



H.G Markets (PVT) Limited
Corporate Member
PMEX (Pakistan Mercantile Exchange)

March 17, 2023



DAILY RESEARCH REPORT

Global Monetary Policies- Interest Rates



Federal Reserve Bank 4.75%



Bank of Canada 4.50%



Bank of England 4.00%



European Central Bank 3.50%



Swiss National Bank 1.00%



Bank of Japan -0.10%

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➤ U.S INDICES

US stock futures held steady on Friday after the major averages rallied during Thursday's regular session, as a rescue package for First Republic Bank eased market concerns about another bank failure in the US. Futures contracts tied to the three major indexes drifted flat to slightly positive. In regular trading on Thursday, the Dow gained 1.17%, the S&P 500 jumped 1.76% and the Nasdaq Composite rallied 2.48%, with nine out of 11 S&P sectors finishing higher led by technology, communication services and financials. Market sentiment was lifted after the largest US lenders agreed to contribute \$30 billion in deposits to First Republic Bank as a sign of confidence in the banking system. Meanwhile, data showed banks borrowed a record \$164.8 billion from two Fed backstop facilities in the week ended March 15th, while Treasury Secretary Yellen told the Senate finance committee that the American financial system is in good shape despite the collapse of two mid-sized banks.

NASDAQ

Day High: 12691

Day Low: 12299

RESISTANCE 1

12819

RESISTANCE 2

12919

RESISTANCE 3

13039

SUPPORT 1

12649

SUPPORT 2

12549

SUPPORT 3

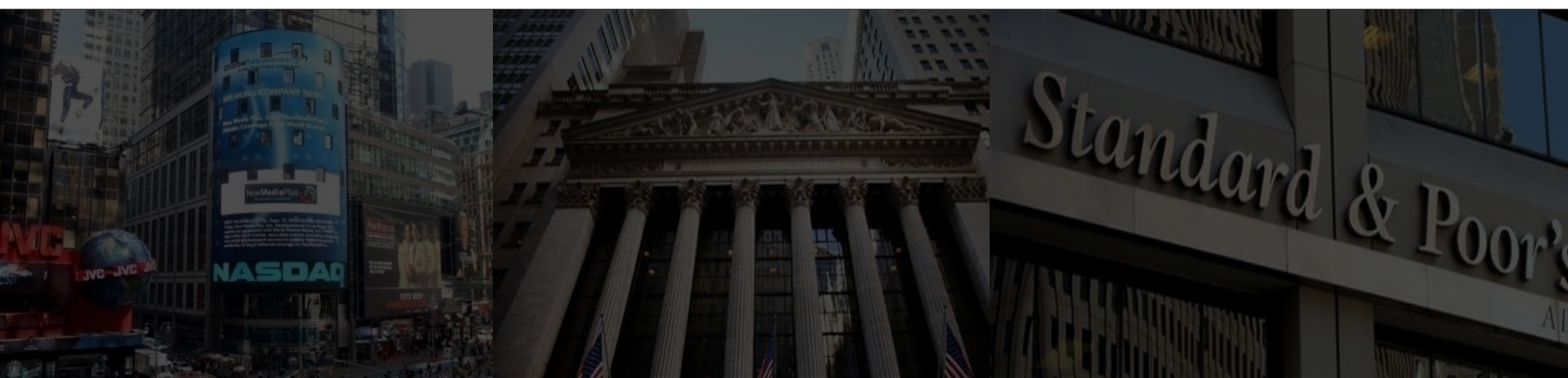
12429

CURRENT PRICE

12734

PIVOT

12513



➤ METALS

Gold prices were flat in early Asian trade on Friday, and were set to log their strongest week in two months as fears of a potential banking crisis drove up safe haven demand. Bullion prices also benefited from doubts over whether the Federal Reserve had enough headroom to keep raising interest rates, given the growing pressure on the economy. But a rush into safe havens provided the biggest boost to gold, as the collapse of several regional U.S. banks ramped up concerns over contagion in the broader economy, as well as fears of a looming recession. This also saw traders significantly tone down expectations of more interest rate hikes by the Fed, ahead of a meeting next week. Markets are pricing in a nearly 90% chance that the Fed will hike rates by 25 basis points (bps), smaller than prior expectations for a 50 bps hike. This notion weighed on the dollar, which also benefited metal markets. But the greenback pared a bulk of its losses this week, helped by some safe haven demand and as some U.S. inflation data read stronger-than-expected for February. Other precious metals firmed on Friday, and were set to end the week higher. Silver and platinum futures rose 0.6% and 0.2%, respectively, and were up 7.1% and 2%, respectively, for the week.

GOLD

Day High: 1937

Day Low: 1911

RESISTANCE 1

1942

RESISTANCE 2

1952

RESISTANCE 3

1950

SUPPORT 1

1926

SUPPORT 2

1916

SUPPORT 3

1904

CURRENT PRICE

1934

PIVOT

1922

SILVER

Day High: 22.19

Day Low: 21.57

RESISTANCE 1: 22.38

SUPPORT 1: 21.78

RESISTANCE 2: 22.78

SUPPORT 2: 21.38

RESISTANCE 3: 23.33

SUPPORT 3: 20.70

CURRENT PRICE: 22.08

PIVOT: 21.84

PLATINUM

Day High: 984

Day Low: 964

RESISTANCE 1: 1000

SUPPORT 1: 982

RESISTANCE 2: 1011

SUPPORT 2: 971

RESISTANCE 3: 1024

SUPPORT 3: 958

CURRENT PRICE: 991

PIVOT: 973

➤ GOLD-GBP/USD

The U.S. dollar slipped on Friday after authorities and banks moved to ease stress on the financial system, taking the heat off most major currencies that tumbled this week in the wake of bank turmoil. The British pound is trading around \$1.21, as investors assessed the possible impact of the European and US banking system turmoil, as well as stubbornly high inflation, on the outlook for monetary policy. The Bank of England is seen hiking interest rates by 25 bps next week, before ending its current policy tightening cycle, while the US Federal Reserve will likely continue to raise rates to combat inflation, although at a slower pace. Elsewhere, British finance minister Jeremy Hunt pledged on Wednesday to halve inflation, reduce debt and get the economy growing, saying the UK would not enter a technical recession this year and inflation would likely fall to 2.9% by the end of 2023. Hunt also said he expects Britain to meet the fiscal rules set by the government in November.

GOLD-GBP/USD

Day High: 1.2126

Day Low: 1.2024

RESISTANCE 1

1.2182

RESISTANCE 2

1.2227

RESISTANCE 3

1.2281

SUPPORT 1

1.2106

SUPPORT 2

1.2061

SUPPORT 3

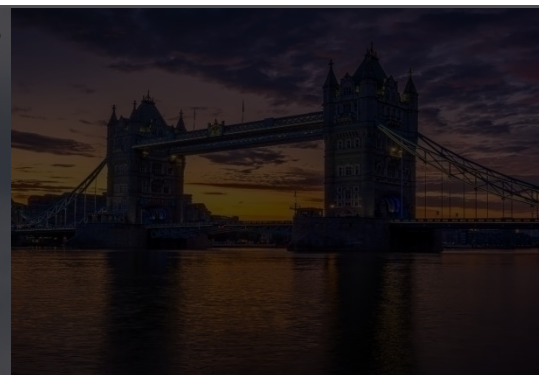
1.2007

CURRENT PRICE

1.2144

PIVOT

1.2086



➤ GOLD-EUR/USD

The European Central Bank emerged intact on Thursday from what some fear could be the first salvoes of a new financial crisis. Earlier, the bank had raised its official rates by 50 basis points each, taking its key deposit rate and refinancing rates to 3% and 3.5%, their highest since 2008. But it had dropped warnings about further rate hikes being needed, stressing instead that the high degree of uncertainty created by recent market volatility forced it into taking its lead from economic data as they come in. As the market rout stoked fears about the health of Europe's banks, the European Central Bank (ECB) went ahead with a hefty 50-basis-point rate hike at its policy meeting on Thursday.

ECB policymakers sought to reassure investors that euro zone banks were resilient and that if anything, the move to higher rates should bolster their margins.

GOLD-EUR/USD

Day High: 1.0634

Day Low: 1.0548

RESISTANCE 1

1.0677

RESISTANCE 2

1.0720

RESISTANCE 3

1.0771

SUPPORT 1

1.0611

SUPPORT 2

1.0568

SUPPORT 3

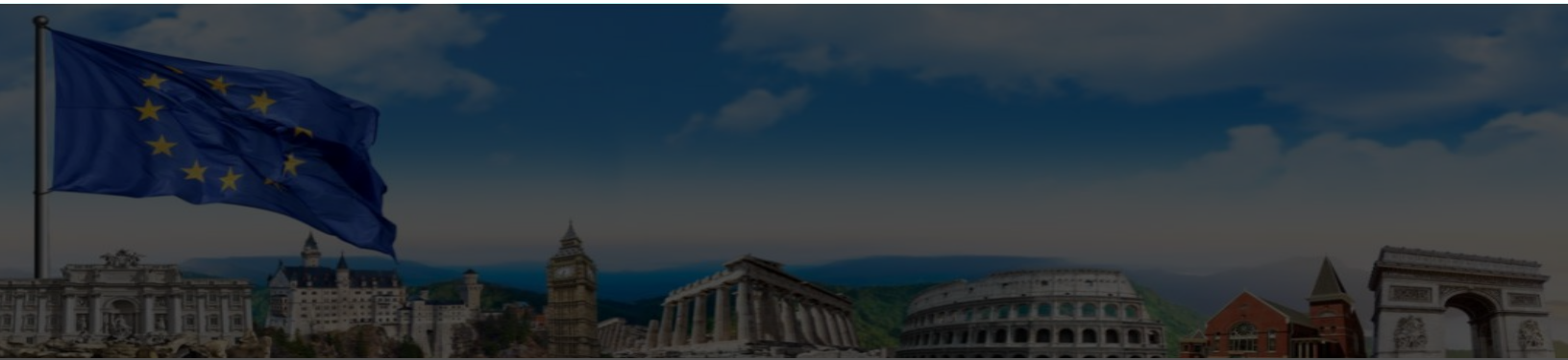
1.0517

CURRENT PRICE

1.0644

PIVOT

1.0534



➤ GOLD-USD/JPY

The Japanese yen remained elevated, as traders still looked to safety assets, still fearing that recent stress unfolding across banks in the U.S. and Europe could be just an early stage of a widespread systemic crisis. It was last 0.56% higher at 133.01 per dollar, on track to rise more than 1% for the week. Japan's Ministry of Finance, Financial Services Agency and Bank of Japan officials will meet on Friday evening to discuss financial markets, the Nikkei newspaper reported, amid fears of the U.S. banking crisis. "The market gyrations of the past week are not rooted in a banking crisis, in our view, but rather are evidence of financial cracks resulting from the fastest interest rate hike campaigns since the early 1980s," said analysts at BlackRock Investment Institute." Markets have woken up to the damage caused by that approach - a recession foretold - and are starting to price it in." The Federal Reserve's monetary policy meeting next week now moves to centre stage. Some investors are hoping that the Fed could slow down on its aggressive rate-hike campaign in a bid to ease the stress on the financial sector.

GOLD-USD/JPY

Day High: 133.82

Day Low: 131.70

RESISTANCE 1

133.56

RESISTANCE 2

134.15

RESISTANCE 3

134.79

SUPPORT 1

132.66

SUPPORT 2

132.11

SUPPORT 3

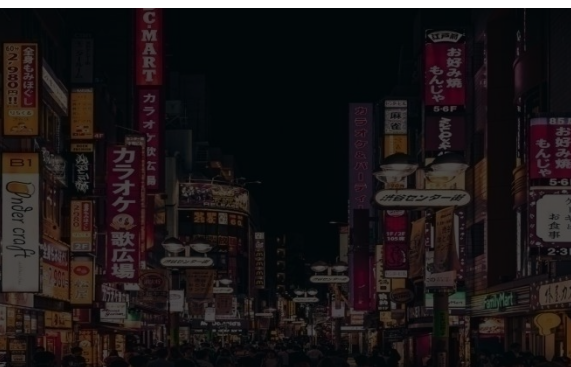
131.43

CURRENT PRICE

133.11

PIVOT

133.12



➤ CRUDE OIL

Oil prices settled up about 1% Thursday, after a 5% drop the previous day, as Saudi-Russian assurances on production cuts and remarks that the U.S. banking system was 'safe and sound' amid the rescue of another lender helped restore some confidence to the upside. On the oil front particularly, crude prices benefited from the signals given by Saudi Arabia and Russia that they stood by to support the market with production cuts. A day after the worst selloff in crude for this year, Saudi state media reported that Saudi Energy Minister Abdulaziz bin Salman and Russian Deputy Prime Minister Alexander Novak met in the Saudi capital to discuss the OPEC+ group's efforts to maintain market balance. At the meeting, the two officials reaffirmed their support for the daily cut of 2 million barrels decided in October by the 13-member Saudi-led Organization of the Petroleum Exporting Countries and its 10 allies steered by Russia.

CRUDE OIL

Day High: 69.33

Day Low: 65.70

RESISTANCE 1

70.00

RESISTANCE 2

71.14

RESISTANCE 3

72.64

SUPPORT 1

68.04

SUPPORT 2

66.84

SUPPORT 3

65.34

CURRENT PRICE

68.99

PIVOT

67.87



➤ NATURAL GAS

U.S. import prices fell in February as a decline in the cost of fuels offset increases in food, capital and consumer goods, resulting in the first annual decline since 2020. Import prices slipped 0.1% last month after decreasing 0.4% in January, the Labor Department said on Thursday. Economists polled by Reuters had forecast import prices, which exclude tariffs, falling 0.2%. In the 12 months through February, import prices dropped 1.1%. That was the first decline since December 2020. Imported fuel prices fell 4.9%, matching January's drop. Petroleum prices rose 1.5%, while natural gas prices plunged 55.6%. US natural gas futures tumbled 6% toward \$2.4/MMBtu on Wednesday, closing in on the lowest level in three weeks, after fears of a broader financial crisis triggered a selloff across riskier assets, while expectations for lower heating demand also weighed on prices. Average US gas demand, including exports, is expected to fall to 120.0 bcfd next week from 120.8 bcfd this week due to milder weather. Meanwhile, gas flows to LNG export plants have been on track to hit record highs since Freeport LNG's export plant in Texas exited an eight-month outage in February.

NATURAL GAS

Day High: 2.549

Day Low: 2.427

RESISTANCE 1

2.574

RESISTANCE 2

2.659

RESISTANCE 3

2.779

SUPPORT 1

2.446

SUPPORT 2

2.361

SUPPORT 3

2.241

CURRENT PRICE







2.510

PIVOT

2.489



Economic Calendar

7:00pm	»	USD		Prelim UoM Consumer Sentiment		66.9	67.0 
	»	USD		Prelim UoM Inflation Expectations			4.1% 

Product	Previous Day High	Previous Day Low	Current Price	Pivot	Pivot Strategy
NASDAQ	12691	12299	12734	12513	IF CURRENT PRICE IS ABOVE PIVOT, PRICE IS LIKELY TO GO UP. RESISTANCE 1 AND 2 COULD BE USED AS TARGET PRICES. IF CURRENT PRICE IS BELOW PIVOT, PRICE IS LIKELY TO GO DOWN. SUPPORT 1 AND 2 COULD BE USED AS TARGET PRICES.
GOLD	1937	1911	1934	1922	IF CURRENT PRICE IS ABOVE PIVOT, PRICE IS LIKELY TO GO UP. RESIATANCE 1 AND 2 COULD BE USED AS TARGET PRICES. IF CURRENT PRICE IS BELOW PIVOT, PRICE IS LIKELY TO GO DOWN. SUPPORT 1 AND 2 COULD BE USED AS TARGET PRICES.
SILVER	22.19	21.57	22.08	21.84	IF CURRENT PRICE IS ABOVE PIVOT, PRICE IS LIKELY TO GO UP. RESIATANCE 1 AND 2 COULD BE USED AS TARGET PRICES. IF CURRENT PRICE IS BELOW PIVOT, PRICE IS LIKELY TO GO DOWN. SUPPORT 1 AND 2 COULD BE USED AS TARGET PRICES.
PLATINUM	984	964	991	973	IF CURRENT PRICE IS ABOVE PIVOT, PRICE IS LIKELY TO GO UP. RESIATANCE 1 AND 2 COULD BE USED AS TARGET PRICES. IF CURRENT PRICE IS BELOW PIVOT, PRICE IS LIKELY TO GO DOWN. SUPPORT 1 AND 2 COULD BE USED AS TARGET PRICES.
GOLD-GBP/USD	1.2126	1.2024	1.2144	1.2086	IF CURRENT PRICE IS ABOVE PIVOT, PRICE IS LIKELY TO GO UP. RESIATANCE 1 AND 2 COULD BE USED AS TARGET PRICES. IF CURRENT PRICE IS BELOW PIVOT, PRICE IS LIKELY TO GO DOWN. SUPPORT 1 AND 2 COULD BE USED AS TARGET PRICES.
Gold-EUR/USD	1.0634	1.0548	1.0644	1.0594	IF CURRENT PRICE IS ABOVE PIVOT, PRICE IS LIKELY TO GO UP. RESIATANCE 1 AND 2 COULD BE USED AS TARGET PRICES. IF CURRENT PRICE IS BELOW PIVOT, PRICE IS LIKELY TO GO DOWN. SUPPORT 1 AND 2 COULD BE USED AS TARGET PRICES.

GOLD- USD/JPY	133.82	131.7	133.11	133.12	IF CURRENT PRICE IS ABOVE PIVOT, PRICE IS LIKELY TO GO UP. RESISTANCE 1 AND 2 COULD BE USED AS TARGET PRICES. IF CURRENT PRICE IS BELOW PIVOT, PRICE IS LIKELY TO GO DOWN. SUPPORT 1 AND 2 COULD BE USED AS TARGET PRICES.
CRUDE OIL	69.33	65.7	68.99	67.87	IF CURRENT PRICE IS ABOVE PIVOT, PRICE IS LIKELY TO GO UP. RESISTANCE 1 AND 2 COULD BE USED AS TARGET PRICES. IF CURRENT PRICE IS BELOW PIVOT, PRICE IS LIKELY TO GO DOWN. SUPPORT 1 AND 2 COULD BE USED AS TARGET PRICES.
NATURAL GAS	2.549	2.427	2.51	2.489	IF CURRENT PRICE IS ABOVE PIVOT, PRICE IS LIKELY TO GO UP. RESISTANCE 1 AND 2 COULD BE USED AS TARGET PRICES. IF CURRENT PRICE IS BELOW PIVOT, PRICE IS LIKELY TO GO DOWN. SUPPORT 1 AND 2 COULD BE USED AS TARGET PRICES.

DISCLAIMER

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