

## Market Corner

### Asian equities were steady, as Japan's torrid rally continued and Korean chipmakers climbed, offsetting declines in Chinese tech stocks listed in Hong Kong.

The MSCI Asia Pacific Index rose as much as 0.4%, before paring much of that advance. Samsung was the largest contributor to gains, tracking US semiconductor peers higher. Japan's Nikkei 225 headed for its highest close since 1990, while benchmarks in South Korea and Taiwan also climbed.

Stocks fell in Hong Kong, dragged by major Chinese online companies after Alibaba posted disappointing sales growth. That further damped sentiment after data this week cast uncertainty on the rebound of the world's second largest economy.

In contrast, Japan's benchmarks are set to complete their sixth-straight week of gains amid bullish calls on the nation's corporate governance reforms and accommodative monetary policy. Foreign investors were net buyers of Japanese equities for six-straight weeks, according to the latest data, helping fuel one of the world's best rallies of 2023.

### US equities rallied Thursday as confidence over movement toward a resolution to Washington's debt-ceiling standoff outweighed concerns the Federal Reserve may not suspend its rate-hiking campaign next month.

The S&P 500 Index advanced 0.9% in New York, setting a new high for the year and building on a more than 1% gain for the US stock gauge on Wednesday — the biggest move in either direction in seven straight sessions. The Nasdaq 100 soared 1.8% to close at a 52-week high, while the Dow Jones Industrial Average edged up 0.3%.

World Indices	Last	1D Change	YTD
Dow Jones	33 535.9	0.34%	1.17%
S&P 500	4 198.1	0.94%	9.34%
Nasdaq	12 688.8	1.51%	21.23%
Eurostoxx 50	4 367.5	1.02%	15.13%
FTSE 100	7 742.3	0.25%	3.90%
CAC 40	7 446.9	0.64%	15.03%
DAX	16 163.4	1.33%	16.09%
SMI	11 437.8	-0.71%	6.60%
Nikkei	30 808.4	0.77%	18.06%
Hang Seng	19 468.1	-1.31%	-1.57%
CSI 300	3 943.5	-0.32%	1.86%
VIX Index	16.1	-4.86%	-25.93%

World Bonds	Last	1D Change	YTD
US 10Y	3.6287	-0.01	-0.242
EUR 10Y	2.4670	0.02	-0.101
Swiss 10Y	1.0970	0.14	-0.514
UK 10Y	3.9570	0.12	0.285

Source: Bloomberg



**Morning Call**  
Geneva, May 19, 2023

# Crypto Corner

**Bitcoin fell back below \$27,000 with a dearth in market liquidity seen prompting more volatile price swings.**

The largest digital currency declined as much as 3.5% to \$26,385 as of 3:06 p.m. in New York. It has traded roughly between \$30,000 and \$27,000 in the past two months. The token reached a record high of almost \$69,000 in November 2021.

“Intraday volatility has been much higher this year, in large part because of a lack of liquidity,” said Riyadh Carey, a research analyst at Kaiko. “Despite this, BTC’s implied volatility has actually been falling since the end of March, pointing to a regime where we get big intraday price movements without significant a significant trend up or down.”

Ether, the second biggest digital asset by market value, fell about 2.6%. Altcoins including Cardano, Solana, Dogecoin and Polkadot were all down around similar amounts.

While trading surged during the crypto market’s first-quarter price rebound, a closer examination shows that volume is the lowest in several years after a series of industry scandals, bankruptcies and tightening regulation. That has led to a pull back in activity from Jane Street Group and Jump Crypto, two of the world’s top market-making firms.

This has become the “typical price action in BTC, where downward moves tend to be sharp and happen fast,” said Jaime Baeza, Founder and CEO of crypto hedge fund ANB Investments.

Crypto Market Cap: 1.12T

24h Vol: **\$31.6B**

Dominance: **BTC: 46.3% ETH:19.3%**

Crypto	Last	1D Change	YTD
Bitcoin	26 919.21	0.72%	62.75%
Ethereum	1 806.96	0.57%	50.65%



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

## Commodity Corner

**Gold headed for the biggest weekly slump since February as progress toward a resolution of the US debt-ceiling dispute eroded demand for the haven.**

Bullion traded below \$1,960 an ounce and was on course for a weekly loss of more than 2%. Prices fell Thursday as House Speaker Kevin McCarthy said that negotiators on the federal debt limit may reach an agreement in principle as soon as this weekend, reducing the chance of a punishing default.

Speculation the Federal Reserve may raise rates again also weighed on gold. Traders upgraded the odds of higher borrowing costs after a central bank official, Lorie Logan, said conditions don't support a pause. That lifted the dollar and 10-year Treasury yields, reducing the allure of the non-interest-bearing precious metal.

**Gold for immediate delivery** was little changed at \$1,957.83 at 9:18 a.m. in Singapore. Silver, which tends to track moves in gold, headed for a weekly drop of more than 2%, while palladium edged higher, and platinum fell. The Bloomberg Dollar Spot Index was poised for a second weekly gain.

Precious Metals	Last	1D Change	YTD
Gold	1 966.42	0.45%	7.76%
Silver	23.73	1.00%	-0.98%
Platinum	1 061.63	0.51%	-1.14%
Palladium	1 486.82	1.05%	-17.07%

**Oil headed for its first weekly advance in more than a month on optimism that the US will avert a catastrophic debt default.**

West Texas Intermediate futures climbed above \$72 a barrel and are around 3% higher for the week. House Speaker Kevin McCarthy said negotiators may reach an agreement in principle as soon as this weekend. Crude buying by some Asian refiners added to bullish sentiment for the market.

Crude is still down 10% this year as China's lackluster economic recovery and monetary tightening by the Federal Reserve weigh on the outlook. Fed officials injected some uncertainty into the market, sounding increasingly split on whether to raise interest rates at their meeting next month or pause.

World Commodities	Last	1D Change
WTI Crude	72.66	1.11%
Brent Crude	76.77	1.20%
Nat Gas (HH)	2.62	1.00%
Nickel	20 862.25	-1.93%
Copper	369.35	0.33%
Corn	555.75	0.09%
Wheat	613.75	0.33%
Soybean	1 338.75	0.41%
Coffee	186.65	0.32%
Cotton	86.88	0.25%
Sugar	25.61	-1.16%

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

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## FX Corner

**EUR/USD** is holding steady above 1.0750, fading the rebound toward 1.0800, as bears could be throwing in the towel. The US Dollar is struggling to extend its ongoing bullish moment, despite a cautious market environment. All eyes remain on ECB-speak and Fed's Powell.

**GBP/USD** has displayed exhaustion in the downside momentum after slipping below the round-level support of 1.2400. The Cable is making efforts for a recovery; however, the solid US Dollar's appeal is in traction.

**USD/JPY** prints the first daily loss in seven days around 138.50 even as bears struggle during early Friday amid the market's indecision. In doing so, the Yen pair prods a four-day-old ascending support line, as well as short-term ascending trend lines, to challenge the Yen pair sellers.

**AUD/USD** is rebounding toward 0.6650, having picked up fresh bids amid a pause in the US Dollar rally early Friday. The Aussie remains unfazed by the renewed US-Sino worries after US and Taiwan reached a deal on the first part of the '21st Century' trade pact. Powell eyed.

World Currencies	Last	1D Change	YTD
EURUSD	1.0785	0.14%	0.74%
EURCHF	0.9738	0.11%	1.59%
EURGBP	0.8684	-0.04%	1.59%
EURJPY	148.9300	0.31%	-6.08%
USDCHF	0.9029	0.25%	-2.33%
USDJPY	138.0900	0.45%	-5.33%
USDCAD	1.3480	0.17%	0.54%
USDTRY	19.8117	-0.08%	-5.89%
GBPUSD	1.2420	0.09%	2.78%
AUDUSD	0.6647	0.38%	-2.47%
NZDUSD	0.6253	0.43%	-1.54%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	1.0624	1.0709	1.0739	1.0824	1.0879	1.0964
USDJPY	135.3300	136.7900	137.7500	139.2100	139.7100	141.1700
GBPUSD	1.2229	1.2330	1.2370	1.2471	1.2532	1.2633
USDCAD	1.3338	1.3415	1.3459	1.3536	1.3569	1.3646
AUDUSD	0.6506	0.6569	0.6595	0.6658	0.6695	0.6758
NZDUSD	0.6103	0.6168	0.6197	0.6262	0.6298	0.6363
USDCHF	0.8849	0.8939	0.8996	0.9086	0.9119	0.9209
USDTRY	19.4239	19.5854	19.6903	19.8518	19.9084	20.0699
XAUUSD	1897.210	1931.210	1944.380	1978.380	1999.210	2033.210
XAGUSD	22.6227	23.0783	23.2854	23.7410	23.9895	24.4451

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



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## Event Corner

ECO Economic Calendars Options

G8 Browse 07:57:38 05/19/23 - 05/19/23

**Economic Releases** All Economic Releases View  Agenda  Weekly

Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
05/19	01:01	UK				GfK Consumer Confidence	May	-27	--	-30	--
05/19	01:30	JN				Natl CPI YoY	Apr	3.5%	--	3.2%	--
05/19	01:30	JN				Natl CPI Ex Fresh Food YoY	Apr	3.4%	--	3.1%	--
05/19	01:30	JN				Natl CPI Ex Fresh Food, Energy YoY	Apr	4.2%	--	3.8%	--
05/19	06:30	JN				Tertiary Industry Index MoM	Mar	0.3%	--	0.7%	--
05/19	08:00	GE				PPI MoM	Apr	-0.5%	--	-2.6%	-1.4%
05/19	08:00	GE				PPI YoY	Apr	4.3%	--	7.5%	6.7%
05/19	09:30	UK				Bloomberg May United Kingdom Economic Survey					
05/19	10:00	RU				Money Supply Narrow Def	May 12	--	--	17.44t	--
05/19	14:30	CA				Retail Sales MoM	Mar	-1.4%	--	-0.2%	--
05/19	14:30	CA				Retail Sales Ex Auto MoM	Mar	-0.8%	--	-0.7%	--
05/19	15:00	US				Bloomberg May United States Economic Survey					

Source: Refinitiv

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