

## Market Corner

### Asian stocks rose as Japanese benchmarks extended gains after data showed better-than-expected economic growth.

The MSCI Asia Pacific Index gained as much as 0.3%, with technology names TSMC, Alibaba and SoftBank among the biggest contributors. Key gauges in Taiwan and South Korea were among the region's best performers.

Japan's blue-chip Nikkei 225 Stock Average climbed above the key 30,000 level, one day after the broader Topix benchmark closed at its highest level in more than three decades. The nation reported gross domestic product expanded at an annualized pace of 1.6% in the first three months of the year, exceeding analyst expectations.

### US equities fell Tuesday as investors awaited developments from debt-ceiling discussions in Washington and reports showed the economy remains resilient, stoking the debate over whether the Federal Reserve is poised to pause its interest-rate hikes.

The S&P 500 Index closed down 0.6% in New York and the Dow Jones Industrial Average slid 1%, with losses picking up in the final minutes of trading. The Nasdaq 100 was an outlier, capping the session up 0.1%. Wall Street's top volatility gauge, the VIX Index, remained muted.

A highly-awaited meeting between President Joe Biden, House Speaker Kevin McCarthy and other government leaders got underway Tuesday afternoon with an aim to break the debt-ceiling impasse. Earlier in the day, McCarthy said there had been "no progress" in overnight talks, while Treasury Secretary Janet Yellen reiterated a warning Monday that the US Treasury may run out of cash as soon as June 1.

World Indices	Last	1D Change	YTD
Dow Jones	33 012.1	-1.01%	-0.41%
S&P 500	4 109.9	-0.64%	7.04%
Nasdaq	12 343.1	-0.18%	17.93%
Eurostoxx 50	4 315.5	-0.02%	13.76%
FTSE 100	7 751.1	-0.34%	4.02%
CAC 40	7 406.0	-0.16%	14.40%
DAX	15 897.9	-0.12%	14.18%
SMI	11 519.9	-0.50%	7.37%
Nikkei	30 113.8	0.91%	15.39%
Hang Seng	19 746.7	-1.16%	-0.15%
CSI 300	3 949.2	-0.73%	2.00%
VIX Index	18.0	5.08%	-16.98%

World Bonds	Last	1D Change	YTD
US 10Y	3.5226	-0.01	-0.352
EUR 10Y	2.3530	0.04	-0.218
Swiss 10Y	1.0080	0.00	-0.609
UK 10Y	3.8160	0.00	0.144

Source: Bloomberg



# Morning Call

Geneva, May 17, 2023

## Crypto Corner

**Bitcoin was lingering near the lower end of its recent trading at about \$27,000, with liquidity on US digital-asset exchanges seen being down by about half since the start of this year.**

In the wake of increased US regulatory scrutiny and banking turmoil, the ability to trade the largest cryptocurrency by market value without having a major price impact remains at “depressed levels,” according to Kaiko. The researcher estimates that liquidity is down about 50% since December, with overseas exchanges seeing similar declines.

“Crypto market liquidity continues to worsen alongside trading volumes that are continuing to trend lower,” said Kyle Doane, a trader at Arca. “The lack of liquidity further exacerbates price movements and with crypto credit markets very tight, market makers are having a tough time sourcing capital.”

Bitcoin fell about 1.3% to \$27,001 as of 1:31 p.m. in New York. It has traded roughly between \$30,000 and \$27,000 in the past two months. It traded at a record high of almost \$69,000 in November 2021.

Ether was little changed at around \$1,820, while so-called altcoins such as Solana, Cardano and Avalanche were all down around 1%.

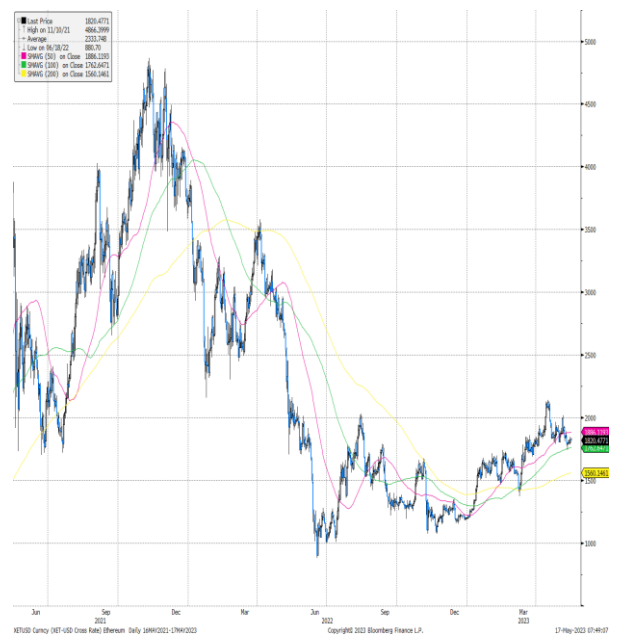
With market makers such as Jane Street and Jump Crypto recently pulling back from crypto in the US, liquidity has decreased more for altcoins than Bitcoin and Ether. Altcoin liquidity fell 17% over the past month, while it dropped 4% for Bitcoin and 2% for Ether, Kaiko said.

Crypto Market Cap: [1.13T](#)

24h Vol: [\\$27.9B](#)

Dominance: [BTC: 46.3%](#) [ETH:19.4%](#)

Crypto	Last	1D Change	YTD
Bitcoin	27 009.40	0.20%	63.34%
Ethereum	1 820.35	-0.06%	51.79%



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

## Commodity Corner

### Gold held near a two-week low as traders tracked talks to resolve the US debt-ceiling impasse and dissected comments from a slew of Federal Reserve officials on the outlook for interest rates.

Bullion steadied above \$1,990 an ounce after falling 1.4% on Tuesday to the lowest close since May 1 following robust US retail sales figures and speculation the debt fight may be resolved. President Joe Biden and congressional leaders said they were optimistic a deal was possible, even as House Speaker Kevin McCarthy warned that the two sides remained far apart.

Gold has rallied about 9% this year, making it the best-performing major commodity, with prices surging to within \$15 of their all-time high. The rise has been underpinned by speculation that the Fed's tightening campaign is now done, paving the way for a weaker dollar and lower Treasury yields, which aid bullion. In addition, the debt-ceiling fight has fanned haven demand.

**Bullion for immediate delivery** was 0.1% higher at \$1,990.66 an ounce at 9:03 a.m. in Singapore. Silver was steady after slipping 1.4% on Tuesday, while platinum and palladium were also little changed.

Precious Metals	Last	1D Change	YTD
Gold	1 989.64	0.02%	9.08%
Silver	23.69	-0.25%	-1.11%
Platinum	1 065.43	0.16%	-0.84%
Palladium	1 508.33	0.52%	-15.86%

### Oil fell for a second day as traders weighed the outlook for demand in China and a US industry report pointed to a build in stockpiles, with crude joining a broad move lower among commodities including copper.

West Texas Intermediate dropped toward \$70 a barrel after losing 0.4% on Tuesday. Some banks cut forecasts for China's growth this year after weak April data, although the International Energy Agency remains upbeat on the Asian nation's demand prospects following the end of Covid curbs.

The industry-funded American Petroleum Institute reported nationwide crude inventories rose by 3.7 million barrels last week, as stockpiles built at the key hub at Cushing, Oklahoma, according to people familiar with the figures. Still, the breakdown also showed countrywide gasoline and distillate holdings fell.

Crude is down about 12% this year as China's slower-than-expected recovery, a campaign of aggressive monetary tightening from the Federal Reserve, and more recent concerns over the US debt ceiling weigh on the outlook. Still, US retail sales rose in April, suggesting that consumer spending in the world's biggest economy is holding up in the face of economic headwinds.

World Commodities	Last	1D Change
WTI Crude	70.45	-0.58%
Brent Crude	74.51	-0.53%
Nat Gas (HH)	2.35	-1.22%
Nickel	21 046.00	-2.31%
Copper	366.30	0.23%
Corn	575.25	-1.03%
Wheat	642.75	-0.73%
Soybean	1 356.75	-0.53%
Coffee	190.35	-1.40%
Cotton	82.88	-0.60%
Sugar	26.07	-0.84%

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

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## FX Corner

**EUR/USD** is holding steady above 1.0850 heading toward the European opening bells. The pair is trading water amid a steady US Dollar, as risk sentiment improves on US debt ceiling progress. All eyes remain on the US debt ceiling updates and ECB-speak.

**GBP/USD** is demonstrating a back-and-forth action above 1.2480 in the early European session. The Cable is struggling to find any decisive move, following the footprints of the sideways US Dollar Index (DXY).

**USD/JPY** has resumed its upside journey after a marginal correction below 136.50 in the Asian session. The major is aiming to recapture Tuesday's high at 136.68 as the Japanese Yen has failed to find strength despite upbeat Q1 Gross Domestic Product (GDP) numbers.

**AUD/USD** takes offers to prod the intraday low surrounding 0.6645 as market sentiment fades the early Asian session optimism ahead of Wednesday's European morning. The Aussie pair also takes clues from the mixed Australian wage data, as well as political headlines from Canberra.

World Currencies	Last	1D Change	YTD
EURUSD	1.0860	-0.02%	1.45%
EURCHF	0.9737	0.01%	1.61%
EURGBP	0.8709	-0.10%	1.61%
EURJPY	148.5200	-0.24%	-5.77%
USDCHF	0.8964	0.01%	-3.04%
USDJPY	136.7600	-0.27%	-4.29%
USDCAD	1.3489	-0.05%	0.49%
USDTRY	19.7440	-0.09%	-5.52%
GBPUSD	1.2470	-0.14%	3.21%
AUDUSD	0.6640	-0.24%	-2.52%
NZDUSD	0.6233	0.03%	-1.83%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	1.0774	1.0824	1.0843	1.0893	1.0924	1.0974
USDJPY	134.2733	135.2633	135.8267	136.8167	137.2433	138.2333
GBPUSD	1.2338	1.2419	1.2454	1.2535	1.2581	1.2662
USDCAD	1.3280	1.3370	1.3426	1.3516	1.3550	1.3640
AUDUSD	0.6554	0.6613	0.6635	0.6694	0.6731	0.6790
NZDUSD	0.6157	0.6197	0.6214	0.6254	0.6277	0.6317
USDCHF	0.8850	0.8901	0.8933	0.8984	0.9003	0.9054
USDTRY	19.5803	19.6473	19.6868	19.7538	19.7813	19.8483
XAUUSD	1932.063	1964.883	1977.027	2009.847	2030.523	2063.343
XAGUSD	22.8846	23.3572	23.5532	24.0258	24.3024	24.7750

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



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## Event Corner

ECO Economic Calendars		Options	
G8		Browse 08:33:56	
Economic Releases		All Economic Releases	
Date	Time	C	A
Event	Period	Surv(M)	Actual
05/17 01:50	JN	1Q P	0.8%
05/17 01:50	JN	1Q P	0.2%
05/17 01:50	JN	1Q P	1.3%
05/17 01:50	JN	1Q P	2.1%
05/17 01:50	JN	1Q P	0.4%
05/17 01:50	JN	1Q P	-0.3%
05/17 01:50	JN	1Q P	0.1%
05/17 01:50	JN	1Q P	-0.2%
05/17 06:30	JN	Mar F	--
05/17 06:30	JN	Mar F	--
05/17 06:30	JN	Mar	--
05/17 07:30	FR	1Q	7.1%
05/17 07:30	FR	1Q	6.9%
05/17 08:00	EC	Apr	--
05/17 10:00	IT	Mar	--
05/17 10:00	IT	Mar	--
05/17 11:00	EC	Apr F	7.0%
05/17 11:00	EC	Apr F	0.7%
05/17 11:00	EC	Apr F	5.6%
05/17 13:00	US	May 12	--
05/17 14:30	CA	Mar	--
05/17 14:30	US	Apr	1400k
05/17 14:30	US	Apr	1434k
05/17 14:30	US	Apr	-1.4%
05/17 14:30	US	Apr	0.2%
05/17 18:00	RU	May 15	--
05/17 18:00	RU	May 15	--
05/17 18:00	RU	1Q A	-2.1%

Source: Refinitiv

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