

Market Corner

Wall Street ended sharply higher on Tuesday, as signs of de-escalating tensions along the Russia-Ukraine border sparked a risk-on session.

All three major indexes notched solid advances on the day, with market leading tech and tech-adjacent stocks providing the biggest boost and putting the Nasdaq, which gained 2.5%, out front.

The Philadelphia SE Semiconductor index jumped 5.5% in its largest one-day percentage gain since March 2021.

Geopolitical heat was turned down a notch after Russia said it had withdrawn some of its troops near the Ukraine border, prompting bullish equities sentiment and causing crude prices to slide on easing supply concerns.

The announcement received guarded responses, and the United States and NATO said they had yet to see evidence of a drawdown.

Stocks briefly pared gains late in the session, when U.S. President Joe Biden said that while diplomatic efforts are ongoing.

The CBOE market volatility index backed down from a three-week high.

On the economic front, a report from the Labor Department showed producer prices surged in January at twice the expected rate, reinforcing economist expectations that the Federal Reserve will take on stubbornly persistent inflation by aggressively hiking key interest rates.

<u>US 10Y Govt Bond</u>		<u>Net Change</u>
Price	Yield	
98.5313	2.0382	0.06
<u>EU 10Y Govt Bond</u>		<u>Net Change</u>
Price	Yield	
96.9900	0.3060	0.05
<u>Indices</u>		<u>% Change</u>
Euro Stoxx 50	4 143.71	1.95
CAC40	6 979.97	1.86
FTSE	7 608.92	1.03
DAX	15 412.71	1.98
SMI	12 181.86	1.29
Dow Jones	34 988.84	1.22
S&P500	4 471.07	1.58
Nasdaq Comp.	14 139.76	2.53
VIX (Volatility Index)	25.70	-9.28

Source: Refinitiv / Bloomberg



Morning Call

Geneva, February 16, 2022

Crypto Corner

ETH/USD traded higher yesterday, after it hit support slightly above the 2800 barrier, near the crossroads of the downside line taken from the peak of December 1st and the upside one drawn from the low of January 24th. As long as the crypto is trading above both those lines, we would consider the short-term outlook to be positive.

A clear break above the 3135 barrier could initially aim for the peak of February 10th, at 3265, where a break would confirm a forthcoming higher high and allow a test at the 3405 barrier, marked by the high of January 12th. Another break, above 3405, could carry larger bullish implications, perhaps setting the stage for advances towards the 3665 barrier, marked by the inside swing low of January 3rd. If the bulls are still willing to stay in the driver's seat, we could see them climbing towards the peak of January 4th, at 3880.

Shifting attention to our short-term oscillators, we see that the RSI lies above 50, pointing up, while the MACD, although slightly negative, runs above its trigger line, and appears ready to obtain a positive sign very soon. Both indicators detect upside speed and support the notion for further advances in Ethereum.

In order to abandon the bullish case and start examining whether the bears are back in control, we would like to see a clear dip below 2577. This will take the crypto below both the aforementioned diagonal lines and may initially target the 2352 zone, which provided support on January 27th and 28th. Another break, below 2352, could extend the fall towards the low of January 24th, at 2150.

Crypto Market Cap: **\$1.98T**

24h Vol: **\$75.8B**

Dominance: **BTC: 42.0% ETH: 18.9%**

Bitcoin		44 084.07
Support	Resistance	
41 318.34	46 039.10	
38 866.40	48 307.92	
Circulating Supply (BTC)		
		18 959 687.00
Market Cap		
\$		836 251 978 158.00

Ethereum		3 136.99
Support	Resistance	
2 823.41	3 277.28	
2 599.79	3 507.53	
Circulating Supply (ETH)		
		119 600 381.00
Market Cap		
\$		375 487 735 185.00

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Bitcoin / U.S. Dollar, 1D, BITSTAMP O44590.75 H44590.75 L43718.58 C44106.50 -475.98 (-1.07%)
Vol 189



Source: Refinitiv / fxstreet.com / Bloomberg/Coinmarketcap.com/TradeView.com



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Commodity Corner

Gold was flat on Wednesday after hitting an eight-month high in volatile trade last session, as easing Russia-Ukraine tensions countered support from weaker bond yields.

Spot gold was little changed at \$1,853.53 per ounce, as of 06:05 GMT. Gold prices touched their highest level since June last year on Tuesday, before reversing course to close almost 1% lower.

Silver rose 0.3% to \$23.40 per ounce.

Platinum was flat at \$1,025.43.

Palladium climbed 1.5% to \$2,280.51.

Oil prices steadied on Wednesday after retreating more than 3% in the previous session as investors gauged the impact of easing Russia-Ukraine tension against a taut balance between tight global supplies and recovering fuel demand.

Brent traded at \$93.19 a barrel at 02:53 GMT, down 10 cents, having slid 3.3% overnight after Russia announced a partial pullback of its troops near Ukraine, yet to be verified by the United States.

U.S. West Texas Intermediate (WTI) crude also held steady and last traded at \$92.13 at 0247GMT, after the contract ended Tuesday's session down 3.6%. Both benchmarks had hit their highest since September 2014 on Monday, with Brent touching \$96.78 and WTI reaching \$95.82.

The price of Brent jumped 50% in 2021, while WTI soared about 60%, as a global recovery in demand from the COVID-19 pandemic strained supply. On Tuesday, the Russian defense ministry published footage to show it was returning some troops to base after exercises, a move that triggered profit-taking in oil as well as a rebound in the Wall Street and European stock markets.

<u>Gold</u>	1855.65
Support	Resistance
1838	1930
1767	1950

<u>Silver</u>	23.39
Support	Resistance
22.93	24.96
21.44	25.50

<u>Oil - WTI</u>	92.34
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<u>Nat Gas (HH)</u>	4.4750
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<u>Copper</u>	4.5325
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<u>Baltic Dry Ind.</u>	1968.00
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<u>Corn</u>	641.00
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<u>Wheat</u>	786.00
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<u>Soybean</u>	1560.50
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<u>Arabica Coffee</u>	251.75
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<u>Cotton</u>	120.41
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<u>Sugar</u>	18.07
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Source: Refinitiv / fxstreet.com / Bloomberg



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FX Corner

The euro's rally from the previous day petered out in Asia on Wednesday, though it held its overnight gains, as optimism after reports that some Russian forces had moved away from the Ukraine border, was tempered by news of a cyber attack.

Also putting a floor under the dollar were long-standing expectations that the Federal Reserve will begin an aggressive programme of interest rate hikes in its March meeting. The Russian defense ministry on Tuesday published footage to demonstrate it was returning some troops to base after exercises, however, U.S. President Joe Biden later said the United States had not verified the move.

In addition, hours after Moscow's announcement, Ukraine said the online networks of its defense ministry and two banks were overwhelmed by a cyber attack.

The euro was marginally softer at \$1.1347 having jumped 0.45% the day before.

The Australian dollar, typically seen as sensitive to risk sentiment, echoed the euro, rising 0.37% on Tuesday before steadying, and was little changed on Wednesday at \$0.7155.

By contrast, **the safe haven yen** softened slightly and was last at 115.67 per dollar, having briefly touched 114.99 on Monday, when tensions were higher.

Overall, **the dollar index** which measures the greenback against six major peers, steadied after Tuesday's losses and was at 96.03.

The Fed is poised to raise interest rates at its March meeting, likely kicking off a fairly swift programme of hikes, also supporting U.S. benchmark bond yields.

The yield on 10-year Treasury notes was last 2.0329%, back near its two year high after dipping below 2% this week as tensions rose.

The dollar and U.S. rates could move later in the day after minutes of the Fed's February policy meeting are released. Investors are looking to see whether the possibility of a 50-basis point rate hike was discussed. This week, Fed officials have been publicly sparring over how aggressively to begin raising rates at their March meeting, with St. Louis Fed President James Bullard on Monday reiterating calls for a faster pace of Fed rate hikes.

Rate hikes are also supporting **the British pound**, which was at \$1.3543

EURUSD	1.1359
Support	Resistance
1.1188	1.1418
1.1111	1.1571
1.1035	1.1725

GBPUSD	1.3553
Support	Resistance
1.3412	1.3572
1.3368	1.3688
1.3323	1.3803

AUDUSD	0.7168
Support	Resistance
0.7023	0.7222
0.6936	0.7334
0.6850	0.7447

EURCHF	1.051
Support	Resistance
1.0376	1.0613
1.0257	1.0731
1.0138	1.0849

USDJPY	115.6300
Support	Resistance
114.82	117.01
113.39	117.77
111.95	118.52

USDCAD	1.271
Support	Resistance
1.2672	1.2825
1.2576	1.2882
1.2481	1.2940

USDCHF	0.9251
Support	Resistance
0.9204	0.9326
0.9129	0.9373
0.9053	0.9419

EURJPY	131.3700
Support	Resistance
129.00	133.12
126.96	135.20
124.91	137.27

USDTRY	13.6148
Support	Resistance
13.4770	14.0218
13.0331	14.1227
12.5892	14.2236

Source: Refinitiv / fxstreet.com / Bloomberg

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Event Corner

Date	Time	Country/Region	Indicator Name	Period	Reuters Poll	Actual	Prior	SmartEstimate®	Predicted Surprise
16 févr 2022	08:00	United Kingdom	CPI MM	Jan	-0.2%		0.5%	-0.20%	0.00%
16 févr 2022	08:00	United Kingdom	CPI YY	Jan	5.4%		5.4%	5.40%	0.00%
16 févr 2022	08:00	United Kingdom	RPI MM	Jan	-0.4%		1.1%	-0.31%	0.09%
16 févr 2022	08:00	United Kingdom	RPI YY	Jan	7.5%		7.5%	7.50%	0.00%
16 févr 2022	08:00	United Kingdom	RPIX YY	Jan				7.7%	
16 févr 2022	08:00	United Kingdom	PPI Input Prices MM NSA	Jan	0.9%		-0.2%	1.08%	0.18%
16 févr 2022	08:00	United Kingdom	PPI Input Prices YY NSA	Jan	13.1%		13.5%	13.18%	0.08%
16 févr 2022	08:00	United Kingdom	PPI Output Prices MM NSA	Jan	0.6%		0.3%	0.57%	-0.03%
16 févr 2022	08:00	United Kingdom	PPI Output Prices YY NSA	Jan	9.1%		9.3%	9.17%	0.07%
16 févr 2022	08:00	United Kingdom	PPI Core Output MM NSA	Jan				0.5%	
16 févr 2022	08:00	United Kingdom	PPI Core Output YY NSA	Jan				8.7%	
16 févr 2022	14:30	United States	Import Prices MM	Jan	1.3%		-0.2%	1.23%	-0.07%
16 févr 2022	14:30	Canada	CPI Inflation MM	Jan	0.6%		-0.1%	0.60%	0.00%
16 févr 2022	14:30	Canada	CPI Inflation YY	Jan	4.8%		4.8%	4.85%	0.05%
16 févr 2022	14:30	Canada	CPI BoC Core YY	Jan				4.0%	
16 févr 2022	14:30	Canada	CPI BoC Core MM	Jan				0.0%	
16 févr 2022	14:30	Canada	Manufacturing Sales MM	Dec	0.6%		2.6%	0.72%	0.12%
16 févr 2022	14:30	United States	Retail Sales MM	Jan	2.0%		-1.9%	2.23%	0.23%
16 févr 2022	14:30	United States	Retail Sales Ex-Autos MM	Jan	0.8%		-2.3%	0.93%	0.13%
16 févr 2022	14:30	United States	Retail Control	Jan	1.0%		-3.1%	1.34%	0.34%
16 févr 2022	14:30	Canada	Wholesale Trade MM	Dec	0.0%		3.5%	0.43%	0.43%
16 févr 2022	15:15	United States	Industrial Production MM	Jan	0.4%		-0.1%	0.44%	0.04%
16 févr 2022	15:15	United States	Capacity Utilization SA	Jan	76.8%		76.5%	76.78%	-0.02%
16 févr 2022	16:00	United States	Business Inventories MM	Dec	2.1%		1.3%	2.09%	-0.01%
16 févr 2022	16:00	United States	NAHB Housing Market Indx	Feb	83		83	82.3	-0.7

Source: Refinitiv

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