

Market Corner

Asian stocks retreated as investors braced for a hawkish stance by US officials at the upcoming Jackson Hole symposium.

The MSCI Asia Pacific Index declined as much as 0.7%, with the region's tech giants TSMC and Samsung Electronics dragging down the measure the most. Benchmarks in tech-heavy Taiwan and South Korea fell about 1%, while China and Hong Kong equities posted gains.

Jerome Powell's Friday speech at the central bankers' gathering will be the highlight of the week, with markets expecting the Fed chair to reaffirm his determination to get inflation under control. Traders are already paring back risky bets after Richmond Fed President Thomas Barkin said Friday that the central bank was resolved to curb red-hot inflation even at the risk of a recession.

US stocks drop at the open Friday on concerns that the Federal Reserve will maintain its stance on fighting inflation with aggressive rate hikes, leading to an economic slowdown.

The S&P 500 Index down 0.6% at 9:35 a.m. in New York, on pace to close lower for the week and snap its four-week long winning streak. Nine of the 11 major industry groups fell, with financials and information technology sectors leading the declines. The tech-heavy Nasdaq 100 Index fell 0.9%, and the Dow Jones Industrial Average was down 0.4%.

"Stocks look to take a pause after the significant run-up from the June lows and consolidate recent gains," said Ivan Feinseth, chief market strategist of Tigress Financial.

Concerns piled up after St. Louis Fed's James Bullard in an interview said he was considering supporting another large rate rise at the bank's policy meeting next month. Kansas City's Esther George struck a more cautious tone. Traders are also closely watching Friday's \$2 trillion options expiration that may inject more volatility in the markets.

It has been a week of choppy trading amid low volumes, with the market repeatedly struggling for direction through the course of any given day, only to end the session with a small change on the record. Friday's big drop, if it holds, will tip the week over to the negative territory, halting the stellar streak of weekly gains for the index and marking the first weekly loss since mid-July.

World Indices	Last	1D Change
<u>Dow Jones</u>	33 706,74	-0,86%
<u>S&P 500</u>	4 228,48	-1,29%
<u>Nasdaq</u>	12 705,21	-2,01%
<u>Eurostoxx 50</u>	3 730,32	-1,25%
<u>FTSE 100</u>	7 550,37	0,11%
<u>CAC 40</u>	6 495,83	-0,94%
<u>DAX</u>	13 544,52	-1,12%
<u>SMI</u>	11 156,72	-0,10%
<u>Nikkei</u>	28 794,50	-0,47%
<u>Hang Seng</u>	19 736,03	-0,19%
<u>CSI 300</u>	4 180,85	0,72%
<u>VIX Index</u>	20,60	5,32%

World Bonds	Last	1D Change
<u>US 10Y</u>	2,9556	-0,56%
<u>EUR 10Y</u>	1,2010	-2,36%
<u>Swiss 10Y</u>	0,6510	-1,51%
<u>UK 10Y</u>	2,41	4,37%

Source: Bloomberg



Morning Call

Geneva, August 22, 2022

Crypto Corner

The much-anticipated upgrade of **Ethereum** will create new participants called **builders** in the blockchain ecosystem, a move that risks altering the power structure of what is arguably the most commercially important cryptocurrency network.

Under the current system, networks of computers known as miners pluck transactions out of a special data pool and arrange them into blocks that are added to the blockchain. The miners are being eliminated as part of a plan to reduce energy consumption. After the planned September upgrade known as the Merge, the builders will gather transactions into blocks, which they will then send to the validators. The validators will sign off on the order of the blocks that will form the upgraded blockchain.

This seemingly geeky change, part of a portion of the software upgrade that is called MEV-Boost, could potentially make Ethereum more centralized, at least initially. While there are already more than 416,000 validators lined up to order transactions, there are only a handful of participants committed to serving as builders. The largest is Flashbots, which makes open-source software used by trading bots.

Flashbots is already the dominant way for miners to collect fees from traders by letting their transactions front-run and otherwise step around others. Other participants are considering becoming builders because of concern about Flashbots or similar entities having too much control if a major wallet starts sending all transactions to one builder.

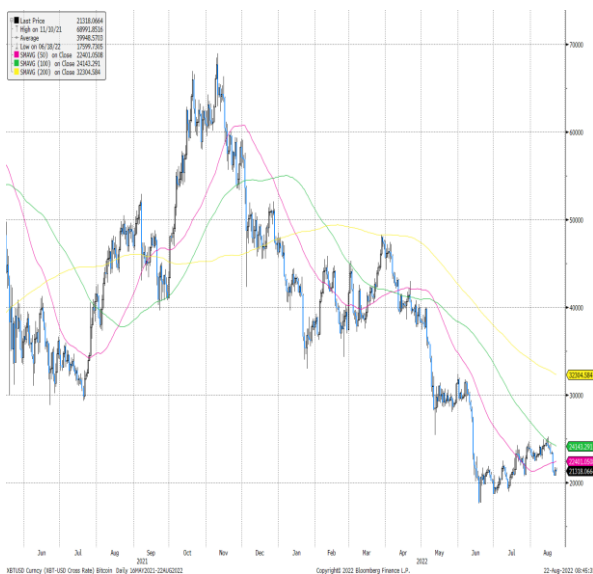
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Crypto Market Cap: **\$1,02T**

24h Vol: **\$58,05B**

Dominance: **BTC: 40,2% ETH: 19,1%**

Crypto	Last	1D Change
Bitcoin	21 320,17	-0,72%
Ethereum	1 580,81	-2,23%



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

Commodity Corner

Gold traded at the lowest level in more than three weeks as Federal Reserve officials reiterated their commitment to tighter monetary settings to curb inflation.

Bullion capped its first weekly decline in five as traders weighed hawkish comments by policy makers which portended higher interest rates. Fed Bank of Richmond President Thomas Barkin said Friday the central bank was resolved to returning inflation to its 2% target, even if that meant risking a US recession.

Spot gold fell as much as 0.2% to \$1,742.96 an ounce, the lowest level since July 28, and was trading at \$1,744.40 at 6:36 a.m. in London. The Bloomberg Dollar Spot Index rose 0.1% after climbing 2.1% last week. Silver was steady, platinum fell and palladium climbed 0.6%.

Precious Metals		Last	1D Change
<u>Gold</u>		1 742,89	-0,24%
<u>Silver</u>		19,02	-0,16%
<u>Platinum</u>		892,33	-0,77%
<u>Palladium</u>		2 139,76	0,48%

Oil fell at the start of the week with investors weighing the prospect for more Iranian supply as the outlook for economic growth weakens.

Brent futures lost more than 1% to trade below \$96 a barrel after rising over the previous three sessions. President Joe Biden spoke Sunday with leaders from France, Germany and the UK about reviving a nuclear deal with Iran, which could lead to a surge in supply from the OPEC producer.

Crude has given up all the gains since Russia's invasion of Ukraine in late February as fears over an economic downturn filtered through the oil market. Time spreads are signaling easing concerns over tight supply, while a stronger dollar has also added to headwinds for commodities.

Biden and his European allies discussed "ongoing negotiations" toward a nuclear agreement, including "the need to strengthen support for partners in the Middle East region," according to a US summary of the call released Sunday. Iran submitted its response on Aug. 15 to a framework circulated by the EU for a deal, which the EU took as constructive.

World Commodities		Last	1D Change
<u>WTI Crude</u>		89,07	-1,87%
<u>Brent Crude</u>		94,98	-1,80%
<u>Nat Gas (HH)</u>		9,20	-1,41%
<u>Nickel</u>		22 197,00	2,18%
<u>Copper</u>		365,50	-0,26%
<u>Corn</u>		625,50	-0,08%
<u>Wheat</u>		753,50	0,03%
<u>Soybean</u>		1 491,25	0,17%
<u>Coffee</u>		215,95	0,58%
<u>Cotton</u>		121,43	1,40%
<u>Sugar</u>		18,09	1,80%

Source: fxstreet.com / Bloomberg



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FX Corner

EUR/USD holds onto the latest upside but remains below 1.0050. US dollar struggles to find demand amid the PBOC cuts fueled optimism. The euro looks vulnerable amid the deepening EU energy crisis and growth risks.

GBP/USD is defending mild gains on its way to 1.1850 as the US dollar pauses its recovery rally. Markets remain cautiously optimistic amid Chinese stimulus bets and the European energy crisis. All eyes remain on the Fed's Jackson Hole event this week.

USD/JPY is retreating from monthly highs towards 137.00, having paused its five-day winning streak, as bulls take a breather. The US dollar eases off multi-week highs as risk tone improves after China cuts lending rates to stimulate growth and spending.

AUD/USD is trading close to 0.6900, having caught a fresh bid after the PBOC cut the Loan Prime Rate (LPR) across the time curve. China's growth concerns boost hopes for more stimulus, as the US dollar eases from multi-week highs amid risk reset.

World Currencies	Last	1D Change
<u>EURUSD</u>	1,0028	-0,09%
<u>EURCHF</u>	0,9626	0,06%
<u>EURGBP</u>	0,8481	0,05%
<u>EURJPY</u>	137,46	0,07%
<u>USDCHF</u>	0,9600	-0,08%
<u>USDJPY</u>	137,08	-0,08%
<u>USDCAD</u>	1,3003	-0,07%
<u>USDTRY</u>	18,12	-0,09%
<u>GBPUSD</u>	1,1824	-0,04%
<u>AUDUSD</u>	0,6897	0,32%
<u>NZDUSD</u>	0,6200	0,10%

Currencies	S3	S2	S1	R1	R2	R3
EURUSD	0.9927	0.9991	1.0015	1.0079	1.0119	1.0183
USDJPY	133.62	135.13	136.05	137.56	138.15	139.66
GBPUSD	1.1561	1.1707	1.1768	1.1914	1.1999	1.2145
USDCAD	1.2852	1.2917	1.2956	1.3021	1.3047	1.3112
AUDUSD	0.6759	0.6822	0.6849	0.6912	0.6948	0.7011
NZDUSD	0.5989	0.6101	0.6147	0.6259	0.6325	0.6437
USDCHF	0.9491	0.9536	0.9564	0.9609	0.9626	0.9671
USDTRY	17.9744	18.0337	18.0675	18.1268	18.1523	18.2116
XAUUSD	1722.78	1736.77	1741.91	1755.90	1764.75	1778.74
XAGUSD	18.1127	18.6651	18.8563	19.4087	19.7699	20.3223

Source: Refinitiv / fxstreet.com / Bloomberg



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Event Corner

ECO Economic Calendars Options

ECO Calendars View Alerts Export

G8 Browse 08:31:57 08/22/22 - 08/22/22

Economic Releases All Economic Releases View Agenda Weekly

Date	Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
08/22	07:00	JN				Tokyo Condominiums for Sale YoY	Jul	--	--	-1.1%	--
08/22	14:00	CA				Bloomberg Nanos Confidence	Aug 19	--	--	46.9	--
08/22	14:30	US				Chicago Fed Nat Activity Index	Jul	--	--	-0.19	--

Source: Refinitiv

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