

Market Corner

Asian stocks were mixed, with shares in China advancing after the nation's central bank ramped up stimulus, while some markets including South Korea traded lower.

The MSCI Asia Pacific Index fell 0.1% as the weakness in healthcare and materials offset gains in consumer shares. Hong Kong's Hang Seng China Enterprises Index jumped as much as 1.8%. Shares in Japan and Taiwan also gained as a pause in the Federal Reserve's interest-rate hikes aided sentiment.

Investors are calling for additional measure after the People's Bank of China lowered the rate on its one-year loans Thursday, just days after cutting its seven-day reverse repurchase rate. Data showing a slowdown in China's retail sales growth and industrial production, as well as high youth unemployment, point to the need for more policy support.

"I'll be looking forward to more pro-growth measures from the government to boost the recovery," said Yan Kaiwen, an analyst at China Fortune Securities. "The May economic data is largely in line with expectations and impact on the stock markets is rather limited as the weakness has been priced in."

US equities ended higher Wednesday, erasing an earlier tumble, after the Federal Reserve paused its interest-rate hikes and Chair Jerome Powell said no decision has been made for the next few meetings.

The S&P 500 Index rose 0.1%, with four out of 11 sectors higher, led by the information technology and consumer staples groups. The tech-heavy Nasdaq 100 advanced 0.7%, while the Dow Jones Industrial Average fell 0.7%. The previous day, both the S&P 500 and the Nasdaq 100 closed at their highest in more than a year, following a rally over the past three weeks.

After Tuesday data showed inflation slowed in May, and another key reading early Wednesday confirmed that trend, traders were widely expecting the Fed to announce a pause, albeit while keeping the door open for potential hikes later in the year. The bank signaled on Wednesday that it would likely resume hiking to cool inflation, and projected more increases than economists and investors expected.

World Indices	Last	1D Change	YTD
Dow Jones	33 979.3	-0.68%	2.51%
S&P 500	4 372.6	0.08%	13.88%
Nasdaq	13 626.5	0.39%	30.19%
Eurostoxx 50	4 376.0	0.65%	15.35%
FTSE 100	7 602.7	0.10%	2.03%
CAC 40	7 328.5	0.52%	13.20%
DAX	16 310.8	0.49%	17.15%
SMI	11 278.3	-0.43%	5.12%
Nikkei	33 495.1	-0.02%	28.38%
Hang Seng	19 660.9	1.30%	-0.60%
CSI 300	3 913.4	1.28%	1.08%
VIX Index	13.9	-5.00%	-35.95%

World Bonds	Last	1D Change	YTD
US 10Y	3.8330	0.05	-0.042
EUR 10Y	2.4520	0.03	-0.119
Swiss 10Y	1.0310	0.04	-0.586
UK 10Y	4.3920	-0.04	0.720

Source: Bloomberg



Morning Call

Geneva, June 15, 2023

Crypto Corner

Prices in the cryptocurrency market slumped across the board after the Federal Reserve signaled the possibility of resuming its interest-rate hikes after pausing its tightening cycle.

“The reaction lines up very closely with what was seen in other risk assets, in what is currently being interpreted by the markets as a marginally more hawkish than expected Fed,” said Stephane Ouellette, chief executive of FRNT Financial Inc., an institutional platform focused on digital assets. “As in most markets, there are some that speculate on breakouts around these events. I would imagine some of those short-term trades unwound, leading to the sell-off and bounce.”

Bitcoin, which accounts for almost half the \$1 trillion crypto market’s value, tested the \$25,000 price level as it declined for a third day. Ether dropped around 4.6%, while so-called altcoins such as XRP and Litecoin dropped around 8% and 6%, respectively.

Technically, Bitcoin continues to threaten a decisive breakdown of the 2023 up trend line with “resistance quite clearly lined up” in the \$30,000 to \$31,000 range, Ouellette said.

Fed officials paused on Wednesday following 15 months of interest-rate hikes but signaled they would likely resume tightening at some point to cool inflation.

“The downward pressure in the market appears to be coming from traders who were positioned long before today’s FOMC announcement that bought the rumor and are now selling the fact,” said Darius Tabatabai, co-founder at decentralized exchange Vertex Protocol.

More specifically, we are seeing liquidations on Vertex and across many other venues as many look to reposition in the face of a hawkish outlook, Tabatabai said.

Crypto Market Cap: 1.02T

24h Vol: **\$35.3B**

Dominance: **BTC: 47.4 ETH:19.4%**

Crypto	Last	1D Change	YTD
Bitcoin	25 002.11	0.30%	51.15%
Ethereum	1 644.55	0.40%	37.09%



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

Commodity Corner

Gold dropped for a fifth day, its longest losing run since February, after the Federal Reserve paused interest-rate increases but signaled it wasn't done with monetary tightening just yet.

The prospect of more rate rises, generally negative for the precious metal as it doesn't offer interest, saw gold break below the \$1,940 to \$1,980 an ounce trading range that it's been in this month. The metal is now on track for its lowest close in three months.

On Wednesday, short-term Treasury yields rose after the Fed projected more hikes than the market anticipated. That saw bullion pare earlier gains. Gold's attraction as a haven has also been dimmed by the resolution of potential macroeconomic crises such as the US debt-default saga and possible contagion in the banking sector.

Spot gold declined 0.5% to \$1,932.23 an ounce by 1:10 p.m. in Singapore and has fallen about 1.7% in five trading sessions. The Bloomberg Dollar Spot Index edged up 0.3% after dropping 0.5% in the prior two sessions. Silver, platinum and palladium all declined.

Precious Metals	Last	1D Change	YTD
Gold	1 936.02	-0.33%	6.12%
Silver	23.54	-1.59%	-1.81%
Platinum	974.14	-0.71%	-9.35%
Palladium	1 380.68	-0.70%	-23.01%

Oil held losses driven by a big jump in US crude stockpiles and as the Federal Reserve signaled it's not finished with rate hikes.

West Texas Intermediate futures traded near \$68 a barrel on Thursday after falling 1.7% in the previous session. US nationwide inventories rose by the most in four months, according to government data, while stockpiles at the key storage hub in Cushing, Oklahoma, swelled to a two-year high.

Fed officials paused their series of interest-rate hikes, but projected borrowing costs will go higher than previously expected to tame what Chair Jerome Powell called surprising persistent inflation. There's renewed worries the central bank will steer the US economy into a recession.

Crude in New York has lost 15% this year amid concerns of a US slowdown and a lackluster rebound in China's economy, although futures have traded in a narrow range since early May. The Asian nation's apparent oil demand rose 17% last month from a year ago, while industrial output also edged higher, according to official data released on Thursday.

World Commodities	Last	1D Change
WTI Crude	68.64	0.54%
Brent Crude	73.58	0.52%
Nat Gas (HH)	2.33	-0.56%
Nickel	22 647.25	3.51%
Copper	383.30	-0.96%
Corn	612.50	0.78%
Wheat	634.00	0.60%
Soybean	1 397.00	0.63%
Coffee	184.40	0.90%
Cotton	81.90	0.13%
Sugar	25.84	2.70%

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

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FX Corner

EUR/USD is trading under pressure while defending 1.0800, following an early uptick to the 1.0850 region. The pair consolidates losses, as the US Dollar bulls take a breather after the Fed's hawkish pause-led upswing. All eyes remain on ECB policy announcements.

GBP/USD remains depressed around 1.2650 as it prints the first daily loss in three heading into Thursday's London open. In doing so, the Cable pair retreated from the highest levels since late April 2022. Hawkish Fed halt joins mixed UK data, post-FOMC consolidation to tease Cable bears.

USD/JPY bulls are high as the Yen pair renews the yearly peak near 141.45 amid early Thursday. In doing so, the risk-barometer pair prints the biggest daily gains, so far, in a month amid upbeat US Treasury bond yields.

AUD/USD is trading close to 0.6800, unfazed by the downbeat Chinese activity data. The Aussie cheers strong Australian employment data. The Aussie Unemployment Rate dipped to 3.6% in May while the Employment Change jumped to 75.9K.

World Currencies	Last	1D Change
EURUSD	1.0818	-0.11%
EURCHF	0.9776	-0.16%
EURGBP	0.8551	0.04%
EURJPY	152.7400	-0.66%
USDCHF	0.9037	-0.30%
USDJPY	141.1900	-0.78%
USDCAD	1.3329	-0.04%
USDTRY	23.6192	-0.22%
GBPUSD	1.2652	-0.09%
AUDUSD	0.6821	0.37%
NZDUSD	0.6190	-0.27%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	1.0643	1.0733	1.0781	1.0871	1.0913	1.1003
USDJPY	137.9067	138.8967	139.4933	140.4833	140.8767	141.8667
GBPUSD	1.2459	1.2557	1.2610	1.2708	1.2753	1.2851
USDCAD	1.3154	1.3235	1.3280	1.3361	1.3397	1.3478
AUDUSD	0.6636	0.6716	0.6756	0.6836	0.6876	0.6956
NZDUSD	0.6007	0.6101	0.6154	0.6248	0.6289	0.6383
USDCHF	0.8824	0.8918	0.8964	0.9058	0.9106	0.9200
USDTRY	23.2516	23.4203	23.4938	23.6625	23.7577	23.9264
XAUUSD	1906.263	1926.893	1934.707	1955.337	1968.153	1988.783
XAGUSD	23.0292	23.4567	23.6879	24.1154	24.3117	24.7392

Source: fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars											
G8		Browse		07:51:33		06/15/23		06/15/23			
Economic Releases											
Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
06/15	01:50	JN				Trade balance Adjusted	May	-#860.00	--	-#1011.2D	--
06/15	01:50	JN				Exports YoY	May	-1.2%	--	2.6%	--
06/15	01:50	JN				Imports YoY	May	-10.3%	--	-2.3%	--
06/15	01:50	JN				Core Machine Orders MoM	Apr	3.0%	--	-3.9%	--
06/15	01:50	JN				Core Machine Orders YoY	Apr	-8.5%	--	-3.5%	--
06/15	01:50	JN				Foreign Buying Japan Stocks	Jun 9	--	--	¥610.9b	--
06/15	01:50	JN				Foreign Buying Japan Bonds	Jun 9	--	--	-¥537.9b	--
06/15	01:50	JN				Japan Buying Foreign Bonds	Jun 9	--	--	¥524.7b	--
06/15	01:50	JN				Japan Buying Foreign Stocks	Jun 9	--	--	¥137.5b	--
06/15	03:00	JN				Bloomberg June Japan Economic Survey					
06/15	06:30	JN				Tertiary Industry Index MoM	Apr	0.4%	--	-1.7%	--
06/15	08:45	FR				CPI EU Harmonized MoM	May F	-0.1%	--	-0.1%	--
06/15	08:45	FR				CPI EU Harmonized YoY	May F	6.0%	--	6.0%	--
06/15	08:45	FR				CPI MoM	May F	-0.1%	--	-0.1%	--
06/15	08:45	FR				CPI YoY	May F	5.1%	--	5.1%	--
06/15	08:45	FR				CPI Ex-Tobacco Index	May	116.51	--	116.61	--
06/15	10:30	IT				General Government Debt	Apr	--	--	2789.8b	--
06/15	11:00	EC				Trade Balance SA	Apr	17.5b	--	17.0b	--
06/15	11:00	EC				Trade Balance NSA	Apr	--	--	25.6b	--
06/15	14:15	EC				ECB Main Refinancing Rate	Jun 15	4.00%	--	3.75%	--
06/15	14:15	EC				ECB Marginal Lending Facility	Jun 15	4.25%	--	4.00%	--
06/15	14:15	EC				ECB Deposit Facility Rate	Jun 15	3.50%	--	3.25%	--
06/15	14:15	CA				Housing Starts	May	240.0k	--	261.6k	--
06/15	14:30	CA				Manufacturing Sales MoM	Apr	-0.2%	--	0.7%	--
06/15	14:30	US				Retail Sales Advance MoM	May	-0.2%	--	0.4%	--
06/15	14:30	US				Retail Sales Ex Auto MoM	May	0.1%	--	0.4%	--
06/15	14:30	US				Retail Sales Ex Auto and Gas	May	0.2%	--	0.6%	--
06/15	14:30	US				Retail Sales Control Group	May	0.2%	--	0.7%	--
06/15	14:30	US				Import Price Index MoM	May	-0.5%	--	0.4%	--
06/15	14:30	US				Import Price Index ex Petroleum MoM	May	-0.1%	--	-0.1%	--
06/15	14:30	US				Import Price Index YoY	May	-5.6%	--	-4.8%	--
06/15	14:30	US				Export Price Index MoM	May	-0.1%	--	0.2%	--
06/15	14:30	US				Export Price Index YoY	May	-8.4%	--	-5.9%	--
06/15	14:30	US				Initial Jobless Claims	Jun 10	245k	--	261k	--
06/15	14:30	US				Continuing Claims	Jun 3	1768k	--	1757k	--
06/15	14:30	US				Empire Manufacturing	Jun	-15.1	--	-31.8	--
06/15	14:30	US				Philadelphia Fed Business Outlook	Jun	-14.0	--	-10.4	--
06/15	15:00	CA				Existing Home Sales MoM	May	12.1%	--	11.3%	--
06/15	15:15	US				Industrial Production MoM	May	0.1%	--	0.5%	--
06/15	15:15	US				Capacity Utilization	May	79.7%	--	79.7%	--
06/15	15:15	US				Manufacturing (SIC) Production	May	-0.1%	--	1.0%	--
06/15	16:00	US				Business Inventories	Apr	0.2%	--	-0.1%	--
06/15	18:00	RU				CPI WoW	Jun 13	--	--	0.21%	--
06/15	18:00	RU				CPI Weekly YTD	Jun 13	--	--	2.48%	--
06/15	18:00	US				GDP YoY	1Q P	-1.9%	--	-1.9%	--
06/15	22:00	US				Net Long-term TIC Flows	Apr	--	--	\$133.3b	--
06/15	22:00	US				Total Net TIC Flows	Apr	--	--	\$56.7b	--

Source: Refinitiv

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