

Market Corner

Asian equities rose, on track for a second day of gains, boosted by gathering momentum in Chinese technology stocks while the market awaited key US inflation data due later Wednesday.

The MSCI Asia Pacific Index climbed as much as 0.6%, with Tencent and Alibaba among the biggest contributors to the gain. A gauge of tech shares listed in Hong Kong jumped as much as 2.8% in its third day of advance after China last week signaled an end to its regulatory purge on the sector. Japanese stocks fell as the yen strengthened.

Hopes for further Chinese policy stimulus and strong lending data in June have helped Hong Kong stocks pull back from the brink of a bear market since last month. The Hang Seng Index is still down about 17% from its January peak.

Investors are still looking for signs that the worst is over for China's stocks, Jun Rong Yeap, a strategist at IG Asia, wrote in a note. "Signs of policy success in lifting economic conditions may still be needed to drive more sustained gains."

US stocks rose Tuesday ahead of the consumer-price figures. While the data is unlikely to affect the Federal Reserve's decision in its upcoming monetary policy meeting, it could impact expectations for further rate hikes this year.

US stocks gained for a second consecutive session Tuesday as investors looked ahead to a crucial inflation report that's forecast to show a slowdown in consumer-price increases, setting the stage for the Federal Reserve's next steps on interest rates.

The S&P 500 Index rose 0.7%, with all of the 11 major industry groups closing higher, lead by cyclical sectors tied to the health of the economy like energy, utilities and industrials. The Nasdaq 100 Index climbed 0.5%, while the Dow Jones Industrial Average jumped 0.9%.

Of course, traders are waiting for the release of the latest consumer price index reading on Wednesday, followed by a key gauge of producer prices a day later, to assess the resilience of the US economy and prospects for further rate hikes from the Fed, potentially later this month.

Since CPI surged by a four-decade high of 9.1% in June 2022, it has pulled back steadily in the face of the US central bank's monetary policy onslaught. That's expected to continue this week, when economists forecast that the Labor Department will report the index rose just 3.1% last month — the smallest annual increase since March 2021.

World Indices	Last	1D Change	YTD
Dow Jones	34 261.4	0.93%	3.36%
S&P 500	4 439.3	0.67%	15.62%
Nasdaq	13 760.7	0.55%	31.47%
Eurostoxx 50	4 286.6	0.71%	12.99%
FTSE 100	7 282.5	0.12%	-2.27%
CAC 40	7 220.0	1.07%	11.53%
DAX	15 790.3	0.75%	13.41%
SMI	10 962.6	0.37%	2.17%
Nikkei	31 981.5	-0.69%	22.60%
Hang Seng	18 850.9	1.02%	-4.71%
CSI 300	3 859.1	-0.27%	-0.38%
VIX Index	14.8	-1.53%	-31.52%

World Bonds	Last	1D Change	YTD
US 10Y	3.9622	-0.01	0.087
EUR 10Y	2.6490	0.01	0.078
Swiss 10Y	1.1050	0.01	-0.512
UK 10Y	4.6630	0.02	0.991

Source: Bloomberg



Morning Call
Geneva, July 12, 2023

Crypto Corner

Bitcoin and crypto stock Coinbase Global have soared on hopes that an exchange-traded fund that holds the digital currency will soon be approved by U.S. regulators. Analysts say that outcome faces long odds.

Bitcoin has climbed about 20% since June 15, when BlackRock filed paperwork with regulators to launch an ETF that would own bitcoin. Shares of Coinbase Global, which is listed as the custodian for the fund's bitcoin holdings, leapt more than 40% over the same period.

Approval of such a fund -- known as a spot bitcoin ETF -- by the Securities and Exchange Commission would mark a milestone for the industry and offer wider access to the cryptocurrency. Investors would be able to buy and sell it through a brokerage account as easily as shares of stock.

Fidelity Investments, Cathie Wood's Ark Investment Management, Invesco, WisdomTree, Bitwise Asset Management and Valkyrie updated and reactivated their own applications following BlackRock's move.

Yet the SEC has repeatedly rejected spot bitcoin ETF applications going back to 2017 on the grounds that they are vulnerable to fraud and market manipulation. At least half a dozen ETFs that own bitcoin futures are already on the market.

In previous denials, the regulator argued that the filings didn't specify an agreement to share "surveillance" between the stock exchange where the ETF would be listed and a spot bitcoin-trading platform that is "regulated" and "of significant size." The crypto platform is meant to share data for orders and trades as well as information about buyers and sellers, with the stock exchange to prevent potential market manipulation.

Some industry watchers say the latest round of applications might not clear the bar either.

Several of the asset managers, including BlackRock, Fidelity and Ark, specified that Coinbase would help monitor trading. But analysts warn that Coinbase might not tick the box for "regulated market" or "significant size." The SEC sued the exchange last month saying it violated rules that require it to register as an exchange and be overseen by the federal agency.

Although it is the largest crypto exchange in the U.S., with more than half of the domestic market share, Coinbase accounts for just 7% of global spot market share, according to digital-assets data provider Kaiko. In contrast, Binance has 52% of the global market share.

"Given that they are under these SEC charges, it's an open question that the SEC would allow these ETFs to be approved until there's an outcome there," said Stephen Glagola, an analyst at TD Cowen.

Some of the applications, including the one from BlackRock, outline a second surveillance-sharing agreement with CME Group, which lists bitcoin futures and is overseen by the SEC.

That is unlikely to satisfy the agency either, according to John Paul Koning, an independent financial writer. The securities regulator has never accepted previous applicants' arguments that futures trading on the CME exerts enough influence over the global market to qualify as "significant," he said.

"As long as Binance and the offshore spot and futures markets are so big, it will probably never be possible to prove to the SEC that the CME exerts more than temporary and intermittent leadership over the global price of bitcoin," Koning said. The SEC has also sued Binance, alleging the overseas company operated an illegal trading platform in the U.S. and misused customers' funds.

....

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

24h Vol: [\\$26.4B](#)

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

Currency	Last	1D Change	YTD
Bitcoin	30 648.87	0.23%	85.32%
Ethereum	1 884.21	0.56%	57.10%

Source: fxstreet.com / Bloomberg/Coinmarketcap.com

Morning Call

Geneva, July 12, 2023

Commodity Corner

Gold extended gains after closing at a three-week high, ahead of key US inflation figures due later Wednesday that may provide fresh clues on the Federal Reserve's monetary-tightening path.

Lower yields on 10-year Treasuries helped support bullion, as investors looked ahead to CPI data that's expected to show further deceleration in inflation. While that would be unlikely to prevent another rate hike later this month, it could stir optimism that the Fed's aggressive cycle is reaching an end — which would boost the appeal of non-interest-bearing gold.

The precious metal has edged up more than 1% during the past four trading days

Spot gold gained 0.2% to \$1,936.68 an ounce at 9:05 a.m. in Singapore, after climbing 0.4% in the previous session. Silver and platinum also rose while palladium was little changed

Precious Metals	Last	1D Change	YTD
Gold	1 938.38	0.32%	6.29%
Silver	23.23	0.46%	-3.02%
Platinum	933.45	0.50%	-13.08%
Palladium	1 254.03	-0.09%	-30.03%

Brent oil steadied after rising around 2% on Tuesday on signs that Russian crude production may be finally starting to decline.

Futures in London traded near \$80 a barrel, a threshold that was last breached in early May. Vessel tracking data showed shipments through Russia's western ports in the four weeks to July 9 dropped substantially, more than four months after the OPEC+ producer was due to slash output.

A weaker dollar also provided some support to commodities as investors wait for the US consumer price index read later Wednesday for clues on the path forward for monetary tightening from the Federal Reserve. Aggressive interest-rate hikes this year have weighed on the energy demand outlook.

Oil remains marginally lower this year, but OPEC+ heavyweights Saudi Arabia and Russia have pledged supply cuts to prop up prices. The global market is expected to tighten in the second half and stockpiles are forecast to draw through 2024, according to an Energy Information Administration report.

World Commodities	Last	1D Change
WTI Crude	74.86	0.04%
Brent Crude	79.44	0.05%
Nat Gas (HH)	2.73	0.00%
Nickel	20 525.00	-1.52%
Copper	378.45	0.83%
Corn	571.75	0.18%
Wheat	649.50	2.08%
Soybean	1 520.50	0.83%
Coffee	159.30	-1.51%
Cotton	83.97	1.23%
Sugar	23.53	0.38%

Source: fxstreet.com / Bloomberg

Morning Call

Geneva, July 12, 2023

FX Corner

EUR/USD has confidently shifted above the psychological resistance of 1.1000 in the Asian session. The major currency pair is in a bullish trajectory as the US Dollar Index (DXY) has extended its losses to 101.37 ahead of the US CPI.

GBP/USD surges above the 1.2950 area, hitting the highest since April 2022. Solid UK employment data indicated more Bank of England (BoE) rate hikes. Federal Reserve (Fed) expectations may change based on the US inflation data on Wednesday.

USD/JPY has stretched its losing spell ahead of US inflation data. Rising expectations that interest rates by the Fed will peak sooner have infused optimism among investors. Japanese Yen is holding strength despite softening of PPI data.

AUD/USD is consolidating near two-week highs above 0.6700, unimpressed by RBA Governor Lowe's speech. The USD selling remains unabated and turns out to be a key factor in lending support to the pair ahead of the crucial US CPI report.

World Currencies	Last	1D Change
EURUSD	1.1030	0.19%
EURCHF	0.9682	0.00%
EURGBP	0.8511	0.02%
EURJPY	153.8800	0.42%
USDCHF	0.8778	0.19%
USDJPY	139.5100	0.61%
USDCAD	1.3211	0.15%
USDTRY	26.1105	0.01%
GBPUSD	1.2960	0.21%
AUDUSD	0.6713	0.40%
NZDUSD	0.6217	0.29%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	1.0904	1.0954	1.0982	1.1032	1.1054	1.1104
USDJPY	138.0600	139.3600	139.8600	141.1600	141.9600	143.2600
GBPUSD	1.2752	1.2830	1.2882	1.2960	1.2986	1.3064
USDCAD	1.3130	1.3190	1.3211	1.3271	1.3310	1.3370
AUDUSD	0.6589	0.6633	0.6660	0.6704	0.6721	0.6765
NZDUSD	0.6081	0.6139	0.6169	0.6227	0.6255	0.6313
USDCHF	0.8664	0.8742	0.8769	0.8847	0.8898	0.8976
USDTRY	25.9098	26.0121	26.0627	26.1650	26.2167	26.3190
XAUUSD	1903.757	1917.737	1924.983	1938.963	1945.697	1959.677
XAGUSD	22.4367	22.8067	22.9645	23.3345	23.5467	23.9167

Source: fxstreet.com / Bloomberg



Morning Call

Geneva, July 12, 2023

Event Corner

ECO Economic Calendars Options

G8 Browse 07:48:44 07/12/23 - 07/12/23

Economic Releases All Economic Releases View Agenda Weekly

Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
07/12	01:50	JN				PPI MoM	Jun	0.2%	--	-0.7%	--
07/12	01:50	JN				PPI YoY	Jun	4.4%	--	5.1%	--
07/12	01:50	JN				Core Machine Orders MoM	May	1.0%	--	5.5%	--
07/12	01:50	JN				Core Machine Orders YoY	May	0.1%	--	-5.9%	--
07/12	13:00	US				MBA Mortgage Applications	Jul 7	--	--	-4.4%	--
07/12	14:30	US				CPI MoM	Jun	0.3%	--	0.1%	--
07/12	14:30	US				CPI Ex Food and Energy MoM	Jun	0.3%	--	0.4%	--
07/12	14:30	US				CPI YoY	Jun	3.1%	--	4.0%	--
07/12	14:30	US				CPI Ex Food and Energy YoY	Jun	5.0%	--	5.3%	--
07/12	14:30	US				CPI Index NSA	Jun	305.281	--	304.127	--
07/12	14:30	US				CPI Core Index SA	Jun	308.750	--	307.824	--
07/12	14:30	US				Real Avg Hourly Earning YoY	Jun	--	--	0.2%	--
07/12	14:30	US				Real Avg Weekly Earnings YoY	Jun	--	--	-0.7%	-0.6%
07/12	16:00	CA				Bank of Canada Rate Decision	Jul 12	5.00%	--	4.75%	--
07/12	18:00	RU				CPI WoW	Jul 10	--	--	0.13%	--
07/12	18:00	RU				CPI Weekly YTD	Jul 10	--	--	2.90%	--
07/12	18:00	RU				CPI YoY	Jun	3.30%	--	2.51%	--
07/12	18:00	RU				CPI MoM	Jun	0.50%	--	0.31%	--
07/12	18:00	RU				CPI Core MoM	Jun	--	--	0.52%	--
07/12	18:00	RU				CPI Core YoY	Jun	--	--	2.12%	--
07/12	20:00	US				Federal Reserve Releases Beige Book					

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."