



March 18, 2024



# 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 look forward to the Federal Reserve's policy meeting this week. Last week, the Dow shed 0.02%, the S&P 500 lost 0.13% and the Nasdaq Composite fell 0.7%. The real estate, healthcare and technology sectors were the biggest laggards last week, while energy, communication services and materials firms outperformed the market. Those moves came as stronger-than-expected US inflation data raised concerns that the central bank could further delay interest rate cuts. The Fed is widely anticipated to hold rates steady this week, while expectations for a June rate cut edged lower to about 55%. Investors also look ahead to the latest earnings report of Micron Technology and FedEx this week. US equities concluded Friday's second session lower, marking the inaugural triple witching of 2024. The S&P 500 declined by 0.6%, the NASDAQ retreated 1%, and the Dow Jones shed 190 points. The trading day was characterized by volatility, driven by notable options expiration and a significant sell-off in the technology sector. Investors anxiously awaited the Federal Reserve's forthcoming decision. The tech industry experienced the most significant decline, particularly in the shares of Microsoft (-2%), Apple (-0.2%), Amazon (-2.4%), and Alphabet (-1.5%).

### NASDAQ

Day High: 18321

Day Low: 18005

RESISTANCE 1

18210

RESISTANCE 2

18265

RESISTANCE 3

18330

SUPPORT 1

18100

SUPPORT 2

18030

SUPPORT 3

17950

CURRENT PRICE

18162

PIVOT

18160



## ➤ METALS

On Monday, gold dropped below \$2,150 per ounce, reaching its lowest levels in over a week. This decline was influenced by a strengthening dollar and Treasury yields following robust US inflation data, which reduced expectations for imminent interest rate cuts. Investors exercised caution as they awaited monetary policy decisions from key central banks such as the Federal Reserve, Bank of Japan, Reserve Bank of Australia, and Bank of England. Additionally, significant economies are set to release inflation and PMI figures. Most central banks are anticipated to maintain their benchmark rates this week, with traders seeking indications regarding potential rate cuts later in the year. Furthermore, the Bank of Japan is expected to depart from its negative interest rate policy due to factors like increased wages, elevated inflation, and a stable economy.

### GOLD

Day High: 2176

Day Low: 2158

RESISTANCE 1

2157

RESISTANCE 2

2163

RESISTANCE 3

2170

SUPPORT 1

2140

SUPPORT 2

2132

SUPPORT 3

2125

CURRENT PRICE

2150

PIVOT

2165

### SILVER

Day High: 25.64

Day Low: 24.99

RESISTANCE 1: 25.45

SUPPORT 1: 25.05

RESISTANCE 2: 25.65

SUPPORT 2: 24.85

RESISTANCE 3: 25.85

SUPPORT 3: 24.60

CURRENT PRICE: 25.22

PIVOT: 24.26

### PLATINUM

Day High: 958

Day Low: 928

RESISTANCE 1: 940

SUPPORT 1: 925

RESISTANCE 2: 946

SUPPORT 2: 918

RESISTANCE 3: 955

SUPPORT 3: 910

CURRENT PRICE: 932

PIVOT: 941

## ➤ GOLD-GBP/USD

GBP/USD showed signs of reversing its decline from Thursday, hovering around 1.2730 during Monday's Asian session. However, caution prevailed in the market ahead of the US Federal Reserve's interest rate decision on Wednesday, leading to setbacks for the pair. The Bank of England's (BoE) release of Consumer Inflation Expectations on Friday, indicating a decrease to 3.0% from the previous 3.3%, raised expectations of a potential BoE rate cut in June. This outlook could weaken the Pound Sterling (GBP) and consequently exert downward pressure on the GBP/USD pair. Traders will closely watch several key indicators from the United Kingdom (UK) on Tuesday, including the Consumer Price Index, Producer Price Index, and Retail Price Index.

### **GOLD-GBP/USD**

**Day High:** 1.2757

**Day Low:** 1.2722

#### **RESISTANCE 1**

1.2750

#### **RESISTANCE 2**

1.2775

#### **RESISTANCE 3**

1.2800

#### **SUPPORT 1**

1.2705

#### **SUPPORT 2**

1.2680

#### **SUPPORT 3**

1.2655

#### **CURRENT PRICE**

1.2732

#### **PIVOT**

1.2739



## ➤ GOLD-EUR/USD

During the early Asian session on Monday, the EUR/USD pair traded below the 1.0900 level, influenced by a rebound in the US Dollar (USD) above 103.50. Investors are anticipating the US Federal Open Market Committee's (FOMC) interest rate decision on Wednesday, with expectations of no change in rates. Currently, EUR/USD stands at 1.0885, showing a slight decline of 0.03% for the day. The FOMC is expected to maintain its key fed funds rate at a range of 5.25%–5.50%, as Fed officials await further evidence of inflation data before considering rate cuts. This narrative of higher US rates for an extended period may support the USD and pose a challenge for the EUR/USD pair. On the Euro side, the European Central Bank (ECB) opted to keep borrowing costs unchanged at its March meeting, but discussions about a potential rate cut have begun. ECB policymaker Pablo Hernandez de Cos mentioned that while borrowing costs remained at record highs, the ECB had made progress in addressing inflation concerns and initiated preliminary talks about monetary easing.

### GOLD-EUR/USD

Day High: 1.0898

Day Low: 1.0870

#### RESISTANCE 1

1.0900

#### RESISTANCE 2

1.0925

#### RESISTANCE 3

1.0950

#### SUPPORT 1

1.0860

#### SUPPORT 2

1.0835

#### SUPPORT 3

1.0805

#### CURRENT PRICE

1.0887

#### PIVOT

1.0884





## ➤ GOLD-USD/JPY

The Japanese yen depreciated to approximately 149 per dollar, reaching its lowest levels in more than a week as investors prepared for the Bank of Japan's upcoming policy decision. Speculation is rife that the central bank will abandon its negative interest rate policy. This anticipation follows significant pay raise agreements by major Japanese firms during last week's annual spring wage negotiations. BOJ officials have indicated that they may normalize monetary policy if a sustained positive cycle between rising wages and inflation is observed. However, analysts believe that the market has already priced in this potential policy adjustment, raising concerns about the pace of tightening. Additionally, the yen faced downward pressure from stronger-than-expected US inflation data, which tempered expectations for imminent Federal Reserve interest rate cuts.

### **GOLD-USD/JPY**

**Day High:** 149.15

**Day Low:** 148.01

**RESISTANCE 1**

149.50

**RESISTANCE 2**

149.80

**RESISTANCE 3**

150.20

**SUPPORT 1**

148.80

**SUPPORT 2**

148.50

**SUPPORT 3**

148.10

**CURRENT PRICE**

149.13

**PIVOT**

148.61





## ➤ CRUDE OIL

WTI crude futures surged above \$81 per barrel on Monday, building on gains from the previous week amidst escalating geopolitical tensions. Ukraine intensified drone attacks on Russian oil refineries, resulting in a temporary shutdown of approximately 7% of Russia's refining capacity in the first quarter. Israeli Prime Minister Benjamin Netanyahu's announcement of plans to enter Gaza's Rafah enclave added to concerns, complicating prospects for a peace agreement. Additionally, investors are closely monitoring monetary policy decisions by major central banks this week to gauge the possibility of interest rate cuts. Oil prices saw a nearly 4% rise last week, bolstered by the International Energy Agency's optimistic demand forecast and its prediction of a slight deficit for the current year.

### CRUDE OIL

Day High: 81.41

Day Low: 80.47

#### RESISTANCE 1

81.80

#### RESISTANCE 2

82.30

#### RESISTANCE 3

83.00

#### SUPPORT 1

81.00

#### SUPPORT 2

80.50

#### SUPPORT 3

79.80

#### CURRENT PRICE

81.40

#### PIVOT

81.01



## ➤ NATURAL GAS

US natural gas prices extended their decline to \$1.7/MMBtu, marking a two-week low. This downward trend follows a significant 8% drop in U.S. natural gas futures last week, driven by forecasts of milder weather, which reduces heating demand. Additionally, an extended outage at Freeport train 3 has constrained gas flow to LNG export facilities. Freeport LNG, previously impacted by a major fire incident in 2022, has temporarily halted one of its three trains, further contributing to the decline in natural gas prices.

### NATURAL GAS

Day High: 1.771

Day Low: 1.643

#### RESISTANCE 1

1.780

#### RESISTANCE 2

1.830

#### RESISTANCE 3

1.900

#### SUPPORT 1

1.690

#### SUPPORT 2

1.640

#### SUPPORT 3

1.580

#### CURRENT PRICE

1.735

#### PIVOT

1.707



Economic Calendar

Product	Previous Day High	Previous Day Low	Current Price	Pivot	Pivot Strategy
NASDAQ	18321	18005	18162	18160	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	2176	2158	2150	2165	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	25.64	24.99	25.22	25.26	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	958	928	932	941	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	1.2757	1.2722	1.2732	1.2739	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	1.0898	1.0870	1.0887	1.0884	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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