



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

March 31, 2023



DAILY RESEARCH REPORT

Global Monetary Policies- Interest Rates



Federal Reserve Bank 5.00%



Bank of Canada 4.50%



Bank of England 4.25%



European Central Bank 3.50%



Swiss National Bank 1.50%



Bank of Japan -0.10%

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➤ U.S INDICES

US stock futures held steady on Friday after the market rallied for two straight sessions, as investors are becoming more optimistic on the outlook for interest rates and the banking sector. Futures contracts tied to the three major indexes drifted flat to slightly positive. In regular trading on Thursday, the Dow rose 0.43%, the S&P 500 gained 0.57% and the Nasdaq Composite jumped 0.73%, with all three benchmarks set to finish the week higher. Ten out of the 11 S&P sectors ended in the green, with real estate, technology and consumer discretionary leading the advance, while financials was the sole decliner. Data showed that US applications for jobless benefits rose last week, though they remained at historically low levels. Investors now await a key US inflation measure on Friday, as well as remarks from several Federal Reserve officials.

NASDAQ

Day High: 13110

Day Low: 12930

RESISTANCE 1

13190

RESISTANCE 2

13282

RESISTANCE 3

13395

SUPPORT 1

13030

SUPPORT 2

12938

SUPPORT 3

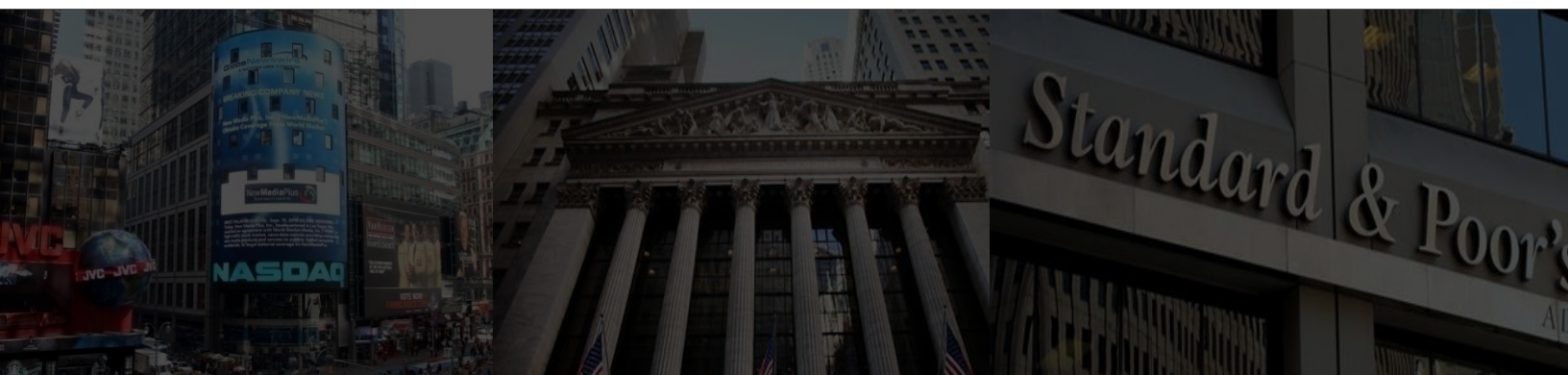
12825

CURRENT PRICE

13110

PIVOT

13013



➤ METALS

Gold prices were flat on Friday, staying within sight of the key \$2,000 level after wild swings this week, although safe haven demand in the wake of a potential banking crisis put the yellow metal on course for a sharp rise this quarter. Bullion prices flirted with the \$2,000 level for most of this week, before staging a rally on Thursday after higher-than-expected U.S. jobless claims pointed to further cooling in the jobs market, which in turn could spur a drop in inflation. This limits the economic headroom afforded to the Federal Reserve in raising interest rates, which in turn bodes well for non-yielding assets such as gold. Platinum futures rose 0.4% to around \$1,000 an ounce, while silver futures were flat near \$24 an ounce. Smaller increases in U.S. interest rates point to a lower opportunity cost for holding non-yielding assets. Among industrial metals, copper prices fell on Friday as mixed Chinese economic data pointed to an uneven economic recovery in the world's largest copper importer. While service sector activity surged more than expected to a 15-year high, softening growth in the manufacturing sector pointed to weaker demand for commodities. Copper futures fell 0.2% to \$4.1048 a pound, but were still set to gain over 7% for the first quarter.

GOLD

Day High: 2002

Day Low: 1971

RESISTANCE 1

2005

RESISTANCE 2

2017

RESISTANCE 3

2032

SUPPORT 1

1985

SUPPORT 2

1973

SUPPORT 3

1958

CURRENT PRICE

1995

PIVOT

1989

SILVER

Day High: 24.08

Day Low: 23.35

RESISTANCE 1: 24.32

SUPPORT 1: 23.72

RESISTANCE 2: 24.70

SUPPORT 2: 23.32

RESISTANCE 3: 25.27

SUPPORT 3: 22.80

CURRENT PRICE: 24.02

PIVOT: 23.71

PLATINUM

Day High: 998

Day Low: 971

RESISTANCE 1: 1003

SUPPORT 1: 987

RESISTANCE 2: 1013

SUPPORT 2: 977

RESISTANCE 3: 1025

SUPPORT 3: 965

CURRENT PRICE: 995

PIVOT: 985

➤ GOLD-GBP/USD

GBP/USD shows little reaction to better-than-forecast UK economic growth numbers during early Friday. The reason could be linked to the market's cautious mood ahead of the Federal Reserve's (Fed) preferred inflation gauge. That said, the UK's fourth quarter (Q4) Gross Domestic Product (GDP) came in at 0.1% QoQ versus 0.0% prior forecasts while the yearly figures appear more impressive with 0.6% YoY growth for the Q4 GDP compared to 0.4% earlier estimations. It's worth noting that the UK's National Housing Prices for March and Total Business Investment for the Q4 appear dismal and might have probed the GBP/USD bulls ahead of the key US data. Even so, optimism surrounding the UK's £ 1.8 billion trade deal with Trans-Pacific nations joins the Brexit optimism to favor the bulls. In this regard, the Financial Times (FT) said, "The UK on Friday unveiled an agreement to join an 11-member Asia-Pacific trade bloc, with British Prime Minister Rishi Sunak claiming it proved his government was seizing 'post-Brexit freedoms'." Also positive was the news suggesting the higher inflation and the Bank of England's (BoE) hawkish concerns as Reuters said, "British businesses were their most confident this month since May 2022 and pricing expectations, which are being watched by the Bank of England as it grapples with high inflation, cooled to a six-month low, a survey showed on Friday."

GOLD-GBP/USD

Day High: 1.2391

Day Low: 1.2291

RESISTANCE 1

1.2419

RESISTANCE 2

1.2464

RESISTANCE 3

1.2524

SUPPORT 1

1.2349

SUPPORT 2

1.2304

SUPPORT 3

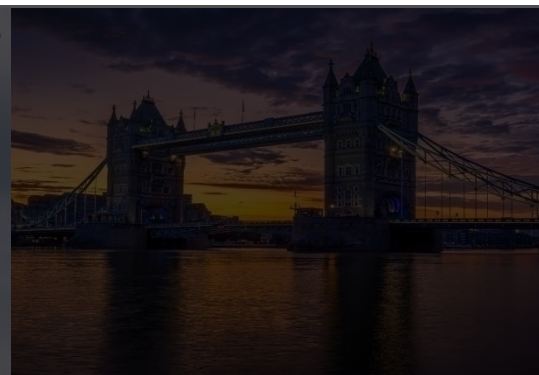
1.2244

CURRENT PRICE

1.2384

PIVOT

1.2346



➤ GOLD-EUR/USD

EUR/USD has corrected gradually to near 1.0900 after failing to surpass Thursday's high around 1.0926 in the early European session. The major currency pair has sensed selling pressure as investors have turned cautious ahead of the release of the Eurozone preliminary Harmonized Index of Consumer Prices (HICP) and United States core Personal Consumption Expenditure (PCE) Price Index data. The US Dollar Index (DXY) has shown signs of recovery, building a cushion above 102.10. The downside bets for the USD Index have been trimmed as investors are anticipating a rate hike in May monetary policy meeting by the Federal Reserve (Fed). Considering cues from the German HICP released on Thursday, it is highly likely that Eurozone headline inflation would soften dramatically led by lower energy prices. As per the consensus, the Eurozone headline HICP is expected to soften to 7.1% from the former release of 8.5%. The economic indicator that could propel the need of more rate hikes from the European Central Bank (ECB) is the extreme shortage of labor in the Eurozone. Bargaining power has shifted to talent due to a shortage of job seekers, which also allowed wage growth to scale higher. The Labor cost index in Eurozone is shuffling between 5% and 6%, the highest in decades, as reported by Reuters. Therefore, core Eurozone Inflation data could turn sticky further as households are equipped with sufficient funds for disposal.

GOLD-EUR/USD

Day High: 1.0924

Day Low: 1.0821

RESISTANCE 1

1.0929

RESISTANCE 2

1.0969

RESISTANCE 3

1.1024

SUPPORT 1

1.0867

SUPPORT 2

1.0827

SUPPORT 3

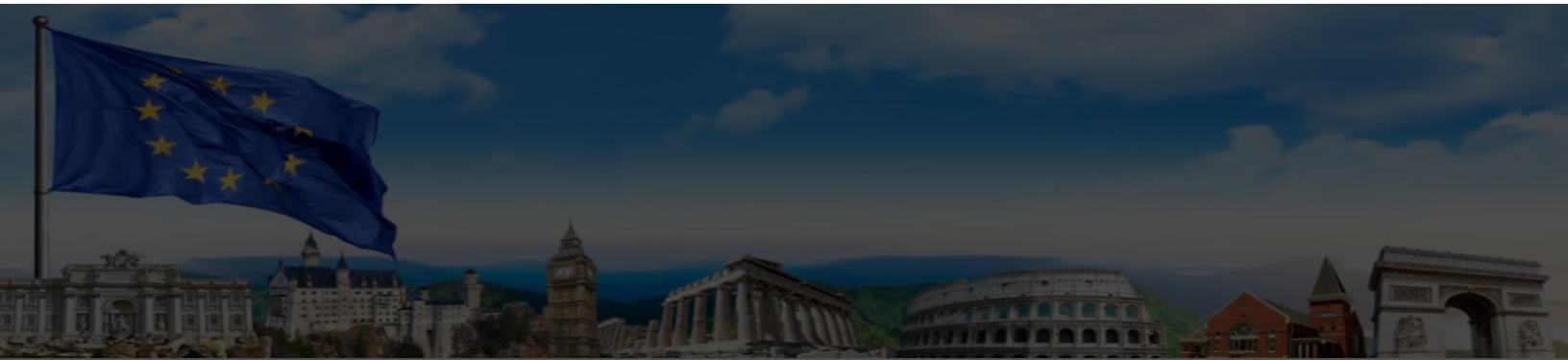
1.0772

CURRENT PRICE

1.0898

PIVOT

1.0872



➤ GOLD-USD/JPY

The Japanese yen depreciated past 133 per dollar, retreating further from 7-week highs as fears of a wider banking contagion abated, hurting demand for safe-haven currencies. Investors welcomed the First Citizens BankShares' agreement to buy all deposits and loans of failed Silicon Valley Bank. Federal Reserve vice chair for supervision Michael Barr also told lawmakers that SVB's troubles were due to "terrible" risk management, suggesting it could be an isolated case. Domestically, latest data revealed Japan's annual core inflation rate slowed sharply in February, easing pressure on the central bank to normalize monetary policy. Minutes from the January meeting of the Bank of Japan showed members reiterated the need to maintain a dovish stance, 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 at the March meeting, which was the final one for Governor Haruhiko Kuroda before his retirement.

GOLD-USD/JPY

Day High: 132.95

Day Low: 132.18

RESISTANCE 1

133.42

RESISTANCE 2

134.00

RESISTANCE 3

134.69

SUPPORT 1

132.52

SUPPORT 2

131.94

SUPPORT 3

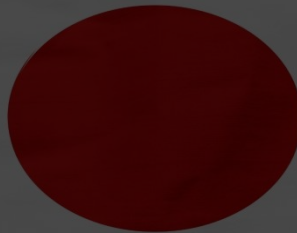
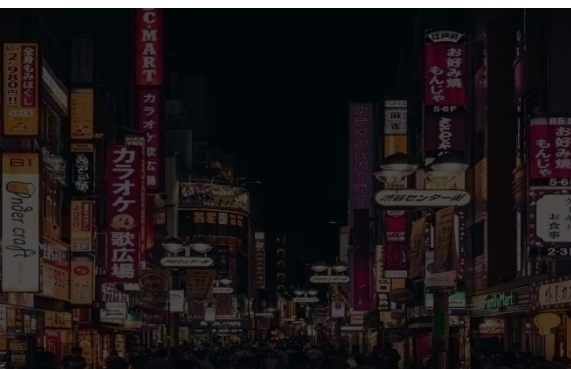
131.26

CURRENT PRICE

132.97

PIVOT

132.55



➤ CRUDE OIL

WTI crude futures traded around \$74.5 per barrel on Friday and were headed for the second straight weekly advance, underpinned by supply concerns and an improving demand outlook. A dispute involving Kurdish authorities which halted exports of around 400,000 barrels a day from the Ceyhan port in Turkey tightened the market this week, and seemed unlikely to be resolved anytime soon. OPEC's de-facto leader Saudi Arabia also said the oil cartel should keep supplies steady for 2023 as it navigates a fragile recovery in global oil demand, recently clouded by the banking turmoil. On the demand side, investors remain optimistic about China's recovery, with PetroChina and Cnooc Ltd. saying a rebounding domestic economy can help cushion the impact of slower global growth. Meanwhile, markets continued to assess the likely direction of central bank monetary policy in light of the recent banking crisis.

CRUDE OIL

Day High: 74.59

Day Low: 72.59

RESISTANCE 1

75.20

RESISTANCE 2

76.30

RESISTANCE 3

77.60

SUPPORT 1

73.30

SUPPORT 2

72.20

SUPPORT 3

70.90

CURRENT PRICE

74.25

PIVOT

73.59



➤ NATURAL GAS

U.S. natural gas prices fell 4% Thursday, reaching once again for a test of the critical \$2 support, after weekly draw numbers for the fuel from storage turned out to be smaller than thought. Utilities pulled 47 billion cubic feet of natural gas from storage for heating and electricity generation last week, lower than the 54 bcf anticipated by industry analysts, the Energy Information Administration, or EIA, said. The gas balance for 2023 is the highest in recent memory and remains the bane of bulls in the market who've been trying to restart a spectacular rally they enjoyed just months ago before an unusually warm winter season led to a less-than-typical need for heating, sending excess gas supply into storage. For the first quarter that ends Friday, natural gas is set to lose 50% or more, in what could be its biggest quarterly decline in history.

NATURAL GAS

Day High: 2.113

Day Low: 2.091

RESISTANCE 1

2.169

RESISTANCE 2

2.255

RESISTANCE 3

2.355

SUPPORT 1

2.035

SUPPORT 2

1.950

SUPPORT 3

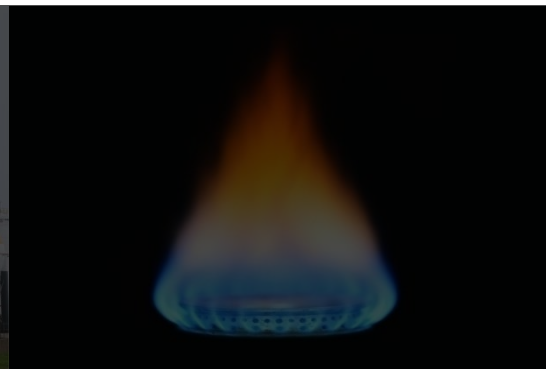
1.849

CURRENT PRICE

2.102

PIVOT

2.101



Economic Calendar

5:30pm	USD	Final GDP q/q	2.7%	2.7%
USD	Unemployment Claims	196K	191K	
USD	Final GDP Price Index q/q	3.9%	3.9%	

Product	Previous Day High	Previous Day Low	Current Price	Pivot	Pivot Strategy
NASDAQ	13110	12930	13110	13013	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	2002	1971	1995	1989	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	24.08	23.35	24.02	23.71	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	998	971	995	985	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	1.2391	1.2291	1.2384	1.2346	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	1.0924	1.0821	1.0898	1.0872	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	132.95	132.18	132.97	132.55	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	74.59	72.59	74.25	73.59	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	2.113	2.091	2.102	2.101	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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