

Market Corner

Asian stocks headed for their best week in five months amid expectations for more stimulus policies by the Chinese government, as well as a pause in the Federal Reserve's interest rate hikes.

The MSCI Asia Pacific Index rose as much as 0.7% Friday, poised for a third-straight week of gains. Most sub-sectors advanced apart from technology hardware. Hong Kong stocks led gains around the region, with focus on a China State Council meeting that is expected to discuss a broad package of stimulus proposals. Key Japan indexes erased an earlier loss after the nation's central bank stuck with its stimulus settings.

Investors are bracing for further steps by Chinese policymakers to revive the faltering economy, following a slew of policy rate cuts this week. Potential measures include extra new infrastructure spending and looser rules for property purchases, according to a Wall Street Journal report.

US equities rose Thursday as investors piled into tech stocks and cooling price pressures helped offset concern over Federal Reserve hawkishness and speculation of further rate hikes.

The S&P 500 closed up 1.2%, extending gains for a sixth day in the longest such streak since November 2021. The health care and communications sectors were the top performers in a broad-based rally, as every major group gained. The tech-heavy Nasdaq 100 also climbed 1.2% to the highest in more than 14-months, while the Dow Jones Industrial Average rose 1.3%.

"The AI rally remains intact and continues to pull up the rest of the market to higher valuations," Navellier & Associates chief investment officer Louis Navellier said.

US data released Thursday provided a mixed outlook. Retail sales numbers came in stronger than expected and initial jobless claims were higher than estimated. Meanwhile, import and export prices both declined more than forecast.

World Indices	Last	1D Change	YTD
Dow Jones	34 408.1	1.26%	3.80%
S&P 500	4 425.8	1.22%	15.27%
Nasdaq	13 782.8	1.15%	31.69%
Eurostoxx 50	4 365.1	-0.25%	15.06%
FTSE 100	7 628.3	0.34%	2.37%
CAC 40	7 290.9	-0.51%	12.62%
DAX	16 290.1	-0.13%	17.00%
SMI	11 302.8	0.22%	5.34%
Nikkei	33 659.7	0.52%	28.98%
Hang Seng	20 055.1	1.14%	1.40%
CSI 300	3 953.7	0.72%	2.12%
VIX Index	14.5	4.47%	-33.09%

World Bonds	Last	1D Change	YTD
US 10Y	3.7342	0.02	-0.141
EUR 10Y	2.5040	0.05	-0.067
Swiss 10Y	1.0510	0.02	-0.566
UK 10Y	4.3840	-0.01	0.712

Source: Bloomberg



Morning Call

Geneva, June 16, 2023

Crypto Corner

BlackRock Inc. is trying its hand at potentially getting the first spot-Bitcoin exchange-traded fund launched in the US.

The world's largest asset manager on Thursday applied for the iShares Bitcoin Trust, according to a filing with the US Securities and Exchange Commission. Coinbase Global Inc., the biggest crypto exchange in the US, would act as custodian. The ETF, should it launch, would trade on Nasdaq.

This is at least the 33rd attempt by issuers for a spot-Bitcoin product, according to a tally from Bloomberg Intelligence. But applications have faced opposition by regulators, who have in the past cited market concerns and a lack of investor protections, among other things. The SEC, meanwhile, is suing Coinbase, alleging that it is running an illegal exchange. The company has said that a lack of clear rules for the digital-assets industry is hurting America's economic competitiveness.

"One might say that they are about as good as it gets at reading the regulatory tea leaves," said James Seyffart at Bloomberg Intelligence, referencing BlackRock. The New York-based asset manager oversaw more than \$9 trillion as of the end of March.

Cryptocurrency backers have long argued that such a product should be made available for trading. The filing appears to have lifted the price of Bitcoin, which gained about 2.7% to around \$25,620 after the disclosure. The biggest digital asset by market value had touched \$24,770 earlier, the lowest since March.

The filing was earlier partially reported by crypto-site CoinDesk.

"We have filed a registration statement with the SEC, and due to regulatory filing restrictions, we are not able to provide further comment," a BlackRock spokeswoman said in an emailed statement.

BlackRock's attempt at a spot Bitcoin ETF lands amid digital asset-manager Grayscale Investments LLC's high-profile legal battle with the SEC. Grayscale sued the regulator after it denied a bid to convert the Grayscale Bitcoin Trust into a physically backed ETF, citing fraud and manipulation concerns related to the underlying market.

"Perhaps BlackRock is in agreement with us in Bloomberg Intelligence that Grayscale is going to win their lawsuit with the SEC and they want to make sure their hat is in the ring in the event of an approval," Seyffart said.

BlackRock has prior dealings with the crypto space. The company had partnered with Coinbase on making it easier for institutional investors to manage and trade Bitcoin.

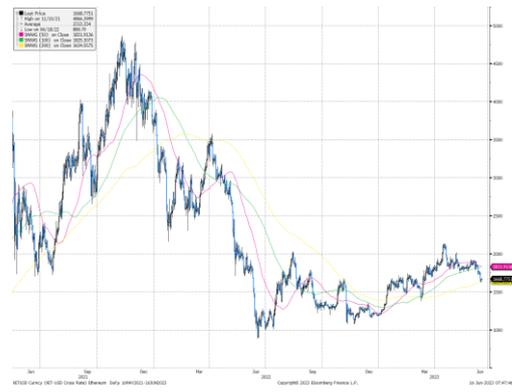
Lots of issuers have over the years filed for spot-Bitcoin exchange-traded funds, though regulators have in the past been hesitant to green-light such a product. More recently, crypto exchange-traded-products issuer 21Shares, in partnership with Cathie Wood's ARK Investment Management, refiled an application for a spot-Bitcoin ETF, arguing that such a fund would offer US investors protections that currently don't exist.

Crypto Market Cap: 1.03T

24h Vol: **\$35.4B**

Dominance: **BTC: 47.7 ETH:19.4%**

Crypto	Last	1D Change	YTD
Bitcoin	25 482.08	-0.26%	54.06%
Ethereum	1 668.66	-0.01%	39.14%



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

Commodity Corner

Gold was set for a modest weekly decline after being buffeted by the Federal Reserve and the European Central Bank.

The precious metal was steady on Friday near \$1,960 an ounce. It rose 0.8% on Thursday as the ECB lifted rates a quarter-point, with President Christine Lagarde describing a further hike in July as “very likely.” The dollar and Treasury yields dropped in response.

Bullion had fallen earlier in the week after the Fed paused its tightening cycle, but said more hikes were likely later in the year. Higher interest rates are generally negative for gold, which doesn’t offer any interest

Spot gold declined 0.1% to \$1,956.99 an ounce as of 8:54 a.m. in Singapore and was down 0.2% for the week. The Bloomberg Dollar Spot Index was little changed after falling 0.7% on Thursday. Silver was flat, while platinum and palladium edged lower

Precious Metals	Last	1D Change	YTD
Gold	1 956.99	-0.05%	7.35%
Silver	23.90	0.15%	-0.13%
Platinum	992.69	0.06%	-7.54%
Palladium	1 405.05	0.35%	-21.62%

Oil was steady in Asia after jumping the most in six weeks on Thursday as a weaker dollar and expectations for more stimulus in China outweighed concerns over higher interest rates in the US and Europe.

West Texas Intermediate held above \$70 a barrel after jumping 3.4% in the previous session, putting it on course for a modest weekly gain.

China loosened monetary policy this week to revive its stalled recovery, and there are expectations it will announce more targeted stimulus. Beijing also issued a large crude import quota earlier in the week. The dollar is on track for its biggest weekly drop since January, making oil cheaper for most buyers.

The Federal Reserve left borrowing costs unchanged on Wednesday, but signaled rates will still go higher than previously expected owing to persistent inflation and labor market strength. The European Central Bank hiked its main rate on Thursday and suggested another increase was likely next month.

The higher borrowing costs are adding to demand headwinds, with worries that the US will go into a Fed-driven recession increasing. On the supply side, exports from Russia have stayed strong, helping push crude down by around 12% this year. The bearishness is being reflected in the oil futures curve, with WTI’s prompt spread in the widest contango, where near-term prices are lower than those further out, since February.

World Commodities	Last	1D Change
WTI Crude	70.49	-0.18%
Brent Crude	75.55	-0.16%
Nat Gas (HH)	2.55	0.83%
Nickel	22 904.00	1.13%
Copper	390.70	0.15%
Corn	627.00	0.60%
Wheat	665.50	0.60%
Soybean	1 434.75	0.46%
Coffee	187.00	1.41%
Cotton	81.08	0.55%
Sugar	26.00	0.62%

Source: fxstreet.com / Bloomberg

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FX Corner

EUR/USD trends water around mid-1.0900s during a sluggish early Friday morning in Europe. The Euro pair struggles to extend the previous day's run-up, the biggest since early February, while making rounds to a five-week high.

GBP/USD steadies near the highest level in 14 months, making rounds to 1.2780-70 amid early Friday morning in London, as the Cable pair traders await more clues to defend the previous day's heavy rally. The Pound Sterling rose the most in a week while rising for the third consecutive day to refresh the multi-month high.

USD/JPY is holding the rebound around 140.50, fading the spike toward 141.00 after the Bank of Japan (BoJ) made no changes to its monetary policy settings. The pair benefits from an uptick in the US Treasury bond yields. All eyes on BoJ Governor Ueda's press conference.

AUD/USD comes under some selling pressure on Friday and erodes a part of the previous day's blowout rally to 0.6900 neighbourhood, or its highest level since February 22. The pair trades around the 0.6870 region, down over 0.20% for the day, and for now, seems to have snapped a six-day winning streak.

World Currencies	Last	1D Change
EURUSD	1.0943	-0.02%
EURCHF	0.9758	0.03%
EURGBP	0.8558	0.05%
EURJPY	153.9900	-0.29%
USDCHF	0.8917	0.01%
USDJPY	140.7200	-0.31%
USDCAD	1.3226	-0.02%
USDTRY	23.6569	0.06%
GBPUSD	1.2788	0.03%
AUDUSD	0.6887	0.03%
NZDUSD	0.6240	0.11%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	1.0603	1.0752	1.0848	1.0997	1.1050	1.1199
USDJPY	137.4567	139.0167	139.6533	141.2133	142.1367	143.6967
GBPUSD	1.2421	1.2577	1.2681	1.2837	1.2889	1.3045
USDCAD	1.2973	1.3118	1.3170	1.3315	1.3408	1.3553
AUDUSD	0.6599	0.6724	0.6804	0.6929	0.6974	0.7099
NZDUSD	0.6037	0.6124	0.6178	0.6265	0.6298	0.6385
USDCHF	0.8665	0.8813	0.8865	0.9013	0.9109	0.9257
USDTRY	23.2013	23.4066	23.5383	23.7436	23.8172	24.0225
XAUUSD	1877.457	1912.637	1935.323	1970.503	1982.997	2018.177
XAGUSD	22.2378	22.9556	23.4081	24.1259	24.3912	25.1090

Source: fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars

G8 Browse 08:27:09 06/16/23 - 06/16/23

Economic Releases All Economic Releases View Agenda Weekly

Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
06/16	08:45	FR				Wages QoQ	1Q F	1.8%	--	1.8%	--
06/16	10:00	IT				CPI EU Harmonized YoY	May F	8.1%	--	8.1%	--
06/16	10:00	IT				CPI FOI Index Ex Tobacco	May	118.8	--	118.4	--
06/16	10:00	RU				Money Supply Narrow Def	Jun 9	--	--	17.63t	--
06/16	10:30	UK				BoE/Ipsos Inflation Next 12 Mths	May	--	--	3.9%	--
06/16	11:00	EC				CPI YoY	May F	6.1%	--	6.1%	--
06/16	11:00	IT				Trade Balance Total	Apr	--	--	7541m	--
06/16	11:00	IT				Trade Balance EU	Apr	--	--	-916m	--
06/16	11:00	EC				CPI MoM	May F	0.0%	--	0.0%	--
06/16	11:00	EC				CPI Core YoY	May F	5.3%	--	5.3%	--
06/16	11:00	EC				Labour Costs YoY	1Q	--	--	5.7%	--
06/16	14:30	CA				Int'l Securities Transactions	Apr	--	--	-19.07b	--
06/16	14:30	CA				Wholesale Trade Sales MoM	Apr	1.6%	--	-0.1%	--
06/16	14:30	US				New York Fed Services Business Activity	Jun	--	--	-16.8	--
06/16	15:00	RU				Gold and Forex Reserve	Jun 9	--	--	\$585.0b	--
06/16	16:00	US				U. of Mich. Sentiment	Jun P	60.0	--	59.2	--
06/16	16:00	US				U. of Mich. Current Conditions	Jun P	65.1	--	64.9	--
06/16	16:00	US				U. of Mich. Expectations	Jun P	55.2	--	55.4	--
06/16	16:00	US				U. of Mich. 1 Yr Inflation	Jun P	4.1%	--	4.2%	--
06/16	16:00	US				U. of Mich. 5-10 Yr Inflation	Jun P	3.0%	--	3.1%	--
06/16		JN				BOJ Policy Balance Rate	Jun 16	-0.100%	--	-0.100%	--
06/16		JN				BOJ 10-Yr Yield Target	Jun 16	0.000%	--	0.000%	--

Source: Refinitiv

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