

## Market Corner

**Asian stocks climbed to the highest since Feb. 17, helped by a rally in Chinese developers on bets that the government may roll out further policy support for the property industry.**

The MSCI Asia Pacific Index rose as much as 0.4%, driven by gains in the real estate and industrial sectors. Tech names including TSMC, NetEase and JD.com were among the biggest contributors to the gauge's climb. Hong Kong led the region higher, with benchmarks in Japan also advancing. Stocks extended declines in Australia after its central bank unexpectedly raised its key interest rate. South Korea was closed for holidays.

Hong Kong-listed property firms rose on news that the world's second-largest economy is working on new measures to support the ailing real estate segment. Sentiment was also boosted by a report in state-run China Securities Journal on a potential cut in the reserve requirement ratio as well as interest rates in the second half of this year.

**US equities withered into the close Monday as a rally in technology shares faded following the launch of Apple Inc.'s new mixed-reality headset.**

The S&P 500 Index fell 0.2% after the benchmark US stock gauge powered to a 20% gain from its October low earlier in the session — the defining threshold for a bull market milestone. The index must close at or above 4,292.44 to officially mark the turning point.

The technology-heavy Nasdaq 100 ended up a mere 0.1%. Shares of Apple Inc., which set a fresh all-time high intraday, pared gains after the iPhone-maker unveiled its long-anticipated headset, the company's biggest new product event in a decade. The Dow Jones Industrial Average slid 0.6%.

US equities have rallied this year as traders anticipate a pause in the Federal Reserve's rate-hiking cycle. The US central bank has entered a blackout period ahead of its next meeting June 13-14, when policymakers are largely expected to take a break from raising interest rates.

World Indices	Last	1D Change	YTD
Dow Jones	33 562.9	-0.59%	1.25%
S&P 500	4 273.8	-0.20%	11.31%
Nasdaq	13 229.4	-0.09%	26.40%
Eurostoxx 50	4 293.2	-0.70%	13.17%
FTSE 100	7 600.0	-0.10%	1.99%
CAC 40	7 200.9	-0.96%	11.23%
DAX	15 963.9	-0.54%	14.65%
SMI	11 415.0	-0.25%	6.39%
Nikkei	32 503.0	0.89%	24.58%
Hang Seng	19 148.5	0.21%	-3.19%
CSI 300	3 830.8	-0.35%	-1.07%
VIX Index	14.7	0.89%	-32.03%

World Bonds	Last	1D Change	YTD
US 10Y	3.6985	0.02	-0.176
EUR 10Y	2.3810	0.07	-0.190
Swiss 10Y	0.9370	0.08	-0.680
UK 10Y	4.2080	0.05	0.536

Source: Bloomberg



# Morning Call

Geneva, June 6, 2023

## Crypto Corner

For any trading venue, volume is the coin of the realm. But over at **Binance.US**, the American exchange that operates under **Binance Holdings Ltd.’s** branding, that currency was being counterfeited, federal regulators alleged Monday.

From at least September 2019 until June 2022, a Swiss-incorporated trading firm owned by Binance founder Changpeng ‘CZ’ Zhao called Sigma Chain allegedly engaged in “wash trading,” making it seem like many more tokens were changing hands on **Binance.US** than actually were.

That’s just one of the new details that surfaced in the Securities and Exchange Commission’s 136-page complaint accusing **Binance**, Zhao and its US-based affiliate **BAM Trading Services Inc.** of circumventing US rules by fraudulently inflating trading volume on its US platform — an exchange that is meant to operate separately from the wider **Binance.com**.

**Binance** was already facing a similar lawsuit by the US Commodity Futures Trading Commission filed last month, as well as other regulatory and legal investigations worldwide. But the SEC’s 13-charge rap sheet adds new allegations. The freshest of these — that Zhao, **Binance** and **Binance.US** either conducted or permitted wash trading — are potentially also among the most damning, particularly as the crypto sector grapples with how to combat incoming global standards that would force exchanges to split off brokerage, lending or custody services under new entities.

“These sort of market manipulation tactics are all tools and mechanisms to create the appearance of a legitimate, market-induced increase in prices, when the reality is just a few grifters working amongst themselves to artificially inflate the prices of these securities,” said John Reed Stark, a former SEC enforcement attorney who now runs his own consulting firm, about wash trading. “It calls into question all of the data relating to crypto.”

The SEC also accuses **Binance** of illegally allowing high-profile US companies to trade on **Binance.com** and of commingling customer assets between its US and non-US entities, among other charges. **Binance.US** said the SEC’s complaint was “baseless,” while **Binance.com** said its efforts to reach a settlement with the watchdog were dismissed.

The world’s largest crypto exchange, which manages more daily spot volume than all other top centralized exchanges combined, has spent most of the last two years firefighting and pursuing licenses outside of the US as regulators elsewhere cracked down on its services. Between June 2018 and July 2021, the SEC estimated that **Binance** earned at least \$11.6 billion in revenue.

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Crypto	Last	1D Change	YTD
Bitcoin	25 784.36	0.56%	55.86%
Ethereum	1 816.56	0.62%	51.45%

Crypto Market Cap: 1.09T

24h Vol: \$48B

Dominance: BTC: 45.8% ETH:20%



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

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# Commodity Corner

**Gold steadied after rising 0.7% on Monday as data showed weaknesses in the US economy, increasing speculation the Federal Reserve is set to pause its rate-hike cycle.**

Bullion investors are once again focused on US monetary policy following the resolution of the debt-ceiling standoff. Treasury yields and the dollar fell on Monday after figures showed the US service sector nearly stalled in May as business activity and orders dried up, while a measure of prices paid slid to a three-year low.

That bolstered views the Fed may hold rates steady in June, while staying open to more hikes if need be. Higher rates are generally negative for non-interest-bearing gold

**Spot gold** declined 0.1% to \$1,960.14 an ounce as of 2:04 p.m. in Singapore. The Bloomberg Dollar Spot Index fell 0.2%. Silver, platinum and palladium all edged higher

Precious Metals	Last	1D Change	YTD
Gold	1 959.90	-0.10%	7.46%
Silver	23.57	0.11%	-1.55%
Platinum	1 034.63	0.18%	-3.69%
Palladium	1 422.33	0.52%	-20.68%

**Oil edged lower as traders weighed the outlook for supply and demand after Saudi Arabia's surprise pledge for extra supply cuts.**

West Texas Intermediate dipped below \$72 a barrel on Tuesday as a cautious tone spread across markets. Futures surged early Monday following the Saudi announcement after a tense OPEC+ meeting, before giving up most of the gains during the session. The kingdom also raised its crude prices to Asia for July.

Saudi Arabia pledged to do "whatever is necessary" to stabilize the market as concerns over the demand outlook, especially from China, weighed on prices. Oil tumbled 11% last month, in part due to resilient Russian output, despite the OPEC+ producer saying earlier this year it would reduce supply.

The kingdom followed its move to cut output by 1 million barrels a day in July with an increase to its crude prices for the same month. It was expected to trim the cost of its oil, according to a survey of buyers in Asia, which was carried out prior to the OPEC+ meeting.

The OPEC+ gathering reiterates a commitment to provide stability but the outcome of the meeting will have a minimal impact on the oil market, said Sean Lim, an analyst for RHB Investment Bank Bhd in Kuala Lumpur.

World Commodities	Last	1D Change
WTI Crude	71.64	-0.71%
Brent Crude	76.25	-0.60%
Nat Gas (HH)	2.25	0.31%
Nickel	20 800.00	-1.54%
Copper	376.15	-0.17%
Corn	604.50	1.17%
Wheat	640.75	2.68%
Soybean	1 359.25	0.69%
Coffee	183.10	1.55%
Cotton	85.25	0.54%
Sugar	24.40	-1.33%

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

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## FX Corner

**EUR/USD** is posting small gains above 1.0700, finding support from a broad US Dollar weakness and hawkish ECB expectations ahead of the mid-tier EU data this Tuesday. Cautious market mood and disappointing German Factory Orders limit the upside in the major.

**GBP/USD** is trading close to 1.2450, defending minor bids in early Europe. Amidst poor US economic data and increased Fed pause bets, the US Dollar takes the back seat, despite a cautious risk tone so far this Tuesday.

**USD/JPY** holds a lower ground near the intraday bottom surrounding 139.35 heading into Tuesday's European session. In doing so, the Japan Yen (JPY) pair defends the previous day's bearish bias with a one-week-old ascending triangle formation.

**AUD/USD** is advancing toward 0.6700, picking up fresh bids on the hawkish surprise delivered by the RBA at its June policy meeting. The RBA hiked rates by another 25 bps to 4.10%, citing that some additional tightening may be needed. Focus shifts to RBA Lowe's speech.

World Currencies	Last	1D Change	YTD
EURUSD	1.0724	0.10%	0.19%
EURCHF	0.9699	0.10%	2.04%
EURGBP	0.8616	-0.02%	2.04%
EURJPY	149.4900	0.05%	-6.47%
USDCHF	0.9044	0.21%	-2.23%
USDJPY	139.4000	0.13%	-6.31%
USDCAD	1.3409	0.27%	1.11%
USDTRY	21.4765	-1.00%	-14.80%
GBPUSD	1.2446	0.06%	3.00%
AUDUSD	0.6668	0.77%	-2.04%
NZDUSD	0.6090	0.33%	-4.03%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	1.0609	1.0656	1.0685	1.0732	1.0750	1.0797
USDJPY	137.3600	138.5600	139.0700	140.2700	140.9600	142.1600
GBPUSD	1.2239	1.2331	1.2384	1.2476	1.2515	1.2607
USDCAD	1.3351	1.3396	1.3421	1.3466	1.3486	1.3531
AUDUSD	0.6495	0.6553	0.6585	0.6643	0.6669	0.6727
NZDUSD	0.5977	0.6021	0.6046	0.6090	0.6109	0.6153
USDCHF	0.8944	0.9011	0.9037	0.9104	0.9145	0.9212
USDTRY	20.5859	20.9195	21.0902	21.4238	21.5867	21.9203
XAUUSD	1902.953	1928.833	1945.347	1971.227	1980.593	2006.473
XAGUSD	22.6163	23.0556	23.3003	23.7396	23.9342	24.3735

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



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## Event Corner

ECO Economic Calendars Options

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Economic Releases All Economic Releases View  Agenda  Weekly

Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
06/06	01:01	UK				BRC Sales Like-For-Like YoY	May	5.2%	--	5.2%	--
06/06	01:30	JN				Labor Cash Earnings YoY	Apr	1.8%	--	0.8%	1.3%
06/06	01:30	JN				Real Cash Earnings YoY	Apr	-2.0%	--	-2.9%	-2.3%
06/06	01:30	JN				Household Spending YoY	Apr	-2.4%	--	-1.9%	--
06/06	08:00	GE				Factory Orders MoM	Apr	2.8%	--	-10.7%	--
06/06	08:00	GE				Factory Orders WDA YoY	Apr	-8.6%	--	-11.0%	--
06/06	09:30	GE				HCOB Germany Construction PMI	May	--	--	42.0	--
06/06	10:30	UK				S&P Global/CIPS UK Construction PMI	May	50.9	--	51.1	--
06/06	11:00	EC				Retail Sales MoM	Apr	0.2%	--	-1.2%	--
06/06	11:00	EC				Retail Sales YoY	Apr	-3.0%	--	-3.8%	--
06/06	14:30	CA				Building Permits MoM	Apr	-5.0%	--	11.3%	--
06/06	16:00	CA				Ivey Purchasing Managers Index SA	May	--	--	56.8	--
06/06		RU				Light Vehicle Car Sales YoY	May	--	--	70.6%	--
06/06-06/07		RU				Budget Balance YTD	May	--	--	-3424.0b	-3423.9b

Source: Refinitiv

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