



October 04, 2023



DAILY RESEARCH REPORT



Global Monetary Policies- Interest Rates



Federal Reserve Bank 5.50%



Bank of Canada 5.00%



Bank of England 5.25%



European Central Bank 4.50%



Swiss National Bank 1.75%



Bank of Japan -0.10%

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➤ U.S INDICES

Asian stocks sank to 11-month lows on Wednesday as an ongoing rout in global bond markets saw U.S. yields reach 16-year highs, challenging equity valuations and souring appetite for risk assets in general. The spike in Treasury yields lifted the dollar to new heights with only the yen showing some fight amid speculation the Japanese authorities might be intervening behind the scenes. The yen breached the 150-per-dollar level in the London afternoon on Tuesday before suddenly shooting to 147.3. US Stocks fell on Tuesday after releasing JOLTS Job Openings report from US. The actuals released 9.61M, greater than the forecast, that was, 8.81M. Short positions in NASDAQ futures continued to increase, albeit at a slower pace compared to recent weeks, according to Citigroup strategists. The strategists noted that an additional \$3.9 billion in new short positions on Nasdaq futures were added, representing the most significant negative weekly change across various indexes. In contrast, short positioning in the S&P 500 futures leveled off, with net positioning remaining mildly bearish. Citigroup's analysis suggests that profit and loss levels for both the NASDAQ and S&P 500 indexes are currently in a range that doesn't provide a clear indication of immediate risk for significant unwinding of positions. Recently, U.S. Federal Reserve officials said that monetary policy will need to stay restrictive for "some time" to bring inflation back down to the Fed's 2% target.

NASDAQ

Day High: 15029

Day Low: 14670

RESISTANCE 1

14755

RESISTANCE 2

14840

RESISTANCE 3

14945

SUPPORT 1

14565

SUPPORT 2

14500

SUPPORT 3

14400

CURRENT PRICE

14640

PIVOT

14822.06



➤ METALS

Gold price (XAU/USD) dived to a near seven-month low on Tuesday and recorded losses for the seventh straight day – its longest losing streak since August 2022. The yellow metal found some support near the \$1815 region, though it struggled to register any meaningful recovery and remained confined in a narrow trading range heading into the European session on Wednesday. The fundamental backdrop, meanwhile, seems tilted in favor of bearish traders and supports prospects for an extension of the recent downfall witnessed over the past two weeks or so. Investors seem convinced that the Federal Reserve (Fed) will keep interest rates higher for longer, which, in turn, might continue to act as a headwind for the non-yielding Gold price. The expectations were reaffirmed by the Job Openings and Labor Turnover Survey, or JOLTS report, on Tuesday, which showed that job openings in the United States (US) unexpectedly rose in August amid a surge in demand for workers and pointed to a still-tight labor market. This comes on top of a rise in consumer spending and brings wage inflation back on the agenda.

GOLD

Day High: 1849

Day Low: 1830

RESISTANCE 1

1840

RESISTANCE 2

1850

RESISTANCE 3

1855

SUPPORT 1

1830

SUPPORT 2

1825

SUPPORT 3

1820

CURRENT PRICE

1833

PIVOT

1841

SILVER

Day High: 21.58

Day Low: 20.86

RESISTANCE 1: 21.40

SUPPORT 1: 21.00

RESISTANCE 2: 21.55

SUPPORT 2: 20.80

RESISTANCE 3: 21.80

SUPPORT 3: 20.60

CURRENT PRICE: 21.19

PIVOT: 21.29

PLATINUM

Day High: 890

Day Low: 875

RESISTANCE 1: 874

SUPPORT 1: 866

RESISTANCE 2: 878

SUPPORT 2: 862

RESISTANCE 3: 884

SUPPORT 3: 857

CURRENT PRICE: 867

PIVOT: 882

➤ GOLD-GBP/USD

The GBP/USD pair struggles to register any meaningful recovery and languishes near its lowest level since March 16, around the 1.2050 area touched the previous day. The prospects for further policy tightening by the Federal Reserve (Fed) remain supportive of elevated US Treasury bond yields and assist the US Dollar (USD) to stand tall near a 10-month high. This, along with the prevalent risk-off environment, is seen as another factor benefitting the Greenback's relative safe-haven status. Apart from this, the Bank of England's (BoE) surprise on-hold decision in September continues to undermine the British Pound (GBP) and acts as a headwind for the GBP/USD pair. From a technical perspective, the Relative Strength Index (RSI) on the daily chart is flashing extremely oversold conditions and holding back traders from placing fresh bearish bets. Hence, it will be prudent to wait for some follow-through selling below the mid-1.2000s, representing the 38.2% Fibonacci retracement level of the September 2022-July 2023 rally, before positioning for further losses. The GBP/USD pair might then accelerate the downfall further towards the 1.2000 psychological mark.

GOLD-GBP/USD

Day High: 1.2104

Day Low: 1.2049

RESISTANCE 1

1.2104

RESISTANCE 2

1.2130

RESISTANCE 3

1.2155

SUPPORT 1

1.2055

SUPPORT 2

1.2030

SUPPORT 3

1.2005

CURRENT PRICE

1.2080

PIVOT

1.2085



➤ GOLD-EUR/USD

The EUR/USD pair remains on the defensive above the mid-1.0400s during the early European trading hours on Wednesday. The major pair bounces off the year-to-date (YTD) low of 1.0448 and currently trades near 1.0467, up 0.01% on the day. Market players await the Eurozone Producer Price Index (PPI) and Retail Sales for fresh impetus. Also, the European Central Bank (ECB) President Lagarde's speech on Wednesday will be in the spotlight. The annual Eurozone Retail Sales for August is expected to drop 1.2% from the previous reading of a 1% fall. From the technical perspective, the EUR/USD pair holds below the 50- and 100-hour Exponential Moving Averages (EMAs) with a downward slope on the four-hour chart, which means the path of least resistance for the pair is to the downside. Furthermore, the Relative Strength Index (RSI) holds in bearish territory below 50, supporting the sellers for the time being.

GOLD-EUR/USD

Day High: 1.0492

Day Low: 1.0446

RESISTANCE 1

1.0487

RESISTANCE 2

1.0508

RESISTANCE 3

1.0528

SUPPORT 1

1.0444

SUPPORT 2

1.0422

SUPPORT 3

1.0400

CURRENT PRICE

1.0466

PIVOT

1.0476



➤ GOLD-USD/JPY

The USD/JPY pair remains flat at around 149.20 during the early European session on Wednesday. The pair holds above the 149.00 mark after retracing to a low of 147.33 late Tuesday amid the rumors of Japan's FX intervention. On Wednesday, the 10-year Japanese Government Bond (JGB) yield reached 0.8% for the first time since 2013. This put more pressure on the BoJ to its yield-curve cap and prepare for the end of its negative interest rate policy. Meanwhile, the US Treasury yield edges higher along with the rally of US Dollar (USD). The 10-year yield reached 4.865%, the highest since 2007. Late Tuesday, USD/JPY dipped nearly 300 pips from the 150.00 level amid the rumors of FX intervention by the Japanese authorities. Early Wednesday, Japan's top currency diplomat Masato Kanda said any intervention would not target forex levels but volatility while mentioning that it's normal for authorities not to comment on whether they intervened or not.

GOLD-USD/JPY

Day High: 150.14

Day Low: 147.29

RESISTANCE 1

149.41

RESISTANCE 2

149.68

RESISTANCE 3

150.00

SUPPORT 1

148.86

SUPPORT 2

148.58

SUPPORT 3

148.30

CURRENT PRICE

149.14

PIVOT

149.01



➤ CRUDE OIL

Oil edged lower on Wednesday ahead of a panel meeting of OPEC+ ministers, as the market weighed expectations of supply tightness against fears that high interest rates could reduce fuel demand. Brent crude oil futures dipped 6 cents to \$90.86 a barrel. While U.S. West Texas Intermediate crude (WTI), fell 5 cents to \$89.18 per barrel. Data on Tuesday night showed that U.S. job openings increased by the largest amount in more than two years, prompting a further sharp rise in Treasury yields. Along with fears that interest rates will stay high for some time, oil benchmarks also have been pressured by concerns that the strengthening dollar would dent demand, as it makes oil more expensive for holders of other currencies. Investors are also closely watching supply and demand in the United States. Industry data showed crude stocks fell by about 4.2 million barrels in the week ended Sept. 29, according to market sources citing American Petroleum Institute figures on Tuesday.

CRUDE OIL

Day High: 90.24

Day Low: 87.74

RESISTANCE 1

89.29

RESISTANCE 2

89.41

RESISTANCE 3

89.55

SUPPORT 1

89.00

SUPPORT 2

88.87

SUPPORT 3

88.75

CURRENT PRICE

89.17

PIVOT

88.99



➤ NATURAL GAS

Natural gas prices rose to fresh monthly tops near the \$3.00 mark before ending Friday's session with modest losses. The move was amidst rising open interest and opens the door to further correction in the very near term. That said, the \$3.00 region per MMBtu remains a tough barrier for natural gas bulls for the time being. On the upside, the \$3.00 mark per MMBtu continues to be a solid resistance for bulls for the time being. After the extending losses from the prior week forecasts pointed to more mild weather and LNG volumes continued to prove turbulent. The November Nymex gas futures contract settled at \$2.840/MMBtu, down 8.9 cents day/day. December fell 7.9 cents to \$3.233. Natural gas futures eased lower early Monday as shoulder season conditions continued to leave the market searching for bullish signals amid the wait for winter weather to arrive. The weather data saw only "slight changes" over the weekend, with models advertising marginally less demand versus Friday's projections, according to NatGas Weather. "The timing of swings in national demand held, with light demand through Thursday, then increasing slightly late in the week as a relatively cool system sweeps across the Midwest and Northeast," NatGas Weather said. "National demand is expected to return to light levels Oct. 10-15 as much of the U.S. warms to near or above normal.

NATURAL GAS

Day High: 2.957

Day Low: 2.817

RESISTANCE 1

2.990

RESISTANCE 2

3.023

RESISTANCE 3

3.056

SUPPORT 1

2.924

SUPPORT 2

2.890

SUPPORT 3

2.856

CURRENT PRICE

2.958

PIVOT

2.889



Economic Calendar

Today: Oct 4									
Date		Currency		Impact		Detail	Actual	Forecast	Previous
Wed Oct 4	9:50am								
	1:15pm	EUR		ECB President Lagarde Speaks					
	All Day	All		OPEC-JMMC Meetings					
	5:15pm	USD		ADP Non-Farm Employment Change			154K	177K	
	7:00pm	USD		ISM Services PMI			53.5	54.5	
	9:00pm	EUR		ECB President Lagarde Speaks					

Product	Previous Day High	Previous Day Low	Current Price	Pivot	Pivot Strategy
NASDAQ	15029.00	14669.75	14630	14822.06	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	1849	1830	1835	1841	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	21.58	20.86	21.20	21.29	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	890	875	868	882	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	1.2104	1.2049	1.2066	1.2085	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	1.0492	1.0446	1.0466	1.0476	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	150.14	147.29	148.96	149.01	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	90.24	87.74	88.67	88.99	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	2.957	2.817	2.889	2.889	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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