

## Morning Call

Geneva, June 9, 2023

# Market Corner

### Asian stocks rose, with the regional benchmark heading for a second week of gains amid a rally in technology shares in Japan, South Korea and Taiwan.

The MSCI Asia Pacific Index rose as much as 0.8%, driven by gains in technology shares. Samsung, TSMC and Sony were among the biggest boosts.

Chinese equities underperformed as data showed the nation's inflation remained close to zero in May as the economy's recovery weakened. Still, overseas investors are increasingly optimistic about A shares, as evidenced by growing inflows, according to a report in the Financial News, which is backed by the People's Bank of China.

### US stocks rose on Thursday, pushing the S&P 500 Index into bull-market territory as economic data that showed a cooling labor market bolstered optimism the Federal Reserve will pause its tightening campaign.

The S&P 500 Index gained 0.6% in New York, while the Nasdaq 100 jumped 1.3%. The two benchmarks fell 0.4% and 1.8%, respectively, on Wednesday, after a surprise Bank of Canada interest rate increase prompted traders to boost bets on further Fed tightening in the US.

Meme stock GameStop Corp. was down 18% after the video-game retailer reported worse-than-expected results and announced the ouster of CEO Matt Furlong. HashiCorp Inc. fell 26% after the infrastructure software company cut its revenue forecast.

The jump in jobless claims to the highest since October 2021 signaled that the labor market, while largely resilient, is starting to show signs of cooling. That delivered a boost to the tech sector, which has been flagging under speculation that the Fed will keep rates higher for longer.

World Indices	Last	1D Change	YTD
Dow Jones	33 833.6	0.50%	2.07%
S&P 500	4 293.9	0.62%	11.84%
Nasdaq	13 238.5	1.02%	26.48%
Eurostoxx 50	4 297.7	0.13%	13.29%
FTSE 100	7 599.7	-0.32%	1.99%
CAC 40	7 222.2	0.27%	11.56%
DAX	15 990.0	0.18%	14.84%
SMI	11 308.9	-0.35%	5.40%
Nikkei	32 232.7	1.87%	23.52%
Hang Seng	19 372.2	0.38%	-2.10%
CSI 300	3 816.9	-0.09%	-1.43%
VIX Index	13.7	-2.08%	-37.01%

World Bonds	Last	1D Change	YTD
US 10Y	3.7278	0.01	-0.147
EUR 10Y	2.4020	-0.05	-0.169
Swiss 10Y	1.0010	0.02	-0.616
UK 10Y	4.2330	-0.02	0.561

Source: Bloomberg



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## Crypto Corner

**Crypto exchange Binance and related entities shuttled some \$70 billion through accounts at now-defunct Silergate 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.**

Silergate 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 Silergate 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. Silergate 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 Silergate’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. Silergate announced it would voluntarily shut down the same month.

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Crypto Market Cap: 1.10T

24h Vol: **\$26B**

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

Crypto	Last	1D Change	YTD
<b>Bitcoin</b>	26 490.75	<b>-0.58%</b>	<b>60.18%</b>
<b>Ethereum</b>	1 839.20	<b>-0.76%</b>	<b>53.35%</b>



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

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# Commodity Corner

**Gold held gains that put it on track for its best week in a month, after fresh signs of a cooling US labor market prompted traders to curb bets on further monetary tightening.**

The precious metal was steady after climbing 1.3% on Thursday following data that showed jobless claims rose the most since October 2021. That spurred swaps traders to wind back wagers on an interest-rate hike by the Federal Reserve in coming months, with lower rates typically beneficial for non-interest-bearing gold.

The dollar extended a drop following Thursday's print and Treasury yields fell, which also boosted bullion. Inflation data due next week will be closely watched by investors trying to anticipate the Fed's next move.

**Spot gold** was steady at \$1,965 an ounce as of 1:47 p.m. in Singapore and was up 0.9% for the week. The Bloomberg Dollar Spot Index was little changed. Silver, platinum and palladium all rose.

Precious Metals	Last	1D Change	YTD
Gold	1 965.11	-0.02%	7.71%
Silver	24.33	0.37%	1.56%
Platinum	1 020.31	0.55%	-5.06%
Palladium	1 368.83	0.38%	-23.64%

**Oil headed for a second weekly drop as demand concerns returned to the fore, snuffing out gains driven by Saudi Arabia's unilateral pledge to cut production.**

West Texas Intermediate fell to near \$71 a barrel and is down about 1% this week. Optimism around Riyadh's move to reduce output by at least 1 million barrels a day was fast replaced by a worsening outlook for consumption. Citigroup Inc. said the cuts won't offset weak market fundamentals.

Reports in Middle Eastern media — including Israel's Haaretz newspaper — that the US and Iran had made progress on nuclear talks that could lead to more supply from the Islamic Republic helped push crude down 1.7% on Thursday. However, US officials said reports of an interim deal are false.

The US oil benchmark has fallen around 15% from a peak in mid-April on signs that China's recovery is stalling and the US will need to keep hiking interest rates to rein in inflation. Russia's exports of crude have also been more resilient than anticipated, adding to supply.

World Commodities	Last	1D Change
WTI Crude	70.77	-0.73%
Brent Crude	75.40	-0.74%
Nat Gas (HH)	2.32	-1.53%
Nickel	21 029.00	-1.44%
Copper	377.80	-0.45%
Corn	604.75	-0.90%
Wheat	621.75	-0.72%
Soybean	1 361.00	-0.17%
Coffee	194.85	5.10%
Cotton	84.28	-0.04%
Sugar	25.48	4.00%

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

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## FX Corner

**EUR/USD** remains sidelined near 1.0780-75 as it consolidates the biggest daily jump since March heading into Friday's European session. The Euro pair portrays the market's sluggish momentum amid a light calendar and positioning for the next week's top-tier data/events.

**GBP/USD** buyers take a breather at the highest level in one month, making rounds to 1.2550 during early Friday morning in Europe. In doing so, the Cable bulls pause after posting the biggest daily gain since early March the previous day.

**USD/JPY** attracts some dip-buying near the 138.75 region, or a fresh weekly low touched during the Asian session on Friday and recovers a part of the previous day's heavy losses.

**AUD/USD** has sensed some selling pressure above the round-level resistance of 0.6700 in the Asian session. The Aussie asset is struggling in maintaining an auction above the resistance as the US Dollar Index (DXY) has attempted a recovery from near the crucial support of 103.30.

World Currencies	Last	1D Change
EURUSD	1.0783	0.01%
EURCHF	0.9694	-0.01%
EURGBP	0.8587	-0.03%
EURJPY	150.2900	-0.33%
USDCHF	0.8990	0.00%
USDJPY	139.3700	-0.32%
USDCAD	1.3358	-0.01%
USDTRY	23.4938	-1.57%
GBPUSD	1.2557	-0.02%
AUDUSD	0.6708	-0.12%
NZDUSD	0.6095	0.00%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	1.0571	1.0663	1.0722	1.0814	1.0847	1.0939
USDJPY	136.4800	137.9000	138.4100	139.8300	140.7400	142.1600
GBPUSD	1.2262	1.2390	1.2475	1.2603	1.2646	1.2774
USDCAD	1.3252	1.3306	1.3331	1.3385	1.3414	1.3468
AUDUSD	0.6563	0.6629	0.6673	0.6739	0.6761	0.6827
NZDUSD	0.5939	0.6007	0.6051	0.6119	0.6143	0.6211
USDCHF	0.8793	0.8911	0.8951	0.9069	0.9147	0.9265
USDTRY	22.5080	22.8545	22.9895	23.3360	23.5475	23.8940
XAUUSD	1897.767	1928.207	1946.833	1977.273	1989.087	2019.527
XAGUSD	22.1251	23.0648	23.6513	24.5910	24.9442	25.8839

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



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## Event Corner

ECO Economic Calendars											
G8		Browse		08:29:09		06/09/23		06/09/23			
Economic Releases		All Economic Releases				View		Agenda			
Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
06/09	01:50	JN				Money Stock M2 YoY	May	--	--	2.5%	--
06/09	01:50	JN				Money Stock M3 YoY	May	--	--	2.1%	--
06/09	10:00	IT				Industrial Production MoM	Apr	0.2%	--	-0.6%	--
06/09	10:00	IT				Industrial Production WDA YoY	Apr	-4.1%	--	-3.2%	--
06/09	10:00	IT				Industrial Production NSA YoY	Apr	--	--	-3.3%	--
06/09	10:00	RU				Money Supply Narrow Def	Jun 2	--	--	17.54t	--
06/09	12:30	RU				Key Rate	Jun 9	7.50%	--	7.50%	--
06/09	14:30	CA				Part Time Employment Change	May	--	--	47.6k	--
06/09	14:30	CA				Net Change in Employment	May	21.3k	--	41.4k	--
06/09	14:30	CA				Full Time Employment Change	May	--	--	-6.2k	--
06/09	14:30	CA				Unemployment Rate	May	5.1%	--	5.0%	--
06/09	14:30	CA				Hourly Wage Rate Permanent Employees YoY	May	5.1%	--	5.2%	--
06/09	14:30	CA				Participation Rate	May	65.6%	--	65.6%	--
06/09	14:30	CA				Capacity Utilization Rate	1Q	82.0%	--	81.7%	--
06/09	18:00	RU				CPI YoY	May	2.46%	--	2.31%	--
06/09	18:00	RU				CPI MoM	May	0.21%	--	0.38%	--
06/09	18:00	RU				CPI Core MoM	May	--	--	0.31%	--
06/09	18:00	RU				CPI Core YoY	May	--	--	1.99%	--

Source: Refinitiv

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