



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

March 23, 2023



DAILY RESEARCH REPORT

Global Monetary Policies- Interest Rates



Federal Reserve Bank 5.00%



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 stabilized on Thursday after the major averages sold off sharply during Wednesday's regular session, as the Federal Reserve shot down hopes for interest rate cuts this year while Treasury Secretary Janet Yellen's latest comments rattled bank shares. Futures contracts tied to the three major indexes drifted flat to slightly positive. In regular trading on Wednesday, the major averages initially rallied after the Fed delivered a widely expected 25 basis point rate hike. However, they reversed course late in the afternoon, with the Dow falling 1.63%, the S&P 500 dropping 1.65% and the Nasdaq Composite tumbling 1.6%. Those losses came as Fed Chair Jerome Powell said officials don't see rate cuts this year and that they are prepared to raise rates higher than expected if needed. Yellen also told lawmakers that the US government was not considering a "blanket insurance" for bank deposits.

NASDAQ

Day High: 13080

Day Low: 12808

RESISTANCE 1

12873

RESISTANCE 2

12972

RESISTANCE 3

13089

SUPPORT 1

12703

SUPPORT 2

12604

SUPPORT 3

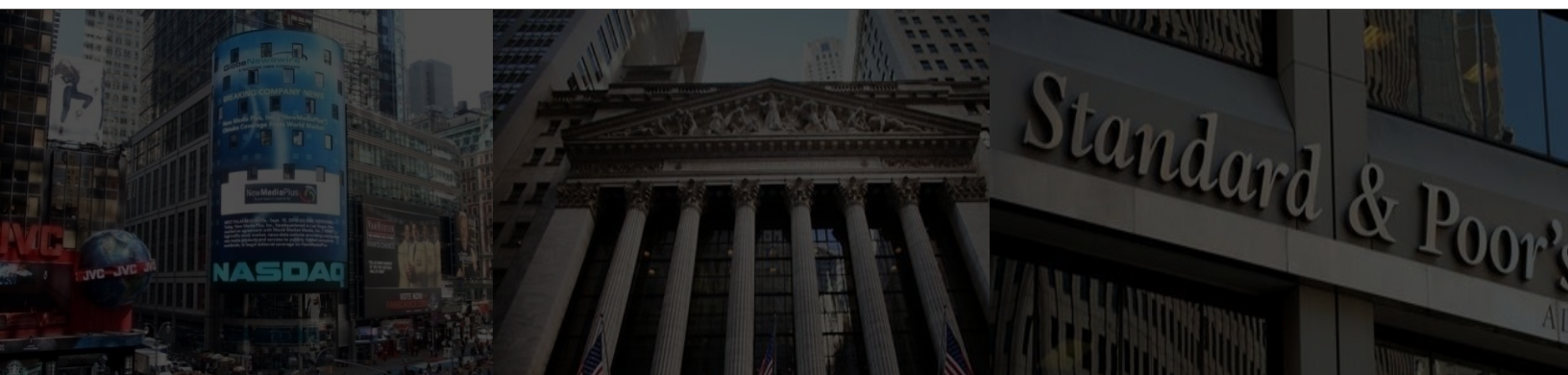
12487

CURRENT PRICE

12788

PIVOT

12788



➤ METALS

Gold held around \$1,940 an ounce in subdued trade on Wednesday as investors cautiously awaited the US Federal Reserve's interest rate decision, where it is expected to balance the fight against inflation with ensuring the stability of the financial system. The metal lost more than 2% over the past two sessions, retreating sharply from one-year highs as easing concerns about a wider banking crisis dampened demand for safer assets. Treasury Secretary Janet Yellen said the US government would be prepared to take further actions to protect depositors should bank runs resurface. The Fed is also widely expected to extend its tightening campaign on Wednesday's policy decision, with money markets firmly pricing another 25 basis point rate increase. Fears of the banking crisis fueled a stellar rally in gold and precious metal prices over the past week. Other precious metals edged higher on Wednesday, but were nursing steep losses from the prior session. Platinum futures rose 0.4%, while silver futures added 0.6%. Among industrial metals, copper prices retreated after logging four straight sessions of strong gains. Easing fears of a banking crisis were the biggest drivers of the red metal, which had tumbled to two-month lows on concerns over slowing demand.

GOLD

Day High: 1981

Day Low: 1936

RESISTANCE 1

1991

RESISTANCE 2

2004

RESISTANCE 3

2020

SUPPORT 1

1969

SUPPORT 2

1956

SUPPORT 3

1940

CURRENT PRICE

1980

PIVOT

1957

SILVER

Day High: 23.21

Day Low: 22.39

RESISTANCE 1: 23.36

SUPPORT 1: 22.76

RESISTANCE 2: 23.81

SUPPORT 2: 22.31

RESISTANCE 3: 24.40

SUPPORT 3: 21.71

CURRENT PRICE: 23.06

PIVOT: 22.76

PLATINUM

Day High: 1006

Day Low: 976

RESISTANCE 1: 1002

SUPPORT 1: 984

RESISTANCE 2: 1013

SUPPORT 2: 973

RESISTANCE 3: 1026

SUPPORT 3: 960

CURRENT PRICE: 993

PIVOT: 987

➤ GOLD-GBP/USD

The dollar index and dollar index futures fell about 0.2% each on Thursday. Treasury yields also sank after the Federal Reserve hiked interest rates as expected, and changed its language when addressing future interest rate hikes. The central bank no longer sees "ongoing increases" in interest rates as appropriate, and instead said that policy firming "may be appropriate." The change in language comes in the wake of a banking crisis, which analysts bet will reduce the economic headroom available for the Fed to keep raising rates. Sterling also hovered near a seven-week high as British inflation unexpectedly rose, leaving it at an eye-watering 10.4 per cent and heaping pressure on the Bank of England to raise rates and sound hawkish at its meeting later in the day. Markets have priced a 25-bp hike from the BoE.

GOLD-GBP/USD

Day High: 1.2333

Day Low: 1.2206

RESISTANCE 1

1.2365

RESISTANCE 2

1.2420

RESISTANCE 3

1.2488

SUPPORT 1

1.2275

SUPPORT 2

1.2220

SUPPORT 3

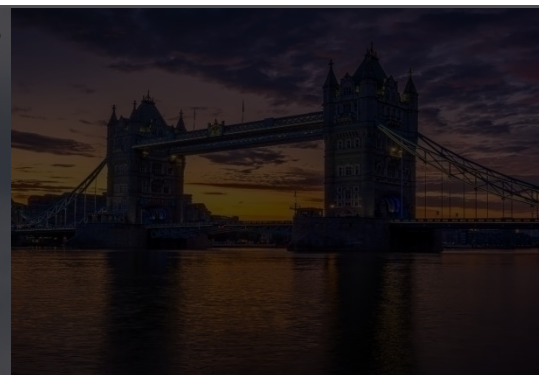
1.2152

CURRENT PRICE

1.2320

PIVOT

1.2263



➤ GOLD-EUR/USD

The Euro strengthened to approach \$1.09, the highest since early February, as investors digest the latest FOMC meeting. The Federal Reserve delivered another 25bps rate hike as expected by the majority of analysts, although the tone was seen more dovish. The Fed is now seen delivering another 25bps hike in May, before pausing the tightening campaign. In Europe however, ECB President Lagarde said that inflation remains far too high and that a robust strategy going forward is essential. The President further added that bringing inflation back to 2% over the medium term is non-negotiable, strengthening bets of higher interest rates and a faster pace for quantitative tightening despite recent turmoil in financial markets. The central bank raised its key rates by 50bps in its March meeting, adding to 350bps in rate hikes since the start of its tightening campaign.

GOLD-EUR/USD

Day High: 1.0911

Day Low: 1.0756

RESISTANCE 1

1.0946

RESISTANCE 2

1.0993

RESISTANCE 3

1.1055

SUPPORT 1

1.0876

SUPPORT 2

1.0829

SUPPORT 3

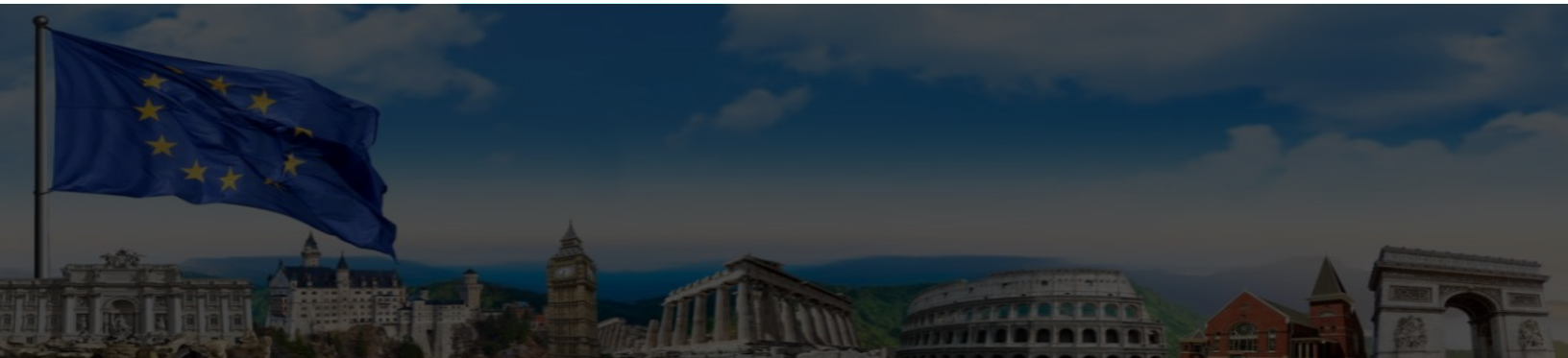
1.0767

CURRENT PRICE

1.0911

PIVOT

1.0827



➤ GOLD-USD/JPY

The Japanese yen strengthened to 131 per dollar, the highest in 5-weeks after the US Federal Reserve raised rates by 25bps as expected but Fed Chair Powell said during the press conference that the pause in hiking rates was considered to address the banking crises. On the domestic front, minutes from the Bank of Japan's January meeting showed members reiterated the need to maintain ultra-easy policies, as it takes time to reach the 2% inflation target in a sustainable and stable manner. The BOJ left its policy of ultra-low interest rates unchanged this month at Governor Haruhiko Kuroda's final policy meeting before his retirement.

GOLD-USD/JPY

Day High: 132.99

Day Low: 130.99

RESISTANCE 1

131.35

RESISTANCE 2

131.96

RESISTANCE 3

132.72

SUPPORT 1

130.35

SUPPORT 2

129.74

SUPPORT 3

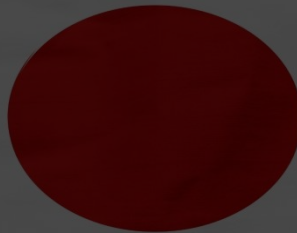
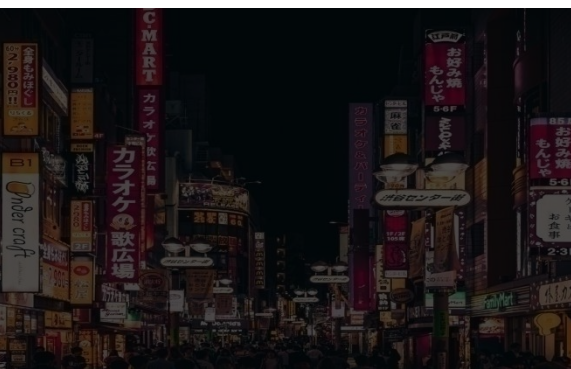
128.98

CURRENT PRICE

130.85

PIVOT

131.98



➤ CRUDE OIL

WTI crude futures fell to around \$70 per barrel on Thursday, weighed down by weak global sentiment after the Fed pushed back against bets for interest rate cuts this year and Treasury Secretary Yellen told lawmakers that the US government was not considering a “blanket insurance” for bank deposits. Official data also showed that US crude inventories unexpectedly expanded by 1.1 million barrels last week to the highest level since May 2021, as large builds on the Gulf Coast outweighed a decline at the Cushing, Oklahoma, and storage hub. Still, the market remains bullish on the outlook for top crude importer China, with the IEA stating recently that the country is expected to drive a 2 million barrel rise in daily global oil demand this year.

CRUDE OIL

Day High: 71.28

Day Low: 66.87

RESISTANCE 1

71.30

RESISTANCE 2

72.40

RESISTANCE 3

73.70

SUPPORT 1

69.40

SUPPORT 2

68.30

SUPPORT 3

67.00

CURRENT PRICE

70.35

PIVOT

70.10



➤ NATURAL GAS

US natural gas futures traded around \$2.3/MMBtu, again approaching its lowest level since September 2020, as gas output is rising and demand is falling due to less cold weather. Average US gas demand, including exports, is expected to fall to 108.3 bcf/d next week from 116.2 bcf/d this week due to milder weather. On the other hand, average gas output in the US Lower 48 states grew to 98.7 bcf/d this month, up from 98.2 bcf/d in the previous period, and approaching a record of 99.9 bcf/d in November 2022. Meanwhile, gas flows to LNG export plants have been on track to hit record highs after Freeport LNG's export plant in Texas became operational again. Natural gas prices have declined 45% since the beginning of the year and are now almost 80% down from their August peak of \$10, as warmer temperatures kept heating demand subdued this winter and stockpiles well above average levels.

NATURAL GAS

Day High: 2.326

Day Low: 2.149

RESISTANCE 1

2.306

RESISTANCE 2

2.401

RESISTANCE 3

2.529

SUPPORT 1

2.136

SUPPORT 2

2.036

SUPPORT 3

1.913

CURRENT PRICE









2.221

PIVOT

2.242



Economic Calendar

| | | | | | | | |
|--------|---|-----|---|------------------------------|---|-------|-------|
| 5:00pm | » | GBP |  | MPC Official Bank Rate Votes |  | 7-0-2 | 7-0-2 |
| | » | GBP |  | Monetary Policy Summary |  | | |
| | » | GBP |  | Official Bank Rate |  | 4.25% | 4.00% |
| 5:30pm | » | USD |  | Unemployment Claims |  | 198K | 192K |

| Product | Previous Day High | Previous Day Low | Current Price | Pivot | Pivot Strategy |
|--------------|-------------------|------------------|---------------|--------|---|
| NASDAQ | 13080 | 12808 | 12788 | 12912 | 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 | 1981 | 1936 | 1980 | 1957 | 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 | 23.21 | 22.39 | 23.06 | 22.76 | 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 | 1006 | 976 | 993 | 987 | 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 | 1.2333 | 1.2206 | 1.232 | 1.2263 | 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 | 1.0911 | 1.0756 | 1.0911 | 1.0827 | 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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| CRUDE OIL | 71.28 | 68.87 | 70.35 | 70.10 | 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 | 2.326 | 2.149 | 2.221 | 2.2417 | 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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