

Morning Call

Geneva, May 5, 2023

Market Corner

Asian stocks advanced for a second day as the dollar continues to weaken, with traders shrugging off concerns over further stress among regional US banks.

The MSCI Asia Pacific Index rose as much as 0.4%, led by real estate shares. Many markets in the region, including Japan and South Korea, were shut for holidays. Hong Kong shares outperformed their regional peers.

Asian lenders have been resilient amid the deepening US banking crisis, with a regional financials gauge poised for a 1% increase this week. Investors will watch for any potential moves by US authorities to limit further contagion risks.

Also helping sentiment were signs that the Federal Reserve may be reversing its policy tightening campaign. The regional stock benchmark headed for a 1.1% increase this week, the first weekly gain in three.

US stocks retreated for a fourth day as investors weighed the possibility of a pause in rate hikes by the Federal Reserve against signs of slowing growth and renewed concerns about the solvency of regional banks.

The S&P 500 closed 0.7% lower, capping its longest losing streak since February. The Nasdaq 100 Index dipped 0.4%.

Stress in US regional lenders continued, with Western Alliance Bancorp slumping 38% in its fifth straight day of declines. Arconic Corp. surged 28% after a report that private equity firm Apollo Global Management was nearing a deal to buy the industrial-parts manufacturer. TripAdvisor Inc. dropped after the online travel company reported first-quarter adjusted earnings per share that missed consensus estimates.

US stocks have retreated in the early days of May as glum economic data has fueled concerns about a possible economic contraction. The Fed on Wednesday hiked rates as expected, and Chair Jerome Powell said his forecast was for modest growth and not a recession. But he reiterated that the process of tamping down inflation had a long way to go.

World Indices	Last	1D Change	YTD
Dow Jones	33 127.7	-0.86%	-0.06%
S&P 500	4 061.2	-0.72%	5.77%
Nasdaq	11 966.4	-0.49%	14.33%
Eurostoxx 50	4 287.0	-0.54%	13.01%
FTSE 100	7 702.6	-1.10%	3.37%
CAC 40	7 340.8	-0.85%	13.39%
DAX	15 734.2	-0.51%	13.00%
SMI	11 456.4	-0.43%	6.78%
Nikkei	29 158.0	0.12%	11.74%
Hang Seng	20 068.8	0.60%	1.47%
CSI 300	4 016.5	-0.34%	3.77%
VIX Index	20.1	9.54%	-7.29%

World Bonds	Last	1D Change	YTD
US 10Y	3.3787	0.04	-0.496
EUR 10Y	2.1900	-0.06	-0.381
Swiss 10Y	1.0300	-0.04	-0.587
UK 10Y	3.6530	-0.04	-0.019

Source: Bloomberg



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Crypto Corner

Coinbase Global Inc. posted a narrower loss and a smaller-than-estimated revenue decline, as the biggest US digital-asset trading platform saw first-quarter results stabilize somewhat during a rebound in cryptocurrency prices.

The loss narrowed to about \$79 million, from \$430 million, in the year-earlier period. It was the fifth consecutive quarterly loss. Revenue fell by about 34% to \$772.5 million, though it increased from the fourth quarter, when token prices tumbled amid a series of industry scandals and bankruptcies. The average of estimates compiled by Bloomberg for revenue was about \$654 million.

Looking ahead, the crypto industry “continues to be volatile, as evidenced most recently by the disruptions in the banking sector and ongoing regulatory uncertainty,” Coinbase said in an investor letter. “We continue to focus on our cost reduction efforts.”

Brian Armstrong, chief executive officer of Coinbase, said the company has taken a “scrapper approach” by cutting jobs and vendor costs. Chief Financial Officer Alesia Haas noted that the firm reached the lowest level of expense in awhile.

In the current quarter, Coinbase expects lower subscription and service revenue from the first quarter, because a drop in the amount of the USD Coin in circulation. Interest income from USD Coin was \$199 million, according to the letter. Despite recent increase in crypto prices, volatility is still at multiyear lows, and Coinbase is engaging with customers in new ways, such as through staking and new products, Haas said.

Coinbase has been navigating a market downturn and a difficult US regulatory environment. The company, which cut staff by 20% in January, faces more uncertainty after receiving a notice from the US Securities and Exchange Commission in March threatening to sue it over several business lines. The company provided an updated headcount of 3,535 full-time employees, a 29% decline from the same quarter last year.

Despite Coinbase “operating in a very challenging regulatory and business environment in the first quarter,” the company still turned into positive adjusted Ebitda, said Owen Lau, an analyst of Oppenheimer & Co. “I think that’s a substantial turnaround that the market has not given them enough credit for.”

Armstrong said the company remains “100% committed to the US,” while Chief Legal Officer Paul Grewal said Coinbase expects to be “fully operational” during whatever time period is required to resolve the potential litigation with the SEC. Shares of Coinbase rose about 8% in after-hours trading. The stock, which is down almost 90% since its April 2021 debut, has jumped around 40% this year.

Crypto Market Cap: [1.19T](#)

24h Vol: [\\$34.1B](#)

Dominance: [BTC: 47.3%](#) [ETH:19.1%](#)

Crypto	Last	1D Change	YTD
Bitcoin	29 260.73	1.30%	76.94%
Ethereum	1 899.92	1.15%	58.36%



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

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Commodity Corner

Gold headed for its biggest weekly advance since the middle of March as renewed worries about the US banking sector fueled bets that the Federal Reserve may have to cut rates sooner than anticipated.

Bullion was steady on Friday and is up around 3% this week. It has surged since early March on falling Treasury yields, and nervousness over banks and the US debt ceiling standoff. Gold climbed to a one-year peak on Thursday and is within reach of the record high set in 2020.

The focus now is the deepening rout in US regional banks and what that means for interest rates. There are expectations the Fed may have to start cutting borrowing costs by July in response to the tightening credit conditions. Lower rates are supportive for the precious metal, which doesn't offer any interest.

Spot gold was steady at \$2,049.99 an ounce as of 12:42 p.m. in Singapore after rising 3.4% in the prior three sessions. The Bloomberg Dollar Spot Index fell 0.2% and is down 0.6% this week. Silver eased as platinum and palladium rose.

Precious Metals	Last	1D Change	YTD
Gold	2 046.84	-0.17%	12.24%
Silver	25.97	-0.31%	8.45%
Platinum	1 049.64	0.16%	-2.27%
Palladium	1 464.81	0.54%	-18.29%

Oil headed for a third straight weekly decline, the longest losing run this year, as slowdown concerns and turmoil in the US banking sector prompted investors to flee from risk.

West Texas Intermediate edged higher above \$69 a barrel on Friday, but the US crude benchmark has still retreated by about 10% this week after a four-day skid. Trading was marked by a brief-but-dramatic plunge early on Thursday, when prices collapsed to touch the lowest intraday level since 2021.

Crude has been battered by mounting concern the US economy is on track to slide into a recession, potentially hurting energy consumption, just as investors track signs of continued instability among regional lenders. In addition, major exporter and OPEC+ leader Saudi Arabia lowered prices to Asia.

Oil has slumped 14% this year even after a decision by the Organization of Petroleum Exporting Countries and its allies to cut production from this month. The retreat has come despite signs of strength in the physical oil market, suggesting the selloff may be excessive. In that vein, Shell Plc Chief Executive Officer Wael Sawan said this week the market was actually "pretty tight."

World Commodities	Last	1D Change
WTI Crude	69.20	0.93%
Brent Crude	73.21	0.98%
Nat Gas (HH)	2.05	-2.52%
Nickel	23 972.00	-2.99%
Copper	385.25	0.06%
Corn	644.00	-0.39%
Wheat	631.50	0.84%
Soybean	1 452.00	0.24%
Coffee	186.40	-1.48%
Cotton	79.99	3.90%
Sugar	25.52	1.39%

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

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FX Corner

EUR/USD has recovered firmly to near 1.1040 in the Asian session as the US Dollar index (DXY) has resumed its downside journey. The major currency pair is trying to revive Thursday's sell-off inspired by a smaller interest rate hike from the European Central Bank (ECB).

GBP/USD rises for the third consecutive day to prod the late May 2022 high, piercing the 1.2600 threshold during early Friday. In doing so, the Cable pair cheers broad US Dollar weakness, as well as recently upbeat UK data, ahead of the key US Nonfarm Payrolls (NFP).

USD/JPY is testing key daily trendline support. Bears eye a break of support and 133.50,20,00 are key levels.

AUD/USD pierces an 11-week-old resistance line amid broad US Dollar weakness, as well as due to the hawkish signals from the Reserve Bank of Australia (RBA), during early Friday. In doing so, the Aussie pair rises to the fresh high in two weeks as market players await the key US jobs report for April.

World Currencies	Last	1D Change	YTD
EURUSD	1.1042	0.27%	3.15%
EURCHF	0.9761	-0.05%	1.36%
EURGBP	0.8761	-0.02%	1.36%
EURJPY	147.8600	0.03%	-5.31%
USDCHF	0.8840	0.19%	-4.38%
USDJPY	133.9000	0.29%	-2.12%
USDCAD	1.3514	0.19%	0.30%
USDTRY	19.4967	-0.12%	-4.20%
GBPUSD	1.2604	0.24%	4.31%
AUDUSD	0.6735	0.63%	-1.14%
NZDUSD	0.6309	0.45%	-0.65%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	1.0820	1.0925	1.0968	1.1073	1.1135	1.1240
USDJPY	131.4633	132.8433	133.5667	134.9467	135.6033	136.9833
GBPUSD	1.2472	1.2523	1.2548	1.2599	1.2625	1.2676
USDCAD	1.3336	1.3450	1.3494	1.3608	1.3678	1.3792
AUDUSD	0.6548	0.6614	0.6653	0.6719	0.6746	0.6812
NZDUSD	0.6078	0.6170	0.6226	0.6318	0.6354	0.6446
USDCHF	0.8714	0.8785	0.8821	0.8892	0.8927	0.8998
USDTRY	19.4021	19.4409	19.4569	19.4957	19.5185	19.5573
XAUUSD	1982.827	2015.367	2032.823	2065.363	2080.447	2112.987
XAGUSD	24.6052	25.2282	25.6393	26.2623	26.4742	27.0972

Source: fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars Options

G8 Browse 07:43:22 05/05/23 - 05/05/23

Economic Releases All Economic Releases View Agenda Weekly

Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
05/05	08:00	GE				Factory Orders MoM	Mar	-2.3%	--	4.8%	--
05/05	08:00	GE				Factory Orders WDA YoY	Mar	-3.1%	--	-5.7%	--
05/05	08:45	FR				Private Sector Payrolls QoQ	1Q P	0.1%	--	0.2%	--
05/05	08:45	FR				Wages QoQ	1Q P	1.3%	--	0.7%	--
05/05	08:45	FR				Industrial Production MoM	Mar	-0.4%	--	1.2%	--
05/05	08:45	FR				Industrial Production YoY	Mar	1.1%	--	1.3%	--
05/05	08:45	FR				Manufacturing Production MoM	Mar	0.0%	--	1.3%	--
05/05	08:45	FR				Manufacturing Production YoY	Mar	--	--	2.2%	--
05/05	09:30	GE				HCOB Germany Construction PMI	Apr	--	--	42.9	--
05/05	10:00	IT				Retail Sales MoM	Mar	-0.5%	--	-0.1%	--
05/05	10:00	IT				Retail Sales YoY	Mar	--	--	5.8%	--
05/05	10:00	EC				ECB Survey of Professional Forecasters					
05/05	10:00	RU				Money Supply Narrow Def	Apr 28	--	--	17.28t	--
05/05	10:30	UK				S&P Global/CIPS UK Construction PMI	Apr	51.0	--	50.7	--
05/05	11:00	EC				Retail Sales MoM	Mar	-0.2%	--	-0.8%	--
05/05	11:00	EC				Retail Sales YoY	Mar	-3.3%	--	-3.0%	--
05/05	14:30	US				Two-Month Payroll Net Revision	Apr	--	--	--	--
05/05	14:30	US				Change in Nonfarm Payrolls	Apr	185k	--	236k	--
05/05	14:30	CA				Net Change in Employment	Apr	20.0k	--	34.7k	--
05/05	14:30	CA				Unemployment Rate	Apr	5.1%	--	5.0%	--
05/05	14:30	US				Change in Private Payrolls	Apr	160k	--	189k	--
05/05	14:30	CA				Hourly Wage Rate Permanent Employees YoY	Apr	4.8%	--	5.2%	--
05/05	14:30	US				Change in Manufact. Payrolls	Apr	-5k	--	-1k	--
05/05	14:30	CA				Participation Rate	Apr	--	--	65.6%	--
05/05	14:30	US				Unemployment Rate	Apr	3.6%	--	3.5%	--
05/05	14:30	CA				Full Time Employment Change	Apr	--	--	18.8k	--
05/05	14:30	US				Average Hourly Earnings MoM	Apr	0.3%	--	0.3%	--
05/05	14:30	CA				Part Time Employment Change	Apr	--	--	15.9k	--
05/05	14:30	US				Average Hourly Earnings YoY	Apr	4.2%	--	4.2%	--
05/05	14:30	US				Average Weekly Hours All Employees	Apr	34.4	--	34.4	--
05/05	14:30	US				Labor Force Participation Rate	Apr	62.6%	--	62.6%	--
05/05	14:30	US				Underemployment Rate	Apr	--	--	6.7%	--
05/05	15:00	RU				Gold and Forex Reserve	Apr 28	--	--	\$597.1b	--
05/05	21:00	US				Consumer Credit	Mar	\$17.000b	--	\$15.290b	--
05/05		RU				Light Vehicle Car Sales YoY	Apr	--	--	-10.6%	--
05/05-05/10		RU				Wellbeing Fund	Apr	--	--	\$154.5b	--
05/05-05/10		RU				Budget Balance YTD	Apr	--	--	-2400.0b	-2401.6b

Source: Refinitiv

Disclaimer: "This information, including any opinion, news and reports is based on publicly available source, but its accuracy cannot be guaranteed and may be subject to change without notice. BankMed (Suisse) does not guarantee the accuracy, timeliness, continued availability or completeness of such information. Neither the information provided nor any opinion expressed therein, constitutes a solicitation, offer, personal recommendation or advice. BankMed (Suisse) is not acting as an adviser to you and you are free to rely or not on such information at your own risk. Certain transactions involving securities give rise to substantial risks, including currency and volatility risk, and are not suitable for all investors."