

Market Corner

Asian stocks advanced for a third day as investors braced for a potential pause in monetary tightening by the Federal Reserve this week. Chinese shares dipped despite a cut in short-term policy interest rate.

The MSCI Asia Pacific Index rose as much as 0.8%, lifted by technology and consumer discretionary shares. Most regional markets gained, with Japan's Topix rising for a third day, extending gains that have taken the index to the highest level since 1990. Shares in Taiwan and South Korea also climbed.

Chinese benchmarks fluctuated despite growing hopes for more policy stimulus amid a weak economic recovery. The central bank lowered the seven-day reverse repurchase rate, signaling more potential easing ahead, including in its Thursday's decision on the medium-term lending facility rate.

The rally in US equities continued for a third-straight session Monday as investors bet the Federal Reserve would pause its interest rate-hiking campaign this week as a slew of economic data is expected.

The S&P 500 rose 0.9% on Monday in a risk-on rally led by tech and consumer discretionary stocks as 334 stocks rose and 169 fell and the index reached its highest point since April 2022, after entering a technical bull market on Friday. The tech-heavy Nasdaq 100 gained 1.8%, while the Dow Jones Industrial Average rose 0.6%.

"The SPX will be trying to extend its weekly win streak to five this week, which we haven't seen since October-November 21," said CappThesis founder and president Frank Cappelleri, adding that the last time the market saw both an inflation report and a Fed decision in the same week, the S&P 500 fell 3.4%.

That was in December and in the middle of a bear market. Now, some strategists see the rally broadening. "Bullish sentiment across US equities continues to widen," Citi strategists led by Chris Montagu said Monday, noting a "significant" rise in risk flows into the S&P 500.

World Indices	Last	1D Change	YTD
Dow Jones	34 066.3	0.56%	2.77%
S&P 500	4 338.9	0.93%	13.01%
Nasdaq	13 461.9	1.53%	28.62%
Eurostoxx 50	4 316.5	0.62%	13.78%
FTSE 100	7 570.7	0.11%	1.60%
CAC 40	7 250.4	0.52%	12.00%
DAX	16 097.9	0.93%	15.62%
SMI	11 301.3	0.42%	5.33%
Nikkei	33 042.0	1.87%	26.61%
Hang Seng	19 467.9	0.33%	-1.57%
CSI 300	3 855.0	0.28%	-0.45%
VIX Index	15.0	8.53%	-30.73%

World Bonds	Last	1D Change	YTD
US 10Y	3.7357	0.00	-0.139
EUR 10Y	2.3880	0.01	-0.183
Swiss 10Y	0.9710	0.00	-0.646
UK 10Y	4.3380	0.10	0.666

Source: Bloomberg



Morning Call

Geneva, June 13, 2023

Crypto Corner

Binance.US added four lawyers from Milbank LLP, including a former co-director of the Securities and Exchange Commission's enforcement division, George Canellos, as the beleaguered crypto platform prepares its defense against US allegations of operating an illegal securities exchange.

Canellos, who is global head of the litigation and arbitration group at Milbank, previously supervised about 1,300 attorneys at the SEC on investigations including the insider trading actions against Raj Rajaratnam and hedge fund managers associated with S.A.C. Capital. Before then, he was chief of the major crimes unit at the US Attorney's Office in the Southern District of New York.

The SEC sued Binance.US, the global Binance exchange and Changpeng Zhao, who owns both, on June 5 for securities violations. In a suit filed with the District Court in the District of Columbia, the SEC alleged "blatant disregard" of US securities laws, including mishandling customer funds and misleading investors and regulators. Last week, the agency filed an emergency action application for a temporary restraining order to freeze Binance.US's assets in an attempt to protect customer funds, including through repatriation of client investments held abroad. Binance has disputed the allegations.

"Canellos possesses a rare and remarkably special combination of skill sets — having served as both an SEC prosecutor and a DOJ prosecutor. Think Liam Neeson meets Perry Mason," John Reed Stark, former head of SEC's Office of Internet Enforcement, said in a tweet.

Canellos and Binance.US didn't immediately return requests for comment.

Three other attorneys from Milbank are joining Binance.US's defense team as well. Adam Fee spent more than five years as an assistant US attorney for the Southern District of New York's criminal division, where he was a member of the terrorism and international narcotics unit. Matthew Laroche spent nearly seven years as an assistant US attorney in the same division, where he prosecuted cases involving cybercrime, espionage, financial corruption, money laundering, and the Foreign Corrupt Practices Act and Foreign Agents Registration Act, according to his bio. The team also includes Andrew LeBlanc, who focuses on contested issues arising in bankruptcy cases.

Binance.US said its payment and banking partners had signaled an intent to pause support for its dollar channels on the platform as early as June 13. That means it won't be able to process deposits and withdrawals in dollars on the US-focused platform, instead shifting to an all-crypto exchange.

Crypto Market Cap: 1.06T

24h Vol: **\$29.1B**

Dominance: **BTC: 47.7 ETH:19.8%**

Crypto	Last	1D Change	YTD
Bitcoin	26 100.34	0.79%	57.81%
Ethereum	1 750.61	0.66%	45.95%



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

Commodity Corner

Gold was steady in Asia ahead of meetings at the Federal Reserve and other major central banks that could provide fresh direction for the precious metal.

Bullion has been trading in a relatively tight range between \$1,940 and \$1,980 an ounce this month after falling in May on easing bank-contagion fears in the US. It's found recent support on optimism the Fed is nearing the end of its aggressive monetary-tightening cycle.

The US central bank's June meeting ends on Wednesday, and it's expected to pause. Lower rates over the long term typically benefit gold, which doesn't offer interest. The European Central Bank and authorities in China and Japan also gather this week.

The US consumer price index print for May, which may affect the Fed decision, is due Tuesday. Analysts forecast it will show inflation moderating on a year-on-year basis for an 11th straight month.

Spot gold was steady at \$1,958.31 an ounce as of 8:53 a.m. in Singapore after losing 0.4% over the previous two sessions. The Bloomberg Dollar Spot Index was little changed. Silver and platinum were flat, while palladium edged higher.

Precious Metals	Last	1D Change	YTD
Gold	1 959.43	0.08%	7.42%
Silver	24.14	0.34%	0.76%
Platinum	997.65	0.25%	-7.14%
Palladium	1 362.61	0.68%	-23.99%

Oil held near its lowest level in almost three months on persistent concerns over the demand outlook in China and the US.

West Texas Intermediate futures steadied above \$67 a barrel, after losing more than 7% over the previous three sessions, while global benchmark Brent hovered near its lowest close since December 2021.

Sluggish Chinese trade data, as well as international flights from Northeast Asia still far below pre-pandemic levels, highlight the lackluster recovery in the world's biggest crude importer. The nation's central bank tried to spur growth with an unexpected cut in its short-term policy interest rate on Tuesday.

A slowdown in the US and resilient Russian exports are adding to the downward pressure, canceling out Saudi Arabia's recent decision to cut 1 million barrels a day of production. Goldman Sachs Group Inc. lowered its oil price forecasts for the third time in six months on Sunday, saying it sees supplies swelling and demand waning.

World Commodities	Last	1D Change
WTI Crude	67.37	0.37%
Brent Crude	72.25	0.57%
Nat Gas (HH)	2.30	1.28%
Nickel	20 672.00	-1.80%
Copper	377.80	0.69%
Corn	614.75	-0.41%
Wheat	628.75	-0.79%
Soybean	1 376.25	0.25%
Coffee	185.55	-2.68%
Cotton	83.61	0.14%
Sugar	25.47	0.35%

Source: fxstreet.com / Bloomberg

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FX Corner

EUR/USD extends gain toward 1.0800, around the highest levels since late May, as Euro bulls brace for the key day. The pair remains on the front foot as the US Dollar tracks the US Treasury bond yields lower amid expectations of soft US CPI data.

GBP/USD extended its daily rebound beyond 1.2550 in the early European session on Tuesday. The data from the UK showed that wage inflation continued to run hot in May, providing a boost to Pound Sterling. Later in the day, US inflation data will be watched closely by investors.

USD/JPY struggles to capitalize on its gains registered over the past two days and comes under some selling pressure during the Asian session on Tuesday. The pair currently trades just below mid-139.00s, down nearly 0.15% for the day and well within a familiar trading range held over the past two weeks or so.

AUD/USD is easing below 0.6750 in anticipation of key events from the US this week, starting with Tuesday's Consumer Price Index. The May US inflation rate will be a key focus while the Federal Reserve interest rate decision follows on Wednesday.

World Currencies	Last	1D Change
EURUSD	1.0795	0.35%
EURCHF	0.9775	0.03%
EURGBP	0.8597	0.01%
EURJPY	150.6600	-0.32%
USDCHF	0.9056	0.38%
USDJPY	139.5700	0.02%
USDCAD	1.3359	0.07%
USDTRY	23.6724	-0.16%
GBPUSD	1.2556	0.38%
AUDUSD	0.6765	0.21%
NZDUSD	0.6129	0.11%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	1.0646	1.0703	1.0730	1.0787	1.0817	1.0874
USDJPY	138.0967	138.7867	139.1933	139.8833	140.1667	140.8567
GBPUSD	1.2308	1.2420	1.2464	1.2576	1.2644	1.2756
USDCAD	1.3218	1.3287	1.3327	1.3396	1.3425	1.3494
AUDUSD	0.6658	0.6704	0.6728	0.6774	0.6796	0.6842
NZDUSD	0.6033	0.6080	0.6101	0.6148	0.6174	0.6221
USDCHF	0.8883	0.8977	0.9034	0.9128	0.9165	0.9259
USDTRY	23.2575	23.4277	23.5313	23.7015	23.7681	23.9383
XAUUSD	1922.567	1940.307	1949.073	1966.813	1975.787	1993.527
XAGUSD	23.2303	23.6549	23.8540	24.2786	24.5041	24.9287

Source: fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars

G8 Browse 08:28:23 06/13/23 - 06/13/23

Economic Releases All Economic Releases View Agenda Weekly

Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
06/13	01:50	JN				BSI Large Manufacturing QoQ	2Q	--	--	-10.5	--
06/13	01:50	JN				BSI Large All Industry QoQ	2Q	--	--	-3.0	--
06/13	08:00	UK				Payrolled Employees Monthly Change	May	25k	--	-136k	--
06/13	08:00	UK				Claimant Count Rate	May	--	--	4.0%	--
06/13	08:00	UK				Jobless Claims Change	May	--	--	46.7k	--
06/13	08:00	UK				Average Weekly Earnings 3M/YoY	Apr	6.1%	--	5.8%	--
06/13	08:00	UK				Weekly Earnings ex Bonus 3M/YoY	Apr	6.9%	--	6.7%	--
06/13	08:00	UK				ILO Unemployment Rate 3Mths	Apr	4.0%	--	3.9%	--
06/13	08:00	UK				Employment Change 3M/3M	Apr	158k	--	182k	--
06/13	08:00	GE				CPI MoM	May F	-0.1%	--	-0.1%	--
06/13	08:00	GE				CPI YoY	May F	6.1%	--	6.1%	--
06/13	08:00	GE				CPI EU Harmonized MoM	May F	-0.2%	--	-0.2%	--
06/13	08:00	GE				CPI EU Harmonized YoY	May F	6.3%	--	6.3%	--
06/13	10:00	IT				Unemployment Rate Quarterly	1Q	--	--	7.8%	--
06/13	11:00	GE				ZEW Survey Expectations	Jun	-13.0	--	-10.7	--
06/13	11:00	GE				ZEW Survey Current Situation	Jun	-41.2	--	-34.8	--
06/13	11:00	EC				ZEW Survey Expectations	Jun	--	--	-9.4	--
06/13	12:00	US				NFIB Small Business Optimism	May	88.4	--	89.0	--
06/13	14:30	US				CPI MoM	May	0.2%	--	0.4%	--
06/13	14:30	US				CPI Ex Food and Energy MoM	May	0.4%	--	0.4%	--
06/13	14:30	US				CPI YoY	May	4.1%	--	4.9%	--
06/13	14:30	US				CPI Ex Food and Energy YoY	May	5.2%	--	5.5%	--
06/13	14:30	US				CPI Index NSA	May	304.061	--	303.363	--
06/13	14:30	US				CPI Core Index SA	May	307.580	--	306.489	--
06/13	14:30	US				Real Avg Weekly Earnings YoY	May	--	--	-1.1%	-1.2%
06/13	14:30	US				Real Avg Hourly Earning YoY	May	--	--	-0.5%	-0.6%
06/13		GE				Current Account Balance	Apr	--	--	32.4b	--

Source: Refinitiv

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