



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

May 10, 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%

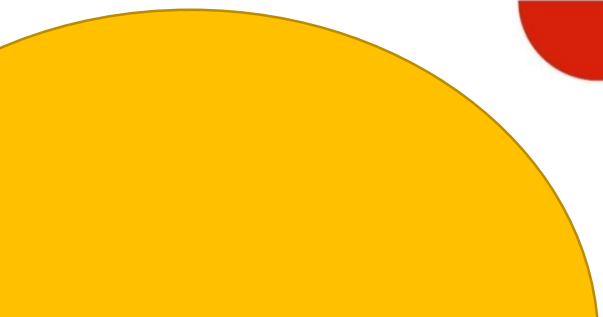


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➤ U.S INDICES

US stock futures edged higher on Friday after a positive session for the major averages, with the Dow extending its winning streak to a seventh day. In extended trading, Dropbox rose more than 2% on an earnings and revenue beat, while Unity Software tumbled 4.5% on a wider-than-expected loss. In regular trading on Thursday, the Dow gained 0.85%, the S&P 500 climbed 0.51% and the Nasdaq Composite added 0.27%. Ten out of the 11 S&P sectors ended higher, led by real estate, utilities and energy. Those moves came as the latest weekly jobless claims rose more than expected, reinforcing bets for Federal Reserve interest rate cuts this year. However, comments from several policymakers have been suggesting rates will stay elevated for some more time. More Fed officials including Bowman, Kashkari, Goolsbee and Logan will speak on Friday. PPI and CPI data due next week should also provide further clarity on price pressures.

NASDAQ

Day High: 18237

Day Low: 18103

RESISTANCE 1

18305

RESISTANCE 2

18375

RESISTANCE 3

18445

SUPPORT 1

18177

SUPPORT 2

18090

SUPPORT 3

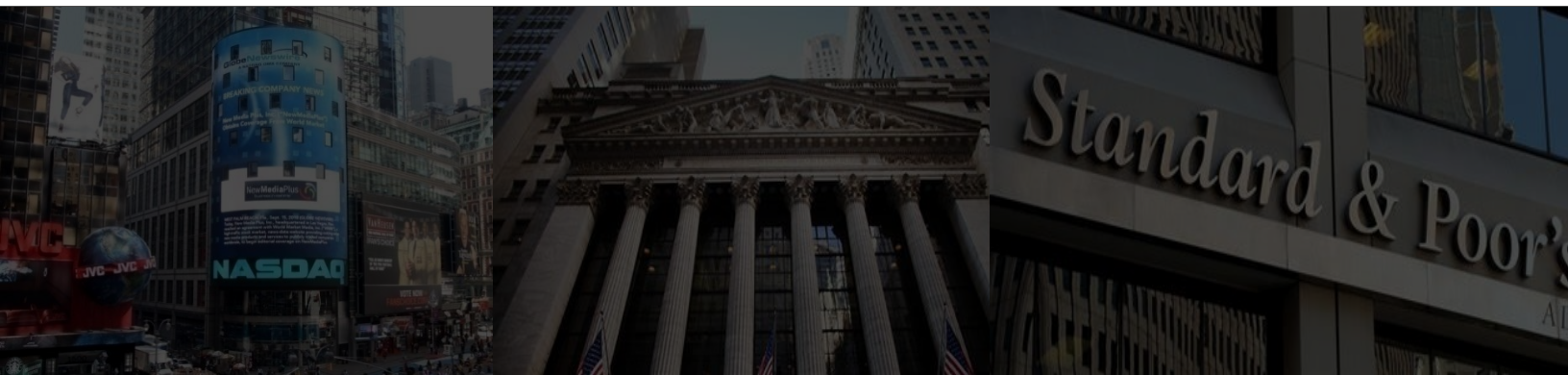
17995

CURRENT PRICE

18230

PIVOT

18185



➤ METALS

Gold prices rose past \$2,360 per ounce on Friday, driven by traders' expectations of a Federal Reserve interest rate cut following recent economic data. Thursday's data revealed a higher-than-expected increase in Americans filing for unemployment benefits last week, indicating a gradual cooling of the labor market. Investors anticipate that the Fed will initiate its easing cycle in September. Lower rates tend to benefit non-yielding gold. However, traders will closely monitor next week's CPI and PPI releases for further insights into the Fed's monetary stance, given reservations expressed by some Fed officials about easing. Meanwhile, robust investment in the over-the-counter market, ongoing central bank purchases, and increasing Asian demand fueled gold's rise. Also, stalled Middle East ceasefire talks and escalating Ukraine tensions heightened its risk premium. Over the week, the bullion is poised to rise by 2.2%.

GOLD

Day High: 2345

Day Low: 2313

RESISTANCE 1

2372

RESISTANCE 2

2385

RESISTANCE 3

2400

SUPPORT 1

2355

SUPPORT 2

2342

SUPPORT 3

2328

CURRENT PRICE

2363

PIVOT

2331

SILVER

Day High: 28.43

Day Low: 27.50

RESISTANCE 1: 28.93

SUPPORT 1: 28.55

RESISTANCE 2: 29.18

SUPPORT 2: 28.36

RESISTANCE 3: 29.40

SUPPORT 3: 28.15

CURRENT PRICE: 28.68

PIVOT: 27.99

PLATINUM

Day High: 997

Day Low: 981

RESISTANCE 1: 1004

SUPPORT 1: 986

RESISTANCE 2: 1016

SUPPORT 2: 978

RESISTANCE 3: 1030

SUPPORT 3: 965

CURRENT PRICE: 995

PIVOT: 989

➤ GOLD-GBP/USD

The British pound hovered around \$1.25, as investors remained focused on the timing of interest rate cuts by the Federal Reserve. The US central bank is now expected to implement its first cut in September, compared to the previously projected November timeline, following a softer-than-anticipated US jobs report. Meanwhile, the Bank of England is expected to keep rates unchanged at its upcoming May meeting 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. The UK inflation fell to 3.2% in March 2024, the lowest rate since September 2021, from 3.4% in the prior month. The headline inflation reached its peak of 11.2% in October 2022.

GOLD-GBP/USD

Day High: 1.2523

Day Low: 1.2443

RESISTANCE 1

1.2545

RESISTANCE 2

1.2577

RESISTANCE 3

1.2605

SUPPORT 1

1.2495

SUPPORT 2

1.2470

SUPPORT 3

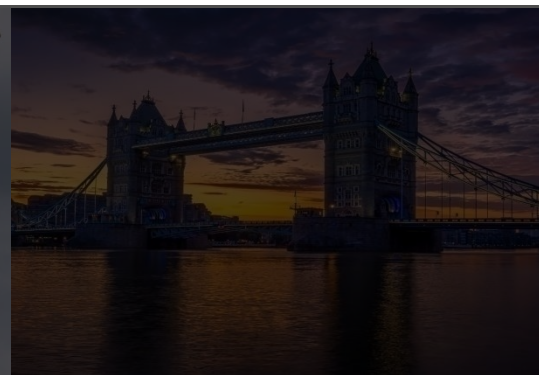
1.2437

CURRENT PRICE

1.2515

PIVOT

1.2495



➤ GOLD-EUR/USD

The Euro strengthened past \$1.077, the highest in one month, as investors reconsider expectations for interest rate cuts by key central banks. The European Central Bank is projected to initiate rate cuts in their upcoming meeting on June 6 and market forecasts indicate a potential decrease of 70 basis points throughout the year. In contrast, the Federal Reserve is not expected to make any changes until September, and even then, a rate cut is uncertain. The likelihood of a rate reduction in September was at 69% after initial jobless claims unexpectedly soared to 8-month highs. Meanwhile, the Bank of England maintained interest rates in May as predicted, but hinted at a potential cut during the summer.

GOLD-EUR/USD

Day High: 1.0780

Day Low: 1.0721

RESISTANCE 1

1.0805

RESISTANCE 2

1.0838

RESISTANCE 3

1.0875

SUPPORT 1

1.0750

SUPPORT 2

1.0725

SUPPORT 3

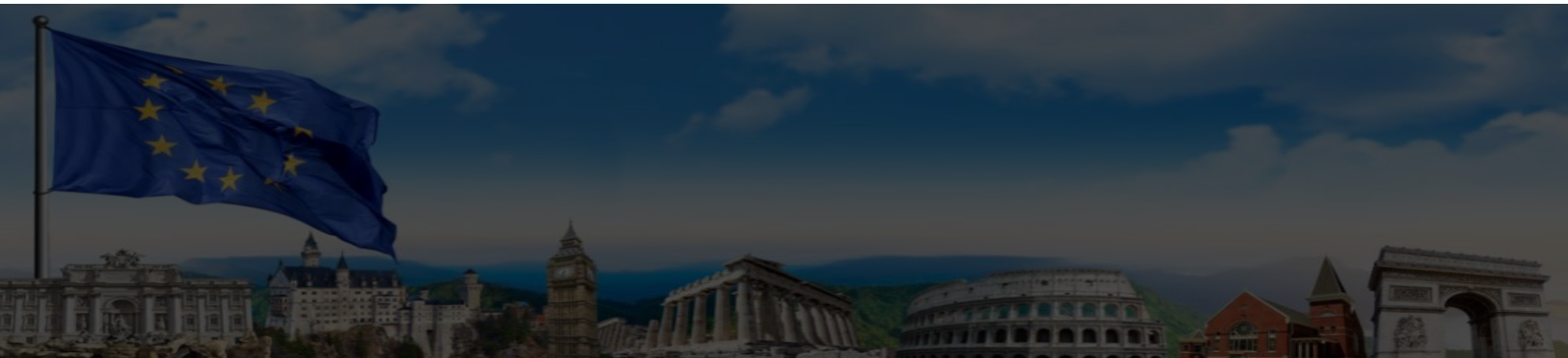
1.0700

CURRENT PRICE

1.0775

PIVOT

1.0756



➤ GOLD-USD/JPY

The Japanese yen steadied around 155.6 per dollar as investors reacted to the summary of the Bank of Japan's April policy meeting, where the board flagged upside risks to inflation and discussed scenarios that would warrant further interest rate hikes. The report also cited the yen's weakness as a major factor in driving up prices, prompting attention from the central bank. Still, the BOJ expects to maintain accommodative financial conditions for the time being while assessing the outlook for economic activity and price rises. On the data front, Japanese wage growth slowed in March, challenging the BOJ's forecast of a "virtuous cycle" of increasing wages and prices. Meanwhile, the yen remains down nearly 2% this week even as Japanese authorities continued to warn markets against extreme currency moves. Last week, the currency bounced as much as 5.2% from low to high on suspected government intervention, with BOJ data suggesting it spent nearly \$60 billion to defend the currency.

GOLD-USD/JPY

Day High: 155.94

Day Low: 155.13

RESISTANCE 1

156.00

RESISTANCE 2

156.35

RESISTANCE 3

156.75

SUPPORT 1

155.45

SUPPORT 2

155.22

SUPPORT 3

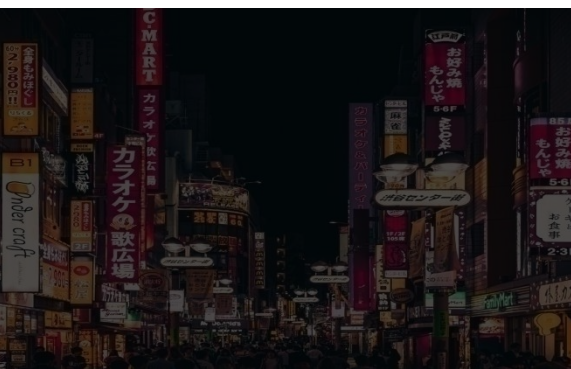
154.95

CURRENT PRICE

155.65

PIVOT

155.52



➤ CRUDE OIL

WTI crude futures climbed toward \$80 per barrel on Friday, rising for the third straight session and set for a strong weekly advance as an improving global demand outlook and ongoing hostilities in the Middle East lifted oil prices. On Thursday, data showed that crude oil imports in China increased in April, with robust trade figures in the world's top crude importer signaling improving demand. In the US, a surge in weekly unemployment claims bolstered expectations for Federal Reserve interest rate cuts. However, several Fed officials indicated that rates could stay elevated for some time as upside risks to inflation remain. Meanwhile, Israel said it would proceed with plans to invade Rafah and other parts of Gaza as the latest round of peace negotiations in Egypt yielded no progress. Elsewhere, the outlook for OPEC+ production policy remains highly uncertain ahead of the group's policy meeting on June 1.

CRUDE OIL

Day High: 79.77

Day Low: 78.89

RESISTANCE 1

80.50

RESISTANCE 2

81.20

RESISTANCE 3

82.00

SUPPORT 1

79.15

SUPPORT 2

78.45

SUPPORT 3

77.20

CURRENT PRICE

79.85

PIVOT

79.29



➤ NATURAL GAS

Natural gas increased 0.01 USD/MMBtu or 0.23% since the beginning of 2024, according to trading on a contract for difference (CFD) that tracks the benchmark market for this commodity. Historically, Natural gas reached an all time high of 15.78 in December of 2005. Gas flows to major LNG export plants have increased from April to May, with the return of the Freeport plant in Texas contributing to the rise. Gas flow to Freeport was steady at a two-month high of 1.4 bcf/d for the third consecutive day on Tuesday, a notable increase from April's average of 0.4 bcf/d. Furthermore, US gas production has dropped by 11% in 2024, as a result of energy companies such as EQT and Chesapeake Energy cutting back on drilling activities and delaying well completions following a drop in prices earlier in the year. Looking ahead, meteorologists anticipate above-average temperatures across the US from May 15-22, following a period of mostly normal conditions through May 14.

NATURAL GAS

Day High: 2.311

Day Low: 2.150

RESISTANCE 1

2.385

RESISTANCE 2

2.460

RESISTANCE 3

2.550

SUPPORT 1

2.275

SUPPORT 2

2.205

SUPPORT 3

2.145

CURRENT PRICE

2.321

PIVOT

2.211



Product	Previous Day High	Previous Day Low	Current Price	Pivot	Pivot Strategy
NASDAQ	18237	18103	18320	18185	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	2345	2313	2363	2331	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	28.43	27.50	28.68	27.99	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	997	981	995	989	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	1.2523	1.2443	1.2515	1.2495	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	1.0780	1.0721	1.0775	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	155.94	155.13	155.65	155.52	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	79.77	78.89	79.85	79.29	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	2.311	2.150	2.321	2.211	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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