

Market Corner

Asia's key stock benchmark rose, poised to snap a four-day losing streak, boosted by gains in semiconductor-related shares and China's latest moves to support its flagging economy and property sector.

The MSCI Asia Pacific Index climbed 1.2%, with TSMC the biggest contributor after a better-than-expected sales report amid the boom in artificial intelligence. South Korea, Hong Kong, Taiwan and Australia were among the best-performing markets in the region, while Japanese stocks halted their longest losing run of the year.

Regional investors are looking for signs that China will do enough to keep its economy from spiraling into deflation, while at the same time gauging risks from the Federal Reserve's interest rate hikes to cool inflation in the US.

Stock gauges in Hong Kong and mainland China extended gains from Monday as Chinese authorities signaled further policy support for the economy following minor steps to support the weak property market. The Hang Seng Index is still down 17% from a January high.

US stocks snapped a three-session losing streak on Monday, kicking off a busy week with a cautious tone ahead of updates on where inflation and corporate profits are heading.

The S&P 500 Index ticked up 0.2%, coming on the heels of its second weekly loss in the past three. Seven of the 11 major industry groups rose, with industrials the best performer. The Nasdaq 100 Index added less than 0.1%, while the Dow Jones Industrial Average climbed 0.6%.

Domestic equities have struggled to find direction at the start of the second half after major stock indexes posted outsized double-digit gains in the opening six months of the year. Investors will assess the latest consumer price index numbers on Wednesday for a glimpse into whether inflation has continued to cool, with producer prices data coming a day later.

Ahead of Wednesday's CPI data, investors got the latest thinking from a batch of Fed policymakers. Three Fed officials — Michael Barr, Mary Daly and Loretta Mester — said the central bank will need to raise interest rates further this year to bring inflation back to its 2% target. Meantime, Fed Bank of Atlanta President Raphael Bostic said officials can be patient amid evidence of an economic slowdown.

And with second-quarter earnings season approaching, traders will be searching for signs that Corporate America has been able to withstand the economic turmoil.

World Indices	Last	1D Change	YTD
Dow Jones	33 944.4	0.62%	2.40%
S&P 500	4 409.5	0.24%	14.85%
Nasdaq	13 685.5	0.18%	30.76%
Eurostoxx 50	4 256.5	0.47%	12.20%
FTSE 100	7 273.8	0.23%	-2.39%
CAC 40	7 143.7	0.45%	10.35%
DAX	15 673.2	0.45%	12.57%
SMI	10 922.0	0.43%	1.80%
Nikkei	32 135.8	-0.17%	23.15%
Hang Seng	18 723.1	1.32%	-5.36%
CSI 300	3 859.6	0.40%	-0.31%
VIX Index	15.1	1.62%	-30.46%

World Bonds	Last	1D Change	YTD
US 10Y	3.9860	-0.01	0.109
EUR 10Y	2.6400	0.00	0.069
Swiss 10Y	1.0910	0.03	-0.526
UK 10Y	4.6400	-0.01	0.968

Source: Bloomberg



Morning Call
Geneva, July 11, 2023

Crypto Corner

A sharp rally in Bitcoin mining stocks over the last month has put traders betting against the sector in a precarious position that could force them to swiftly buy back shares to cover their bets at a loss.

Cipher Mining Inc., Greenidge Generation Holdings Inc., Marathon Digital Holdings Inc. and Riot Blockchain Inc. all have the highest possible squeeze score of 100, according to data from S3 Partners LLC. Terawulf Inc., another Bitcoin miner, is right behind them with a squeeze score of 97.5. A short squeeze is when contrarian traders are forced to quickly exit their positions by buying back shares, often sending stock prices higher and further squeezing other short sellers.

Stock outperformance has driven the squeeze scores higher. Greenidge has surged about 257% in the last month, followed by a nearly 80% gain in Cipher. Meanwhile Bitcoin proxy MicroStrategy Inc., which also has a squeeze score of 100, gained about 36% in the last 30 days, outperforming the S&P 500, which has risen around 2.6% in the same period. Miners “have been outperforming, and they’ve even been outperforming the price of Bitcoin,” Needham analyst John Todaro said.

The group has gained investor attention due to a few factors. Bitcoin has gained about 7.9% in the last month, a positive catalyst for stocks tied to the cryptocurrency’s price. In addition, several traditional finance giants including BlackRock Inc. and Fidelity Investments have proposals for spot Bitcoin exchange-traded funds with the US Securities and Exchange Commission, adding potential regulatory support to the space.

Read More: [BlackRock’s Nearly Perfect ETF Record Spurs Hope of Bitcoin Fund](#)

There may also be an artificial intelligence lift in the sector, as some miners are trying to add revenue streams in high-performance computing.

“We’re seeing more interest across the board, both from institutions and retail,” Cantor Fitzgerald analyst Josh Siegler said. He’s bullish on Bitcoin and miners going forward and thinks that investors are starting to see fundamentals solidify in the industry.

To be sure, there are also potentially negative catalysts ahead that short sellers may be preparing for. The next “Halving” — an event that cuts Bitcoin miners’ margins — is scheduled for April 2024.

Read More: [Bitcoin ‘Halving’ Risks Sinking Already-Struggling Miners](#)

“If Bitcoin prices don’t get above certain levels, these miners are going to be in trouble,” Todaro said, adding that shorting these names before such an event is a popular bearish bet.

“There’s some credence to it,” he said. “It’s not out of nowhere.”

Crypto Market Cap: [\\$1.19T](#)

24h Vol: [\\$32.3B](#)

Dominance: [BTC: 49.9% ETH:19%](#)

Currency	Last	1D Change	YTD
Bitcoin	30 454.32	-1.08%	84.12%
Ethereum	1 877.71	-0.79%	56.56%

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

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Commodity Corner

Gold was steady for a second day as traders weighed support from falling US Treasury yields and a weaker dollar, with both easing despite expectations for further monetary tightening by the Federal Reserve.

Yields on US government bonds slumped on Monday, which is typically positive for bullion as it doesn't generate interest. US CPI data due Wednesday is expected to show further deceleration in inflation, although the Fed remains on track to raise rates at its next meeting on July 26. Swap contracts have almost fully priced in a quarter-point hike for July. Bullion has traded in a narrow band this month amid a lack of strong directional catalysts

Spot gold was little changed as \$1,926.09 an ounce at 8:41 a.m. in Singapore, after edging up 0.3% last week. The Bloomberg Dollar Spot Index dipped for a third day. Silver was flat, while platinum and palladium gained

Precious Metals	Last	1D Change	YTD
Gold	1 928.93	0.19%	5.76%
Silver	23.25	0.51%	-2.93%
Platinum	936.28	0.51%	-12.86%
Palladium	1 251.00	0.79%	-30.21%

Oil edged higher as investors weighed the outlook for demand following some measures by China to support its ailing property market.

West Texas Intermediate traded above \$73 a barrel after closing 1.2% lower in the previous session, the most in a week. Authorities stepped up pressure on banks to ease terms for property companies by encouraging negotiations to extend outstanding loans. Top state-run financial newspapers on Tuesday ran reports flagging the likely adoption of further supportive policies.

China's sluggish economic recovery, along with monetary tightening by central banks and resilient crude flows from producers including Russia and Iran have provided headwinds for oil this year. That's prompted OPEC+ heavyweights Saudi Arabia and Russia to cut supply to prop up prices.

Traders will be watching the consumer price index read on Wednesday for clues on the path forward for interest rates, and monthly reports from OPEC and the International Energy Agency on Thursday for snapshots of the oil market. Ahead of those releases, the US will provide its Short-Term Energy Outlook.

World Commodities	Last	1D Change
WTI Crude	73.46	0.64%
Brent Crude	78.14	0.58%
Nat Gas (HH)	2.66	-0.30%
Nickel	20 841.00	0.99%
Copper	380.00	0.76%
Corn	569.00	-0.31%
Wheat	636.25	-0.51%
Soybean	1 516.50	0.56%
Coffee	161.75	-0.64%
Cotton	79.95	-1.67%
Sugar	23.44	-0.38%

Source: fxstreet.com / Bloomberg

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FX Corner

EUR/USD is maintaining an auction comfortably above the psychological resistance of 1.1000 in the Asian session. The major currency pair has got immense strength as the US Dollar Index (DXY) has continued its three-day losing spell.

GBP/USD touches a fresh 15-month peak on Tuesday and is supported by a combination of factors. Expectations that the Fed will soften its hawkish stance weigh on the USD and lend some support. Bets for more aggressive tightening by the BoE act as a tailwind ahead of the key UK jobs report.

USD/JPY is accelerating declines below 141.00, hitting fresh multi-week lows in Tuesday's Asian trading. The US Dollar is extending its weakness alongside the US Treasury bond yields on dovish Fed signals and softer inflation expectations.

AUD/USD is holding a renewed uptick below 0.6700, justifying the Australian upbeat sentiment data and extended US Dollar weakness. The Aussie pair also benefits from the downbeat US inflation expectations, as well as the softer US jobs report.

World Currencies	Last	1D Change
EURUSD	1.1019	0.16%
EURCHF	0.9744	-0.05%
EURGBP	0.8557	-0.04%
EURJPY	155.1900	0.18%
USDCHF	0.8844	0.10%
USDJPY	140.8400	0.33%
USDCAD	1.3262	0.14%
USDTRY	26.1040	-0.09%
GBPUSD	1.2876	0.12%
AUDUSD	0.6686	0.16%
NZDUSD	0.6209	-0.02%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	1.0868	1.0925	1.0963	1.1020	1.1039	1.1096
USDJPY	138.4067	140.1367	140.7233	142.4533	143.5967	145.3267
GBPUSD	1.2593	1.2710	1.2785	1.2902	1.2944	1.3061
USDCAD	1.3214	1.3249	1.3265	1.3300	1.3319	1.3354
AUDUSD	0.6521	0.6593	0.6634	0.6706	0.6737	0.6809
NZDUSD	0.6096	0.6147	0.6179	0.6230	0.6249	0.6300
USDCHF	0.8742	0.8808	0.8831	0.8897	0.8940	0.9006
USDTRY	25.9315	26.0040	26.0417	26.1142	26.1490	26.2215
XAUUSD	1893.443	1907.583	1916.467	1930.607	1935.863	1950.003
XAGUSD	22.2012	22.6067	22.8683	23.2738	23.4177	23.8232

Source: fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars

G8 Browse 07:55:48 07/11/23 - 07/11/23

Economic Releases All Economic Releases View Agenda Weekly

Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
07/11	01:01	UK				BRC Sales Like-For-Like YoY	Jun	--	--	3.7%	--
07/11	01:50	JN				Money Stock M2 YoY	Jun	--	--	2.7%	--
07/11	01:50	JN				Money Stock M3 YoY	Jun	--	--	2.1%	--
07/11	08:00	JN				Machine Tool Orders YoY	Jun P	--	--	-22.1%	--
07/11	08:00	UK				Payrolled Employees Monthly Change	Jun	23k	--	23k	--
07/11	08:00	UK				Claimant Count Rate	Jun	--	--	3.9%	--
07/11	08:00	UK				Jobless Claims Change	Jun	--	--	-13.6k	--
07/11	08:00	UK				Average Weekly Earnings 3M/YoY	May	6.8%	--	6.5%	--
07/11	08:00	UK				Weekly Earnings ex Bonus 3M/YoY	May	7.1%	--	7.2%	--
07/11	08:00	UK				ILO Unemployment Rate 3Mths	May	3.8%	--	3.8%	--
07/11	08:00	UK				Employment Change 3M/3M	May	80k	--	250k	--
07/11	08:00	GE				CPI MoM	Jun F	0.3%	--	0.3%	--
07/11	08:00	GE				CPI YoY	Jun F	6.4%	--	6.4%	--
07/11	08:00	GE				CPI EU Harmonized MoM	Jun F	0.4%	--	0.4%	--
07/11	08:00	GE				CPI EU Harmonized YoY	Jun F	6.8%	--	6.8%	--
07/11	10:00	IT				Industrial Production MoM	May	0.6%	--	-1.9%	--
07/11	10:00	IT				Industrial Production WDA YoY	May	-4.5%	--	-7.2%	--
07/11	10:00	IT				Industrial Production NSA YoY	May	--	--	-10.0%	--
07/11	10:30	IT				Bank of Italy Releases Banks and Money Monthly Statistics					
07/11	11:00	GE				ZEW Survey Expectations	Jul	-10.6	--	-8.5	--
07/11	11:00	GE				ZEW Survey Current Situation	Jul	-61.5	--	-56.5	--
07/11	11:00	EC				ZEW Survey Expectations	Jul	--	--	-10.0	--
07/11	11:00	IT				Istat Releases the Monthly Economic Note					
07/11	12:00	US				NFIB Small Business Optimism	Jun	89.9	--	89.4	--
07/11	15:00	RU				Current Account Balance	2Q P	--	--	14786m	--

Source: Refinitiv

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