



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

May 06, 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%

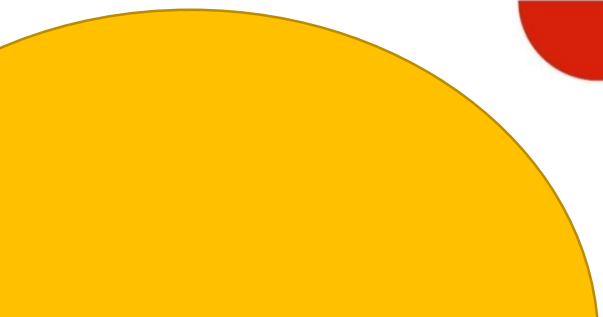


Table of Contents

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 higher on Monday after the major averages ended the previous week in positive territory as softer-than-expected US jobs data revived hopes for Federal Reserve interest rate cuts this year. Dow, S&P 500 and Nasdaq 100 futures were all up about 0.1%. Last week, the Dow rose 1.14%, the S&P 500 gained 0.55% and the Nasdaq Composite climbed 1.43%, with the Nasdaq Composite closing above its 50-day moving average for the first time in three weeks. Data released on Friday showed that the US economy added 175K jobs in April, falling short of the estimated 243K and signaling a significant slowdown from March's addition of 315K jobs. Meanwhile, Berkshire Hathaway held its annual shareholder meeting on Saturday, where it announced that it reduced its stake in Apple by 13%. Investors now look ahead to fresh central bank commentary this week, as well as a raft of earnings reports from major companies like Palantir, Arm Holdings and Uber.

NASDAQ

Day High: 18044

Day Low: 17610

RESISTANCE 1

18050

RESISTANCE 2

18150

RESISTANCE 3

18300

SUPPORT 1

17900

SUPPORT 2

17800

SUPPORT 3

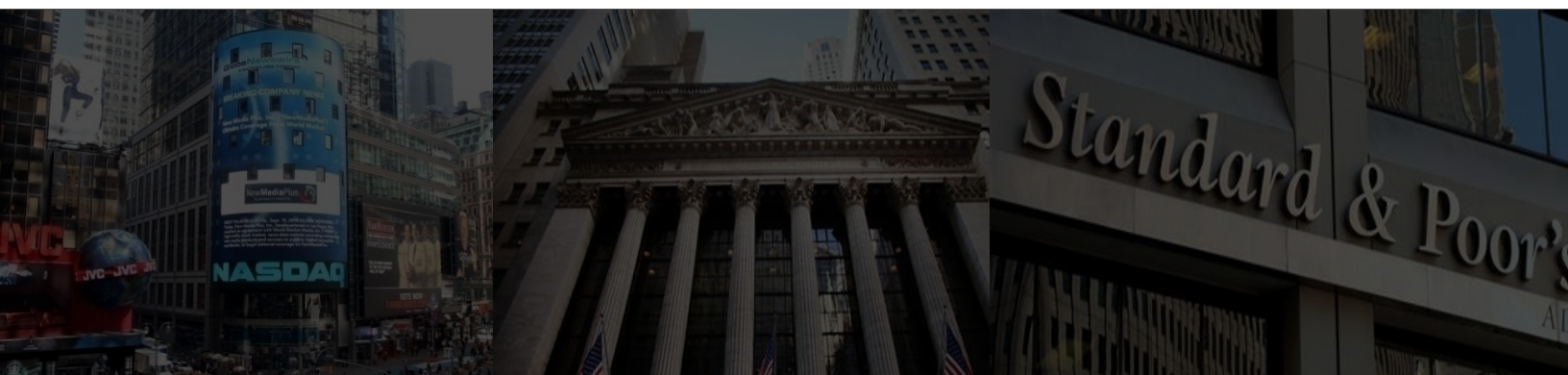
17700

CURRENT PRICE

17990

PIVOT

17831



➤ METALS

Gold prices rose past \$2,310 per ounce on Monday, after reaching an almost one-month low last week, with traders anticipating remarks from a range of Fed officials due this week to seek further cues into the timeline for potential rate cuts, particularly in light of the recent US labor data figures. Friday's data unveiled a greater-than-expected deceleration in the US job expansion during April, reinforcing expectations that the Fed will commence interest rate reductions later in the year. Markets now show a 67% chance of a rate cut in September, per CME's FedWatch Tool. Lower rates reduce the opportunity cost of holding non-yielding bullion, increasing its appeal. Elsewhere, physical gold demand in India stayed low last week despite price dips, as buyers held off for bigger drops, while Chinese premiums fell for the second week due to weak holiday demand.

GOLD

Day High: 2329

Day Low: 2285

RESISTANCE 1

2330

RESISTANCE 2

2340

RESISTANCE 3

2350

SUPPORT 1

2315

SUPPORT 2

2300

SUPPORT 3

2290

CURRENT PRICE

2321

PIVOT

2310

SILVER

Day High: 26.94

Day Low: 27.12

RESISTANCE 1: 27.40

SUPPORT 1: 27.00

RESISTANCE 2: 27.60

SUPPORT 2: 26.80

RESISTANCE 3: 27.90

SUPPORT 3: 26.55

CURRENT PRICE: 27.20

PIVOT: 26.77

PLATINUM

Day High: 980

Day Low: 957

RESISTANCE 1: 975

SUPPORT 1: 960

RESISTANCE 2: 985

SUPPORT 2: 950

RESISTANCE 3: 1000

SUPPORT 3: 935

CURRENT PRICE: 965

PIVOT: 967

➤ GOLD-GBP/USD

The British pound surged to \$1.26, marking its highest level since April 9th, as traders recalibrated their expectations for the timing of interest rate cuts in 2024 following the release of weaker-than-expected jobs data from the US. The Federal Reserve is now expected to implement its first cut in September, compared to the previously projected November timeline, after April's figures revealed that the US economy added just 175K jobs, significantly fewer than the anticipated 243K. Moreover, wage growth fell short of expectations, while the jobless rate unexpectedly rose. Meanwhile, the Bank of England is expected to keep rates unchanged next week but investors are fully pricing the first cut in August instead of September. In April, BoE Governor Andrew Bailey expressed optimism as British inflation appeared on track to meet the 2% target. In fact, the inflation rate fell to 3.2% in March, the lowest rate since September 2021.

GOLD-GBP/USD

Day High: 1.2632

Day Low: 1.2527

RESISTANCE 1

1.2570

RESISTANCE 2

1.2610

RESISTANCE 3

1.2650

SUPPORT 1

1.2520

SUPPORT 2

1.2490

SUPPORT 3

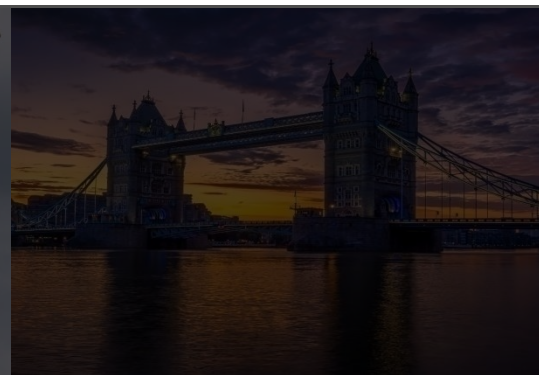
1.2450

CURRENT PRICE

1.2540

PIVOT

1.2561



➤ GOLD-EUR/USD

The euro surged towards \$1.08, marking its strongest level since April 9th, as traders revised their expectations for interest rate cuts following the release of a weaker-than-anticipated US jobs report. The data revealed that the US economy added fewer jobs than projected last month, with only 175,000 jobs created, prompting investors to accelerate their predictions of the Federal Reserve's first rate cut from November to September. Additionally, annual wage growth eased to 3.9%, while the jobless rate unexpectedly rose to 3.9%. Meanwhile, in Europe, a steady inflation rate and moderate GDP growth from the Eurozone, released earlier, have further bolstered the case for a potential interest rate cut by the ECB in June.

GOLD-EUR/USD

Day High: 1.0810

Day Low: 1.0720

RESISTANCE 1

1.0790

RESISTANCE 2

1.0820

RESISTANCE 3

1.0855

SUPPORT 1

1.0730

SUPPORT 2

1.0700

SUPPORT 3

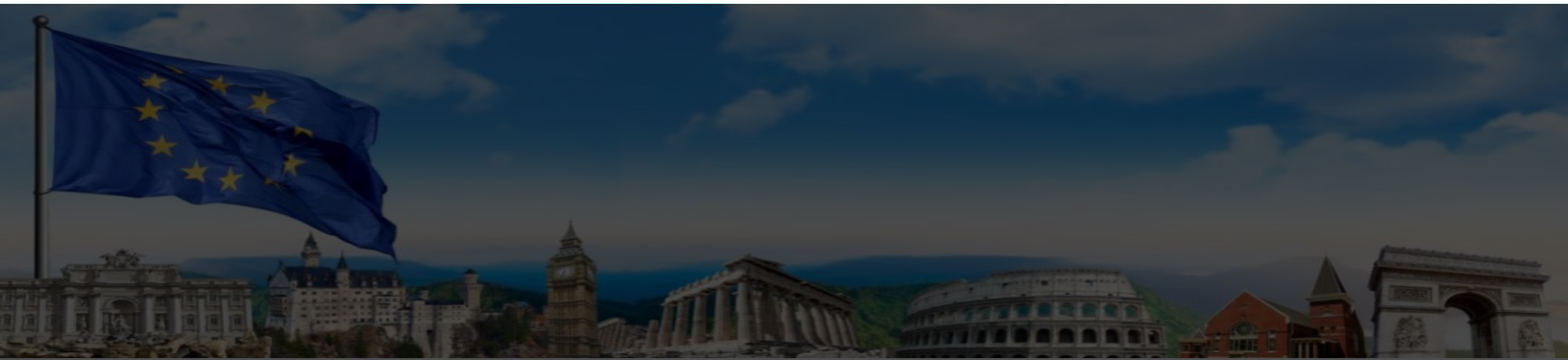
1.0660

CURRENT PRICE

1.0760

PIVOT

1.0756



➤ GOLD-USD/JPY

The dollar index steadied above 105 on Monday as investors continued to assess the outlook for Federal Reserve monetary policy, while looking ahead to fresh central bank commentary this week. Last week, the index dropped about 1% as the Fed held interest rates steady and Chair Powell ruled out the possibility of another rate hike to combat stubbornly high inflation, reiterating the central bank's easing bias despite a delay in the timing. Data also showed that the US economy added 175,000 jobs in April, down from the revised 315,000 added in March and falling short of market expectations of 243,000. Markets now see 45 basis points in total cuts this year, with a November move fully priced in. Externally, the dollar also came under pressure from a sharp rally in the yen last week as the Bank of Japan was suspected to have spent more than 9 trillion yen to support its currency.

GOLD-USD/JPY

Day High: 153.80

Day Low: 151.84

RESISTANCE 1

154.20

RESISTANCE 2

154.50

RESISTANCE 3

154.90

SUPPORT 1

153.60

SUPPORT 2

153.30

SUPPORT 3

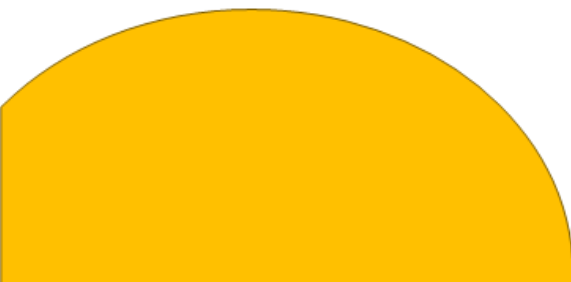
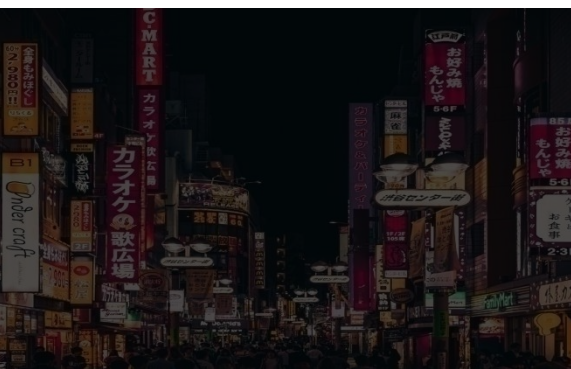
152.00

CURRENT PRICE

153.90

PIVOT

152.90



➤ CRUDE OIL

WTI crude futures steadied above \$78 per barrel on Monday as the prospect of extended output cuts from OPEC+ provided some support to oil prices. The group of major oil producers said last week that they could extend voluntary output cuts of 2.2 million barrels per day beyond June if demand fails to rebound, although they have yet to start formal discussions on the matter. On the demand side, weaker-than-expected US jobs data revived hopes for Federal Reserve interest rate cuts this year, boosting the demand outlook. Meanwhile, WTI prices tumbled nearly 7% last week as easing risks of supply disruptions in the Middle East and surging US crude inventories weighed on the market. Israel and Hamas continued to hold ceasefire talks in Cairo, with US Secretary of State Antony Blinken saying “taking the ceasefire should be a no-brainer” for Hamas.

CRUDE OIL

Day High: 79.60

Day Low: 77.98

RESISTANCE 1

79.50

RESISTANCE 2

80.50

RESISTANCE 3

82.00

SUPPORT 1

78.00

SUPPORT 2

77.00

SUPPORT 3

76.00

CURRENT PRICE

78.60

PIVOT

78.67



➤ NATURAL GAS

US natural gas futures surged over 5% to above \$2.1/MMBtu on Friday, approaching a three-month high due to increased exports and reduced output. Major energy giants like EQT and Chesapeake Energy have cut back on drilling and completions, causing a 9% decrease in US gas production this year. Gas output dropped to 98.1 bcf/d in April, down from a record of 105.5 bcf/d in December 2023, and continued to decline in May. Also, gas flows to seven major LNG export facilities in the US have been climbing, following Freeport LNG's plant reactivation. Looking ahead, weather forecasts predict mostly normal to warmer conditions until May 18. Despite the market's oversupply, with storage levels 34.9% above average, US natgas prices have spiked around 12% this week.

NATURAL GAS

Day High: 2.155

Day Low: 2.010

RESISTANCE 1

2.220

RESISTANCE 2

2.300

RESISTANCE 3

2.400

SUPPORT 1

2.050

SUPPORT 2

1.950

SUPPORT 3

1.850

CURRENT PRICE

2.150

PIVOT

2.090



Product	Previous Day High	Previous Day Low	Current Price	Pivot	Pivot Strategy
NASDAQ	18044	17610	17900	17831	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	2329	2285	2321	2310	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	26.94	27.12	27.20	26.77	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	980	957	965	967	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	1.2632	1.2527	1.2540	1.2561	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	1.0810	1.0720	1.0760	1.0756	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	153.80	151.84	153.90	152.90	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	79.60	77.98	78.60	78.67	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	2.155	2.010	2.150	2.090	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.