

Market Corner

Stocks in Asia fluctuated Thursday as investors weighed signs of gradual improvement in China's economy amid ongoing concerns about a US recession from monetary tightening.

Stocks fell in Japan and rose in China, while Hong Kong was steady. The dollar dropped and Asian currencies rebounded after China data showed a strong pickup in services spending as Covid outbreaks and restrictions were gradually eased.

US futures pared declines after the S&P 500 and the Nasdaq 100 ended little changed in choppy trading amid end-of-quarter portfolio rebalancing. European futures were lower.

Treasury yields edged higher. They had dropped earlier as traders upped their bets on a recession eventually halting the Federal Reserve's aggressive tightening campaign.

Oil bounced around \$110 a barrel as demand worries persisted.

Fed Chair Jerome Powell and his counterparts in Europe and the UK warned inflation is going to be longer lasting as they gathered at the European Central Bank's annual forum in Portugal.

A view that central banks misjudged inflation has roiled financial markets this year, with global stocks about to close out their worst quarter since the three months ended March 2020.

Tom Kennedy, JPMorgan Global Wealth Management chief investment strategist, says investors are trying to hand off from inflation worries to growth worries.

Fed Bank of Cleveland President Loretta Mester said officials must not be complacent about increases in long-term inflation expectations and should act forcefully to curb price pressures. Mester later told CNBC that the Fed is "just at the beginning" of raising rates and she wants to see the benchmark lending rate reach 3% to 3.5% this year and "a little bit above 4% next year" even if that tips the economy into a recession.

<u>World Indices</u>	<u>Last</u>	<u>1D Change</u>
<u>Dow Jones</u>	31 029,31	0,27%
<u>S&P 500</u>	3 818,83	-0,07%
<u>Nasdaq</u>	11 177,89	-0,03%
<u>Eurostoxx 50</u>	3 514,32	-0,99%
<u>FTSE 100</u>	7 312,32	-0,15%
<u>CAC 40</u>	6 031,48	-0,90%
<u>DAX</u>	13 003,35	-1,73%
<u>SMI</u>	10 811,75	0,02%
<u>Nikkei</u>	26 339,71	-1,73%
<u>Hang Seng</u>	21 942,06	-0,25%
<u>CSI 300</u>	4 507,60	1,95%
<u>VIX Index</u>	28,16	-0,71%

<u>World Bonds</u>	<u>Last</u>	<u>1D Change</u>
<u>US 10Y</u>	3,0985	0,30%
<u>EUR 10Y</u>	1,5190	-6,70%
<u>Swiss 10Y</u>	1,2400	-10,86%
<u>UK 10Y</u>	2,39	-3,25%

Source: Bloomberg



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Crypto Corner

Bitcoin is on track for its worst quarter in more than a decade, as more hawkish central banks and a string of high-profile crypto blowups hammer sentiment.

The 56% drawdown in the biggest cryptocurrency is the largest since the third quarter of 2011, when Bitcoin was still in its infancy, data compiled by Bloomberg show.

The decade in between those hallmarks saw several booms and busts, with cryptocurrencies' market value swelling as they gained more widespread adoption and ultra-low interest rates spurred risk taking. But the current bear market stands out for the amount of crypto leverage that's been unwound — and for the regulatory scrutiny being heaped on an asset class many central banks now consider a threat to financial stability.

Bitcoin slipped 1% to trade just below the \$20,000 level on Thursday morning in London. Several altcoins did worse, with Solana and Polygon falling around 6%.

The drumbeat of bad news adds up to a stinging rebuke of the crypto ethos of unbridled speculation and free-wheeling innovation: A token that was supposed to be pegged to the US dollar collapsed, almost instantly erasing roughly \$40 billion of market value. Several crypto lenders were forced to halt withdrawals, leaving depositors in the lurch. And most recently, a prominent crypto hedge fund was ordered into liquidation after running up unsustainable leverage to fuel its bets.

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Crypto	Last	1D Change
Bitcoin	20 000,72	-0,98%
Ethereum	1 090,49	-1,60%

Crypto Market Cap: **\$889B**

24h Vol: **\$61,7B**

Dominance: **BTC: 42,9% ETH: 14,9%**



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

Commodity Corner

Gold headed for a third straight monthly decline as investors weighed rising interest rates against recession fears, with central bankers warning of a longer-lasting inflation shock.

Federal Reserve Chair Jerome Powell and his European counterparts may be forced to tear up their playbook of the last 20 years as they debate how to tackle persistent price pressures and slower growth. Speaking at the European Central Bank's annual forum Wednesday, President Christine Lagarde said it's unlikely that the world will soon go back to a low-inflation environment as a result of the pandemic and geopolitics.

This could portend even more aggressive policy tightening than expected. Fed Bank of Cleveland President Loretta Mester told CNBC Wednesday that the US central bank is "just at the beginning" of raising rates and she wants to see the benchmark lending rate reach 3% to 3.5% this year and "a little bit above 4% next year," even if that tips the economy into a recession.

Spot gold edged lower to \$1,816.27 an ounce as of 6:10 a.m. in London and is down 1.2% in June. The Bloomberg Dollar Spot Index slipped 0.1% following a 0.5% gain in the previous session. Silver was steady, while platinum advanced. Palladium extended gains after the UK sanctioned Vladimir Potanin, a major shareholder in top Russian miner MMC Norilsk Nickel PJSC.

Precious Metals		Last	1D Change
<u>Gold</u>		1 816,43	-0,07%
<u>Silver</u>		20,76	0,08%
<u>Platinum</u>		924,15	0,54%
<u>Palladium</u>		1 982,93	0,84%

Oil is heading for the first monthly decline since November as OPEC+ ministers prepare to gather to discuss the group's supply policy.

West Texas Intermediate futures traded near \$110 a barrel after closing almost 2% lower on Wednesday. Escalating fears over an economic slowdown as central banks aggressively raise interest rates to combat surging inflation have dented oil this month. That's overshadowed rapidly tightening energy markets.

OPEC+ is expected to rubber-stamp a modest increase in supply for August, but the group has struggled to meet its production targets this year. The US has repeatedly called on the cartel to pump more, and President Joe Biden is set to visit the Middle East next month as he seeks to tame surging fuel prices.

World Commodities		Last	1D Change
<u>WTI Crude</u>		110,06	0,26%
<u>Brent Crude</u>		116,05	-0,18%
<u>Nat Gas (HH)</u>		6,49	-0,15%
<u>Nickel</u>		23 746,00	2,71%
<u>Copper</u>		375,70	-0,58%
<u>Corn</u>		768,50	-0,23%
<u>Wheat</u>		914,25	-0,14%
<u>Soybean</u>		1 675,00	0,04%
<u>Coffee</u>		232,65	4,84%
<u>Cotton</u>		104,28	4,16%
<u>Sugar</u>		18,55	0,11%

Source: fxstreet.com / Bloomberg

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FX Corner

EUR/USD is trading above 1.0450, displaying a modest rebound on a minor pullback in the US dollar. The US Treasury yields rebound amid cautious optimism, ahead of PCE inflation. The US Core PCE Price Index is seen easing to 4.7% YoY in May.

GBP/USD is advancing towards 1.2150 amid a broad US dollar retreat, despite a mixed market mood. BOE's Bailey said the UK economy is facing a very large real income shock. UK data and US PCE inflation awaited.

USD/JPY is consolidating the recent gains above 136.50, as the US dollar bulls take a breather amid a mixed market mood and firmer Treasury yields. Investors turn cautious ahead of the all-important US PCE inflation.

AUD/USD is testing 0.6900, finding support from the expansion reported in the Chinese NBS PMIs. The US dollar pulls back amid a mixed market mood, awaiting the critical US PCE inflation.

World Currencies	Last	1D Change
<u>EURUSD</u>	1,0456	0,13%
<u>EURCHF</u>	0,9975	-0,04%
<u>EURGBP</u>	0,8607	0,10%
<u>EURJPY</u>	142,56	0,05%
<u>USDCHF</u>	0,9540	0,10%
<u>USDJPY</u>	136,34	0,18%
<u>USDCAD</u>	1,2897	-0,03%
<u>USDTRY</u>	16,68	-0,28%
<u>GBPUSD</u>	1,2148	0,20%
<u>AUDUSD</u>	0,6891	0,16%
<u>NZDUSD</u>	0,6216	-0,08%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	1.0269	1.0370	1.0406	1.0507	1.0572	1.0673
USDJPY	134.04	135.25	135.92	137.13	137.67	138.88
GBPUSD	1.1934	1.2041	1.2082	1.2189	1.2255	1.2362
USDCAD	1.2767	1.2823	1.2858	1.2914	1.2935	1.2991
AUDUSD	0.6771	0.6829	0.6855	0.6913	0.6945	0.7003
NZDUSD	0.6119	0.6174	0.6197	0.6252	0.6284	0.6339
USDCHF	0.9375	0.9458	0.9504	0.9587	0.9624	0.9707
USDTRY	16.3343	16.4842	16.5586	16.7085	16.7840	16.9339
XAUUSD	1779.66	1800.34	1809.03	1829.71	1841.70	1862.38
XAGUSD	19.9524	20.3823	20.5631	20.9930	21.2421	21.6720

Source: Refinitiv / fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars Options

ECO Calendars View Alerts Export

G8 Browse 08:05:33 06/30/22 - 06/30/22

Economic Releases All Economic Releases View Agenda Weekly

Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
06/30	08:45	FR				CPI MoM	Jun P	0.7%	--	0.7%	--
06/30	08:45	FR				CPI YoY	Jun P	5.7%	--	5.2%	--
06/30	08:45	FR				PPI MoM	May	--	--	0.0%	--
06/30	08:45	FR				PPI YoY	May	--	--	27.8%	--
06/30	08:45	FR				Consumer Spending MoM	May	0.2%	--	-0.4%	--
06/30	08:45	FR				Consumer Spending YoY	May	-3.6%	--	7.2%	--
06/30	09:55	GE				Unemployment Change (000's)	Jun	-5.0k	--	-4.0k	--
06/30	09:55	GE				Unemployment Claims Rate SA	Jun	5.0%	--	5.0%	--
06/30	10:00	IT				Unemployment Rate	May	8.4%	--	8.4%	--
06/30	11:00	EC				Unemployment Rate	May	6.8%	--	6.8%	--
06/30	11:00	IT				PPI MoM	May	--	--	-0.3%	--
06/30	11:00	IT				PPI YoY	May	--	--	44.1%	--
06/30	13:00	CA				CFIB Business Barometer	Jun	--	--	61.6	--
06/30	14:30	CA				GDP MoM	Apr	0.3%	--	0.7%	--
06/30	14:30	CA				GDP YoY	Apr	4.9%	--	3.5%	--
06/30	14:30	US				Personal Income	May	0.5%	--	0.4%	--
06/30	14:30	US				Personal Spending	May	0.4%	--	0.9%	--
06/30	14:30	US				Initial Jobless Claims	Jun 25	229k	--	229k	--
06/30	14:30	US				Real Personal Spending	May	-0.3%	--	0.7%	--
06/30	14:30	US				Continuing Claims	Jun 18	1318k	--	1315k	--
06/30	14:30	US				PCE Deflator MoM	May	0.7%	--	0.2%	--
06/30	14:30	US				PCE Deflator YoY	May	6.4%	--	6.3%	--
06/30	14:30	US				PCE Core Deflator MoM	May	0.4%	--	0.3%	--
06/30	14:30	US				PCE Core Deflator YoY	May	4.8%	--	4.9%	--
06/30	15:00	RU				Current Account Balance	1Q F	--	--	58200m	--
06/30	15:00	RU				Gold and Forex Reserve	Jun 24	--	--	582.3b	--
06/30	15:45	US				MNI Chicago PMI	Jun	58.0	--	60.3	--

Source: Refinitiv

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