

Market Corner

Asian stocks fell as investors boost bets that the Federal Reserve may continue to raise interest rates and keep them at elevated levels for longer.

The MSCI Asia Pacific Index dropped as much as 0.8%, dragged by info tech and communication services shares. Tech stocks including TSMC, Tencent and Samsung Electronics were among the biggest contributors to the gauge's decline. Most markets in the region traded lower with Taiwan being the worst performer.

Benchmarks in the region dropped for a second day after the Bank of Canada unexpectedly resumed hiking its rates, stoking concerns for a further tightening by the Federal Reserve. The move comes after a surprising hike earlier in the week by Australia's central bank.

US equities declined Wednesday as investors weighed the prospect of the Federal Reserve keeping interest rates elevated for longer even if officials pause their hikes next week.

The S&P 500 Index sank 0.4% in New York after the benchmark US stock gauge earlier in the session again tested the key bull-market threshold, 20% above its October closing low. The Nasdaq 100 tumbled 1.8%, with technology stocks extending this week's pullback.

The Bank of Canada on Wednesday lifted its overnight lending rate to 4.75% — the highest since 2001 — restarting its tightening campaign after signaling a conditional pause in January.

"The BOC is signaling that more rate hikes could come and that has everyone rethinking that the Fed will be done after the July hike," OANDA senior market analyst Edward Moya said in a note.

US equities have advanced this year as investors brace for an end to the Fed's most aggressive rate-hiking blitz in decades. Several policymakers signaled a "skip" on increases at the June policy meeting before the central bank entered its blackout period this week. However, still-high inflation has raised concerns rates could remain higher for longer or rise again down the line.

World Indices	Last	1D Change	YTD
Dow Jones	33 665.0	0.27%	1.56%
S&P 500	4 267.5	-0.38%	11.15%
Nasdaq	13 104.9	-1.29%	25.21%
Eurostoxx 50	4 291.9	-0.08%	13.13%
FTSE 100	7 624.3	-0.05%	2.32%
CAC 40	7 202.8	-0.09%	11.26%
DAX	15 960.6	-0.20%	14.63%
SMI	11 348.1	-1.05%	5.77%
Nikkei	31 650.6	-0.82%	21.35%
Hang Seng	19 237.6	-0.07%	-2.79%
CSI 300	3 816.7	0.72%	-1.41%
VIX Index	13.9	-0.14%	-35.67%

World Bonds	Last	1D Change	YTD
US 10Y	3.7992	0.01	-0.074
EUR 10Y	2.4560	0.08	-0.115
Swiss 10Y	0.9840	0.06	-0.633
UK 10Y	4.2510	0.04	0.579

Source: Bloomberg



Morning Call
Geneva, June 8, 2023

Crypto Corner

Crypto exchange Binance and related entities shuttled some \$70 billion through accounts at now-defunct Silvertgate Bank and Signature Bank from 2019 up until this year, including “large amounts of money” flowing in and out within days, according to new details revealed in a filing Wednesday.

Silvertgate facilitated more than \$50 billion in deposits for Binance-related parties, while Signature handled more than \$19 billion, the 27-page document, which was filed Wednesday in US District Court in Washington, shows. Some of the funds flowed out to foreign entities, according to the filing, which cited a review of financial records including bank statements, deposits, canceled checks and wire transfers.

The SEC this week sued Binance, its co-founder Changpeng “CZ” Zhao and Binance.US for “blatant disregard” of US securities laws, including mishandling customer funds and misleading investors and regulators, part of a widening crypto crackdown following a wave of blowups last year including the collapse of Sam Bankman-Fried’s FTX exchange. On Tuesday, the agency filed an emergency action application for a temporary restraining order to freeze Binance. US’s assets in attempt to protect customer funds, including through the repatriation of client investments held abroad.

While the SEC’s case against Binance includes allegations it mishandled client funds, the provenance of the money and the purpose of the transfers described in the Wednesday document weren’t specified. The filing was in support of the motion to freeze assets of Binance.US and didn’t include any fresh charges. A company spokesman told the New York Times the transfers didn’t involve client funds and were done in the normal course of business.

Banks generally are expected to monitor money flow for unusual transactions including large transfers, according to John Popeo, partner at the Gallatin Group, which advises banks and other firms on regulatory issues. It’s unclear whether Silvertgate or Signature Bank did so in the instances detailed in the filing, or whether they needed to.

“If there’s a frequent large cash movement — it could be extraterritorial or it could be domestic — that to me is a red flag,” Popeo said.

Binance didn’t respond to a request for comment. A representative for Binance.US declined to comment to Bloomberg. Silvertgate and New York Community Bancorp, which bought Signature, didn’t respond to requests for comment outside of usual work hours.

Many of the Binance and related accounts participated in Silvertgate’s SEN network and Signature’s Signet platform. The electronic-payments systems allowed users to transfer funds seamlessly and instantaneously, 24 hours a day, before they were shuttered earlier this year when their parent companies ran into trouble. Signature was shut down by regulators in March after a run-on deposits. Silvertgate announced it would voluntarily shut down the same month.

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Crypto Market Cap: 1.09T

24h Vol: **\$37.2B**

Dominance: **BTC: 46.6% ETH:20.1%**

Crypto	Last	1D Change	YTD
Bitcoin	26 342.73	-0.08%	59.24%
Ethereum	1 836.05	-0.32%	53.04%



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

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Commodity Corner

Gold edged higher after sinking to its lowest close since March, with investors tempering bets on future Federal Reserve rate hikes.

Yields on US Treasuries stabilized as traders trimmed expectations for further tightening, after a sharp rise on Wednesday following the Bank of Canada's unexpected decision to restart its rate-hiking campaign. Markets are still tilting toward higher US rates, which are usually negative for non-interest-bearing gold.

Traders also assessed the Reserve Bank of India's decision to leave its key rate unchanged after surprise hikes in Canada and Australia. Meanwhile, China increased its gold reserves for a seventh straight month, signaling ongoing strong demand for the precious metal from the world's central banks.

Spot gold climbed 0.4% to \$1,947.06 an ounce as of 1:36 p.m. in Singapore, after falling 1.2% on Wednesday. The Bloomberg Dollar Spot Index slipped 0.2%. Silver rose, while platinum and palladium edged higher.

Precious Metals	Last	1D Change	YTD
Gold	1 943.86	0.20%	6.52%
Silver	23.61	0.81%	-1.59%
Platinum	1 024.52	0.26%	-4.70%
Palladium	1 394.97	-0.11%	-22.18%

Oil steadied as investors weighed mixed US data on crude and petroleum stockpiles amid persistent concerns over the demand outlook.

West Texas Intermediate futures traded near \$72 a barrel after gaining 1.1% Wednesday. Crude inventories at the Cushing storage hub rose for a seventh week, while gasoline stockpiles also gained, according to government figures. However, refinery utilization was at the highest level since 2019, providing some bullish sentiment for summer demand.

Oil is still down 10% this year as China's sluggish economic recovery, interest rate hikes from the Federal Reserve and robust Russian crude flows weigh on prices. Investors will also be watching data on jobless claims later Thursday for clues on the path forward for US monetary policy.

World Commodities	Last	1D Change
WTI Crude	72.46	-0.10%
Brent Crude	76.85	-0.13%
Nat Gas (HH)	2.32	-0.34%
Nickel	21 336.00	2.15%
Copper	374.45	-0.31%
Corn	596.50	-1.28%
Wheat	614.25	-0.41%
Soybean	1 353.50	-0.53%
Coffee	185.40	1.53%
Cotton	85.07	0.07%
Sugar	24.50	-0.33%

Source: fxstreet.com / Bloomberg

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FX Corner

EUR/USD is trading above 1.0700, as bulls keep the reins for the second consecutive day early Thursday. The major currency pair fails to justify looming economic fears and upbeat US Treasury bond yields amid a broadly weaker US Dollar. Final Eurozone Q1 GDP eyed.

GBP/USD buyers occupy driver's seat around 1.2450, despite marking a slow run towards the north heading into Thursday's London open. The Cable pair buyers cheer the receding odds of a Fed rate hike in June while early signals for the Bank of England's (BoE) interest rate guide appear mixed.

USD/JPY struggles to capitalize on the overnight goodish rebound from the 139.00 mark, or the weekly low and meets with some supply during the Asian session on Thursday. Spot prices currently trade around the 139.85 area, down nearly 0.20% for the day.

AUD/USD has displayed a less-confident recovery to near 0.6620 in the early European session after a vertical sell-off from 0.6717. The Aussie asset seems prone to more losses as gains propelled by a surprise interest rate hike by the Reserve Bank of Australia (RBA) have started waning.

World Currencies	Last	1D Change
EURUSD	1.0709	0.09%
EURCHF	0.9742	-0.05%
EURGBP	0.8605	-0.04%
EURJPY	149.8100	0.07%
USDCHF	0.9098	0.03%
USDJPY	139.9000	0.16%
USDCAD	1.3361	0.07%
USDTRY	23.3515	-0.44%
GBPUSD	1.2444	0.05%
AUDUSD	0.6662	0.15%
NZDUSD	0.6047	0.17%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	1.0558	1.0630	1.0665	1.0737	1.0774	1.0846
USDJPY	137.3633	138.5833	139.3567	140.5767	141.0233	142.2433
GBPUSD	1.2234	1.2339	1.2389	1.2494	1.2549	1.2654
USDCAD	1.3163	1.3268	1.3319	1.3424	1.3478	1.3583
AUDUSD	0.6520	0.6595	0.6624	0.6699	0.6745	0.6820
NZDUSD	0.5923	0.5989	0.6013	0.6079	0.6121	0.6187
USDCHF	0.8956	0.9020	0.9060	0.9124	0.9148	0.9212
USDTRY	19.3608	21.0365	22.1425	23.8182	24.3879	26.0636
XAUUSD	1889.513	1919.793	1929.907	1960.187	1980.353	2010.633
XAGUSD	22.3180	22.9720	23.1951	23.8491	24.2800	24.9340

Source: fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars											
G8		Browse		08:02:22		06/08/23		06/08/23			
Economic Releases		All Economic Releases				View		Agenda			
Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
06/08	01:01	UK				RICS House Price Balance	May	-39%	--	-39%	--
06/08	01:50	JN				GDP SA QoQ	1Q F	0.5%	--	0.4%	--
06/08	01:50	JN				GDP Annualized SA QoQ	1Q F	1.9%	--	1.6%	--
06/08	01:50	JN				GDP Nominal SA QoQ	1Q F	1.8%	--	1.7%	--
06/08	01:50	JN				GDP Deflator YoY	1Q F	2.0%	--	2.0%	--
06/08	01:50	JN				GDP Private Consumption QoQ	1Q F	0.6%	--	0.6%	--
06/08	01:50	JN				GDP Business Spending QoQ	1Q F	1.3%	--	0.9%	--
06/08	01:50	JN				Inventory Contribution % GDP	1Q F	0.1%	--	0.1%	--
06/08	01:50	JN				Net Exports Contribution % GDP	1Q F	-0.3%	--	-0.3%	--
06/08	01:50	JN				BoP Current Account Balance	Apr	¥1650.0b	--	¥2278.1b	--
06/08	01:50	JN				BoP Current Account Adjusted	Apr	¥1384.4b	--	¥1009.0b	--
06/08	01:50	JN				Trade Balance BoP Basis	Apr	-¥287.9b	--	-¥454.4b	--
06/08	01:50	JN				Bank Lending Incl Trusts YoY	May	--	--	3.2%	--
06/08	01:50	JN				Bank Lending Ex-Trusts YoY	May	--	--	3.5%	--
06/08	01:50	JN				Foreign Buying Japan Stocks	Jun 2	--	--	¥379.2b	--
06/08	01:50	JN				Foreign Buying Japan Bonds	Jun 2	--	--	-¥646.6b	--
06/08	01:50	JN				Japan Buying Foreign Bonds	Jun 2	--	--	¥1028.8b	--
06/08	01:50	JN				Japan Buying Foreign Stocks	Jun 2	--	--	-¥656.9b	--
06/08	04:00	JN				Tokyo Avg Office Vacancies	May	--	--	6.11	--
06/08	07:00	JN				Eco Watchers Survey Current SA	May	55.0	--	54.6	--
06/08	07:00	JN				Eco Watchers Survey Outlook SA	May	56.1	--	55.7	--
06/08	07:30	FR				Private Sector Payrolls QoQ	1Q F	0.2%	--	0.2%	--
06/08	07:30	FR				Total Payrolls	2Q	0.2%	--	0.2%	--
06/08	11:00	EC				GDP SA QoQ	1Q F	0.0%	--	0.1%	--
06/08	11:00	EC				GDP SA YoY	1Q F	1.2%	--	1.3%	--
06/08	11:00	EC				Govt Expend QoQ	1Q	-2.1%	--	0.7%	0.8%
06/08	11:00	EC				Gross Fix Cap QoQ	1Q	0.5%	--	-3.6%	-3.5%
06/08	11:00	EC				Household Cons QoQ	1Q	-0.5%	--	-0.9%	--
06/08	11:00	EC				Employment QoQ	1Q F	--	--	0.6%	--
06/08	11:00	EC				Employment YoY	1Q F	--	--	1.7%	--
06/08	14:30	US				Initial Jobless Claims	Jun 3	235k	--	232k	--
06/08	14:30	US				Continuing Claims	May 27	1802k	--	1795k	--
06/08	15:00	RU				Gold and Forex Reserve	Jun 2	--	--	\$586.3b	--
06/08	16:00	US				Wholesale Trade Sales MoM	Apr	0.9%	--	-2.1%	--
06/08	16:00	US				Wholesale Inventories MoM	Apr F	-0.2%	--	-0.2%	--
06/08	18:00	US				Household Change in Net Worth	1Q	--	--	\$2927b	--
06/08	21:25	CA				Bank of Canada's Paul Beaudry -- Economic Progress Report					
06/08		IT				Bank of Italy Reports on Balance-Sheet Aggregates					

Source: Refinitiv

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