

Market Corner

Asia's key equity benchmark fluctuated as gains in Chinese technology stocks including Alibaba and Tencent helped counter concerns over prospects for further rate hikes by the Federal Reserve.

The MSCI Asia-Pacific Index fell as much as 0.4% after erasing an earlier gain of as much as 0.5%. US jobs data last week tamped down speculation the Fed would leave interest rates unchanged later this month.

Alibaba rose as much as 5.5% in Hong Kong, while Tencent also gained on signs that a regulatory crackdown on tech companies is over after China imposed fines of more than \$1 billion. Key gauges in Hong Kong and on the mainland rose even after weaker-than-expected producer price data for June raised concerns over Chinese deflation and a lack of meaningful stimulus.

Japanese stocks fell, with the Nikkei 225 headed for its worst string of daily losses this year after a blockbuster rally in the first six months of 2023. The blue-chip gauge fell as much as 0.9% Monday, extending its losing run to a fifth day, the longest since December.

Equities closed lower after wavering between gains and losses all day Friday as investors weighed smaller-than-expected US job gains against expectations for further Federal Reserve interest-rate hikes.

The S&P 500 Index fell 0.3%, posting a 1.2% weekly loss as Wall Street flagged risks to the rally that lifted indexes in the first half of the year. The tech-heavy Nasdaq 100 lost 0.4%, while the Dow Jones Industrial Average dropped 0.6%.

"The first week of the third quarter was a bit of a reality check as investors received a nudge that markets still move in both directions," the Bespoke Investment Group said.

Friday's jobs report offered a contrast to an economic reading from a day earlier, when equities sold off because a release from ADP showed the pace of job growth unexpectedly accelerated in June, reinvigorating bets on further Fed tightening. The latest reading, while showing a smaller-than-forecast rise in non-farm payrolls, still solidified the case for another rate hike this month.

The numbers were a "relief after the blow-out ADP" data, Vital Knowledge's Adam Crisafulli wrote Friday, adding that next week's inflation report will be more important for traders assessing the Fed's rate path.

World Indices	Last	1D Change	YTD
Dow Jones	33 734.9	-0.55%	1.77%
S&P 500	4 399.0	-0.29%	14.57%
Nasdaq	13 660.7	-0.13%	30.52%
Eurostoxx 50	4 236.6	0.32%	11.68%
FTSE 100	7 256.9	-0.32%	-2.61%
CAC 40	7 111.9	0.42%	9.86%
DAX	15 603.4	0.48%	12.06%
SMI	10 874.9	-1.02%	1.36%
Nikkei	32 289.5	-0.31%	23.75%
Hang Seng	18 441.5	0.41%	-6.79%
CSI 300	3 832.9	0.19%	-1.01%
VIX Index	14.8	-3.95%	-31.56%

World Bonds	Last	1D Change	YTD
US 10Y	4.0738	0.01	0.199
EUR 10Y	2.6370	0.01	0.066
Swiss 10Y	1.0580	0.00	-0.559
UK 10Y	4.6500	-0.01	0.978

Source: Bloomberg



Morning Call
Geneva, July 10, 2023

Crypto Corner

Bitcoin investors are drawing succor from a surge in the smaller token Litecoin over the past year that has outstripped the broader crypto market.

That’s because one of the drivers of Litecoin’s near 90% climb over the period was its so-called halving — or halvening — that will curb the supply of the token, a process that also lies ahead for Bitcoin in coming months.

“Litecoin often served as a sentiment metric on the Bitcoin halving, being scheduled in advance compared to it,” Matteo Greco, a crypto research analyst at Fineqia, wrote in a note.

Litecoin was created in 2011 and aims for faster transactions than Bitcoin. Both blockchains use the “proof-of-work” mechanism, whereby power-hungry computer rigs — known as miners — solve complex puzzles to secure the digital ledgers.

A halving cuts in half the amount of tokens miners receive as reward for their work. The quadrennial event, due next month for Litecoin and around April 2024 for Bitcoin, is part of the process of capping the supply of the tokens to 84 million and 21 million, respectively.

Litecoin’s performance over the past 12 months beat Bitcoin’s advance of about 39% as well as the 22% increase in a gauge of the largest 100 tokens. But Litecoin has tempered of late, receding a bit from an early July peak.

Halving is among a confluence of variables contributing to Bitcoin’s partial rebound this year from a 2022 crypto rout sparked by tightening monetary policy and exacerbated by blowups such as the FTX exchange’s implosion.

Other tailwinds for the token include optimism about increasing demand if BlackRock Inc., Fidelity Investments and others succeed in their efforts to start spot Bitcoin exchange-traded funds in the US.

An institutional-only crypto exchange, EDX Markets, also recently went live with backing from billionaire Ken Griffin’s Citadel Securities as well as Fidelity and Charles Schwab Corp. It offers trading in only four cryptocurrencies: Bitcoin, Ether, Litecoin and Bitcoin Cash.

While Bitcoin hit records after each of its last three halvings, the current outlook for crypto is clouded by the prospect of more central bank interest-rate hikes to tighten liquidity and curb inflation.

Investments like stocks have already begun to falter after a robust first half, with sentiment hit by a jump in government bond yields.

Traditional markets “seem to be entering a more risk-off mood – we can’t yet assume that Bitcoin will just shrug that off,” wrote Noelle Acheson, author of the Crypto Is Macro Now newsletter.

“The especially interesting story will be how Bitcoin behaves when the stock market correction eventually arrives in earnest,” she added.

Bitcoin and Litecoin remain well below record peaks achieved in 2021. Litecoin traded at about \$98 as of Friday afternoon in New York, compared with \$413 during a pandemic-era bull market. Bitcoin traded at roughly \$30,000, some \$39,000 below its all-time high.

Crypto Market Cap: [\\$1.17T](#)

24h Vol: [\\$22.2B](#)

Dominance: [BTC: 50% ETH:19.1%](#)

Currency	Last	1D Change	YTD
Bitcoin	30 117.25	-0.28%	82.11%
Ethereum	1 857.84	-0.62%	54.93%

Source: fxstreet.com / Bloomberg/Coinmarketcap.com

Morning Call

Geneva, July 10, 2023

Commodity Corner

Gold was steady after edging higher last week on signs the US economy may be cooling, with traders looking ahead to inflation data due Wednesday that'll shape expectations for the Federal Reserve's next steps.

The government report is forecast to show the consumer price index climbed 3.1% from a year ago, the smallest advance since March 2021, largely due to cheaper gasoline. However, most traders still expect the Fed to hike rates again later this month, potentially dulling the allure of non-interest-bearing bullion.

Spot gold was little changed at \$1,923.11 an ounce as of 8:40 a.m. in Singapore, after climbing 0.3% last week. The Bloomberg Dollar Spot Index held steady, after dropping 0.7% on Friday as monthly jobs figures came in lower than expected. Silver declined, while palladium and platinum were flat

Separately, Invesco Ltd. said the world's sovereign investors are seeking to boost investment in gold, with a significant proportion of central banks expecting to buy more of the precious metal

Precious Metals	Last	1D Change	YTD
Gold	1 921.22	-0.20%	5.33%
Silver	23.01	-0.35%	-3.93%
Platinum	907.99	-0.64%	-15.48%
Palladium	1 241.95	-0.65%	-30.72%

Oil dipped after the biggest weekly gain since early April as investors juggled signs of tightening supply and persistent demand concerns.

Brent futures traded near \$78 a barrel after closing 4.8% higher last week following a pledge by Saudi Arabia and Russia to reduce supply. The market is flashing signs of strength and speculators have boosted their bullish bets for the global benchmark and West Texas Intermediate crude.

However, Treasury Secretary Janet Yellen said the risk of a US recession is "not completely off the table," adding an element of caution to the market. She made the remark in a CBS interview broadcast on Sunday.

Oil remains about 9% lower for the year due in part to China's lackluster economic recovery and aggressive monetary tightening by central banks. A solid US employment report keeps the Federal Reserve on track to boost interest rates this month, maintaining headwinds for crude prices.

In Asia, data Monday showed China's consumer inflation rate was flat in June while factory-gate prices fell further, underlining continued weakness in demand. The International Energy Agency and OPEC will provide snapshots of the market when they release monthly reports later this week.

Cuts by Saudi Arabia and Russia "will start to tighten the market quickly," Wayne Gordon, commodity strategist at UBS Group AG, said on Bloomberg TV. Supply is "starting to top out and demand has been robust," he added.

World Commodities	Last	1D Change
WTI Crude	73.36	-0.68%
Brent Crude	77.99	-0.61%
Nat Gas (HH)	2.64	2.05%
Nickel	20 637.00	-1.99%
Copper	376.40	-0.08%
Corn	561.00	0.09%
Wheat	641.75	0.35%
Soybean	1 484.00	-0.10%
Coffee	162.80	0.28%
Cotton	81.31	-2.19%
Sugar	23.53	1.20%

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

Morning Call

Geneva, July 10, 2023

FX Corner

EUR/USD is trading on the back foot near 1.0950 in the early European morning on Monday. Resurgent US Dollar demand amid soft Chinese inflation data is weighing on the pair. Mixed ECB commentary limits the upside in the Euro ahead of the Eurozone Sentix data.

GBP/USD oscillates in a narrow trading band just below the YTD peak touched on Friday. Elevated US bond yields help revive the USD demand and act as a headwind for the pair. The prospects for more aggressive tightening by the BoE should limit any meaningful slide.

USD/JPY gains momentum and sees a rally to near the 143.00 threshold in the Asian session, up 0.57% on the day. The major pair recovers a part of Friday's losses to its over-a-one-week low at 142.06 as the US Dollar Index (DXY) stages a decent comeback early Monday.

AUD/USD is extending losses toward 0.6650, having faced stiff resistance at 0.6700 early Monday. The emergence of some USD buying turns out to be a key factor capping the Aussie pair. China's economic woes also contribute to keeping a lid on the China-proxy Aussie.

World Currencies	Last	1D Change
EURUSD	1.0954	-0.12%
EURCHF	0.9761	-0.12%
EURGBP	0.8555	-0.15%
EURJPY	156.4200	-0.31%
USDCHF	0.8911	-0.27%
USDJPY	142.8000	-0.41%
USDCAD	1.3296	-0.17%
USDTRY	26.0635	0.01%
GBPUSD	1.2804	-0.27%
AUDUSD	0.6658	-0.48%
NZDUSD	0.6179	-0.50%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	1.0724	1.0830	1.0898	1.1004	1.1042	1.1148
USDJPY	138.5667	140.6967	141.4533	143.5833	144.9567	147.0867
GBPUSD	1.2559	1.2682	1.2760	1.2883	1.2928	1.3051
USDCAD	1.3067	1.3188	1.3231	1.3352	1.3430	1.3551
AUDUSD	0.6506	0.6588	0.6639	0.6721	0.6752	0.6834
NZDUSD	0.6060	0.6127	0.6169	0.6236	0.6261	0.6328
USDCHF	0.8723	0.8817	0.8852	0.8946	0.9005	0.9099
USDTRY	25.7160	25.9042	25.9849	26.1731	26.2806	26.4688
XAUUSD	1872.967	1898.077	1911.563	1936.673	1948.297	1973.407
XAGUSD	21.8771	22.4150	22.7519	23.2898	23.4908	24.0287

Source: fxstreet.com / Bloomberg



Morning Call

Geneva, July 10, 2023

Event Corner

ECO Economic Calendars

G8 Browse 07:51:45 07/10/23 - 07/10/23

Economic Releases All Economic Releases View Agenda Weekly

Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
07/10	01:50	JN				BoP Current Account Balance	May	¥1865.8b	--	¥1895.1b	--
07/10	01:50	JN				BoP Current Account Adjusted	May	¥1867.8b	--	¥1899.6b	--
07/10	01:50	JN				Trade Balance BoP Basis	May	-¥973.1b	--	-¥113.1b	--
07/10	01:50	JN				Bank Lending Incl Trusts YoY	Jun	--	--	3.4%	--
07/10	01:50	JN				Bank Lending Ex-Trusts YoY	Jun	--	--	3.8%	--
07/10	07:00	JN				Eco Watchers Survey Current SA	Jun	54.6	--	55.0	--
07/10	07:00	JN				Eco Watchers Survey Outlook SA	Jun	54.2	--	54.4	--
07/10	10:30	EC				Sentix Investor Confidence	Jul	--	--	-17.0	--
07/10	14:00	CA				Bloomberg Nanos Confidence	Jul 7	--	--	52.3	--
07/10	14:30	CA				Building Permits MoM	May	--	--	-18.8%	--
07/10	16:00	US				Wholesale Inventories MoM	May F	-0.1%	--	-0.1%	--
07/10	16:00	US				Wholesale Trade Sales MoM	May	--	--	0.2%	--
07/10	21:00	US				Consumer Credit	May	\$20.500b	--	\$23.010b	--
07/10-07/12		RU				Budget Balance YTD	Jun	--	--	-3411.0b	--

Source: Refinitiv

Disclaimer: "This information, including any opinion, news and reports is based on publicly available source, but its accuracy cannot be guaranteed and may be subject to change without notice. BankMed (Suisse) does not guarantee the accuracy, timeliness, continued availability or completeness of such information. Neither the information provided nor any opinion expressed therein, constitutes a solicitation, offer, personal recommendation or advice. BankMed (Suisse) is not acting as an adviser to you and you are free to rely or not on such information at your own risk. Certain transactions involving securities give rise to substantial risks, including currency and volatility risk, and are not suitable for all investors."