

## Market Corner

### Asian stocks dropped, trimming their quarterly advance, as Japanese equities slipped and investors waited for key US pricing data amid rising Fed's rate hike bets.

The MSCI Asia Pacific Index retreated as much as 0.6%, dragged lower by TSMC and Tencent. Japanese stocks fell the most in the region as investors expected hawkish moves by the Fed, while benchmarks in Hong Kong, mainland China and South Korea rose. Indonesia remained shut.

Equities in mainland China gained as stimulus expectations fueled hopes of boosting consumer spending, even after factory data showed growth momentum in Asia's largest economy slowed.

Investors will closely monitor the personal consumption spending inflation report in the US later today after traders increased their bets that the Fed would hike interest rates twice more this year following strong growth and jobs data.

### US equities diverged Thursday as a batch of stronger-than-expected data on the US economy kept Wall Street on alert for further interest-rate hikes by the Federal Reserve.

The S&P 500 Index closed up 0.5% in New York, while the technology-heavy Nasdaq 100 slipped 0.2% as Treasury yields surged. Bets that the Fed will raise its overnight policy rate in July stood above 80%, with odds for a second hike by year-end also elevated.

Expectations for more hawkishness from US central bankers came after Labor Department data showed Thursday that US jobless claims fell last week by the most since 2021. Meanwhile, the government's third estimate of first-quarter gross domestic product was revised to a 2% annual rate from 1.3% previously on strong consumer spending.

Investors are weighing how well the world's biggest economy could hold up after Fed Chair Jerome Powell said on Thursday that at least two more interest-rate increases are likely necessary this year.

World Indices	Last	1D Change	YTD
Dow Jones	34 122.4	0.80%	2.94%
S&P 500	4 396.4	0.45%	14.51%
Nasdaq	13 591.3	0.00%	29.86%
Eurostoxx 50	4 354.7	0.23%	14.79%
FTSE 100	7 471.7	-0.38%	0.27%
CAC 40	7 312.7	0.36%	12.96%
DAX	15 946.7	-0.01%	14.53%
SMI	11 170.5	-0.12%	4.11%
Nikkei	33 167.4	-0.20%	27.13%
Hang Seng	18 997.8	0.33%	-4.04%
CSI 300	3 856.3	0.90%	-0.42%
VIX Index	13.5	0.82%	-37.52%

World Bonds	Last	1D Change	YTD
US 10Y	3.8347	0.00	-0.040
EUR 10Y	2.4160	0.10	-0.155
Swiss 10Y	0.9760	0.07	-0.641
UK 10Y	4.3820	0.07	0.710

Source: Bloomberg



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Geneva, June 30, 2023

## Crypto Corner

**Fidelity Investments is the latest financial services heavyweight to throw its name into the race to offer the first US exchange-traded fund investing directly in Bitcoin.**

The Boston-based asset manager, which has about \$11 trillion in assets under administration and has tens of millions of customers, re-filed for the Wise Origin Bitcoin Trust, according to a document submitted Thursday with the US Securities and Exchange Commission. Similar to previous US spot Bitcoin ETF filings in the past few weeks, the updated application says that Fidelity expects to enter into a surveillance-sharing agreement with a US cryptocurrency exchange.

It's the latest high-profile traditional-finance firm to join the race after BlackRock Inc. made a splash with its June 15 application for a spot ETF, which opened the floodgates for others to try their hand at it, as well. For crypto fans, it's been a significant string of developments given BlackRock's reputation on Wall Street, and the view by some market-watchers that the asset manager wouldn't be making an attempt were it not confident it could get regulatory approval.

There have been about 30 tries 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. Fidelity originally filed for the Wise Origin Bitcoin Trust in 2021, which was denied by the SEC in January 2022, according to a Fidelity spokesperson.

Even so, BlackRock's move spurred a number of similar filings from other issuers, including by Invesco Ltd., WisdomTree, Valkyrie and Bitwise. Meanwhile, Cathie Wood's ARK Investment Management has said that it believes it could be first in line to get any potential regulatory approval. ARK had in April, in conjunction with crypto-issuer 21Shares, re-filed its application for one.

Fans of digital assets are excited about the prospect of crypto potentially becoming more easily accessible to everyday investors, and the wave of filings has been a boon for token prices. Bitcoin jumped back above \$30,000 in June and is trading at its highest levels in about a year. The token on Thursday traded around \$30,500. That's still less than half the record of almost \$69,000 reached in November 2021.

To be sure, this isn't the first hype-cycle over a potential launch. Crypto fans, who have been yearning for a spot-Bitcoin ETF for years, have been through periods of excitement before, only for regulators to ultimately rebuff all attempts.

While BlackRock's filing was credited by observers for helping to push the price of Bitcoin to a one-year high last week, the market reaction to the Fidelity re-filing was fairly muted. Bitcoin was up about 1.5% to \$30,500 as of 2:25 p.m. in New York, though off the highest level of the day.

Crypto	Last	1D Change	YTD
<b>Bitcoin</b>	30 759.52	<b>1.18%</b>	<b>85.73%</b>
<b>Ethereum</b>	1 884.42	<b>1.90%</b>	<b>56.87%</b>

Crypto Market Cap: 1.19T

24h Vol: [\\$37.9B](#)

Dominance: [BTC: 50.1](#) [ETH:19%](#)



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

## Commodity Corner

**Gold headed for its third consecutive weekly loss, with investors strengthening bets on more rate hikes from the Federal Reserve following robust US jobs data and GDP figures.**

Bullion dropped below the \$1,900 an ounce threshold on Thursday for the first time since mid-March, before paring losses. Initial jobless claims notched the biggest weekly decline since 2021, while US gross domestic product was revised up to a 2% annualized advance in the first quarter.

The data gives the Fed more scope to keep raising rates — usually a negative for gold, which doesn't yield any interest

**Spot gold** was little changed at \$1,908.83 an ounce as of 8 a.m. in Singapore and was down 0.7% for the week. It was also on track for a second consecutive monthly decline

The Bloomberg Dollar Spot Index was flat, after rising 0.3% in the previous session. Silver edged higher, while platinum and palladium climbed

Precious Metals	Last	1D Change	YTD
Gold	1 908.30	0.01%	4.62%
Silver	22.62	0.25%	-5.58%
Platinum	907.54	0.95%	-15.53%
Palladium	1 257.72	2.35%	-29.88%

**Oil inched higher in a choppy session as a traders weighed a hawkish rate outlook from central banks against positive signals from the world's largest economy.**

US data on Thursday showed a resilient economy and jobs market, signaling potentially strong demand for crude. But the reports also raise the likelihood that the Federal Reserve will keep boosting interest rates. Fed Chair Jerome Powell added to the hawkish overhang on prices by saying that at least two interest-rate increases are likely necessary this year to keep bringing inflation lower.

US benchmark crude is on track for its first back-to-back quarterly decline since 2019 on China's lackluster economic recovery and the Federal Reserve's aggressive monetary tightening. Supply has also been plentiful, bolstered by resilient exports from Russia, despite sanctions.

US crude inventories shrank by 9.6 million barrels last week, the largest drawdown in more than a month, according to the Energy Information Administration. Gasoline demand averaged over a four-week period surged to the highest since 2021.

World Commodities	Last	1D Change
WTI Crude	69.87	0.01%
Brent Crude	74.56	0.30%
Nat Gas (HH)	2.69	-0.56%
Nickel	20 513.00	2.95%
Copper	370.65	0.79%
Corn	587.75	1.16%
Wheat	663.75	1.65%
Soybean	1 510.25	1.84%
Coffee	163.60	-1.24%
Cotton	81.25	1.41%
Sugar	22.07	-2.22%

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

# Morning Call

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## FX Corner

**EUR/USD** struggles to gain any meaningful traction on Friday and hangs near the weekly low. Economic woes act as a headwind for the Euro, though subdued USD demand lends support. Traders also seem reluctant ahead of the key inflation figures from the Euro Zone and the US.

**GBP/USD** attracts some buyers on Friday and draws support from subdued USD price action. The BoE's aggressive rate hike fueled recession fears and could act as a headwind for the GBP. The hawkish Fed should limit the USD losses and cap the pair ahead of the US PCE Price Index.

**USD/JPY** is correcting below 145.00, having met fresh selling pressure after it briefly surpassed the latter. Japanese Finance Minister Suzuki's verbal intervention triggered a pullback in the pair. Investors now look forward to the US PCE Price Index for a fresh trading impetus.

**AUD/USD** is rebounding toward 0.6650 after findings buyers near 0.6600 in Friday's Asian trading. China's NBS Manufacturing and Services PMI came in mixed while weak Australian Private Sector Credit data had a limited impact on the Aussie. US PCE inflation awaited.

World Currencies	Last	1D Change
EURUSD	1.0873	0.07%
EURCHF	0.9767	0.07%
EURGBP	0.8609	0.05%
EURJPY	157.2700	0.01%
USDCHF	0.8982	0.14%
USDJPY	144.6400	0.08%
USDCAD	1.3250	0.02%
USDTRY	26.0372	0.01%
GBPUSD	1.2631	0.14%
AUDUSD	0.6632	0.24%
NZDUSD	0.6094	0.40%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	1.0727	1.0808	1.0836	1.0917	1.0970	1.1051
USDJPY	143.0800	143.8400	144.3000	145.0600	145.3600	146.1200
GBPUSD	1.2472	1.2548	1.2580	1.2656	1.2700	1.2776
USDCAD	1.3165	1.3212	1.3232	1.3279	1.3306	1.3353
AUDUSD	0.6528	0.6573	0.6594	0.6639	0.6663	0.6708
NZDUSD	0.5972	0.6023	0.6047	0.6098	0.6125	0.6176
USDCHF	0.8862	0.8921	0.8958	0.9017	0.9039	0.9098
USDTRY	25.9585	26.0029	26.0220	26.0664	26.0917	26.1361
XAUUSD	1864.893	1884.853	1896.527	1916.487	1924.773	1944.733
XAGUSD	21.3725	21.9741	22.2693	22.8709	23.1773	23.7789

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



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## Event Corner

ECO Economic Calendars

G8 Browse 07:51:17 06/30/23 - 06/30/23

Economic Releases All Economic Releases View Agenda Weekly

Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
06/30	08:00	GE				Retail Sales MoM	May	0.0%	--	0.8%	0.5%
06/30	08:00	GE				Retail Sales NSA YoY	May	-4.9%	--	-8.6%	-8.7%
06/30	08:00	UK				GDP QoQ	1Q F	0.1%	--	0.1%	--
06/30	08:00	UK				GDP YoY	1Q F	0.2%	--	0.2%	--
06/30	08:00	UK				Private Consumption QoQ	1Q F	0.0%	--	0.0%	--
06/30	08:00	UK				Government Spending QoQ	1Q F	-2.5%	--	-2.5%	--
06/30	08:00	UK				Gross Fixed Capital Formation QoQ	1Q F	1.3%	--	1.3%	--
06/30	08:00	UK				Exports QoQ	1Q F	-8.1%	--	-8.1%	--
06/30	08:00	UK				Imports QoQ	1Q F	-7.2%	--	-7.2%	--
06/30	08:00	UK				Total Business Investment QoQ	1Q F	0.7%	--	0.7%	--
06/30	08:00	UK				Total Business Investment YoY	1Q F	3.2%	--	3.2%	--
06/30	08:00	UK				Current Account Balance	1Q	-8.5b	--	-2.5b	--
06/30	08:45	FR				CPI EU Harmonized MoM	Jun P	0.2%	--	-0.1%	--
06/30	08:45	FR				CPI EU Harmonized YoY	Jun P	5.4%	--	6.0%	--
06/30	08:45	FR				CPI MoM	Jun P	0.2%	--	-0.1%	--
06/30	08:45	FR				CPI YoY	Jun P	4.6%	--	5.1%	--
06/30	08:45	FR				Consumer Spending MoM	May	0.7%	--	-1.0%	--
06/30	08:45	FR				Consumer Spending YoY	May	-3.6%	--	-4.3%	--
06/30	08:45	FR				PPI MoM	May	--	--	-5.1%	--
06/30	08:45	FR				PPI YoY	May	--	--	7.0%	--
06/30	09:30	RU				Bloomberg June Russia Economic Survey					
06/30	09:55	GE				Unemployment Change (000's)	Jun	14.0k	--	9.0k	--
06/30	09:55	GE				Unemployment Claims Rate SA	Jun	5.6%	--	5.6%	--
06/30	10:00	IT				Unemployment Rate	May	7.9%	--	7.8%	--
06/30	10:00	RU				Money Supply Narrow Def	Jun 23	--	--	17.90t	--
06/30	11:00	EC				CPI Estimate YoY	Jun	5.6%	--	--	--
06/30	11:00	EC				CPI MoM	Jun P	0.3%	--	0.0%	--
06/30	11:00	EC				CPI Core YoY	Jun P	5.5%	--	5.3%	--
06/30	11:00	EC				Unemployment Rate	May	6.5%	--	6.5%	--
06/30	14:30	CA				GDP MoM	Apr	0.2%	--	0.0%	--
06/30	14:30	CA				GDP YoY	Apr	1.9%	--	1.7%	--
06/30	14:30	US				Personal Income	May	0.3%	--	0.4%	--
06/30	14:30	US				Personal Spending	May	0.2%	--	0.8%	--
06/30	14:30	US				Real Personal Spending	May	0.1%	--	0.5%	--
06/30	14:30	US				PCE Deflator MoM	May	0.1%	--	0.4%	--
06/30	14:30	US				PCE Deflator YoY	May	3.8%	--	4.4%	--
06/30	14:30	US				PCE Core Deflator MoM	May	0.3%	--	0.4%	--
06/30	14:30	US				PCE Core Deflator YoY	May	4.7%	--	4.7%	--
06/30	15:00	RU				Current Account Balance	1Q F	--	--	18600m	15800m
06/30	15:45	US				MNI Chicago PMI	Jun	43.8	--	40.4	--
06/30	16:00	US				U. of Mich. Sentiment	Jun F	63.9	--	63.9	--
06/30	16:00	US				U. of Mich. Current Conditions	Jun F	68.0	--	68.0	--
06/30	16:00	US				U. of Mich. Expectations	Jun F	61.3	--	61.3	--
06/30	16:00	US				U. of Mich. 1 Yr Inflation	Jun F	3.3%	--	3.3%	--
06/30	16:00	US				U. of Mich. 5-10 Yr Inflation	Jun F	3.0%	--	3.0%	--
06/30	16:30	CA				BoC Overall Business Outlook Survey	2Q	--	--	-1.1	--
06/30	16:30	CA				BoC Business Outlook Future Sales	2Q	--	--	-18.00	--

Source: Refinitiv

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