

Market Corner

Asian stocks gained, led by Japan shares, while a report that the Biden administration is mulling new restrictions on chip exports to China kept risk sentiment in check.

The MSCI Asia Pacific Index rose as much as 0.5% on Wednesday. Japanese shares including Toyota Motor and Sony Group contributed the most to the gains, aided by a weaker yen. Chinese gauges edged lower following a drop in industrial profits and news of fresh curbs on shipments of chips by Nvidia and others to customers in China.

“People may not be too concerned about the report, as US curbs on Nvidia are always on and it’s not the first time,” said Masahiro Wakasugi, a Bloomberg Intelligence analyst. “Japanese stocks tend to move with the US market, so gains in Japan tech were expected after Wall Street’s advance.”

Profits at industrial firms in China kept dropping in May, underscoring the impact of soft demand and ongoing factory-gate deflation. Investor sentiment has turned sour as Beijing’s stimulus measures so far have failed to revive the faltering economy.

Meanwhile, investors digested the resilience in the US economy, with strong numbers from the country’s consumer confidence report and home sales boosting the case for further monetary tightening by the Federal Reserve.

US equities rallied Tuesday as technology shares clawed back from recent declines after fresh data underscored resilience in the US economy even as the Federal Reserve vows to keep policy tight.

The S&P 500 Index rose 1.2% in New York after back-to-back losing sessions, while the tech-tracking Nasdaq 100 jumped 1.8%. A rebound in Tesla Inc. and advances in AI-focused companies following a partnership announcement between Nvidia Corp. and Snowflake Inc. helped buoy the broader market.

Earlier in the day, investors weighed a flurry of government data reflecting economic momentum, including strong durable goods orders and an unexpected acceleration in the pace of home sales. US consumer confidence rose to the highest level since early 2022.

Renewed expectations for further Chinese stimulus also helped give sentiment a positive turn, while investors assessed whether more Federal Reserve rate increases will eventually push the US economy into recession.

World Indices	Last	1D Change	YTD
Dow Jones	33 926.7	0.63%	2.35%
S&P 500	4 378.4	1.15%	14.04%
Nasdaq	13 555.7	1.65%	29.52%
Eurostoxx 50	4 305.3	0.58%	13.49%
FTSE 100	7 461.5	0.11%	0.13%
CAC 40	7 215.6	0.43%	11.46%
DAX	15 846.9	0.21%	13.81%
SMI	11 142.7	0.01%	3.85%
Nikkei	33 113.1	1.77%	26.85%
Hang Seng	19 103.7	-0.23%	-3.43%
CSI 300	3 831.3	-0.37%	-1.05%
VIX Index	13.7	-3.58%	-36.59%

World Bonds	Last	1D Change	YTD
US 10Y	3.7621	0.00	-0.113
EUR 10Y	2.3560	0.05	-0.215
Swiss 10Y	0.9290	0.04	-0.688
UK 10Y	4.3750	0.07	0.703

Source: Bloomberg



Morning Call

Geneva, June 28, 2023

Crypto Corner

Three Arrows Capital liquidators are seeking to recover \$1.3 billion from the co-founders of the failed crypto hedge fund, an amount that reflects losses the founders are accused of racking-up in the months before the firm collapsed, according to a person familiar with the liquidators' claims.

The liquidators discussed the allegations against Three Arrows co-founders Su Zhu and Kyle Davies at a Tuesday meeting with the hedge fund's creditors, the person said.

Zhu and Davies are accused of causing Three Arrows to take on significant leverage between May and June 2022 after the hedge fund suffered big losses on ill-fated Luna tokens and other investments, the person said. The firm was already insolvent, liquidators contend, and now they're taking action against Zhu and Davies in a British Virgin Islands court to recover those losses for the firm's creditors, the person said.

Lawyers who have represented Zhu and Davies didn't immediately return messages seeking comment. Zhu said in a Twitter post last June that his and Davies' good faith efforts to cooperate with liquidators "was met with baiting."

Three Arrows' failure occurred amid a downturn in digital currencies and rippled to platforms that had exposure to the hedge fund including BlockFi and Voyager Digital Ltd., which filed bankruptcy weeks after the hedge fund went into liquidation.

Liquidators' allegations against the co-founders escalate actions they've taken against Zhu and Davies, whom they've accused of not meaningfully cooperating with their investigation. The liquidators, partners at the consulting and advisory firm Teneo, were appointed by a BVI court last year and are attempting to recover funds for Three Arrows creditors who are owed roughly \$3.3 billion.

Earlier this month, liquidators urged a New York bankruptcy judge to fine Davies \$10,000 per day, saying in a court filing that a substantial fine is warranted because he hasn't responded to a subpoena seeking business records and other information. The liquidators have said they don't know where Davies or Zhu are currently residing but in court papers earlier this month referenced a New York Times article that reported Davies flew to Bali after Three Arrows collapsed.

Crypto Market Cap: 1.18T

24h Vol: **\$36.1B**

Dominance: **BTC: 50.2 ETH:19%**

Crypto	Last	1D Change	YTD
Bitcoin	30 463.91	-0.62%	84.19%
Ethereum	1 869.37	-1.22%	55.87%



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

Commodity Corner

Gold steadied in Asia after closing at a three-month low as a flurry of data showed a surprisingly strong US economy, giving the Federal Reserve more scope to keep raising rates.

Investors reassessed the health of the US economy, after consumer confidence came in at the highest since the beginning of 2022 and purchases of new homes jumped to the fastest annual rate in more than a year. Treasury yields rose following the data, a negative for bullion, which doesn't offer interest.

The likelihood of more tightening in the US and elsewhere will put more pressure on the precious metal, which is down around 7% from a peak in early May. However, there's still some concern that a hawkish Fed will push the world's largest economy into recession, which would offer support for gold.

Spot gold added 0.1% to \$1,915.57 an ounce as of 8:36 a.m. in Singapore after falling 0.5% on Tuesday. The Bloomberg Dollar Spot Index was steady, after declining 0.2% in the previous session. Silver and palladium edged higher, while platinum declined.

Precious Metals	Last	1D Change	YTD
Gold	1 915.57	0.10%	5.01%
Silver	22.92	0.26%	-4.35%
Platinum	921.46	-0.59%	-14.27%
Palladium	1 285.28	-1.03%	-28.25%

Oil edged higher in Asia as investors weighed the outlook for monetary policy and a mixed industry report on US crude stockpiles.

West Texas Intermediate futures rose above \$68 a barrel after closing 2.4% lower in the previous session. The European Central Bank said on Tuesday that it probably won't be able to end its cycle of interest-rate hikes anytime soon, which will likely present headwinds for the demand outlook.

The American Petroleum Institute reported US crude stockpiles fell last week, but inventories at the key storage hub at Cushing rose, according to people familiar with the figures. Government data is due later Wednesday.

The US oil benchmark is down 14% this year and on track for its first back-to-back quarterly decline since 2019, due to a sluggish economic recovery from China and aggressive interest-rate hikes from the US Federal Reserve. Resilient Russian exports have added to the price pressures.

Still, a flurry of fresh data showed unexpected strength in several areas of the US economy — including housing, manufacturing and consumer data — painting a picture of resilience and reducing the likelihood a US recession is imminent.

World Commodities	Last	1D Change
WTI Crude	68.09	0.58%
Brent Crude	72.76	0.69%
Nat Gas (HH)	2.78	0.54%
Nickel	20 655.00	2.41%
Copper	376.35	-0.19%
Corn	628.50	0.88%
Wheat	689.75	0.69%
Soybean	1 498.00	0.20%
Coffee	169.45	0.89%
Cotton	77.64	0.74%
Sugar	23.03	-2.91%

Source: fxstreet.com / Bloomberg

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FX Corner

EUR/USD is displaying topsy-turvy moves around 1.0950 in the Asian session. The major currency pair is struggling to find direction as investors are awaiting the speech from Federal Reserve (Fed) chair Jerome Powell for further guidance on interest rates.

GBP/USD struggles to make it through the 200-hour Simple Moving Average (SMA) and edges lower during the Asian session on Wednesday. Spot prices erode a part of the previous day's strong gains to a fresh weekly high and currently trade just below mid-1.2700s, down less than 0.10% for the day.

USD/JPY lacks upside momentum during early Wednesday as the Yen pair seesaws near 144.00, printing mild losses heading into the European session. The quote's latest performance appears interesting as it stays within the weekly rising wedge bearish chart formation while making rounds to the highest levels since November 2022.

AUD/USD is consolidating losses near 0.6650, having hit three-week lows after the Australian CPI rose 5.6% YoY in May vs. 6.1% expected. Softer-than-expected Australian inflation data fanned RBA rate hike pause bets. Focus shifts to Powell's speech.

World Currencies	Last	1D Change
EURUSD	1.0953	-0.07%
EURCHF	0.9795	0.00%
EURGBP	0.8605	-0.09%
EURJPY	157.7000	0.14%
USDCHF	0.8943	-0.07%
USDJPY	143.9900	0.06%
USDCAD	1.3213	-0.16%
USDTRY	26.0386	-0.08%
GBPUSD	1.2728	-0.16%
AUDUSD	0.6641	-0.67%
NZDUSD	0.6115	-0.78%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	1.0797	1.0872	1.0916	1.0991	1.1022	1.1097
USDJPY	142.0833	142.9633	143.5167	144.3967	144.7233	145.6033
GBPUSD	1.2626	1.2682	1.2715	1.2771	1.2794	1.2850
USDCAD	1.3017	1.3092	1.3142	1.3217	1.3242	1.3317
AUDUSD	0.6590	0.6641	0.6664	0.6715	0.6743	0.6794
NZDUSD	0.6074	0.6123	0.6143	0.6192	0.6221	0.6270
USDCHF	0.8852	0.8898	0.8917	0.8963	0.8990	0.9036
USDTRY	24.7501	25.3210	25.6694	26.2403	26.4628	27.0337
XAUUSD	1879.493	1898.983	1906.337	1925.827	1937.963	1957.453
XAGUSD	22.2153	22.5590	22.7093	23.0530	23.2464	23.5901

Source: fxstreet.com / Bloomberg



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Geneva, June 28, 2023

Event Corner

ECO Economic Calendars Options

G8 Browse 08:25:52 06/28/23 - 06/28/23

Economic Releases All Economic Releases View Agenda Weekly

Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
06/28	08:00	GE				GfK Consumer Confidence	Jul	-23.0	--	-24.2	--
06/28	08:45	FR				Consumer Confidence	Jun	84	--	83	--
06/28	10:00	EC				M3 Money Supply YoY	May	1.5%	--	1.9%	--
06/28	10:00	IT				PPI MoM	May	--	--	-6.5%	--
06/28	10:00	IT				PPI YoY	May	--	--	-3.5%	--
06/28	11:00	IT				CPI EU Harmonized YoY	Jun P	6.8%	--	8.0%	--
06/28	11:00	IT				CPI EU Harmonized MoM	Jun P	0.1%	--	0.3%	--
06/28	11:00	IT				CPI NIC incl. tobacco YoY	Jun P	6.7%	--	7.6%	--
06/28	11:00	IT				CPI NIC incl. tobacco MoM	Jun P	0.3%	--	0.3%	--
06/28	12:00	IT				Industrial Sales WDA YoY	Apr	--	--	4.3%	--
06/28	12:00	IT				Industrial Sales MoM	Apr	--	--	-0.3%	--
06/28	13:00	US				MBA Mortgage Applications	Jun 23	--	--	0.5%	--
06/28	14:30	US				Wholesale Inventories MoM	May P	-0.1%	--	-0.1%	--
06/28	14:30	US				Advance Goods Trade Balance	May	-\$93.6b	--	-\$96.8b	--
06/28	14:30	US				Retail Inventories MoM	May	--	--	0.2%	--
06/28	18:00	RU				Industrial Production YoY	May	5.7%	--	5.2%	--
06/28	18:00	RU				CPI WoW	Jun 26	--	--	0.02%	--
06/28	18:00	RU				CPI Weekly YTD	Jun 26	--	--	2.61%	--
06/28	18:00	RU				Retail Sales Real YoY	May	8.1%	--	7.4%	--
06/28	18:00	RU				Cargo Shipments YoY	May	--	--	-3.0%	--
06/28	18:00	RU				Unemployment Rate	May	3.3%	--	3.3%	--
06/28	18:00	RU				Construction YoY	May	--	--	5.7%	--
06/28	18:00	RU				Real Wages YoY	Apr	11.7%	--	2.7%	--
06/28-07/03		UK				Nationwide House PX MoM	Jun	-0.2%	--	-0.1%	--
06/28-07/03		UK				Nationwide House Px NSA YoY	Jun	-4.0%	--	-3.4%	--

Source: Refinitiv

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