



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

December 08, 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

The NASDAQ ended sharply higher on Thursday evening after Alphabet (NASDAQ:GOOGL) and Advanced Micro Devices (NASDAQ:AMD) sparked a mega cap rally on fresh optimism about artificial intelligence. Shares of Alphabet jumped 5.3% as analysts cheered the launch of the Google-parent's newest AI model, while AMD soared nearly 10% after the company estimated the potential market for its data center AI chips could reach \$45 billion this year. Other heavyweight tech-related stocks also gained, with NVidia (NASDAQ:NVDA) and Meta Platforms (NASDAQ:META) rising over 2%, Amazon (NASDAQ:AMZN) up 1.6% and Apple (NASDAQ:AAPL) 1% higher. The Philadelphia semiconductor index jumped 2.8%, increasing its 2023 gain to 48%, much of that fueled by bets about the future of AI. Traders have almost fully priced in the likelihood of the Fed keeping rates unchanged at its meeting next week. Data on Thursday showed the number of Americans filing new claims for unemployment benefits increased less than expected last week to a seasonally adjusted 220,000 for the week. A Labor Department jobs report due on Friday could hint at how quickly the U.S. economy is softening and may sway expectations about when the Fed is likely to begin cutting rates. Non-farm payrolls are expected to have increased by 180,000 jobs last month after rising by 150,000 in October.

NASDAQ

Day High: 16054

Day Low: 15790

RESISTANCE 1

16070

RESISTANCE 2

16150

RESISTANCE 3

16220

SUPPORT 1

15820

SUPPORT 2

15750

SUPPORT 3

15670

CURRENT PRICE

16000

PIVOT

15940



➤ METALS

Gold price (XAU/USD) continues with its struggle to gain any meaningful traction on Friday and remains confined in a multi-day-old trading band heading into the European session. The precious metal, however, manages to hold in the positive territory for the third successive day amid growing acceptance that the Federal Reserve (Fed) is done with its policy-tightening campaign. That said, bulls opt to wait for the release of the closely-watched US Nonfarm Payrolls (NFP) for signs of a weaker labor market, which will boost chances of a rate cut by the Fed as early as March 2024 and lift the non-yielding yellow metal. In the run-up to the key data risk, the ongoing recovery in the US Treasury bond yields assists the US Dollar (USD) installing the overnight pullback from a two-week high. This, in turn, is seen holding back traders from placing aggressive bullish bets around the USD-denominated Gold price. Apart from this, the underlying bullish tone around the equity markets is seen as another factor that contributes to capping the safe-haven XAU/USD. Any meaningful corrective decline, meanwhile, seems elusive in the wake of dovish Fed expectations, a darkening global economic outlook (particularly in China) and geopolitical tensions.

GOLD

Day High: 2057

Day Low: 2036

RESISTANCE 1
2055

RESISTANCE 2
2065

RESISTANCE 3
2075

SUPPORT 1
2035

SUPPORT 2
2025

SUPPORT 3
2020

CURRENT PRICE
2046
PIVOT
2047

SILVER

Day High: 24.34

Day Low: 23.89

RESISTANCE 1: 24.30 **SUPPORT 1:** 23.90

RESISTANCE 2: 24.50 **SUPPORT 2:** 23.70

RESISTANCE 3: 24.70 **SUPPORT 3:** 23.50

CURRENT PRICE: 24.12
PIVOT: 24.16

PLATINUM

Day High: 918

Day Low: 890

RESISTANCE 1: 926 **SUPPORT 1:** 910

RESISTANCE 2: 935 **SUPPORT 2:** 900

RESISTANCE 3: 945 **SUPPORT 3:** 890

CURRENT PRICE: 917
PIVOT: 904

➤ GOLD-GBP/USD

The GBP/USD pair consolidates in a narrow range of 1.2583–1.2600 during the early Asian session on Friday. Traders prefer to wait on the sidelines ahead of the highly anticipated US Nonfarm Payrolls report. At press time, the major pair is trading at 1.2586, down 0.02% on the day. The Bank of England (BoE) is likely to keep the interest rate at 5.25% next week and through the second quarter of 2024. Markets have fully priced in a quarter-point rate cut by BoE in June of next year, followed by another in September. However, BoE Governor Bailey said interest rates would need to remain high for an extended period, and we are not currently in a position to discuss interest rate cuts. Additionally, the BoE's Financial Policy Committee suggested riskier corporate borrowing in financial markets such as private credit and leveraged lending is particularly vulnerable in the high interest rates and persistent inflation environment. On the other hand, the US Initial Jobless Claims rose 220K in the week ending December 2 from 218K in the previous week. Meanwhile, Continuing Claims dropped to 1.861M from the previous week of 1.925M. Traders will take cues from the US employment data on Friday. The US Nonfarm Payrolls is estimated to rise by 180K in November. The stronger-than-expected data could lift the Greenback and cap the upside of the GBP/USD pair.

GOLD-GBP/USD

Day High: 1.2611

Day Low: 1.2542

RESISTANCE 1

1.2590

RESISTANCE 2

1.2615

RESISTANCE 3

1.2635

SUPPORT 1

1.2550

SUPPORT 2

1.2530

SUPPORT 3

1.2500

CURRENT PRICE

1.2570

PIVOT

1.2580



➤ GOLD-EUR/USD

The EUR/USD pair remains capped below the 1.0800 mark during the early Asian session on Friday. The Eurozone's prospects remain gloomy and the markets believe the European Central Bank (ECB) will front-run the Federal Reserve (Fed) for rate cuts, which weigh on the Euro (EUR). At press time, EUR/USD is trading at 1.0791, down 0.03% on the day. The Eurozone economy unexpectedly slowed in the third quarter (Q3) of 2023. The Gross Domestic Product (GDP) came in at 0% YoY versus 0.1% prior, worse than the expectation. On a quarterly basis, the growth number contracted 0.1, in line with the market forecast. ECB board member Isabel Schnabel stated last month that rate hikes must remain an option in case inflation does not return fast enough to the 2% target. However, she had shifted her stance after three surprisingly low inflation readings in a row. The markets are aggressively pricing the European Central Bank (ECB) to cut interest rates earlier than expected, with the first move now seen as soon as March 2024.

GOLD-EUR/USD

Day High: 1.0816

Day Low: 1.0753

RESISTANCE 1

1.0800

RESISTANCE 2

1.0820

RESISTANCE 3

1.0845

SUPPORT 1

1.0750

SUPPORT 2

1.0725

SUPPORT 3

1.0700

CURRENT PRICE

1.0773

PIVOT

1.0787



➤ GOLD-USD/JPY

The USD/JPY plunged over 4% on Thursday, briefly declining below 142.00 before broader markets staged a moderate rebound, pulling the Japanese Yen (JPY) back into reasonable gain territory. The USD/JPY finished Thursday down around 2%, with the Yen heading into Friday's market session deep in the green for the week. The Yen saw a broad-market rally sparked by uncharacteristically hawkish comments from Bank of Japan (BoJ) Governor Kazuo Ueda, who unexpectedly began hinting at an eventual end of the BoJ's negative rate regime, potentially early next year. Japan's Core Consumer Price Index (CPI) inflation hit 2.9% in October, and Japanese inflation has spent 19 consecutive months overshooting the BoJ's 2% inflation target. The BoJ has avoided tightening policy because the Japanese central bank currently expects inflation to slump below 2% sometime in 2025. Especially overeager money markets are currently pricing in a 20% chance of a BoJ rate increase at the Japanese central bank's upcoming policy meeting on December 18 & 19. The BoJ's next quarterly growth and interest rate review is slated for the end of January.

GOLD-USD/JPY

Day High: 147.40

Day Low: 141.55

RESISTANCE 1

144.50

RESISTANCE 2

144.90

RESISTANCE 3

145.35

SUPPORT 1

143.75

SUPPORT 2

143.30

SUPPORT 3

142.85

CURRENT PRICE

144.14

PIVOT

144.92



➤ CRUDE OIL

Oil benchmarks were headed for a seventh straight weekly decline on worries over a global supply surplus and weak Chinese demand, although prices recovered ground on Friday after Saudi Arabia and Russia called for more OPEC+ members to join output cuts. Brent crude futures rose \$1.29, or 1.7%, to \$75.34 a barrel by 0359 GMT, while U.S. West Texas Intermediate crude futures gained \$1.11, or 1.6%, to \$70.45 a barrel. Both benchmarks slid to their lowest since late June in the previous session, a sign that many traders believe the market is oversupplied. Brent and WTI are also in contango, a market structure in which front-month prices trade at a discount to prices further out. Some short sellers closed their position as the oil market was seen oversold. Meanwhile, the plunging oil prices forced OPEC+ to improve solidarity to calm the market, said analysts from Haitong Futures in a note. Saudi Arabia and Russia, the world's two biggest oil exporters, on Thursday called for all OPEC+ members to join an agreement on output cuts for the good of the global economy, only days after a fractious meeting of the producers' club. The Organization of the Petroleum Exporting Countries and allies, known as OPEC+, agreed to a combined 2.2 million barrels per day (bpd) in output cuts for the first quarter of next year.

CRUDE OIL

Day High: 70.44

Day Low: 68.78

RESISTANCE 1

71.50

RESISTANCE 2

72.80

RESISTANCE 3

74.00

SUPPORT 1

69.80

SUPPORT 2

68.50

SUPPORT 3

68.00

CURRENT PRICE

70.67

PIVOT

69.59



➤ NATURAL GAS

US natural gas futures traded around \$2.580/MMBtu. At around \$1 per MMBtu lower on December, Lower-than-expected temperatures in the global north during early December and late November have raised eyebrows. This occurrence is particularly rare, especially in light of the ongoing global warming issues as temperatures this low aren't expected so early in the heating season. Despite this, prices for one of the key energy commodities natural gas have remained in a downtrend since early November, breaking below \$3 for the Henry Hub contract recently. This shows that Europe in particular, which was heavily dependent on supplies from Russia even before the outbreak of the war, managed to get through the crisis without facing a sharp shortage.

NATURAL GAS

Day High: 2.610

Day Low: 2.487

RESISTANCE 1

2.650

RESISTANCE 2

2.700

RESISTANCE 3

2.780

SUPPORT 1

2.500

SUPPORT 2

2.450

SUPPORT 3

2.380

CURRENT PRICE

2.572

PIVOT

2.559



Economic Calendar

Today: Dec 8							Up Next	Search Events	
Date	12:38pm	Currency	Impact		Detail	Actual	Forecast	Previous	Graph
Fri Dec 8	6:30pm	»	USD	🔴	Average Hourly Earnings m/m	📁	0.3%	0.2%	📊
		»	USD	🔴	Non-Farm Employment Change	📁	184K	150K	📊
		»	USD	🔴	Unemployment Rate	📁	3.9%	3.9%	📊
	8:00pm	»	USD	🔴	Prelim UoM Consumer Sentiment	📁	62.0	61.3 ⬆️	📊

Product	Previous Day High	Previous Day Low	Current Price	Pivot	Pivot Strategy
NASDAQ	16054	15790	16000	15940	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	2057	2036	2046	2047	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	24.34	23.89	24.12	24.16	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	918	890	917	904	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	1.2611	1.2542	1.2570	1.2580	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	1.0816	1.0753	1.0773	1.0787	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	147.40	141.55	144.14	144.92	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	70.44	68.78	70.67	69.59	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	2.610	2.487	2.572	2.559	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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