

## Market Corner

**Asian stocks were mixed as traders assessed the market impact from a revolt in Russia that challenged Vladimir Putin's control of the country. Chinese markets dropped.**

The MSCI Asia Pacific Index was little changed after fluctuating between small gains and losses, with TSMC and Tencent among the biggest drags to the gauge.

Benchmarks in mainland China were the biggest losers in the region as onshore markets reopened after the dragon boat festival. Weak holiday spending data added to concerns that the recovery has lost momentum. Meanwhile, Hong Kong's Hang Seng Index resumed losses after its worst weekly drop since March.

Investors are closely monitoring the developments in Russia while watching the pace of China's recovery with a key factory data in Asia's largest economy due later this week. The US price data due Friday will also help traders assess the Fed's interest rate hike path after a pause this month.

The latest developments in Russia is "not an element that creates uncertainty or volatility for markets," Adrian Zuercher, chief investment officer at UBS Global Wealth Management, said in an interview with Bloomberg TV. "You can see market reactions are muted so far."

Stocks in Taiwan and Australia also fell while benchmarks in South Korea advanced. Meanwhile, the MSCI Asian Index traded higher after hitting a technical correction on Friday.

**US stocks slumped Friday to end five straight weeks of gains as hawkish signals from the Federal Reserve and other major central banks revived concerns that higher borrowing costs threaten to tilt the economy into a recession.**

The S&P 500 Index dropped 0.8%, leaving the index more than 1% lower for the shortened trading week after US financial markets closed on Monday in observance of the Juneteenth holiday. All of the 11 major industry groups fell Friday, with utilities and real estate the worst performers. The Nasdaq 100 Index declined 1%, putting it in the red for just two of the past nine weeks. The blue-chip the Dow Jones Industrial Average fell nearly 0.7%.

The Nasdaq 100 has surged 36% this year, driven in part by a big artificial intelligence-fueled rally, along with the Fed pausing its most aggressive tightening campaign in decades last week. Still, worries linger that the latest leg up in stocks is stretched, given rich equity valuations and the threat of more hikes. Fed Chair Jerome Powell reiterated this week in Washington that inflation remains too high, and that the US may need one or two more rate increases in 2023.

World Indices	Last	1D Change	YTD
Dow Jones	33 727.4	-0.65%	1.75%
S&P 500	4 348.3	-0.77%	13.25%
Nasdaq	13 492.5	-1.01%	28.91%
Eurostoxx 50	4 271.6	-0.76%	12.60%
FTSE 100	7 461.9	-0.54%	0.14%
CAC 40	7 163.4	-0.55%	10.65%
DAX	15 829.9	-0.99%	13.69%
SMI	11 221.2	0.34%	4.58%
Nikkei	32 698.8	-0.25%	25.31%
Hang Seng	18 802.0	-0.47%	-4.95%
CSI 300	3 811.5	-1.36%	-1.56%
VIX Index	13.4	4.11%	-37.98%

World Bonds	Last	1D Change	YTD
US 10Y	3.7251	-0.01	-0.148
EUR 10Y	2.3680	0.02	-0.201
Swiss 10Y	0.9410	-0.09	-0.676
UK 10Y	4.3200	-0.05	0.648

Source: Bloomberg



**Morning Call**  
Geneva, June 26, 2023

## Crypto Corner

**Bitcoin hit its highest level in a year amid renewed fervor for digital assets despite a slew of challenges for the industry.**

The original digital currency crossed above \$31,013, its 2023 peak, to reach its highest level since June 2022, Bloomberg data show. The surge brought Bitcoin to as high as \$31,410 before the gain was pared. The token is up by almost 90% since the start of the year, though still more than 50% below an all-time high of almost \$69,000. Other cryptocurrencies followed suit, with Ether also rallying.

It's a remarkable development — and show of resiliency — for a market that many had written off as being on the verge of extinction following a number of high-profile and high-impact scams and company fallouts that left the industry besmirched among investors.

“From the ardent Bitcoiner’s perspective, the token’s most fundamental investment thesis is playing out: inflation, monetary mismanagement, banking crises, sovereign debt anxiety, US-dollar-reserve-status questions are all playing a role in giving Bitcoiners an ‘I told you so’ moment,” said Strahinja Savic, head of data and analytics at FRNT Financial. “I would not describe rallying to new all-time highs despite the challenging environment, but rather because of it.”

Most recently, it's been news about BlackRock Inc.'s shock filing for a US spot Bitcoin exchange-traded fund that's reignited fervor for crypto, with some in the market hoping that such a product — which currently doesn't exist — gets approval from regulators. An approval — whatever its odds — would mark a win for fans who have for years longed for such an investment product.

“BlackRock’s filing is big news for Bitcoin due to its close ties with regulators and a very strong ETF-approval track record,” wrote K33’s Bendik Schei and Vetle Lunde. “It’s also worth noting that BlackRock would not dedicate time and resources to this filing if they did not view the probability of long-term strength from BTC, and thus strong inflows, as substantially high.”

They added: “An approval would profoundly impact the market structure of Bitcoin, as it would reduce the barriers for financial advisors to offer exposure to BTC through an accessible investment vehicle with daily creations and redemptions delivered by a trusted issuer.”

Other recent news also reinforced crypto believers’ faith in the rally. A new crypto exchange backed by firms including Citadel Securities, Fidelity Digital Assets and Charles Schwab Corp. — called EDX Markets — said it's gone live. And, among other pieces of news, JPMorgan Chase & Co. expanded one of the most high-profile projects to bring blockchain technology to traditional banking, introducing euro-denominated payments for corporate clients using its JPM Coin.

Crypto	Last	1D Change	YTD
Bitcoin	30 286.13	-0.32%	83.16%
Ethereum	1 881.49	-0.68%	56.89%

Crypto Market Cap: 1.17T

24h Vol: [\\$31.5B](#)

Dominance: [BTC: 49.9](#) [ETH:19.2%](#)



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

## Commodity Corner

### Gold edged higher as geopolitical uncertainty increased following an attempted mutiny by Russian mercenary group Wagner, while investors weighed recessionary signals.

Bullion rose as much as 0.4% on Monday after closing 1.9% lower last week on hawkish commentary from US and European central banks.

Despite the uncertainty surrounding the turmoil in Russia, the haven upside for gold was limited after Wagner leader Yevgeny Prigozhin suddenly halted his dramatic advance toward Moscow over the weekend. While the instability could reverberate further, the initial reaction for gold was fairly muted.

Bullion is more likely to be influenced by real rates and the dollar, and history suggests that rallies fueled by geopolitical risks tend to be short-lived. Prices are still trading under the 100-day moving average, a key technical level breached earlier this month as prospects for further monetary tightening by US and European central banks remained at the fore.

The situation in Russia follows a tough week for investors as anxiety rose over recession fears, particularly in Europe. The weak economic backdrop has boosted safe haven demand, ANZ Banking Group Ltd. analysts Brian Martin and Daniel Hynes wrote in a note.

**Spot gold** rose 0.2% to \$1,924.41 an ounce as of 11 a.m. in Singapore. The Bloomberg Dollar Spot Index declined 0.1% after climbing 0.8% last week. Silver, platinum and palladium gained.

Precious Metals	Last	1D Change	YTD
Gold	1 924.39	0.17%	5.50%
Silver	22.73	1.35%	-5.11%
Platinum	930.51	0.96%	-13.30%
Palladium	1 298.62	0.80%	-27.53%

### Oil advanced as investors weighed the potential for more turmoil in Russia after the dramatic but short-lived rebellion in the major OPEC+ producer over the weekend.

West Texas Intermediate climbed toward \$70 a barrel and Brent rose after swinging between gains and losses earlier. An eerie calm fell on Moscow after the end of the uprising led by Yevgeny Prigozhin, head of the Wagner mercenary group, while financial markets were relatively calm.

“Crude has so far exhibited the typical default reaction to unrest or uncertainty in a major producing country,” said Vandana Hari, the Singapore-based founder of Vanda Insights. “There should be no impact on Russia’s oil and gas supply.”

World Commodities	Last	1D Change
WTI Crude	69.46	0.43%
Brent Crude	74.23	0.51%
Nat Gas (HH)	2.78	1.91%
Nickel	21 187.00	0.54%
Copper	379.85	-0.13%
Corn	630.75	0.00%
Wheat	743.75	1.43%
Soybean	1 494.00	-0.03%
Coffee	168.05	-2.13%
Cotton	80.55	3.19%
Sugar	24.18	-3.01%

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

# Morning Call

Geneva, June 26, 2023

## FX Corner

**EUR/USD** is hovering around 1.0900 at the start of the new trading week on Monday. The pair is holding last week's corrective downside, allowing traders to take a sigh of relief amid a broad US Dollar retreat. Focus shifts to Germany's IFO survey for fresh trading impetus.

**GBP/USD** keeps the late Friday's corrective bounce off the short-term key support line near 1.2730 amid early Monday in London. In doing so, the Pound Sterling cheers the broad US Dollar retreat during sluggish markets with mixed catalysts.

**USD/JPY** rebounds from intraday low but fails to gain upside momentum around 143.50 during early Monday. In doing so, the Yen pair prints the first daily loss in three while retreating from the highest levels since November 2022.

**AUD/USD** attracts some buying on the first day of a new week and recovers a part of Friday's heavy losses to its lowest level since June 8. Spot prices climb back closer to the 0.6700 round-figure mark during the Asian session, though the uptick lacks bullish conviction.

World Currencies	Last	1D Change
EURUSD	1.0905	0.10%
EURCHF	0.9772	0.03%
EURGBP	0.8568	-0.02%
EURJPY	156.4300	0.15%
USDCHF	0.8961	0.10%
USDJPY	143.4400	0.18%
USDCAD	1.3165	0.14%
USDTRY	25.4392	-0.80%
GBPUSD	1.2727	0.10%
AUDUSD	0.6674	-0.09%
NZDUSD	0.6152	0.15%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	1.0671	1.0785	1.0840	1.0954	1.1013	1.1127
USDJPY	141.1300	142.2800	142.9900	144.1400	144.5800	145.7300
GBPUSD	1.2586	1.2652	1.2683	1.2749	1.2784	1.2850
USDCAD	1.3018	1.3101	1.3142	1.3225	1.3267	1.3350
AUDUSD	0.6494	0.6599	0.6639	0.6744	0.6809	0.6914
NZDUSD	0.6002	0.6076	0.6110	0.6184	0.6224	0.6298
USDCHF	0.8842	0.8909	0.8940	0.9007	0.9043	0.9110
USDTRY	23.5170	24.3953	24.8157	25.6940	26.1519	27.0302
XAUUSD	1869.850	1896.300	1908.750	1935.200	1949.200	1975.650
XAGUSD	21.2572	21.8327	22.1303	22.7058	22.9837	23.5592

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



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## Event Corner

ECO Economic Calendars Options

G8 Browse 08:00:58 06/26/23 - 06/26/23

Economic Releases All Economic Releases View Agenda Weekly

Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
06/26	01:50	JN				PPI Services YoY	May	1.8%	--	1.6%	--
06/26	10:00	GE				IFO Business Climate	Jun	90.5	--	91.7	--
06/26	10:00	GE				IFO Current Assessment	Jun	93.0	--	94.8	--
06/26	10:00	GE				IFO Expectations	Jun	88.5	--	88.6	--
06/26	12:00	UK				CBI Total Dist. Reported Sales	Jun	--	--	-10	--
06/26	12:00	UK				CBI Retailing Reported Sales	Jun	--	--	-10	--
06/26	14:00	CA				Bloomberg Nanos Confidence	Jun 23	--	--	52.9	--
06/26	16:30	US				Dallas Fed Manf. Activity	Jun	--	--	-29.1	--
06/26-06/30		GE				Import Price Index MoM	May	--	--	-1.7%	--
06/26-06/30		GE				Import Price Index YoY	May	--	--	-7.0%	--

Source: Refinitiv

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