

Market Corner

Asia's stock benchmark was poised for a third straight day of declines, as a selloff in Chinese stocks gathered momentum ahead of holidays.

The MSCI Asia Pacific Index slipped as much as 0.7%, with gauges in Hong Kong and mainland China leading declines in the region. Hang Seng's indexes dropped more than 2% as a lack of aggressive stimulus from China disappointed some traders, with a weaker yuan also weighing on risk appetite.

Overall, sentiment was subdued in Asia ahead of Federal Reserve Chair Jerome Powell's congressional testimony on Wednesday and Thursday. Traders are seeking clarity on the central bank's interest-rate path after what was seen as a hawkish pause this month.

US stocks notched declines for a second straight session on Tuesday as investors looked ahead to testimony from Federal Reserve Chair Jerome Powell, who delivers his semiannual address to the House Financial Services Committee and the Senate Banking panel on Wednesday and Thursday.

The S&P 500 Index came off sessions lows to end 0.5% lower after US stock markets were closed on Monday in observance of the Juneteenth holiday. Ten of the 11 major industry groups declined, with energy and materials the worst performers alongside a drop in crude prices. The Nasdaq 100 Index slipped less than 0.1%, while the Dow Jones Industrial Average dropped 0.7%.

In a holiday-shortened trading week, stocks kicked the week off lower following signs of stretched positioning after the benchmark equities gauge notched five consecutive weeks of gains.

Powell will face questions from lawmakers as he gives his semi-annual report to Congress after Fed officials paused interest-rate hikes last week following 15 months of increases, but signaled they would likely resume tightening at some point to cool inflation.

World Indices	Last	1D Change	YTD
Dow Jones	34 053.9	-0.72%	2.74%
S&P 500	4 388.7	-0.47%	14.30%
Nasdaq	13 667.3	-0.16%	30.58%
Eurostoxx 50	4 343.1	-0.44%	14.49%
FTSE 100	7 569.3	-0.25%	1.58%
CAC 40	7 294.2	-0.27%	12.67%
DAX	16 111.3	-0.55%	15.71%
SMI	11 215.9	-0.80%	4.53%
Nikkei	33 611.9	0.67%	28.78%
Hang Seng	19 187.2	-2.14%	-2.98%
CSI 300	3 888.5	-0.91%	0.50%
VIX Index	13.9	-2.18%	-35.95%

World Bonds	Last	1D Change	YTD
US 10Y	3.7344	0.01	-0.140
EUR 10Y	2.4050	-0.11	-0.166
Swiss 10Y	0.9670	-0.10	-0.650
UK 10Y	4.3370	-0.16	0.665

Source: Bloomberg



Morning Call

Geneva, June 21, 2023

Crypto Corner

The International Monetary Fund is “working hard” on a concept of a global infrastructure that would ensure interoperability of settlements between digital currencies issued by national central banks.

Such platform would avoid an underutilization of so-called CBDCs, Managing Director Kristalina Georgieva told a conference in Rabat, Morocco.

“We are working on a principle of interoperability,” she said. Such concept would involve a shared infrastructure that would avoid the emergence of “settlement blocks,” which is the “last thing we want” to avoid further economic fragmentation, Georgieva said.

Driven by a declining use of cash and a rising interest in crypto assets, many monetary policy institutions have been exploring the possibilities of central-bank issued digital currencies.

Ten central banks — out of 14 that are exploring issuing a national digital tender — are “already crossing the finish line,” she said, adding that there’s “a lot that is still not decided” on regulating and organizing CBDCs.

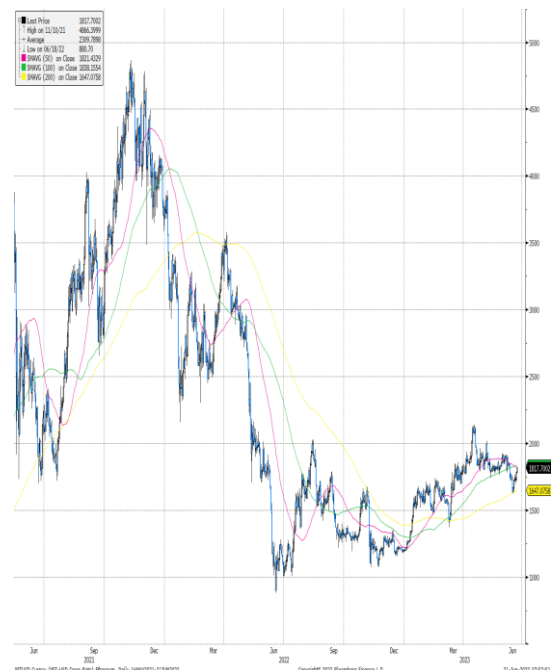
“We will pursue relentlessly together” the development of CBDCs, Georgieva said.

Crypto Market Cap: 1.13T

24h Vol: [\\$45.2B](#)

Dominance: [BTC: 49.3](#) [ETH:19.3%](#)

Crypto	Last	1D Change	YTD
Bitcoin	28 823.48	2.32%	74.31%
Ethereum	1 815.00	1.68%	51.38%



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

Commodity Corner

Gold was steady in Asia — after sliding 0.7% on Tuesday — before a speech from Federal Reserve Chair Jerome Powell that could shed more light on the interest-rate path.

Yields on US 10-year Treasuries edged higher amid widespread expectation that Powell will stay hawkish and double down on convincing markets the central bank is committed to vanquishing inflation during his semi-annual testimony to Congress on Wednesday.

The prospect of more monetary tightening by the Fed and the European Central Bank has weighed on gold since their meetings last week, with higher rates usually negative for non-interest-bearing bullion. A run of gains in the dollar is also damping demand for the precious metal.

Bullion fell as much as 1.1% on Tuesday, dropping below its 100-day moving average and moving below the \$1,940 to \$1,980 an ounce range it's been in for most of June.

Spot gold was little changed at \$1,936 an ounce as of 1:18 p.m. in Singapore. The Bloomberg Dollar Spot Index edged 0.1% higher. Silver, palladium and platinum fell.

Precious Metals	Last	1D Change	YTD
Gold	1 936.32	-0.01%	6.18%
Silver	23.13	-0.03%	-3.41%
Platinum	961.15	-0.34%	-10.53%
Palladium	1 375.44	-0.84%	-23.28%

Oil fluctuated as traders took stock of China's calibrated efforts to stimulate the economy and prepared for commentary from the head of the US Federal Reserve that may flag further monetary tightening.

West Texas Intermediate for August delivery edged higher to trade above \$71 a barrel after dropping as much as 0.6% early in the session. While China has taken a series of incremental steps in recent days to aid growth, there is persistent concern that its moves may lack punch.

Fed Chair Jerome Powell is scheduled to give his semi-annual report to Congress on Wednesday. While policymakers kept interest rates unchanged at their meeting last week, they forecast further rises in the second half to help bring still-elevated inflation back toward their target.

Oil has dropped this half as China's reemergence from its strict Covid Zero policies failed to gain traction and global crude supplies, including from Russia, proved abundant. In response, the Organization of Petroleum Exporting Countries and its allies have announced supply cuts, including a voluntary reduction by cartel leader Saudi Arabia that will take effect in July.

World Commodities	Last	1D Change
WTI Crude	71.58	0.55%
Brent Crude	76.24	0.45%
Nat Gas (HH)	704.25	1.22%
Nickel	21 914.00	-2.11%
Copper	389.40	0.27%
Corn	652.75	1.40%
Wheat	704.25	1.22%
Soybean	1 481.25	0.27%
Coffee	704.25	1.22%
Cotton	80.52	-0.17%
Sugar	26.22	-0.79%

Source: fxstreet.com / Bloomberg

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FX Corner

EUR/USD is demonstrating a non-directional performance above the round-level support of 1.0900 in the Asian session. The major currency pair is following the footprints of the sideways US Dollar Index (DXY), which is expected to provide action after Federal Reserve (Fed) chair Jerome Powell's testimony.

GBP/USD is losing the upside traction, holding steady above 1.2750 ahead of the high-impact UK CPI inflation data. The annual UK CPI is seen rising 8.4% in May, against an 8.7% increase reported in April while the Core CPI is likely to rise 6.8%, at the same pace seen in April.

USD/JPY regains upside momentum, after reversing from the yearly top the previous day, as it makes rounds to the intraday high of around 141.75 heading into Wednesday's European session. The Yen pair cheers the latest breakout of an immediate resistance line stretched from the yearly top marked on Monday.

AUD/USD is catching a fresh bid, bouncing toward 0.6800 in Wednesday's Asian session. The Aussie is benefiting from a pause in the US Dollar uptick as the market gears up for the bi-annual testimony of Fed Chair Jerome Powell. Fresh US-China woes could cap the upside in the pair.

World Currencies	Last	1D Change
EURUSD	1.0912	-0.06%
EURCHF	0.9803	-0.01%
EURGBP	704.2500	1.22%
EURJPY	154.6700	-0.15%
USDCHF	0.8984	-0.06%
USDJPY	141.7400	-0.19%
USDCAD	1.3218	0.13%
USDTRY	23.5776	-0.01%
GBPUSD	1.2761	-0.03%
AUDUSD	0.6788	0.04%
NZDUSD	0.6179	0.18%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	1.0813	1.0866	1.0892	1.0945	1.0972	1.1025
USDJPY	139.5633	140.6033	141.0367	142.0767	142.6833	143.7233
GBPUSD	1.2576	1.2669	1.2717	1.2810	1.2855	1.2948
USDCAD	1.3109	1.3173	1.3204	1.3268	1.3301	1.3365
AUDUSD	0.6590	0.6694	0.6740	0.6844	0.6902	0.7006
NZDUSD	0.6017	0.6094	0.6131	0.6208	0.6248	0.6325
USDCHF	0.8879	0.8928	0.8954	0.9003	0.9026	0.9075
USDTRY	23.1872	23.3772	23.4762	23.6662	23.7572	23.9472
XAUUSD	1887.010	1914.020	1925.220	1952.230	1968.040	1995.050
XAGUSD	21.4657	22.4359	22.7849	23.7551	24.3763	25.3465

Source: fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars											
G8		Browse		08:29:58		06/21/23		06/21/23			
Economic Releases											
Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
06/21	08:00	UK				CPIH YoY	May	7.6%	--	7.8%	--
06/21	08:00	UK				CPI MoM	May	0.5%	--	1.2%	--
06/21	08:00	UK				CPI YoY	May	8.4%	--	8.7%	--
06/21	08:00	UK				CPI Core YoY	May	6.8%	--	6.8%	--
06/21	08:00	UK				Retail Price Index	May	374.7	--	372.8	--
06/21	08:00	UK				RPI MoM	May	0.5%	--	1.5%	--
06/21	08:00	UK				RPI YoY	May	11.2%	--	11.4%	--
06/21	08:00	UK				RPI Ex Mort Int.Payments (YoY)	May	10.2%	--	10.4%	--
06/21	08:00	UK				PPI Output NSA MoM	May	-0.1%	--	0.0%	--
06/21	08:00	UK				PPI Output NSA YoY	May	3.5%	--	5.4%	--
06/21	08:00	UK				PPI Input NSA MoM	May	-0.5%	--	-0.3%	--
06/21	08:00	UK				PPI Input NSA YoY	May	1.2%	--	3.9%	--
06/21	08:00	UK				Public Finances (PSNCR)	May	--	--	13.7b	--
06/21	08:00	UK				Central Government NCR	May	--	--	18.8b	--
06/21	08:00	UK				Public Sector Net Borrowing	May	20.0b	--	24.7b	--
06/21	08:00	UK				PSNB ex Banking Groups	May	19.5b	--	25.6b	--
06/21	08:00	EC				EU27 New Car Registrations	May	--	--	17.2%	--
06/21	10:30	UK				House Price Index YoY	Apr	2.5%	--	4.1%	--
06/21	12:00	UK				CBI Trends Total Orders	Jun	-18	--	-17	--
06/21	12:00	UK				CBI Trends Selling Prices	Jun	20	--	21	--
06/21	13:00	US				MBA Mortgage Applications	Jun 16	--	--	7.2%	--
06/21	14:30	CA				Retail Sales MoM	Apr	0.3%	--	-1.4%	--
06/21	14:30	CA				Retail Sales Ex Auto MoM	Apr	0.3%	--	-0.3%	--
06/21	18:00	RU				PPI YoY	May	-5.6%	--	-12.7%	--
06/21	18:00	RU				CPI WoW	Jun 19	--	--	0.05%	--
06/21	18:00	RU				CPI Weekly YTD	Jun 19	--	--	2.58%	--
06/21	18:00	RU				PPI MoM	May	--	--	2.4%	--
06/21	18:00	RU				Consumer Confidence Index	2Q	--	--	-18	--
06/21	19:30	CA				Bank of Canada Releases Summary of Deliberations					
06/21	FR					Retail Sales SA YoY	May	--	--	-6.8%	--

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."