gold was steady — after edging higher Monday — before a meeting to try and resolve the US debt-ceiling stalemate.

Bullion traded near \$2,015 an ounce ahead of the meeting between President Joe Biden and House Speaker Kevin McCarthy on Tuesday afternoon in Washington. The precious metal has been benefiting from mounting anxiety over a potentially disastrous default, with more than half of financial professionals surveyed by Bloomberg saying it's the best hedge for such a scenario.

Federal Reserve Bank of Atlanta President Raphael Bostic said he would vote to pause the US tightening cycle if a meeting took place now. The interest-rate trajectory is a major driver for gold, with higher borrowing costs typically negative for the non-interest-bearing metal

Spot gold was steady at \$2,016.18 an ounce as of 12:51 p.m. in Singapore after rising 0.3% on Monday. The Bloomberg Dollar Spot Index was little changed after falling 0.3% in the previous session. Silver declined, while platinum and palladium edged higher

Precious Metals	Last	1D Change	YTD
Gold	2 007.38	-0.45%	9.99%
Silver	23.78	-1.26%	-0.72%
Platinum	1 061.08	-0.55%	-1.23%
Palladium	1 527.27	-0.13%	-14.90%

Oil rose as the US started seeking crude to refill its strategic reserves, but concerns are mounting over China's economic recovery.

West Texas Intermediate edged toward \$72 a barrel after closing 1.5% higher on Monday. The US solicited bids for as much as 3 million barrels of sour crude for its Strategic Petroleum Reserve, with deliveries planned for August and awards to be announced in June, the Energy Department said.

China's consumer spending and industrial activity grew at a slower pace than expected in April, adding to signs that the rebound post-Covid Zero is losing momentum. Crude processing held near a record, however.

The SPR purchase, while relatively small, indicates the US seems serious about refilling the reserve after doubts in recent months, said Warren Patterson, head of commodities strategy for ING Groep NV. China's industrial production was disappointing, but the oil numbers were "quite constructive".

Oil is 11% lower this year as China's lackluster recovery and a potential US recession weigh on the demand outlook. Ongoing talks on the US debt limit are also unnerving markets, with Treasury Secretary Janet Yellen saying the nation is already paying a price for not yet increasing the ceiling.

World Commodities	Last	1D Change
WTI Crude	71.22	0.15%
Brent Crude	75.38	0.20%
Nat Gas (HH)	2.37	-0.29%
Nickel	21 544.75	-2.70%
Copper	373.10	-0.17%
Corn	589.00	-0.59%
Wheat	657.50	-0.49%
Soybean	1 395.50	-0.37%
Coffee	193.05	3.79%
Cotton	81.64	-0.89%
Sugar	26.29	0.27%

Source: fxstreet.com / Bloomberg

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FX Corner

EUR/USD attracted some buying near the 1.0845 region, or the lowest level since April 10 touched on Monday and stalled its recent pullback from the vicinity of the 1.1100 mark, or over a one-year high set earlier this month.

GBP/USD declines below 1.2500 in the European morning on Tuesday. The data from the UK showed that the ILO Unemployment Rate edged higher to 3.9% in March. In the same period, wage inflation including bonus was 5.8%, matching the previous reading.

USD/JPY has slipped below the crucial support of 136.00 in the Tokyo session. The asset is expected to remain on tenterhooks as investors are waiting for the US borrowing cap negotiations between the White House and congressional Republicans.

AUD/USD is trading on the back foot below 0.6700, having come under renewed selling pressure after Chinese activity data disappointed the market. The Minutes of the RBA's May meeting revealed that the board considered pausing or hiking 25 basis points. Focus now shifts to the US data.

World Currencies	Last	1D Change	YTD
EURUSD	1.0867	-0.06%	1.50%
EURCHF	0.9736	0.04%	1.62%
EURGBP	0.8710	-0.35%	1.62%
EURJPY	147.8100	0.14%	-5.23%
USDCHF	0.8958	-0.02%	-3.09%
USDJPY	136.0200	0.07%	-3.71%
USDCAD	1.3489	-0.16%	0.48%
USDTRY	19.6939	-0.11%	-5.25%
GBPUSD	1.2476	-0.42%	3.25%
AUDUSD	0.6670	-0.45%	-2.11%
NZDUSD	0.6230	-0.19%	-1.87%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	1.0780	1.0825	1.0850	1.0895	1.0915	1.0960
USDJPY	134.5500	135.2800	135.7000	136.4300	136.7400	137.4700
GBPUSD	1.2323	1.2413	1.2471	1.2561	1.2593	1.2683
USDCAD	1.3280	1.3389	1.3428	1.3537	1.3607	1.3716
AUDUSD	0.6547	0.6615	0.6658	0.6726	0.6751	0.6819
NZDUSD	0.6110	0.6167	0.6204	0.6261	0.6281	0.6338
USDCHF	0.8872	0.8917	0.8937	0.8982	0.9007	0.9052
USDTRY	19.5138	19.5846	19.6289	19.6997	19.7262	19.7970
XAUUSD	1988.940	2002.370	2009.430	2022.860	2029.230	2042.660
XAGUSD	23.3930	23.7256	23.9056	24.2382	24.3908	24.7234

Source: fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars											
G8		Browse		08:23:20		05/16/23 - 05/16/23					
Economic Releases											
Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
05/16	08:00	UK				Payrolled Employees Monthly Change	Apr	25k	-136k	31k	42k
05/16	08:00	UK				Claimant Count Rate	Apr	--	4.0%	3.9%	--
05/16	08:00	UK				Jobless Claims Change	Apr	--	46.7k	28.2k	26.5k
05/16	08:00	UK				Average Weekly Earnings 3M/YoY	Mar	5.8%	5.8%	5.9%	5.8%
05/16	08:00	UK				Weekly Earnings ex Bonus 3M/YoY	Mar	6.8%	6.7%	6.6%	--
05/16	08:00	UK				ILO Unemployment Rate 3Mths	Mar	3.8%	3.9%	3.8%	--
05/16	08:00	UK				Employment Change 3M/3M	Mar	160k	182k	169k	--
05/16	08:00	UK				Output Per Hour YoY	1Q P	--	-0.6%	0.0%	--
05/16	10:00	IT				CPI EU Harmonized YoY	Apr F	8.8%	--	8.8%	--
05/16	10:00	IT				CPI FOI Index Ex Tobacco	Apr	118.5	--	118.0	--
05/16	11:00	GE				ZEW Survey Expectations	May	-5.0	--	4.1	--
05/16	11:00	GE				ZEW Survey Current Situation	May	-37.0	--	-32.5	--
05/16	11:00	EC				ZEW Survey Expectations	May	--	--	6.4	--
05/16	11:00	EC				GDP SA QoQ	1Q P	0.1%	--	0.1%	--
05/16	11:00	EC				GDP SA YoY	1Q P	1.3%	--	1.3%	--
05/16	11:00	EC				Trade Balance SA	Mar	--	--	-0.1b	--
05/16	11:00	EC				Trade Balance NSA	Mar	--	--	4.6b	--
05/16	11:00	EC				Employment QoQ	1Q P	--	--	0.3%	--
05/16	11:00	EC				Employment YoY	1Q P	--	--	1.5%	--
05/16	14:30	CA				Manufacturing Sales MoM	Mar	0.7%	--	-3.6%	--
05/16	14:30	US				Retail Sales Advance MoM	Apr	0.8%	--	-1.0%	-0.6%
05/16	14:30	CA				CPI NSA MoM	Apr	0.4%	--	0.5%	--
05/16	14:30	US				Retail Sales Ex Auto MoM	Apr	0.4%	--	-0.8%	-0.4%
05/16	14:30	CA				CPI YoY	Apr	4.1%	--	4.3%	--
05/16	14:30	US				Retail Sales Ex Auto and Gas	Apr	0.2%	--	-0.3%	--
05/16	14:30	CA				Consumer Price Index	Apr	155.9	--	155.3	--
05/16	14:30	US				Retail Sales Control Group	Apr	0.3%	--	-0.3%	--
05/16	14:30	CA				CPI Core- Trim YoY%	Apr	4.1%	--	4.4%	--
05/16	14:30	CA				CPI Core- Median YoY%	Apr	4.3%	--	4.6%	--
05/16	14:30	US				New York Fed Services Business Activity	May	--	--	-9.8	--
05/16	15:15	US				Industrial Production MoM	Apr	0.0%	--	0.4%	--
05/16	15:15	US				Capacity Utilization	Apr	79.7%	--	79.8%	--
05/16	15:15	US				Manufacturing (SIC) Production	Apr	0.1%	--	-0.5%	--
05/16	16:00	US				Business Inventories	Mar	0.0%	--	0.2%	--
05/16	16:00	US				NAHB Housing Market Index	May	45	--	45	--

Source: Refinitiv

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