



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

March 16, 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 3.00%



Swiss National Bank 1.00%



Bank of Japan -0.10%

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➤ U.S INDICES

US stock futures rose on Thursday after the major averages ended mixed during Wednesday's regular session, as fresh turmoil at Credit Suisse exacerbated concerns about the financial sector, fueling speculations that the Federal Reserve could take a less aggressive approach next week. Nasdaq 100 and S&P 500 futures rose 0.3% and 0.1%, respectively, while Dow futures were flat. In regular trading on Wednesday, the Dow and S&P 500 fell 0.87% and 0.7%, respectively, while the Nasdaq Composite inched up 0.05%. The major averages sold off sharply in the morning following news that Credit Suisse's largest investor, the Saudi National Bank, ruled out increasing its stake a day after the bank revealed it had found "material weaknesses" in its financial reporting processes for 2022 and 2021. The indexes pared those losses in the afternoon after regulators announced that the Swiss National Bank would provide additional liquidity to Credit Suisse if necessary.

NASDAQ

Day High: 12262

Day Low: 11970

RESISTANCE 1

12350

RESISTANCE 2

12455

RESISTANCE 3

12575

SUPPORT 1

12139

SUPPORT 2

12020

SUPPORT 3

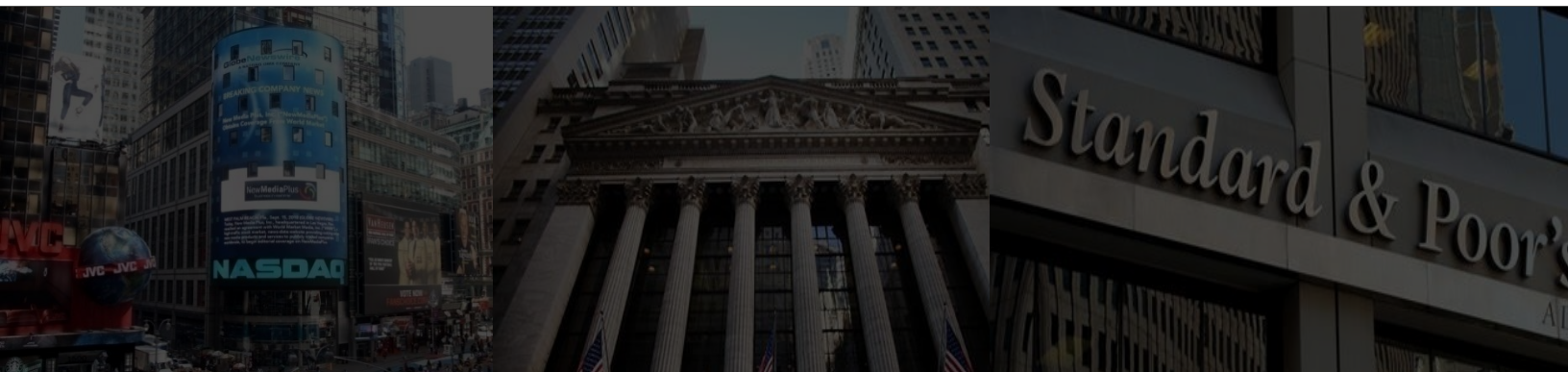
11900

CURRENT PRICE

12264

PIVOT

12145



➤ METALS

Gold prices fell from a six-week high on Thursday as investors locked in recent profits, although fears of a brewing banking crisis and uncertainty over monetary policy kept the yellow metal's safe haven appeal high. Concerns that more dominoes would fall among U.S. and European banks sparked a sharp rally in gold prices this week, as investors turned to traditional safe havens in the face of a global economic crisis. The dollar recovered sharply against a basket of currencies in overnight trade, while Treasury yields also rose as markets gauged the potential for more interest rate hikes by the Federal Reserve. While fears of a banking crisis spurred bets that the Fed will lack enough economic headroom to raise rates, signs of sticky core consumer inflation showed that the Fed may still consider maintaining its hawkish rhetoric. Fed Fund futures prices show that markets are pricing in a 54.6% chance that the Fed will hike rates by 25 basis points next week. But there also stands a 45.4% chance that the bank will stand pat on rates. Gold stands to benefit from any pauses in the Fed's rate-hike cycle, given that it increases the yellow metal's appeal against the dollar, and also puts a cap on the opportunity cost of holding non-yielding assets. Rising interest rates had battered metal markets through 2022, and are likely to limit a recovery in the space this year. Other precious metals also retreated from recent highs on Thursday. Platinum futures fell 0.1% to \$966.05 an ounce, while silver futures fell 0.3% to \$21.808 an ounce. Among industrial metals, copper prices were muted, but were nursing steep losses this week amid growing fears that a banking crisis will crimp economic activity this year, hurting demand for the industry-exposed metal.

GOLD

Day High: 1942

Day Low: 1889

RESISTANCE 1

1925

RESISTANCE 2

1935

RESISTANCE 3

1950

SUPPORT 1

1910

SUPPORT 2

1902

SUPPORT 3

1890

CURRENT PRICE

1916

PIVOT

1915

SILVER

Day High: 22.51

Day Low: 21.63

RESISTANCE 1: 22.15

SUPPORT 1: 21.40

RESISTANCE 2: 22.50

SUPPORT 2: 21.00

RESISTANCE 3: 23.05

SUPPORT 3: 20.50

CURRENT PRICE: 21.80

PIVOT: 21.97

PLATINUM

Day High: 997

Day Low: 952

RESISTANCE 1: 978

SUPPORT 1: 965

RESISTANCE 2: 988

SUPPORT 2: 955

RESISTANCE 3: 1000

SUPPORT 3: 942

CURRENT PRICE: 971

PIVOT: 975

➤ GOLD-GBP/USD

The British pound dropped back below \$1.21, as investors dumped riskier currencies amid ongoing concerns over the European banking system. Shares of Credit Suisse tumbled to fresh record lows after admitting it had found “material weaknesses” in its reporting and as its top shareholder ruled out any further liquidity injections. Elsewhere, investors digested British finance minister Jeremy Hunt's budget. The Chancellor pledged to halve inflation, reduce debt and get the economy growing, saying the UK would not enter a technical recession this year and inflation will 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. Britain is trying to limit the burden on bond dealers as it prepares to sell the highest volume of government debt since the COVID-19 pandemic against a backdrop of turbulent markets, the head of the UK Debt Management Office (DMO) said on Wednesday. After finance minister Jeremy Hunt announced his budget plans earlier on Wednesday, the DMO said it would need to sell 241.1 billion pounds (\$291 billion) of government bonds in the 2023/24 financial year - the highest on record apart from 485.8 billion pounds sold in 2020/21.

GOLD-GBP/USD

Day High: 1.2180

Day Low: 1.2007

RESISTANCE 1

1.2100

RESISTANCE 2

1.2155

RESISTANCE 3

1.2200

SUPPORT 1

1.2010

SUPPORT 2

1.1960

SUPPORT 3

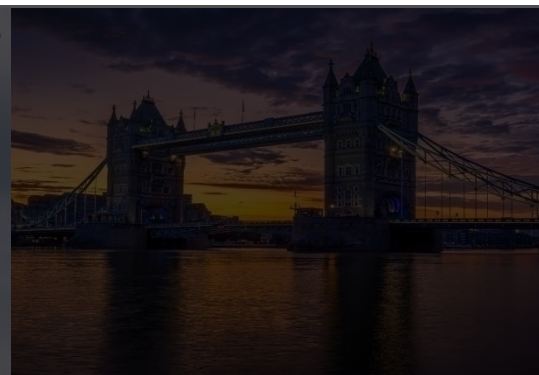
1.1915

CURRENT PRICE

1.2072

PIVOT

1.2108



➤ GOLD-EUR/USD

The euro slumped more than 1% to trade below \$1.06, as concerns over the European banking system mounted after shares of Credit Suisse hit a new record low as the bank's top shareholder ruled out any further liquidity injections. Meanwhile, investors awaited the European Central Bank's policy statement due on Thursday, with policymakers expected to raise interest rates by at least 25 bps, with a 50% chance of a larger half-point move. Still, the bloc's central bank might adopt a more dovish tone due to the ongoing risks to financial stability following the Silicon Valley Bank's collapse. In the US, the Federal Reserve is seen taking a more cautious approach and deliver a 25 basis point hike at the March meeting, instead of a 50 basis point hike previously expected, as policymakers weigh the risks to the US financial system against stubbornly high inflation.

GOLD-EUR/USD

Day High: 1.0758

Day Low: 1.0513

RESISTANCE 1

1.0645

RESISTANCE 2

1.0700

RESISTANCE 3

1.0760

SUPPORT 1

1.0564

SUPPORT 2

1.0535

SUPPORT 3

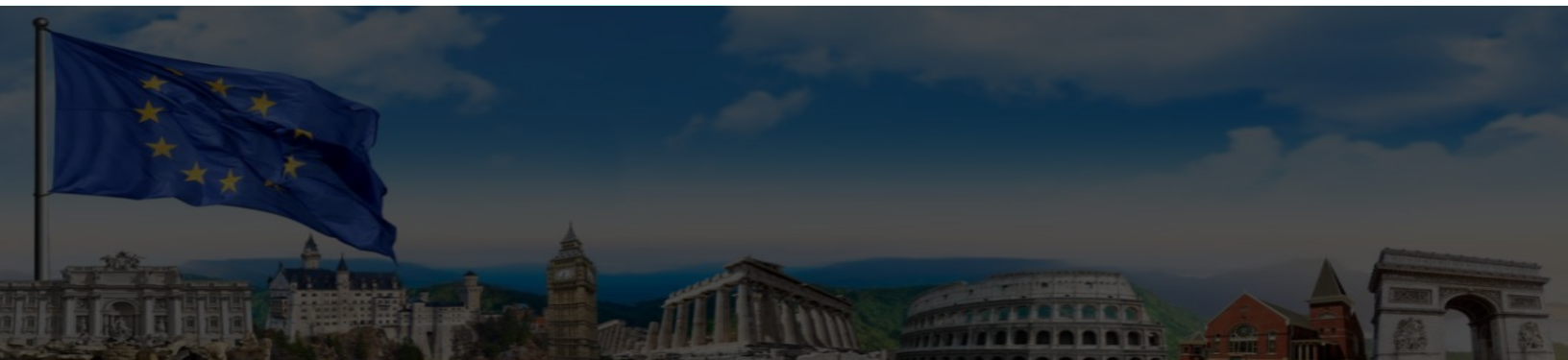
1.0485

CURRENT PRICE

1.0605

PIVOT

1.0649



➤ GOLD-USD/JPY

The Japanese yen appreciated to 132 per dollar, the strongest in 4 weeks, amid a flight to safety after Credit Suisse's woes added pressure to the global banking sector. Credit Suisse's shares fell nearly 25% after a top shareholder, Saudi National Bank, ruled out any further liquidity injections. Earlier in a week, the bank said it had found “certain material weaknesses in our internal control over financial reporting” for 2021 and 2022. On the domestic front, minutes from the Bank of Japan’s January meeting showed that members reiterated the need to maintain ultra-easy policies, stating that it will take time to achieve the 2% inflation target in a sustainable and stable manner. The BOJ left its policy of ultra-low interest rates unchanged this month, in what was Governor Haruhiko Kuroda’s final policy meeting before retirement.

GOLD-USD/JPY

Day High: 135.10

Day Low: 132.19

RESISTANCE 1

133.50

RESISTANCE 2

134.15

RESISTANCE 3

134.90

SUPPORT 1

132.45

SUPPORT 2

131.50

SUPPORT 3

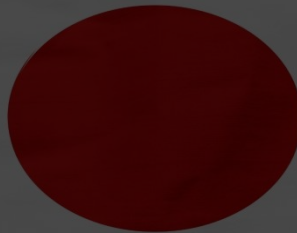
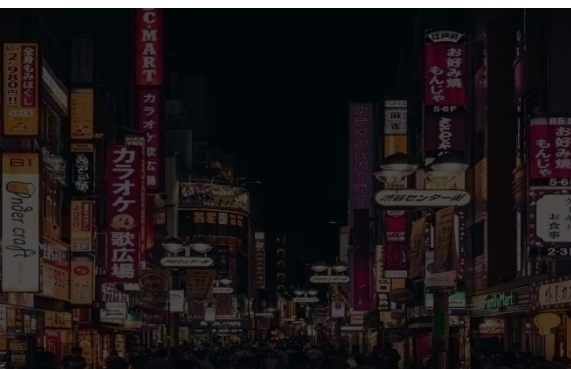
130.32

CURRENT PRICE

133.00

PIVOT

133.72



➤ CRUDE OIL

Oil prices clawed back some ground on Thursday after sliding to 15-month lows in the previous session as markets calmed somewhat after Credit Suisse was thrown a financial lifeline by Swiss regulators. But battered by fears of a deepening crisis for banks worldwide, market sentiment remained fragile with both benchmarks giving up some early Thursday gains that saw Brent climb by more than \$1. On Wednesday, the third straight day of declines, US Crude fell below \$70 a barrel for the first time since December 20, 2021. Brent has lost nearly 10% since Friday's close, while U.S. crude is down about 11%. Credit Suisse on Thursday said it would borrow up to \$54 billion from the Swiss central bank to shore up its liquidity and investor confidence after a slump in its shares intensified fears about a global financial crisis. OPEC's rosier outlook for China oil demand also supported oil prices, said Lim Tai An, analyst at Phillip Nova Pte. OPEC increased its Chinese demand forecast for 2023 earlier this week and a monthly report from the International Energy Agency (IEA) on Wednesday flagged an expected boost to oil demand from resumed air travel and China's economic reopening after abandoning its zero-COVID policy. But oversupply concerns remain. The IEA said in the report that commercial oil stocks in developed OECD countries have hit an 18-month high, while Russian oil output stayed near pre-war levels in February despite sanctions on its seaborne exports. U.S. crude oil stockpiles also rose last week by 1.6 million barrels, exceeding analysts' expectation of a 1.2 million barrels rise, the Energy Information Administration said on Wednesday. Later on Thursday, European Central Bank policymakers are seen leaning towards a half-percentage-point rate hike as the euro zone economy is picking up strength and inflation is set to remain high for years. Higher interest rates can lead to depressed demand for oil as economic growth slows, but concerns about a widening financial crisis for the banking sector could also weigh on oil demand.

CRUDE OIL

Day High: 72.52

Day Low: 65.67

RESISTANCE 1

68.82

RESISTANCE 2

70.00

RESISTANCE 3

72.50

SUPPORT 1

67.35

SUPPORT 2

66.30

SUPPORT 3

65.00

CURRENT PRICE

68.01

PIVOT

69.30



➤ NATURAL GAS

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: 2.592

Day Low: 2.383

RESISTANCE 1

2.550

RESISTANCE 2

2.690

RESISTANCE 3

2.810

SUPPORT 1

2.350

SUPPORT 2

2.220

SUPPORT 3

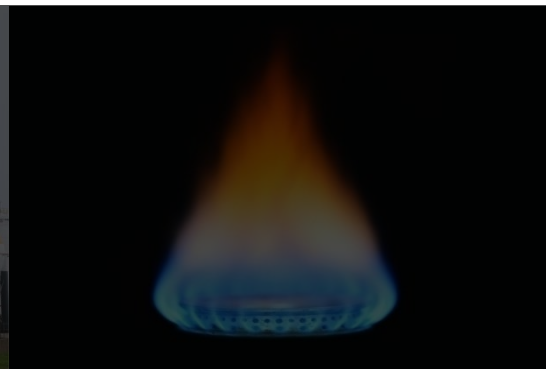
2.100

CURRENT PRICE











2.483

PIVOT

2.504



Economic Calendar

5:30pm	»	USD		Unemployment Claims		205K	211K	
6:15pm	»	EUR		Main Refinancing Rate		3.50%	3.00%	
	»	EUR		Monetary Policy Statement				
6:45pm	»	EUR		ECB Press Conference				

Product	Previous Day High	Previous Day Low	Current Price	Pivot	Pivot Strategy
NASDAQ	12262	11970	12264	12145	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	1942	1889	1916	1915	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.
SILVER	22.51	21.63	21.80	21.97	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.
PLATINUM	997	952	971	975	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-GBP/USD	1.218	1.2007	1.2072	1.2108	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-EUR/USD	1.0758	1.0513	1.0605	1.0649	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- USD/JPY	135.1	132.19	133.00	133.72	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	72.52	65.67	68.01	69.30	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	2.592	2.383	2.483	2.504	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.

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