



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

**December 11, 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

US stock futures held steady on Monday as investors braced for a heavy calendar week, headlined by the Federal Reserve's final policy decision for this year. In regular trading on Friday, the Dow rose 0.36%, the S&P 500 climbed 0.41% and the Nasdaq Composite added 0.45%, with US stocks extending the winning streak to a sixth consecutive week. Those gains were fueled by solid economic data that raised hopes for an economic soft landing. Fresh data showed that the nonfarm payrolls in the US rose by a more-than-expected 199K in November and the unemployment rate fell to a 4-month low of 3.7%. Also, the University of Michigan's consumer sentiment for the US surged to 69.4 in December with the gauge of inflation expectations in the year ahead dipping to 3.1%, the lowest level since March 2021. Investors now look ahead to the Fed's policy meeting on Wednesday, as well as key inflation data and retail sales figures this week.

### NASDAQ

Day High: 16117

Day Low: 15887

#### RESISTANCE 1

16150

#### RESISTANCE 2

16220

#### RESISTANCE 3

16300

#### SUPPORT 1

16000

#### SUPPORT 2

15920

#### SUPPORT 3

15830

#### CURRENT PRICE

16065

#### PIVOT

16032



## ➤ METALS

Gold prices fell below key levels in Asian trade on Monday as strong labor market data saw traders rethink bets that the Federal Reserve will begin trimming interest rates earlier in 2024. Spot prices fell below the \$2,000 an ounce level, marking a sharp reversal from record highs hit last week. A resilient dollar and signs of strength in the U.S. economy were the key weights on the yellow metal, as risk sentiment improved. Spot gold fell 0.4% to \$1,996 an ounce, while gold futures expiring February fell 0.1% to \$2,012 an ounce. Both instruments were trading about \$150 below record highs hit last week.

### GOLD

Day High: 2050

Day Low: 2010

RESISTANCE 1  
2020

RESISTANCE 2  
2030

RESISTANCE 3  
2035

SUPPORT 1  
2005

SUPPORT 2  
1995

SUPPORT 3  
1985

CURRENT PRICE  
2014  
PIVOT  
2032

### SILVER

Day High: 24.20

Day Low: 23.23

RESISTANCE 1: 23.50      SUPPORT 1: 23.15

RESISTANCE 2: 23.70      SUPPORT 2: 22.95

RESISTANCE 3: 23.90      SUPPORT 3: 22.70

CURRENT PRICE: 23.34  
PIVOT: 23.71

### PLATINUM

Day High: 929

Day Low: 909

RESISTANCE 1: 930      SUPPORT 1: 915

RESISTANCE 2: 940      SUPPORT 2: 908

RESISTANCE 3: 950      SUPPORT 3: 900

CURRENT PRICE: 923  
PIVOT: 918

## ➤ GOLD-GBP/USD

The GBP/USD pair holds positive ground during the early Asian session on Monday. The pair recovers some lost ground from Friday's low of 1.2500 and currently trades around 1.2551, gaining 0.03% on the day. The US Nonfarm Payrolls came in better than market expectations. Traders await the key events from the FOMC and BoE meeting this week and these events could trigger volatility in the market. The Bank of England (BoE) governor Andrew Bailey said last month it was far too early to be thinking about rate cuts while warning there was "no room for complacency" on inflation despite a fall in the Consumer Price Index from 6.7% in September to 4.6% in October. The BoE is likely to keep borrowing costs at a 15-year high at its December meeting on Thursday. Last week, US Federal Reserve (Fed) Chair Jerome Powell said earlier this month that it would be premature to conclude with confidence that the Fed had achieved a sufficiently restrictive stance to tame inflation. Powell added that we are prepared to tighten policy further if it becomes appropriate to do so. Nonetheless, investors speculated that the upbeat US Nonfarm Payrolls (NFP) report may convince the Federal Reserve (Fed) to delay rate cutting in 2024.

### GOLD-GBP/USD

Day High: 1.2599

Day Low: 1.2499

#### RESISTANCE 1

1.2570

#### RESISTANCE 2

1.2595

#### RESISTANCE 3

1.2625

#### SUPPORT 1

1.2520

#### SUPPORT 2

1.2495

#### SUPPORT 3

1.2470

#### CURRENT PRICE

1.2543

#### PIVOT

1.2559



## ➤ GOLD-EUR/USD

The EUR/USD rebounds from its three-week low at 1.0723, which was recorded on Friday. The EUR/USD pair trades higher around 1.0760 during the Asian trading hours on Monday. However, the US Dollar (USD) received an upward momentum after the release of stronger economic data from the United States (US). The US Nonfarm Payrolls for November exceeded expectations with a significant increase to 199,000, while the US Unemployment Rate dropped to 3.7% from the previous 3.9%. Meanwhile, the German Harmonized Index of Consumer Prices (YoY) remained steady at 2.3% in November, in line with expectations, with monthly figures reflecting a 0.7% decline, similar to October. Market anticipation suggests that the European Central Bank (ECB) will maintain the Main Refinancing Operations Rate at 4.5% in its upcoming monetary policy statement on Thursday. Furthermore, expectations point toward a commencement of interest rate cuts by the ECB in March 2024. On the other hand, speculation surrounds the future trajectory of the US Federal Reserve's (Fed) interest rates and the duration for which policy rates will remain restrictive. However, the consensus expectation is that the Fed will keep interest rates at 5.5% during the upcoming monetary policy meeting on Wednesday.

### **GOLD-EUR/USD**

**Day High: 1.0804**

**Day Low: 1.0721**

#### **RESISTANCE 1**

**1.0785**

#### **RESISTANCE 2**

**1.0810**

#### **RESISTANCE 3**

**1.0835**

#### **SUPPORT 1**

**1.0735**

#### **SUPPORT 2**

**1.0710**

#### **SUPPORT 3**

**1.0690**

#### **CURRENT PRICE**

**1.0761**

#### **PIVOT**

**1.0772**





## ➤ GOLD-USD/JPY

The Japanese yen fell 0.3%, but traded close to four-month highs hit last week following a slew of hawkish signals from the Bank of Japan. But the BOJ is still expected to keep policy ultra-loose in the near-term. The dollar index and dollar index futures both rose slightly in Asian trade, after marking some gains on Friday. Stronger-than-expected nonfarm payrolls data saw traders scaling back bets that the Fed could cut interest rates in early-2024. Fed Fund futures prices show a 43% chance of 25 basis point cut in March, down from earlier expectations of over 60%. The central bank is set to keep interest rates steady at the conclusion of a two-day meeting on Wednesday. But its outlook on rates, especially in the light of recent labor market strength, will be in focus. Still, the strong labor reading signals some resilience in the U.S. economy, and heralds a potential soft landing. Beyond the Fed, U.S. inflation data is also on tap this week.

### GOLD-USD/JPY

Day High: 145.20

Day Low: 142.47

#### RESISTANCE 1

145.80

#### RESISTANCE 2

146.20

#### RESISTANCE 3

146.50

#### SUPPORT 1

145.00

#### SUPPORT 2

144.70

#### SUPPORT 3

144.35

#### CURRENT PRICE

145.38

#### PIVOT

144.01





## ➤ CRUDE OIL

Oil prices rose on Monday, extending gains for a second session as U.S. efforts to replenish strategic reserves provided some support, although concerns of crude oversupply and softer fuel demand growth next year persisted. Brent crude futures rose 0.6%, or 48 cents, to \$76.32 a barrel, while U.S. West Texas Intermediate crude futures were at \$71.61 a barrel, up 0.5%, or 38 cents. Both contracts jumped more than 2% on Friday but fell for the seventh straight week, their longest streak of weekly declines since 2018, on lingering oversupply concerns. The recent price weakness drew demand from the U.S., which has sought up to 3 million barrels of crude for the Strategic Petroleum Reserve (SPR) for delivery in March 2024. Despite the Organization of the Petroleum Exporting Countries and allies, together called OPEC+, having pledged to cut 2.2 million barrels per day (bpd) of production in the first quarter, investors remains skeptical supply will drop. Output growth in non-OPEC countries is seen leading to excess supply next year.

### CRUDE OIL

Day High: 71.59

Day Low: 69.19

#### RESISTANCE 1

72.50

#### RESISTANCE 2

73.00

#### RESISTANCE 3

74.00

#### SUPPORT 1

71.00

#### SUPPORT 2

70.20

#### SUPPORT 3

69.00

#### CURRENT PRICE

71.72

#### PIVOT

70.36



## ➤ NATURAL GAS

U.S. natural gas prices retreated last week, with futures closing lower despite robust liquefied natural gas (LNG) exports. The mild weather forecasts, indicating lower heating demand through late December, contributed to this trend, somewhat mitigating the selling pressure. However, the market still recorded a significant 8.28% drop for the week. Current conditions suggest a moderated impact on gas storage withdrawals in the coming weeks, attributed to the blend of mild weather and near-record output. Storage levels are notably higher than typical for this time of year, with the Energy Information Administration (EIA) reporting working gas in storage at 3,719 Bcf as of December 1, 2023, a net decrease of 117 Bcf from the previous week but still above the five-year average.

### NATURAL GAS

Day High: 2.610

Day Low: 2.536

#### RESISTANCE 1

2.460

#### RESISTANCE 2

2.520

#### RESISTANCE 3

2.600

#### SUPPORT 1

2.350

#### SUPPORT 2

2.280

#### SUPPORT 3

2.200

#### CURRENT PRICE

2.403

#### PIVOT

2.570



Economic Calendar

Product	Previous Day High	Previous Day Low	Current Price	Pivot	Pivot Strategy
NASDAQ	16117	15887	16065	16032	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	2050	2010	2014	2032	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	24.20	23.23	23.34	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	929	909	923	918	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	1.2599	1.2499	1.2543	1.2559	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	1.0804	1.0721	1.0761	1.0772	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	145.20	142.47	145.38	144.01	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	71.59	69.19	71.72	70.36	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	2.536	2.403	2.570	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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