



Morning Call

Geneva, February 21, 2022

Market Corner

Asian share markets pared losses and Wall St futures rallied on Monday as a glimmer of hope emerged for a diplomatic solution to the Russian-Ukraine standoff, though there remained plenty of devil in the detail. A bleak start was brightened by news U.S. President Joe Biden and Russian President Vladimir Putin have agreed in principle to hold a summit on the Ukraine crisis.

One condition for the summit was that Putin did not invade Ukraine, a turn of events that still seemed possible given Russia extended military drills in Belarus and continued to build up troops on the Ukraine border.

Indeed, the White House again warned Russia was continuing preparations for a full-scale assault on Ukraine very soon. In a reminder of the stakes, Reuters reported Biden had prepared a package of sanctions that includes barring U.S. financial institutions from processing transactions for major Russian banks.

Just the chance of a peaceful solution was enough for **S&P 500 stock futures** to erase early losses and rise 0.4%.

Nasdaq futures edged up 0.2%, having been down more than 1%. U.S. markets are on vacation, but futures still traded. Likewise, **EUROSTOXX 50 futures** turned 0.3% higher, and **FTSE future** swung back to flat.

MSCI's broadest index of Asia-Pacific shares outside Japan pared their losses to be off 0.4%, while **Japan's Nikkei** halved its drop to be down 0.8%.

Also troubling markets has been the prospect of an aggressive tightening by the U.S. Federal Reserve as inflation runs rampant. The Fed's favored measure of core inflation is due out later this week and is forecast to show an annual rise of 5.1% - the fastest pace since the early 1980s.

<u>US 10Y Govt Bond</u>		<u>Net Change</u>
Price	Yield	
99.5313	1.9268	0.00
<u>EU 10Y Govt Bond</u>		<u>Net Change</u>
Price	Yield	
98.0950	0.1930	0.13
<u>Indices</u>		<u>% Change</u>
Euro Stoxx 50	4 074.28	-0.95
CAC40	6 929.63	-0.25
FTSE	7 513.62	-0.32
DAX	15 042.51	-1.47
SMI	12 010.09	-0.54
Dow Jones	34 079.18	-0.68
S&P500	4 348.87	-0.72
Nasdaq Comp.	13 548.07	-1.23
VIX (Volatility Index)	27.75	-1.28

Source: Refinitiv / Bloomberg



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Crypto Corner

Bitcoin (BTC) price has had a rough week as global markets turmoil saw the main drivers come from geopolitical tension in Ukraine and the unclear message the Fed has delivered to markets in its Fed minutes. As markets are propped on some excellent news out of Russia or Ukraine, expect investors to shake any nervousness off and get set for a solid week of gains next week, with tailwinds for Bitcoin price action to steam ahead to \$50,000.

As markets focused merely on Russia and the Fed minutes, a small headline was made this week on Biden set to publish a regulatory framework for cryptocurrencies. Of course, the initial reaction is that any regulation would limit upside and trigger a broad sell-off in the crypto space. But looking beyond the headline, this offers good news for Bitcoin and its peers as it will take quite some nervousness away and should see more investor flow and funds joining in for the long run as the future path of cryptocurrencies will become more transparent and legal.

As investors will look beyond the Fed minutes and will see the legal framework from Biden as a positive element, expect to see BTC price to be funded at the monthly pivot around \$39,880. Expect a quick bounce and test back to \$44,088. From there, it will be a straight cut next week towards the week to hit \$48,760-\$50,020 with the 200-day Simple Moving Average (SMA) in between.

As with the upside, there could be a downside as well. As Russia already laid out a path where only citizens could hold Bitcoin, but it would be illegal to mine at, a similar framework in the US would be a considerable setback to some big tech firms and local miners in the states. That would see BTC collapse against the monthly pivot at \$39,880. A break below it would see a nosedive sell-off towards \$36,709.

Crypto Market Cap: [\\$1.78T](#)

24h Vol: [\\$68.1B](#)

Dominance: [BTC: 41.6%](#) [ETH: 18.4%](#)

Bitcoin		39 114.44
Support	Resistance	
32 815.31	39 632.04	
31 980.96	45 614.42	
Circulating Supply (BTC)		
		18 964 218.00
Market Cap		
		\$ 743 977 180 886.00

Ethereum		2 736.42
Support	Resistance	
2 143.92	2 744.42	
2 070.74	3 271.74	
Circulating Supply (ETH)		
		119 668 166.00
Market Cap		
		\$ 328 152 993 073.00



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



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Commodity Corner

Gold eased after hitting a more than eight-month high on Monday, as a plan for the U.S. and Russian presidents to hold a summit on the Ukraine crisis dented safe-haven demand, while looming Federal Reserve rate hikes further pressured the metal.

Spot gold fell 0.3% to \$1,891.33 per ounce by 05:14 GMT, retreating from a session peak of \$1,908.02 - its highest since June 3.

Spot silver fell 0.9% to \$23.75 per ounce.

Platinum rose 0.2% to \$1,069.87.

Auto-catalyst metal palladium dipped 1.6% to \$2,308.23.

Oil prices calmed down after fluctuating initially on Monday, as investors eyed contrasting scenarios of tighter Russian energy supplies due to the Ukraine crisis and more crude coming to the market on a possible nuclear deal between Iran and world powers.

Brent crude futures and **U.S. West Texas Intermediate (WTI) crude** rose more than \$1 a barrel at the start of Asian trade and subsequently swung to nearly \$1 loss on news of a possible summit between the United States and Russia.

The office of French President Emmanuel Macron said in a statement on Monday that U.S. President Joe Biden and Russian President Vladimir Putin have agreed in principle to a summit over Ukraine.

Brent crude futures were at \$93.39 a barrel at 04:45 GMT, down 15 cents or 0.2%, after earlier touching \$95, while **U.S. West Texas Intermediate (WTI) crude futures** had climbed 7 cents to \$91.14 a barrel, off an earlier high of \$92.93. U.S. markets will be closed on Monday for the Presidents Day holiday.

Oil markets have been jittery over the past month on worries a Russian invasion of its neighbor could disrupt crude supplies, but price gains have been limited by the possibility of more than 1 million barrels a day of Iranian crude returning to the market.

<u>Gold</u>	1887.86
Support	Resistance
1888	1984
1799	1991

<u>Silver</u>	23.71
Support	Resistance
23.72	25.35
22.26	25.52

<u>Oil - WTI</u>	91.10
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<u>Nat Gas (HH)</u>	4.6240
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<u>Copper</u>	4.5220
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<u>Baltic Dry Ind.</u>	1964.00
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<u>Corn</u>	654.25
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<u>Wheat</u>	797.00
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<u>Soybean</u>	1601.50
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<u>Arabica Coffee</u>	245.65
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<u>Cotton</u>	121.04
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<u>Sugar</u>	18.18
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Source: Refinitiv / fxtreet.com / Bloomberg



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FX Corner

The euro rallied on Monday, taking heart from news of a possible meeting between U.S. President Joe Biden and Russian President Vladimir Putin to discuss the crisis in Ukraine. Many details remain unclear, but the office of French President Emmanuel Macron said the two leaders had agreed in principle to a summit on "security and strategic stability in Europe."

The White House said in a statement that Biden had accepted the meeting "in principle" but only "if an invasion hasn't happened."

The euro climbed 0.35% higher to \$1.1362 after it lost some ground in early trade.

The risk-friendly Australian dollar gained 0.55%.

The yen in contrast gave up most of its early gains to trade at 114.97 yen per dollar.

Like the Swiss franc, the safe-haven Japanese currency has benefited from the tensions spurred by Russia's military build-up on Ukraine's borders.

Sterling gained 0.19% to \$1.3623 ahead of the release of PMI data which will give an indication of the impact of the Omicron strain of COVID-19 on the British economy.

The dollar index, which measures the greenback against six peers, fell 0.28%. Currency markets participants are also focused on central bank policy, seeking clues on the speed and size of interest rate hikes in major markets.

Markets will be closely watching remarks from U.S. Federal Reserve policy makers this week for any hint that an expected rate hike at the Fed's March meeting could veer more towards to 50 basis points instead of the current consensus for a 25-basis point increase.

Public remarks are also due from several BOE policy makers.

EURUSD	1.1372
Support	Resistance
1.1178	1.1395
1.1120	1.1554
1.1061	1.1712

GBPUSD	1.3627
Support	Resistance
1.3558	1.3718
1.3441	1.3761
1.3323	1.3803

AUDUSD	0.7220
Support	Resistance
0.7127	0.7312
0.7003	0.7373
0.6878	0.7433

EURCHF	1.0466
Support	Resistance
1.0276	1.0465
1.0255	1.0633
1.0234	1.0801

USDJPY	115.0000
Support	Resistance
113.72	115.27
113.47	116.57
113.23	117.88

USDCAD	1.2723
Support	Resistance
1.2670	1.2819
1.2578	1.2876
1.2485	1.2932

USDCHF	0.9201
Support	Resistance
0.9118	0.9229
0.9097	0.9319
0.9075	0.9408

EURJPY	130.8100
Support	Resistance
127.82	130.94
127.36	133.60
126.91	136.27

USDTRY	13.6120
Support	Resistance
13.5170	13.9068
13.2081	13.9877
12.8992	14.0686

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
21 févr 2022	01:30	Japan	JibunBK Mfg PMI Flash SA	Feb				55.4	
21 févr 2022	08:00	Germany	Producer Prices MM	Jan				5.0%	
21 févr 2022	08:00	Germany	Producer Prices YY	Jan				24.2%	
21 févr 2022	09:15	France	Markit Mfg Flash PMI	Feb				55.5	
21 févr 2022	09:15	France	Markit Serv Flash PMI	Feb				53.1	
21 févr 2022	09:15	France	Markit Comp Flash PMI	Feb				52.7	
21 févr 2022	09:30	Germany	Markit Mfg Flash PMI	Feb				59.8	
21 févr 2022	09:30	Germany	Markit Service Flash PMI	Feb				52.2	
21 févr 2022	09:30	Germany	Markit Comp Flash PMI	Feb				53.8	
21 févr 2022	10:30	United Kingdom	Flash Composite PMI	Feb				54.2	
21 févr 2022	10:30	United Kingdom	Flash Manufacturing PMI	Feb				57.3	
21 févr 2022	10:30	United Kingdom	Flash Services PMI	Feb				54.1	

Source: Refinitiv

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