

## Market Corner

**Asia's key stock gauge is on course to mark its best week since November 2022, with Chinese equities advancing and peak-rate bets on the Federal Reserve boosting risk sentiment.**

The MSCI Asia Pacific Index rises as much as 0.8%, with gains for the week nearing 5%. Stocks in Korea, Taiwan and Thailand led the advance on Friday.

Chinese equities have been at the center of the risk rally in Asia, as traders increasingly see an end to years of regulatory crackdowns on technology firms. Other than gains in tech bellwethers such as Alibaba Group Holding Ltd., the broader market also advanced on hopes of more policy stimulus. An index of Chinese companies in Hong Kong is set for the biggest weekly gains since the first week of 2023.

**US stocks notched their fourth straight day of gains on Thursday after another key measure of inflation bolstered bets that the Federal Reserve's most aggressive tightening cycle in decades could be coming to an end.**

The S&P 500 Index climbed 0.9%, topping the 4,500 threshold for the first time since April 2022. Nine of 11 major industry groups finished higher, led higher by the communication services and technology sectors. The tech-heavy Nasdaq 100 Index surged 1.7%, powered by gains in Big Tech from Amazon.com Inc. to Google's parent Alphabet Inc., while the blue-chip Dow Jones Industrial Average ticked up 0.1%.

The benchmark S&P 500 sits less than 6.5% away from its January 2022 peak after key measure of producer prices rose at the slowest pace in nearly three years — a key development that's promising to bolster corporate margins. That came a day after separate data showed US consumer prices made the smallest advance in more than two years. Equities added to gains Thursday on news that Fed Bank of St. Louis President James Bullard — who called for aggressive hikes — resigned.

World Indices	Last	1D Change	YTD
Dow Jones	34 395.1	0.14%	3.76%
S&P 500	4 510.0	0.85%	17.46%
Nasdaq	14 138.6	1.58%	35.08%
Eurostoxx 50	4 391.8	0.72%	15.77%
FTSE 100	7 440.2	0.32%	-0.15%
CAC 40	7 369.8	0.50%	13.84%
DAX	16 141.0	0.74%	15.93%
SMI	11 021.7	0.02%	2.72%
Nikkei	32 450.3	0.10%	24.34%
Hang Seng	19 425.7	0.39%	-1.79%
CSI 300	3 903.2	0.12%	0.81%
VIX Index	13.6	0.52%	-37.19%

World Bonds	Last	1D Change	YTD
US 10Y	3.7773	0.01	-0.098
EUR 10Y	2.4500	-0.09	-0.121
Swiss 10Y	1.0190	-0.06	-0.598
UK 10Y	4.4220	-0.09	0.750

Source: Bloomberg



**Morning Call**  
Geneva, July 14, 2023

## Crypto Corner

**A federal judge ruled that the Ripple Labs Inc. token is a security when sold to institutional investors but not the general public, a long-awaited decision that was widely hailed as a victory for the crypto industry over the SEC.**

US District Judge Analisa Torres in New York on Thursday said that the crypto firm’s sales of its XRP token to sophisticated investors met the test for an investment contract under federal securities law because those buyers “would have understood that Ripple was pitching a speculative value proposition for XRP with potential profits.”

But the judge said that didn’t apply to programmatic investors, meaning the broader public buying crypto on exchanges. She said there was no evidence that such investors could parse the many statements made by Ripple about XRP. The judge said many statements cited by the Securities and Exchange Commission in its suit against Ripple may not have been shared with the broader public.

XRP soared on the ruling, almost doubling to as much as 94 cents Thursday afternoon, with many industry figures and experts highlighting the judge’s ruling on secondary-market crypto sales as win. Whether cryptocurrencies are securities has long been a major question hanging over the industry, which has argued it’s not subject to the jurisdiction of the SEC and other regulators.

SEC spokesperson Scott Schneider said the agency is “pleased that the court found that XRP tokens were offered and sold by Ripple as investment contracts in violation of the securities laws.” The regulator was continuing its review of the decision, he said.

Paul Kisslinger, a former SEC trial attorney now at Lewis Brisbois, said the ruling was a possible blow to the regulator’s jurisdiction because of most of the crypto community were likely retail investors, rather than hedge funds or other institutional investors.

“Judge Torres’s ruling, finding that XRP tokens are a security for institutional sales, but not for public sales, will have a propound impact on cases going forward,” Kisslinger said. “If adopted by other courts, especially appellate courts, this will certainly narrow the SEC’s enforcement jurisdiction involving exchanges.”

The ruling comes as the SEC has aggressively targeted crypto firms for allegedly selling unregistered securities. Earlier on Thursday, the SEC sued Celsius Network Ltd. and its former chief executive officer, Alex Mashinsky, who was also charged with fraud by federal prosecutors in New York. It came down in the middle of a conference in the case the SEC filed last month against crypto currency exchange Coinbase Global Inc.

David Brill, former deputy general counsel of bankrupt crypto broker Voyager Digital, said Torres’s ruling may be a “watershed moment for the classification of digital assets.” He said it boded particularly well for Coinbase.

“It undermines the SEC’s position that tokens sold on Coinbase’s platform were sales of unregistered securities,” Brill said.

The SEC sued San Francisco-based Ripple and top executives in December 2020. It accused the company, co-founder Christian Larsen and Chief Executive Officer Bradley Garlinghouse of misleading investors in XRP by selling more than \$1 billion worth of the tokens without registering them, depriving investors of information about the cryptocurrency and Ripple’s business

The SEC had argued for the application of the so-called Howey test, named after a 1946 Supreme Court ruling, to determine if XRP was a security. Torres applied the Howey test in finding institutional sales of the token fell under securities laws, which the SEC highlighted in its statement on Thursday.

“The court agreed with the SEC that the Howey test governs the securities analysis of crypto transactions and rejected Ripple’s made-up test as to what constitutes an investment contract,” Schneider said.

But Torres also used the Howey test to find XRP sold on exchanges weren’t securities. Under Howey, an investment contract — which would be considered a security — exists if there’s an “investment of money in a common enterprise with a reasonable expectation of profits to be derived from the efforts of others.” She said that didn’t apply to sales of XRP made through exchanges, which were often blind transaction made by trading algorithms.

“This could be a case of the SEC should be careful what it wished for,” said Jeff Blockinger, the former chief counsel for decentralized exchange Vertex Protocol, “meaning that the court agreed with them on a technical interpretation of Howey but also limited Howey’s application to everything under the sun.”

Currency	Last	1D Change	YTD
Bitcoin	31 371.23	-0.05%	89.65%
Ethereum	2 007.63	1.09%	67.35%

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



## Commodity Corner

**Gold headed for its best week since April as investors reinforced bets that the Federal Reserve is approaching an interest-rate peak, after key US data showed inflation slowing.**

Bullion is up almost 2% this week, buoyed by falling Treasury yields and a weaker dollar, with some traders warning about the possibilities of disinflation in the wake of cooler-than-expected US CPI figures on Wednesday. Gold's recent gains mark a turnaround after it lost momentum in June amid successive reports that suggested that price pressures remained elevated.

Still, core US inflation remains above the central bank's 2% target, and swaps traders are almost fully pricing in further tightening in July when the Fed meets later this month. Higher rates are generally negative for non-interest-bearing gold

**Spot gold** was little changed at \$1,960.67 an ounce at 1:29 p.m. in Singapore, near a five-week high. The Bloomberg Dollar Spot Index fell for a sixth day. Silver dipped but remained up nearly 8% for the week, while platinum and palladium slipped

Precious Metals	Last	1D Change	YTD
Gold	1 959.09	-0.07%	7.41%
Silver	24.82	-0.25%	3.63%
Platinum	972.43	-0.47%	-9.48%
Palladium	1 283.68	-0.94%	-28.39%

**Oil headed for a third weekly gain as supply disruptions in Africa and a reduction in shipments from Russia tightened the market.**

West Texas Intermediate futures traded near \$77 a barrel on Friday and are around 4% higher this week. Libya's second-biggest oil field is in the process of shutting due to protests, while there's also a production halt in Nigeria. That follows signs that resilient Russian flows are finally starting to ease.

Crude remains marginally lower this year and the International Energy Agency said Thursday that global demand won't grow as fast as previously expected in 2023, although the agency still sees record demand. The market is expected to tighten in the second half, aided by supply cuts from Saudi Arabia and Russia.

The Organization of Petroleum Exporting Countries expects an even tighter global oil market next year, a view more bullish than other forecasters. World oil consumption will climb by 2.2 million barrels a day to reach 104.3 million a day, OPEC said on Thursday in its first detailed assessment of 2024.

World Commodities	Last	1D Change
WTI Crude	76.99	0.13%
Brent Crude	81.44	0.10%
Nat Gas (HH)	2.55	0.12%
Nickel	21 092.00	-1.90%
Copper	393.35	0.10%
Corn	593.50	7.96%
Wheat	627.50	1.01%
Soybean	1 518.00	1.98%
Coffee	159.35	0.38%
Cotton	82.79	0.34%
Sugar	24.01	0.42%

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

# Morning Call

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## FX Corner

**EUR/USD** picks up bids to refresh a 16-month high above 1.1200 early Friday, rising for the seventh consecutive day to brace for the biggest weekly gain since November 2022. Euro sellers need validation from 1.1180 and mid-tier US/EU data for return.

**GBP/USD** enters a bullish consolidation phase and trades just below the 15-month peak. Bets that the Fed will soon end its rate-hiking cycle undermine the USD and lend support. Expectations for further policy tightening by the BoE also contribute to limiting the slide.

**USD/JPY** is off the two-month lows of 137.25, trading close to 137.50 amid a rebound in the US Treasury bond yields. The downside bias, however, remains intact, in the face of the sustained US Dollar weakness. The Yen continues to draw support from hopes of BoJ's YCC tweak.

**AUD/USD** is challenging monthly highs near 0.6900 early Friday, as markets digest the news that Michele Bullock will be the next RBA Governor. The pair continues to find support from prolonged weakness in the US Dollar, as the dovish Fed's narrative gathers strength. US data awaited.

World Currencies	Last	1D Change
EURUSD	1.1229	0.03%
EURCHF	0.9638	0.03%
EURGBP	0.8561	-0.17%
EURJPY	154.8100	0.12%
USDCHF	0.8583	0.06%
USDJPY	137.8600	0.14%
USDCAD	1.3106	0.03%
USDTRY	26.1179	-0.25%
GBPUSD	1.3116	-0.15%
AUDUSD	0.6884	-0.07%
NZDUSD	0.6393	0.00%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	1.0996	1.1095	1.1161	1.1260	1.1293	1.1392
USDJPY	136.2467	137.2767	137.6633	138.6933	139.3367	140.3667
GBPUSD	1.2768	1.2927	1.3032	1.3191	1.3245	1.3404
USDCAD	1.2954	1.3045	1.3078	1.3169	1.3227	1.3318
AUDUSD	0.6634	0.6745	0.6817	0.6928	0.6967	0.7078
NZDUSD	0.6149	0.6254	0.6324	0.6429	0.6464	0.6569
USDCHF	0.8421	0.8519	0.8554	0.8652	0.8715	0.8813
USDTRY	25.8054	25.9456	25.9994	26.1396	26.2260	26.3662
XAUUSD	1937.650	1948.270	1954.390	1965.010	1969.510	1980.130
XAGUSD	23.0477	23.8345	24.3572	25.1440	25.4081	26.1949

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



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## Event Corner

ECO Economic Calendars

G8 Browse 07:55:04 07/14/23 - 07/14/23

Economic Releases All Economic Releases View Agenda Weekly

Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
07/14	06:30	JN				Industrial Production MoM	May F	--	--	-1.6%	--
07/14	06:30	JN				Industrial Production YoY	May F	--	--	4.7%	--
07/14	06:30	JN				Capacity Utilization MoM	May	--	--	3.0%	--
07/14	08:00	GE				Wholesale Price Index MoM	Jun	--	--	-1.1%	--
07/14	08:00	GE				Wholesale Price Index YoY	Jun	--	--	-2.6%	--
07/14	10:00	IT				Trade Balance Total	May	--	--	318m	--
07/14	10:00	IT				Trade Balance EU	May	--	--	-921m	--
07/14	10:00	RU				Money Supply Narrow Def	Jul 7	--	--	18.00t	--
07/14	10:30	IT				General Government Debt	May	--	--	2811.6b	--
07/14	11:00	EC				Trade Balance SA	May	--	--	-7.1b	--
07/14	11:00	EC				Trade Balance NSA	May	--	--	-11.7b	--
07/14	14:30	CA				Manufacturing Sales MoM	May	0.8%	--	0.3%	--
07/14	14:30	US				Import Price Index MoM	Jun	-0.1%	--	-0.6%	--
07/14	14:30	US				Import Price Index ex Petroleum MoM	Jun	-0.2%	--	-0.2%	--
07/14	14:30	US				Import Price Index YoY	Jun	-6.1%	--	-5.9%	--
07/14	14:30	US				Export Price Index MoM	Jun	-0.1%	--	-1.9%	--
07/14	14:30	US				Export Price Index YoY	Jun	-11.0%	--	-10.1%	--
07/14	15:00	CA				Existing Home Sales MoM	Jun	--	--	5.1%	--
07/14	16:00	US				U. of Mich. Sentiment	Jul P	65.5	--	64.4	--
07/14	16:00	US				U. of Mich. Current Conditions	Jul P	--	--	69.0	--
07/14	16:00	US				U. of Mich. Expectations	Jul P	--	--	61.5	--
07/14	16:00	US				U. of Mich. 1 Yr Inflation	Jul P	3.1%	--	3.3%	--
07/14	16:00	US				U. of Mich. 5-10 Yr Inflation	Jul P	3.0%	--	3.0%	--

Source: Refinitiv

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