



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

May 25, 2023



DAILY RESEARCH REPORT

Global Monetary Policies- Interest Rates



Federal Reserve Bank 5.25%



Bank of Canada 4.50%



Bank of England 4.50%



European Central Bank 3.75%



Swiss National Bank 1.50%



Bank of Japan -0.10%

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➤ U.S INDICES

Nasdaq 100 futures jumped as much as 1.7% on Thursday after Nvidia surged 25% in extended trading on an earnings and revenue beat, as well as a stronger-than-expected revenue guidance driven by AI chip demand. S&P 500 futures also gained 0.5%, while Dow futures fell 0.2% after Fitch Ratings placed the United States' AAA rating on a negative rating watch. The ratings agency said the ongoing debt ceiling negotiations have raised the risks that the government could miss payments on some of its obligations. In regular trading on Wednesday, the Dow declined 0.77%, the S&P 500 dropped 0.73% and the Nasdaq Composite tumbled 0.61%, with ten out of the 11 S&P sectors finishing lower. Those losses came as an ongoing struggle among US lawmakers to reach an agreement on the country's debt ceiling weighed on the market. Meanwhile, the FOMC minutes showed Fed officials were less confident about the need for more rate hikes.

NASDAQ

Day High: 13755

Day Low: 13585

RESISTANCE 1

13920

RESISTANCE 2

14000

RESISTANCE 3

14090

SUPPORT 1

13800

SUPPORT 2

13700

SUPPORT 3

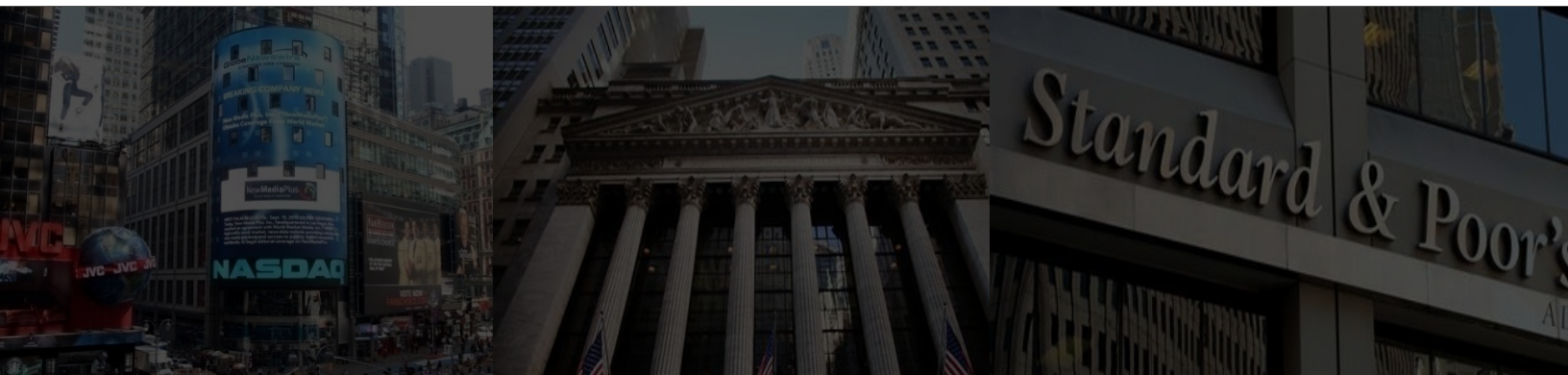
13550

CURRENT PRICE

13860

PIVOT

13668



➤ METALS

Gold held its recent decline to below \$1,960 an ounce on Thursday, hovering close to its lowest levels in two months, pressured by a rise in Treasury yields and the US dollar. Traders are closely monitoring the ongoing debt ceiling impasse and the likelihood of prolonged higher interest rates, particularly in the US. The FOMC minutes revealed that some officials saw the need for more rate hikes while others anticipated that a deceleration in growth would eliminate the requirement for further tightening. Elsewhere, data showed that UK inflation surpassed expectations in April, fueling fears that additional interest rate hikes may be needed. Also, the European Central Bank is still anticipated to continue raising interest rates throughout the year.

GOLD

Day High: 1987

Day Low: 1958

RESISTANCE 1

1965

RESISTANCE 2

1975

RESISTANCE 3

1985

SUPPORT 1

1950

SUPPORT 2

1940

SUPPORT 3

1925

CURRENT PRICE

1957

PIVOT

1971

SILVER

Day High: 23.64

Day Low: 23.13

RESISTANCE 1: 23.30

SUPPORT 1: 23.00

RESISTANCE 2: 23.60

SUPPORT 2: 22.75

RESISTANCE 3: 24.00

SUPPORT 3: 22.40

CURRENT PRICE: 23.17

PIVOT: 23.38

PLATINUM

Day High: 1062

Day Low: 1026

RESISTANCE 1: 1036

SUPPORT 1: 1020

RESISTANCE 2: 1045

SUPPORT 2: 1010

RESISTANCE 3: 1060

SUPPORT 3: 1000

CURRENT PRICE: 1029

PIVOT: 1043

➤ GOLD-GBP/USD

The British pound fell below the \$1.24 level, reaching its lowest point since April 17, as investors shifted their focus to the US dollar following the release of the Federal Reserve meeting minutes. The document revealed that policymakers were uncertain about the appropriate level of future policy tightening but emphasized the importance of maintaining flexibility for upcoming decisions. Elsewhere, the latest inflation data indicated ongoing inflationary pressures in the UK economy, further supporting the case for another interest rate hike by the Bank of England. The annual inflation rate dropped to 8.7%, the lowest for over a year but above market expectations of 8.2%. Furthermore, the core inflation rate, which excludes food and energy prices, surged to 6.8%, marking its highest level in 31 years, while food inflation remained near a 45-year high of 19%.

GOLD-GBP/USD

Day High: 1.2468

Day Low: 1.2355

RESISTANCE 1

1.2400

RESISTANCE 2

1.2450

RESISTANCE 3

1.2520

SUPPORT 1

1.2310

SUPPORT 2

1.2260

SUPPORT 3

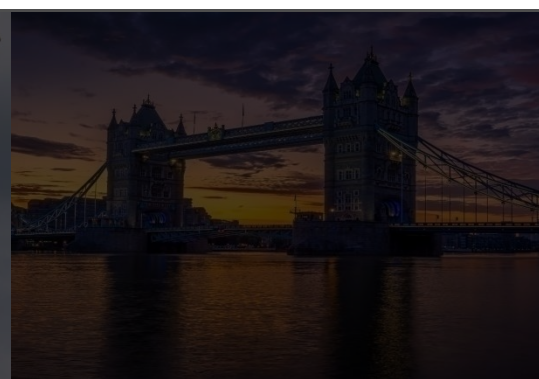
1.2200

CURRENT PRICE

1.2358

PIVOT

1.2399



➤ GOLD-EUR/USD

The EURUSD decreased 0.0017 or 0.15% to 1.0731 on Thursday May 25 from 1.0748 in the previous trading session. The European Commission now forecasts growth rates of 1.1% for this year and 1.6% in 2024. In addition, inflation rates are expected to increase to 5.8% in 2023 and 2.8% in 2024. On the policy front, market observers anticipate that the ECB will gradually increase the deposit facility rate, potentially reaching a peak of around 3.7% by September. This would follow a cumulative increase of 375 basis points since the middle of last year. ECB policymaker Peter Kazimir has suggested the possibility of extending the duration of interest rate hikes beyond previous expectations to effectively manage inflationary pressures.

GOLD-EUR/USD

Day High: 1.0799

Day Low: 1.0746

RESISTANCE 1

1.0780

RESISTANCE 2

1.0840

RESISTANCE 3

1.0900

SUPPORT 1

1.0700

SUPPORT 2

1.0650

SUPPORT 3

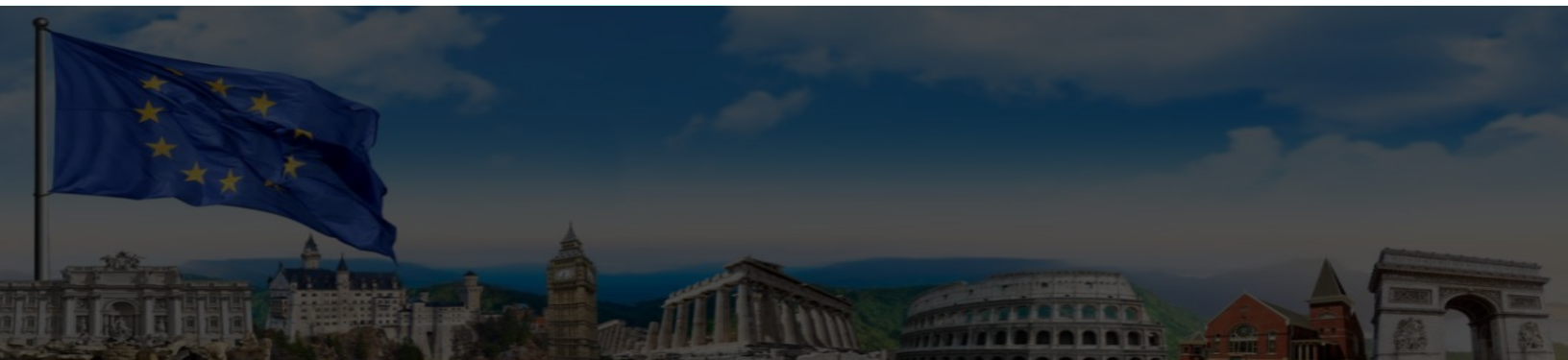
1.0600

CURRENT PRICE

1.0738

PIVOT

1.0767



➤ GOLD-USD/JPY

The Japanese yen depreciated past 139 per dollar, sliding to its weakest levels since the end of November, on the divergence between US and Japanese monetary policy. The Bank of Japan continues to keep its key short-term interest rate at -0.1% despite strong inflationary pressures. The headline inflation rate in Japan unexpectedly accelerated to 3.5% in April despite forecasts for a further slowdown to 2.5%, while the core inflation rate rose to a three-month high of 3.4%. On the other hand, traders have been slowly pricing out near-term Federal Reserve rate cut expectations as US inflation data remains sticky, retail sales were upbeat and the labor market shows no signs of easing. Meanwhile, investors are closely monitoring the US debt ceiling negotiations, as no progress has been made ahead of the June 1st deadline.

GOLD-USD/JPY

Day High: 139.37

Day Low: 138.21

RESISTANCE 1

140.00

RESISTANCE 2

141.70

RESISTANCE 3

142.50

SUPPORT 1

139.00

SUPPORT 2

138.20

SUPPORT 3

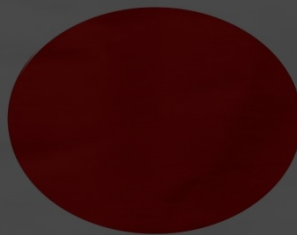
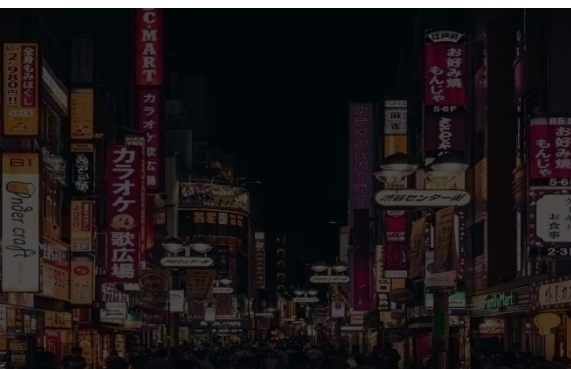
137.20

CURRENT PRICE

139.45

PIVOT

138.79



➤ CRUDE OIL

WTI crude futures eased toward \$74 per barrel on Thursday in a likely technical correction after rising for three consecutive sessions. The US oil benchmark gained nearly 4% over the past three sessions amid tightening supplies and an improving demand outlook. Saudi Arabia's energy minister warned short sellers to "watch out" for potential consequences, raising speculations that OPEC+ could consider further output cuts at a meeting on June 4. Meanwhile, official data showed that US crude inventories unexpectedly declined by 12.456 million barrels last week, the largest drop in six months and defying expectations of a 0.775 million increase. The International Energy Agency also projected in its latest monthly report that global oil demand will exceed supply by 2 million barrels per day in the second half of 2023, with Asia driving most of the demand growth.

CRUDE OIL

Day High: 74.70

Day Low: 72.85

RESISTANCE 1

74.50

RESISTANCE 2

75.00

RESISTANCE 3

76.00

SUPPORT 1

73.50

SUPPORT 2

72.80

SUPPORT 3

72.00

CURRENT PRICE

74.06

PIVOT

73.52



➤ NATURAL GAS

Natural Gas futures are going through a corrective move after failing to sustain above \$2.58 in the Tokyo session. The gas price is expected to remain on tenterhooks as investors are awaiting the release of the weekly gas inventory data. According to the estimates, the United States Energy Information Administration (EIA) is expected to report a build-up of inventory by 119 billion cubic feet (bcf) for the week ending May 19.

NATURAL GAS

Day High: 2.399

Day Low: 2.313

RESISTANCE 1

2.600

RESISTANCE 2

2.680

RESISTANCE 3

2.760

SUPPORT 1

2.450

SUPPORT 2

2.350

SUPPORT 3

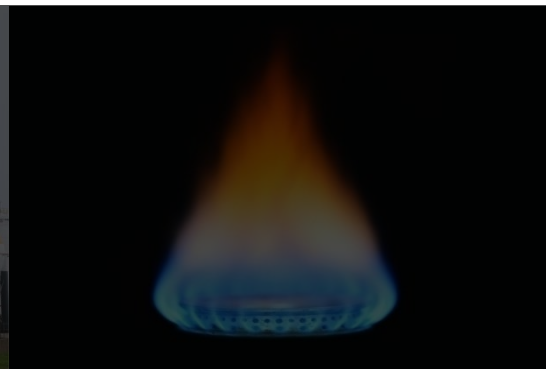
2.200

CURRENT PRICE





2.571

PIVOT

2.358



Economic Calendar

USD		Prelim GDP q/q		1.1%	1.1%
USD		Unemployment Claims		249K	242K

Product	Previous Day High	Previous Day Low	Current Price	Pivot	Pivot Strategy
NASDAQ	13755	13565	13860	13668.0000	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	1987	1958	1957	1971.0000	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	23.64	23.13	23.17	23.3875	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	1062	1026	1029	786.7570	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	1.2468	1.2355	1.2358	1.239925	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	1.0799	1.0746	1.0738	1.0767	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	139.37	138.21	139.45	138.7925	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	74.7	72.85	74.06	72.1075	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	2.399	2.313	2.571	2.6133	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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