



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

May 01, 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 1.50%



Bank of Japan 0.10%

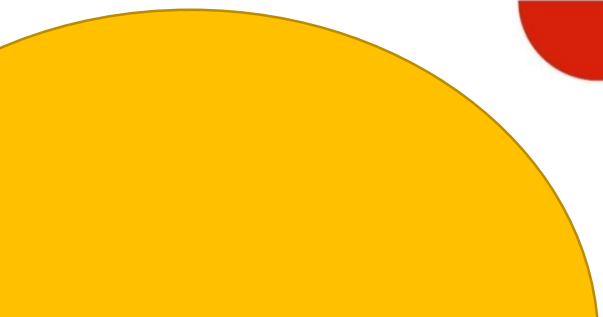


Table of Contents

01. U.S Indices

04. Gold-EUR/USD

07. Natural Gas

02. Metals
Gold
Silver
Platinum

05. Gold-USD/JPY

08. Economic Calendar

03. Gold-GBP/USD

06. Crude Oil

09. Summary

➤ U.S INDICES

US stock futures edged lower on Wednesday as investors geared up for the Federal Reserve's policy decision. Dow futures fell 0.1%, S&P 500 lost 0.2% and Nasdaq 100 futures dropped 0.4%. In extended trading, Amazon gained more than 1% on better-than-expected first-quarter earnings and revenue. Meanwhile, AMD (-7%) and SMCI (-10%) tumbled on disappointing quarterly results. In regular trading on Tuesday, the Dow fell 1.5%, the S&P 500 dropped 1.6% and the Nasdaq Composite declined 2%, with all 11 S&P sectors finishing lower. Those losses came as bond yields jumped after the first quarter's employment cost index came in higher-than-expected, stoking fears that the Fed could keep borrowing costs higher for longer. The central bank is widely expected to hold rates steady on Wednesday, but traders will be focusing on Fed Chair Powell's forward guidance. Markets also await ADP's private employment data for April and more corporate earnings reports.

NASDAQ

Day High: 17930

Day Low: 17667

RESISTANCE 1

17600

RESISTANCE 2

17700

RESISTANCE 3

17800

SUPPORT 1

17450

SUPPORT 2

17350

SUPPORT 3

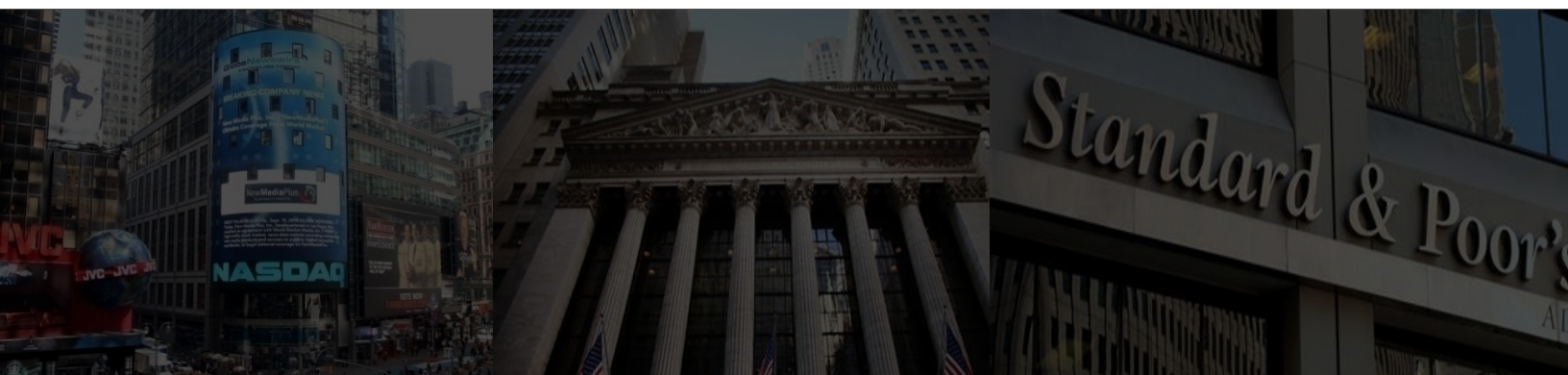
17200

CURRENT PRICE

17506

PIVOT

17791



➤ METALS

Gold held below \$2,300 per ounce on Wednesday, hovering near its lowest levels in four weeks as investors turned cautious ahead of the US Federal Reserve's policy decision amid fears that it would maintain higher interest rates for an extended period. On Tuesday, the metal tumbled more than 2% as the dollar and Treasury yields rallied on robust US wage data. The US employment cost index, a key measure of wages for civilian workers, rose more than expected by 1.2% in the first quarter. Traders have also been dialing back bets on Fed rate cuts this year in recent weeks due to strong US economic data and stubborn inflation. Higher rates raise the opportunity cost of holding non-yielding bullion, denting its appeal. Elsewhere, the World Gold Council said the global gold demand increased on an annual basis by 3% to 1,238 metric tons in the first quarter, the strongest start to a year since 2016. Silver dropped to around \$26.5 per ounce, tracking the decline in precious metals, as latest economic data from the US raised the case for the Fed to keep interest rates restrictive longer.

GOLD

Day High: 2352

Day Low: 2300

RESISTANCE 1

2305

RESISTANCE 2

2315

RESISTANCE 3

2330

SUPPORT 1

2290

SUPPORT 2

2280

SUPPORT 3

2260

CURRENT PRICE

2297

PIVOT

2326

SILVER

Day High: 27.53

Day Low: 26.53

RESISTANCE 1: 26.90

SUPPORT 1: 26.55

RESISTANCE 2: 27.10

SUPPORT 2: 26.30

RESISTANCE 3: 27.30

SUPPORT 3: 26.10

CURRENT PRICE: 26.70

PIVOT: 27.05

PLATINUM

Day High: 962

Day Low: 939

RESISTANCE 1: 955

SUPPORT 1: 935

RESISTANCE 2: 970

SUPPORT 2: 920

RESISTANCE 3: 990

SUPPORT 3: 900

CURRENT PRICE: 945

PIVOT: 951

➤ GOLD-GBP/USD

The GBPUSD decreased 0.0013 or 0.10% to 1.2476 on Wednesday May 1 from 1.2489 in the previous trading session. Historically, the British Pound reached an all time high of 2.86 in December of 1957. While the latest figures pointed to sustained strength in US consumer spending and inflationary pressures throughout March, it also revealed a more significant slowdown in US economic growth during the first quarter than expected, suggesting that the Federal Reserve is unlikely to implement its first rate cut before September. In the UK, Deputy Governor Dave Ramsden recently suggested that the risk of British inflation remaining excessively high had diminished and might potentially dip below the Bank of England's latest projections. On the other hand, Chief Economist Huw Pill also noted that the latest economic developments had brought the possibility of a rate cut closer, although he cautioned that it might still be some time away.

GOLD-GBP/USD

Day High: 1.2562

Day Low: 1.2495

RESISTANCE 1

1.2500

RESISTANCE 2

1.2530

RESISTANCE 3

1.2570

SUPPORT 1

1.2450

SUPPORT 2

1.2430

SUPPORT 3

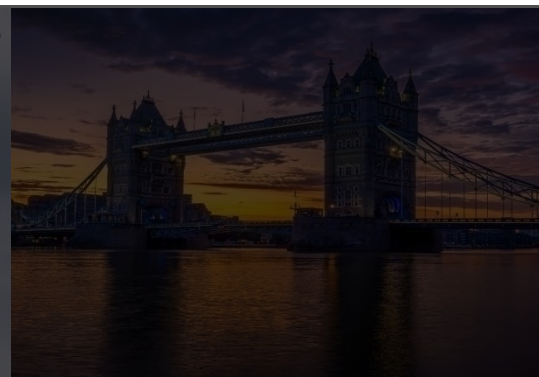
1.2400

CURRENT PRICE

1.2475

PIVOT

1.2530



➤ GOLD-EUR/USD

The euro rose above \$1.072 following the release of inflation data that supported the case for the European Central Bank to cut interest rates in June. Eurozone inflation remained steady at 2.4% in April, meeting expectations, while core inflation, excluding volatile items, decreased to 2.7% from 2.9%. Meanwhile, the Eurozone's economy grew by 0.3% in Q1, surpassing market expectations of just 0.1%. This marks the strongest growth since Q3 2022, indicating a rebound from subdued performance since Q4 2022. In the US, the Federal Reserve is not expected to reduce borrowing costs until September. Additionally, Spain's inflation rate also increased to 3.3%, driven by rising food and gas prices. Meanwhile, the core inflation rates from both countries slowed to fresh multi-year lows, primarily due to decelerating services inflation. The ECB has clearly signaled its intention to start lowering borrowing costs in June amidst gradually diminishing price pressures and indications of weakening economic activity. Meanwhile, in the US, the Federal Reserve is unlikely to implement any reductions in borrowing costs before September.

GOLD-EUR/USD

Day High: 1.0733

Day Low: 1.0672

RESISTANCE 1

1.0690

RESISTANCE 2

1.0720

RESISTANCE 3

1.0750

SUPPORT 1

1.0630

SUPPORT 2

1.0600

SUPPORT 3

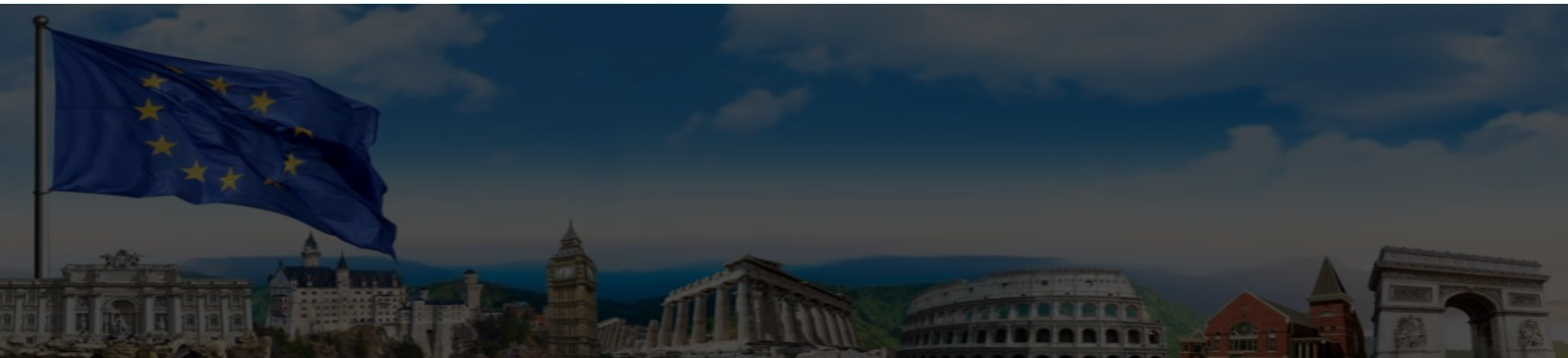
1.0560

CURRENT PRICE

1.0660

PIVOT

1.0701



➤ GOLD-USD/JPY

The Japanese yen depreciated toward 158 per dollar on Wednesday, erasing nearly all the gains made on Monday when the currency rebounded sharply on a suspected government intervention, with money market data suggesting the finance ministry spent around \$35 billion dollars to prop up the yen. Japanese authorities did not confirm whether they were behind the currency's recent surge, although op currency diplomat Masato Kanda said they will disclose results at the end of next month and will take appropriate action in the FX market as needed. A report also suggested that Japan may introduce incentives for companies to convert profits into yen with tax breaks. The yen lost more than 10% against the dollar so far this year as the Bank of Japan kept interest rates ultra-low, prompting traders to borrow yen and invest in higher-yielding currencies. Externally, the yen faced renewed pressure against the dollar as strong US wage data supported a hawkish outlook on Fed policy.

GOLD-USD/JPY

Day High: 157.72

Day Low: 155.79

RESISTANCE 1

158.20

RESISTANCE 2

158.50

RESISTANCE 3

159.00

SUPPORT 1

157.50

SUPPORT 2

157.20

SUPPORT 3

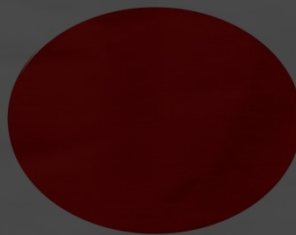
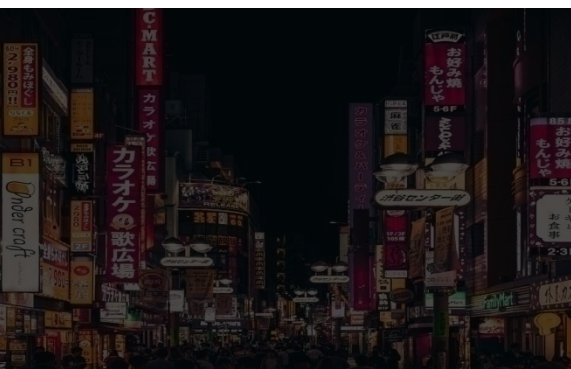
156.80

CURRENT PRICE

157.90

PIVOT

157.10



➤ CRUDE OIL

WTI crude futures fell toward \$81 per barrel on Wednesday, sliding for the third straight session as an industry report pointed to a sharp rebound in US crude stockpiles, while hopes for a ceasefire agreement in the Middle East continued to weigh on oil prices. API data showed that US crude inventories jumped by 4.906 million barrels last week after seeing a 3.23 million barrel drop in the preceding week, for the biggest gain since mid-March. The US EIA also said on Tuesday that US crude production rose to 13.15 million barrels per day in February from 12.58 bpd in January, the biggest monthly increase in about 3-½-years. In the Middle East, Egypt led efforts to revive stalled peace negotiations between Israel and Hamas, reducing risks of a wider conflict in the region. Elsewhere, investors turned cautious ahead of the US Federal Reserve's policy decision amid fears that it would maintain higher interest rates for an extended period.

CRUDE OIL

Day High: 83.27

Day Low: 80.93

RESISTANCE 1

82.00

RESISTANCE 2

83.00

RESISTANCE 3

84.00

SUPPORT 1

80.50

SUPPORT 2

79.50

SUPPORT 3

78.00

CURRENT PRICE

81.25

PIVOT

82.15



➤ NATURAL GAS

US natural gas futures climbed to \$2.06/MMBtu, the highest level in a week, driven by increased demand forecasts due to a rise in feedgas at Freeport LNG's export plant in Texas. LNG feedgas reached a three-week high of 12.9 bcf/d on Monday, up from 12.2 bcf/d the day before, indicating that at least one of the three liquefaction trains was back online after an outage. Freeport LNG, a major US liquefied natural gas export facility, has experienced multiple outages this year, with all processing units offline recently. Meanwhile, meteorologists predict above-average temperatures until May 11, followed by a return to near-normal conditions from May 12-14.

NATURAL GAS

Day High: 2.088

Day Low: 1.957

RESISTANCE 1

2.000

RESISTANCE 2

2.050

RESISTANCE 3

2.150

SUPPORT 1

1.900

SUPPORT 2

1.850

SUPPORT 3

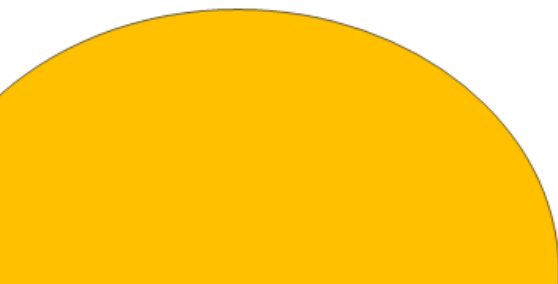
1.700

CURRENT PRICE

1.950

PIVOT

1.975



Economic Calendar

Time	Country	Event	Previous	Current
5:15pm	USD	ADP Non-Farm Employment Change	179K	184K
6:45pm	USD	Final Manufacturing PMI	49.9	49.9
7:00pm	USD	ISM Manufacturing PMI	50.0	50.3
	USD	JOLTS Job Openings	8.68M	8.76M
11:00pm	USD	Federal Funds Rate	5.50%	5.50%
	USD	FOMC Statement		
11:30pm	USD	FOMC Press Conference		

Product	Previous Day High	Previous Day Low	Current Price	Pivot	Pivot Strategy
NASDAQ	17930	17667	17506	17791	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	2352	2300	2297	2326	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	27.53	27.53	26.70	27.05	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	962	939	945	951	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	1.2562	1.2495	1.2475	1.2530	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	1.0733	1.0672	1.0660	1.0701	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	157.72	155.79	157.90	156.75	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	83.27	80.93	81.25	82.15	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	2.088	1.957	1.950	2.014	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.

DISCLAIMER

H.G Markets Private Limited is not in investment advisory business and acts only as Member of Pakistan Mercantile Exchange (MEM293) and Broker of Securities and Exchange Commission of Pakistan (BRC286). Trading in commodity futures is subjected to market risk. The amount you may lose is potentially unlimited and can exceed the amount you originally deposited with PMEX. The information contained herein does not suggest or imply and should not be construed in any manner a guarantee of future performance and / or investment advice either on the part of the broker and / or PMEX. Investors are advised to read the risk disclosure document carefully along-with standardized account opening form (SAOF) before trading in commodity futures market.