

Market Corner

Asian stocks gained for a fourth day as traders awaited a potential pause in the Federal Reserve's monetary tightening campaign, with growing bets for interest rate cuts in China also supporting sentiment.

The MSCI Asia Pacific Index rose as much as 0.5%, with Toyota, BHP and Tencent among the biggest boosts. Stocks in Japan and Singapore gained, while South Korea's benchmark fell. The Hang Seng Tech Index rose for a fourth day reaching a two-month high, and mainland Chinese shares advanced ahead of a much-anticipated data dump and decision on a key longer-term policy rate on Thursday.

A surprise cut in China's short-term policy rate on Tuesday caused market watchers to raise expectations for further monetary easing to shore up the nation's ailing economic recovery. Still, some global investors remain downbeat on the outlook for Asia's largest market, with Bank of America's global fund-manager survey showing that shorting Chinese equities is considered the second-most crowded trade after long Big Tech.

US equities gained for a fourth day in a row after cooling inflation data emboldened Wall Street's view that the Federal Reserve will pause its rate-hiking campaign this week.

The S&P 500 notched the longest winning streak in more than two months, climbing 0.7% Tuesday with all but one of the benchmark's 11 main industry groups closing in the green. The tech-heavy Nasdaq 100 gained 0.8%, while the Dow Jones Industrial Average advanced 0.4%.

Stocks rallied after data show consumer prices rose 4% in May from a year earlier, marking the smallest advance since March 2021. Core services inflation excluding housing, a category many forecasters see as key to the outlook, receded to the slowest pace in 15 months.

"Today's CPI number was a relief for the market, as the data met expectations, confirmed the dis-inflationary trend, and re-affirmed current market pricing of a Fed pause tomorrow," said Alexandra Wilson-Elizondo, Goldman Sachs Asset Management's deputy chief investment officer of multi asset solutions. She cautioned that the current rate of disinflation "remains incompatible with the Fed's 2% target."

World Indices	Last	1D Change	YTD
Dow Jones	34 212.1	0.43%	3.21%
S&P 500	4 369.0	0.69%	13.79%
Nasdaq	13 573.3	0.83%	29.68%
Eurostoxx 50	4 347.6	0.72%	14.60%
FTSE 100	7 594.8	0.32%	1.92%
CAC 40	7 290.8	0.56%	12.62%
DAX	16 230.7	0.83%	16.57%
SMI	11 327.3	0.23%	5.57%
Nikkei	33 623.0	1.83%	28.92%
Hang Seng	19 467.8	-0.27%	-1.65%
CSI 300	3 883.8	0.49%	0.32%
VIX Index	14.6	-2.66%	-32.58%

World Bonds	Last	1D Change	YTD
US 10Y	3.8056	-0.01	-0.069
EUR 10Y	2.4230	0.04	-0.148
Swiss 10Y	0.9890	0.02	-0.628
UK 10Y	4.4340	0.10	0.762

Source: Bloomberg



Morning Call

Geneva, June 14, 2023

Crypto Corner

Bitcoin’s dominance of the cryptocurrency markets will nearly double as more investors gravitate to the original digital asset while regulators continue to crack down on the sector, according to MicroStrategy Inc.’s Michael Saylor.

Bitcoin currently accounts for nearly 48% of crypto’s \$1 trillion market value, according to data tracker CoinMarketCap. Its dominance will rise to 80%, as other coins are declared securities by regulators and their use is reduced, Saylor said in a Bloomberg Television interview. MicroStrategy is the enterprise-software that Saylor co-founded and has made into the largest public holder of the cryptocurrency.

Earlier this month, the US Securities and Exchange Commission labeled 19 coins as unregistered securities in lawsuits against crypto exchanges Binance, Binance.US and Coinbase Global Inc.

Saylor predicted that only Bitcoin and perhaps a dozen other coins — of the current more than 25,000 — will be deemed not to be securities and will continue trading on US crypto exchanges. Coins that might be spared may use the same way of ordering transactions as Bitcoin, called proof of work and using powerful computers.

“The entire industry is kind of destined to be rationalized down to Bitcoin and a half a dozen to a dozen other proof-of-work tokens,” Saylor said. He expects Bitcoin’s price to increase tenfold and then again tenfold from the current \$25,813. Bitcoin dominance typically increases during cyclical downturns for the industry, and drops during bull markets, when more investors pour their money into other tokens, often referred to as alt coins. Bitcoin accounted for the majority of the market in its early years, but its dominance dropped to as low as 34% in 2018 before creeping up again. Last year, crypto prices dropped as scores of crypto companies, including exchange FTX and lender Celsius Network, went bankrupt. Bitcoin dominance has been rising since a low of 38% last November, according to CoinMarketCap.

Saylor began buying in 2020 to reduce MicroStrategy’s holdings of cash, saying it was being eroded by inflation. By the end of March, MicroStrategy held a total cache of 140,000 Bitcoin, according to its financials.

MicroStrategy’s shares are up 98% since the beginning of the year. Bitcoin has gained 58% during the same period.

Crypto Market Cap: 1.05T

24h Vol: [\\$31.3B](#)

Dominance: [BTC: 47.6](#) [ETH:19.8%](#)

Crypto	Last	1D Change	YTD
Bitcoin	25 925.44	0.30%	56.67%
Ethereum	1 739.40	0.07%	44.93%



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

Commodity Corner

Gold edged up after three days of declines, boosted by a slight fall in Treasury yields ahead of a likely pause in the Federal Reserve's aggressive monetary-tightening cycle.

After US data on Tuesday showed inflation slowing on an annual basis, short-term Treasury yields rose to the highest levels since March, which is generally negative for gold as the metal doesn't offer any interest. Bullion has fallen more than 5% since hitting a peak in early May.

The inflation data was seen by traders as confirmation that the Fed will hold rates in the 5%-5.25% range later Wednesday. Swap traders put the odds of an increase at only 10%, while still seeing the potential for a July move

Spot gold was 0.2% higher at \$1,947.81 an ounce as of 1:42 p.m. in Singapore, after closing 0.7% lower in the previous session. The Bloomberg Dollar Spot Index was little changed. Silver, platinum and palladium gained

Precious Metals	Last	1D Change	YTD
Gold	1 948.20	0.23%	6.78%
Silver	23.85	0.77%	-0.44%
Platinum	982.54	0.14%	-8.55%
Palladium	1 363.75	0.24%	-23.92%

Oil held onto a sharp overnight gain that was driven by signs China is shifting into stimulus mode and a US plan to replenish reserves.

West Texas Intermediate traded above \$69 a barrel after rising 3.4% on Tuesday, the most in more than five weeks. Beijing is considering a broad range of stimulus measures to revive China's flagging recovery after already having taken steps to loosen monetary policy. The country also issued a fresh crude import quota for non-state-owned refiners and traders for 2023.

The US is planning to buy about 12 million barrels of oil this year to refill its depleted emergency reserves, according to people familiar. Slowing inflation is also adding to expectations the Federal Reserve will pause interest-rate hikes for the first time in 15 months.

Crude is still down about 17% since mid-April as a worsening demand outlook and resilient exports from Russia — despite pledged output cuts — weighed on prices. However, the more bullish signals emanating from China and the US, and an OPEC report that suggested Saudi Arabia's output cuts will succeed in tightening supply in the second half, are aiding sentiment.

World Commodities	Last	1D Change
WTI Crude	69.66	0.35%
Brent Crude	74.61	0.43%
Nat Gas (HH)	2.31	-1.37%
Nickel	21 880.00	5.84%
Copper	381.95	-0.30%
Corn	608.25	-0.69%
Wheat	635.00	-0.20%
Soybean	1 397.50	-0.13%
Coffee	182.75	-1.51%
Cotton	82.78	0.07%
Sugar	25.16	-1.22%

Source: fxstreet.com / Bloomberg

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FX Corner

EUR/USD is trading on the defensive below 1.080,0 as it struggles to extend the two-day winning streak near the highest levels since late May early Wednesday. The pair is weighed by the cautious mood ahead of the Fed policy decision.

GBP/USD is battling 1.2600, holding lower ground ahead of the UK GDP and Industrial Production data release. The US Dollar steadies amid jittery markets, anticipating the Fed rate pause announcement following soft US inflation data

USD/JPY is seen oscillating in a narrow trading band around 140.00 early Wednesday, consolidating gains registered over the past three days. Traders now seem to have moved to the sidelines and keenly await the outcome of the highly-anticipated FOMC policy meeting for fresh impetus.

AUD/USD is holding gains above 0.6750, struggling to extend the latest upside momentum in Wednesday's Asian trading. Hopes for China stimulus and the sluggish US Dollar are boding well for the Aussie pair. All eyes remain on the Fed decision.

World Currencies	Last	1D Change
EURUSD	1.0784	-0.08%
EURCHF	0.9763	0.07%
EURGBP	0.8553	0.05%
EURJPY	151.0200	0.21%
USDCHF	0.9053	-0.01%
USDJPY	140.0400	0.13%
USDCAD	1.3311	0.05%
USDTRY	23.6719	-0.13%
GBPUSD	1.2608	-0.03%
AUDUSD	0.6768	0.01%
NZDUSD	0.6148	-0.02%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	1.0655	1.0723	1.0758	1.0826	1.0859	1.0927
USDJPY	137.2467	138.5467	139.3833	140.6833	141.1467	142.4467
GBPUSD	1.2338	1.2459	1.2536	1.2657	1.2701	1.2822
USDCAD	1.3142	1.3235	1.3276	1.3369	1.3421	1.3514
AUDUSD	0.6633	0.6702	0.6734	0.6803	0.6840	0.6909
NZDUSD	0.6003	0.6074	0.6111	0.6182	0.6216	0.6287
USDCHF	0.8939	0.8999	0.9025	0.9085	0.9119	0.9179
USDTRY	23.2018	23.4115	23.5260	23.7357	23.8309	24.0406
XAUUSD	1889.797	1920.687	1932.213	1963.103	1982.467	2013.357
XAGUSD	22.2796	23.0852	23.3756	24.1812	24.6964	25.5020

Source: fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars Options

G8 Browse 08:25:38 06/14/23 - 06/14/23

Economic Releases All Economic Releases View Agenda Weekly

Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
06/14	08:00	GE				Wholesale Price Index MoM	May	--	--	-0.4%	--
06/14	08:00	GE				Wholesale Price Index YoY	May	--	--	-0.5%	--
06/14	08:00	UK				Monthly GDP (MoM)	Apr	0.2%	--	-0.3%	--
06/14	08:00	UK				Monthly GDP (3M/3M)	Apr	0.1%	--	0.1%	--
06/14	08:00	UK				Industrial Production MoM	Apr	-0.1%	--	0.7%	--
06/14	08:00	UK				Industrial Production YoY	Apr	-1.7%	--	-2.0%	--
06/14	08:00	UK				Manufacturing Production MoM	Apr	-0.1%	--	0.7%	--
06/14	08:00	UK				Manufacturing Production YoY	Apr	-0.8%	--	-1.3%	--
06/14	08:00	UK				Index of Services MoM	Apr	0.3%	--	-0.5%	--
06/14	08:00	UK				Index of Services 3M/3M	Apr	-0.1%	--	0.1%	--
06/14	08:00	UK				Construction Output MoM	Apr	0.0%	--	0.2%	--
06/14	08:00	UK				Construction Output YoY	Apr	4.3%	--	4.1%	--
06/14	08:00	UK				Visible Trade Balance GBP/Mn	Apr	-£16500m	--	-£16356m	--
06/14	08:00	UK				Trade Balance GBP/Mn	Apr	-£3700m	--	-£2864m	--
06/14	08:00	UK				Visible Trade Balance Ex Precious Metals	Apr	--	--	-£17862m	--
06/14	08:00	UK				Trade Balance Ex Precious Metals	Apr	--	--	-£4370m	--
06/14	11:00	EC				Industrial Production SA MoM	Apr	0.9%	--	-4.1%	--
06/14	11:00	EC				Industrial Production WDA YoY	Apr	0.7%	--	-1.4%	-1.4%
06/14	13:00	US				MBA Mortgage Applications	Jun 9	--	--	-1.4%	--
06/14	14:30	US				PPI Final Demand MoM	May	-0.1%	--	0.2%	--
06/14	14:30	US				PPI Ex Food and Energy MoM	May	0.2%	--	0.2%	--
06/14	14:30	US				PPI Ex Food, Energy, Trade MoM	May	0.2%	--	0.2%	--
06/14	14:30	US				PPI Final Demand YoY	May	1.5%	--	2.3%	--
06/14	14:30	US				PPI Ex Food and Energy YoY	May	2.9%	--	3.2%	--
06/14	14:30	US				PPI Ex Food, Energy, Trade YoY	May	3.1%	--	3.4%	--
06/14	20:00	US				FOMC Rate Decision (Upper Bound)	Jun 14	5.25%	--	5.25%	--
06/14	20:00	US				FOMC Rate Decision (Lower Bound)	Jun 14	5.00%	--	5.00%	--
06/14	20:00	US				Interest on Reserve Balances Rate	Jun 15	5.15%	--	5.15%	--

Source: Refinitiv

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