



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

**May 15, 2024**



# **DAILY RESEARCH REPORT**

# Global Monetary Policies- Interest Rates



**Federal Reserve Bank 5.50%**



**Bank of Canada 5.00%**



**Bank of England 5.25%**



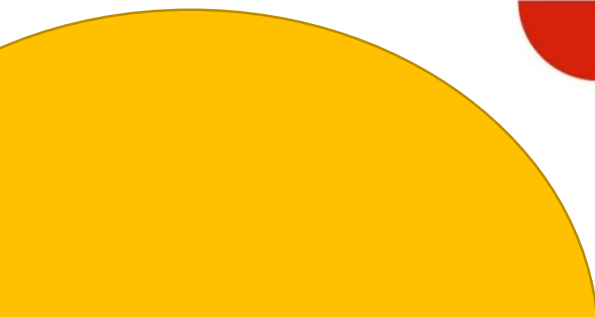
**European Central Bank 4.50%**



**Swiss National Bank 1.50%**



**Bank of Japan 0.10%**



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## ➤ U.S INDICES

US stock futures held steady on Wednesday as investors prepared for the latest US consumer inflation report that could guide the interest rate outlook further. In regular trading on Tuesday, the Nasdaq Composite jumped 0.75%, closing at new record highs. The Dow and S&P 500 also gained 0.32% and 0.48%, respectively. Those moves came as investors shrugged off hotter-than-expected producer inflation data for April, while the March reading was revised significantly lower. Traders also reacted to Federal Reserve Chair Jerome Powell's latest comments, saying "we'll need to be patient and let restrictive policy do its work." Among stocks, GameStop and AMC continued their impressive rally, surging 60% and 32%, respectively. On Holding shares also jumped 18.3% following strong earnings. Meanwhile, US-listed shares of Alibaba shed 6% after the company reported an 86% decline in Q4 profit.

### NASDAQ

Day High: 18414

Day Low: 18164

#### RESISTANCE 1

18485

#### RESISTANCE 2

18550

#### RESISTANCE 3

18680

#### SUPPORT 1

18345

#### SUPPORT 2

18270

#### SUPPORT 3

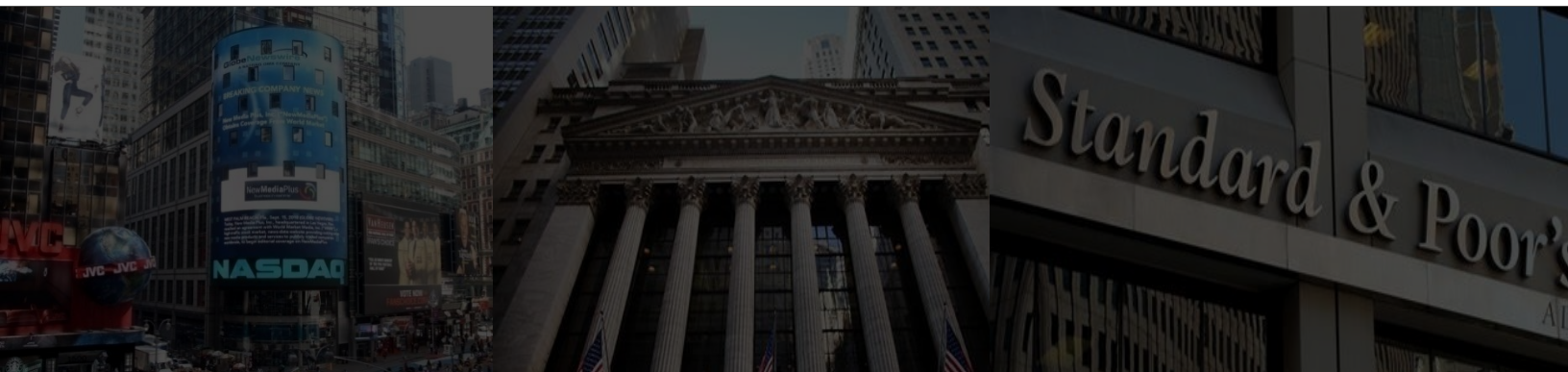
18160

#### CURRENT PRICE

18410

#### PIVOT

18318



## ➤ METALS

Gold held around \$2,350 per ounce on Wednesday, as investors digested fresh US PPI data while waiting for the CPI figures. Producer prices rose higher than expected in April, but the March reading was revised sharply lower, which offered investors some relief. However, Fed Chair Powell reiterated on Tuesday that inflation is decreasing more slowly than anticipated, which will keep the central bank on hold for a prolonged period. Higher rates decrease the appeal of gold, yet increasing price pressures boost its attractiveness as a hedge against inflation. Markets will now focus on the CPI data due later today for further insights into the Fed's monetary policy direction. Meanwhile, the escalating global geopolitical tensions are supporting the metal's safe-haven appeal after reports showed that Israeli tanks are pushing deeper into Rafah, while Russia has opened a new front in Ukraine, and fresh sanctions have raised concerns about the fragmentation of trade alliances.

### GOLD

Day High: 2365

Day Low: 2340

RESISTANCE 1

2371

RESISTANCE 2

2385

RESISTANCE 3

2399

SUPPORT 1

2355

SUPPORT 2

2342

SUPPORT 3

2328

CURRENT PRICE

2363

PIVOT

2353

### SILVER

Day High: 28.97

Day Low: 28.30

RESISTANCE 1: 28.98

SUPPORT 1: 28.62

RESISTANCE 2: 29.20

SUPPORT 2: 28.37

RESISTANCE 3: 29.45

SUPPORT 3: 28.15

CURRENT PRICE: 28.80

PIVOT: 28.63

### PLATINUM

Day High: 1046

Day Low: 1009

RESISTANCE 1: 1074

SUPPORT 1: 1055

RESISTANCE 2: 1088

SUPPORT 2: 1046

RESISTANCE 3: 1104

SUPPORT 3: 1032

CURRENT PRICE: 1063

PIVOT: 1027

## ➤ GOLD-GBP/USD

The British pound edged slightly lower to \$1.25 as traders digest the recent labour data and the monetary policy outlook. The unemployment rate in the UK edged up for a third month and wage growth stayed at 6%, in line with the BoE's forecast, reinforcing bets the central bank could soon starting cutting the interest rate. In fact, the probability of a BoE rate cut by June increased slightly to 50%, and traders continue to bet the central bank would deliver two quarter-point cuts by the end of the year. During its May meeting, the BoE maintained interest rates, although two members advocated for a rate cut, indicating a shift towards lower borrowing costs. Governor Bailey hinted at potential future rate cuts, suggesting a more accommodative monetary policy ahead.

### GOLD-GBP/USD

Day High: 1.2591

Day Low: 1.2506

#### RESISTANCE 1

1.2622

#### RESISTANCE 2

1.2655

#### RESISTANCE 3

1.2695

#### SUPPORT 1

1.2570

#### SUPPORT 2

1.2535

#### SUPPORT 3

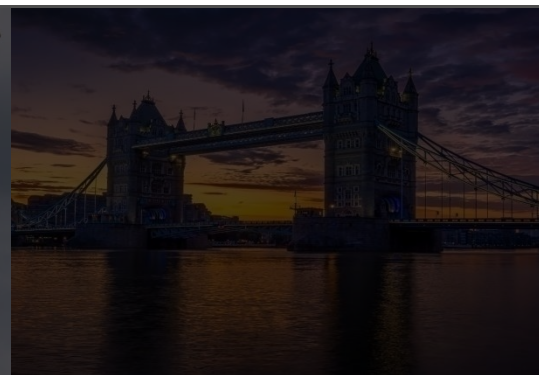
1.2506

#### CURRENT PRICE

1.2590

#### PIVOT

1.2560



## ➤ GOLD-EUR/USD

The Euro continued to rise, surpassing \$1.080, its highest level in five weeks, as investors adjusted their expectations for interest rate cuts by major central banks. The European Central Bank is expected to cut rates during its upcoming meeting on June 6, with market forecasts suggesting a potential decrease of approximately 70 basis points over the year. In contrast, the Federal Reserve is not anticipated to lower the borrowing cost until September or November after the latest data showed producer prices rose much more than expected in April. Investors are now eagerly awaiting the release of the US consumer price index report, as well as the first-quarter GDP and employment data for the Euro Area on Wednesday.

### GOLD-EUR/USD

Day High: 1.0824

Day Low: 1.0765

#### RESISTANCE 1

1.0850

#### RESISTANCE 2

1.0885

#### RESISTANCE 3

1.0915

#### SUPPORT 1

1.0799

#### SUPPORT 2

1.0770

#### SUPPORT 3

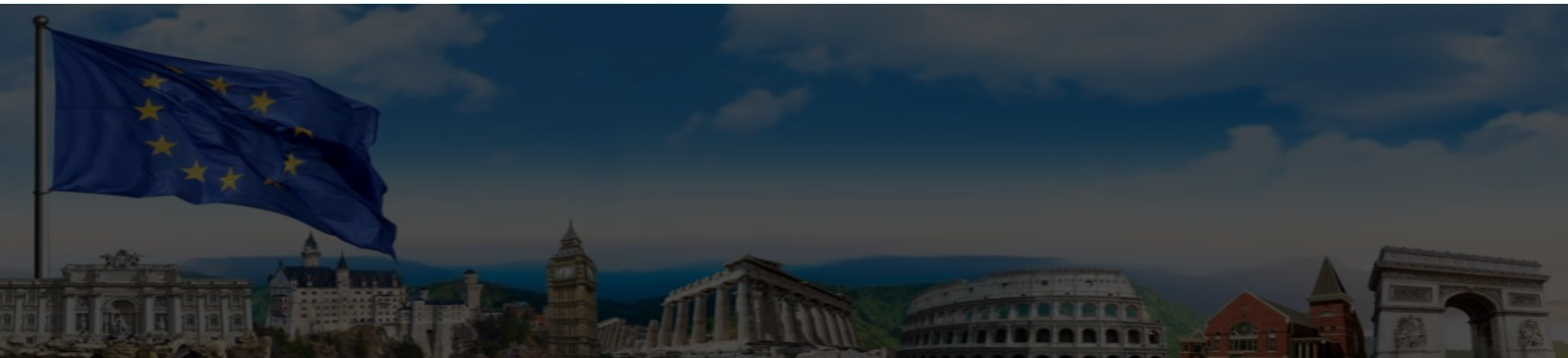
1.0735

#### CURRENT PRICE

1.0821

#### PIVOT

1.0799



## ➤ GOLD-USD/JPY

The Japanese yen weakened again past 156 per dollar, hitting its lowest levels in two weeks and stoking fears that Japanese authorities could intervene again to support the currency. Japan's Finance Minister Shunichi Suzuki said the government is coordinating with the Bank of Japan to ensure aligned policy objectives when it comes to foreign exchange. He added that they are taking all possible measures to closely monitor yen moves. Earlier this month, the yen rallied sharply after weakening to 160 per dollar on suspected government intervention, with BOJ data suggesting it spent nearly \$60 billion to defend the currency. However, the yen has now retraced about two-thirds of those gains as a massive interest rate differential between Japan and other major economies incentivized investors to borrow yen and invest in higher-yielding currencies.

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

**Day High:** 156.77

**Day Low:** 156.15

#### **RESISTANCE 1**

156.77

#### **RESISTANCE 2**

157.05

#### **RESISTANCE 3**

157.44

#### **SUPPORT 1**

156.02

#### **SUPPORT 2**

155.70

#### **SUPPORT 3**

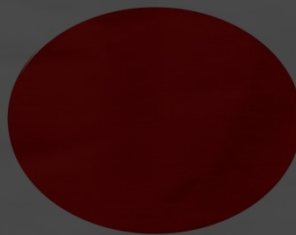
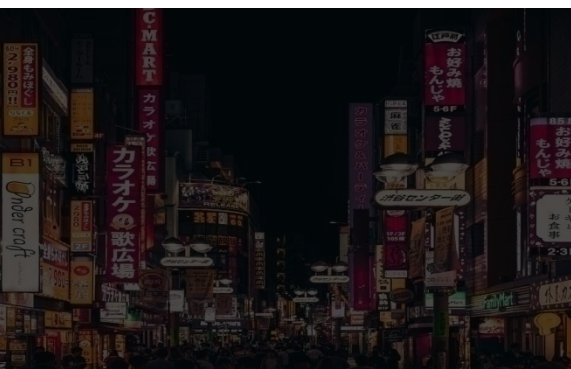
155.30

#### **CURRENT PRICE**

156.30

#### **PIVOT**

156.38





## ➤ CRUDE OIL

WTI crude futures rose toward \$79 per barrel on Wednesday, recouping some losses from the previous session as wildfires in Canada threatened the country's oil sands industry which has the capacity to produce 3.3 million barrels per day. Oil prices were also underpinned by industry data showing US crude inventories declined 3.104 million barrels last week, exceeding forecasts for a 1.35 million barrel draw. Official data from the US EIA will be released later today. Meanwhile, the latest OPEC report showed that OPEC+ members exceeded their agreed limit by pumping an additional 568,000 barrels per day last month. Despite this, OPEC remains optimistic about global oil demand, projecting a rise of 2.25 million barrels per day in 2024 and 1.85 million barrels per day in 2025.

### CRUDE OIL

Day High: 79.36

Day Low: 77.66

#### RESISTANCE 1

79.36

#### RESISTANCE 2

80.00

#### RESISTANCE 3

81.25

#### SUPPORT 1

77.66

#### SUPPORT 2

76.75

#### SUPPORT 3

75.50

#### CURRENT PRICE

78.62

#### PIVOT

78.56



## ➤ NATURAL GAS

Natural gas futures in the US fell to \$2.33/MMBtu on Tuesday, from a 4-month high of \$2.381 in the previous session, driven by expectations of decreased demand over the next two weeks and concerns about an oversupply of gas in storage, with levels currently estimated to be 31% higher than normal for this time of year. Despite this, there has been an increase in gas flows to LNG export facilities as Freeport LNG's plant in Texas resumed operations after maintenance. However, US gas production has fallen by 9% in 2024 as companies like EQT and Chesapeake Energy delayed well completions and reduced drilling activities in response to lower prices earlier in the year. Daily production also decreased by 1.5 bcf/d over the past two days, reaching a preliminary 96.5 bcf/d on Tuesday.

### NATURAL GAS

Day High: 2.393

Day Low: 2.303

**RESISTANCE 1**

2.410

**RESISTANCE 2**

2.485

**RESISTANCE 3**

2.555

**SUPPORT 1**

2.295

**SUPPORT 2**

2.211

**SUPPORT 3**

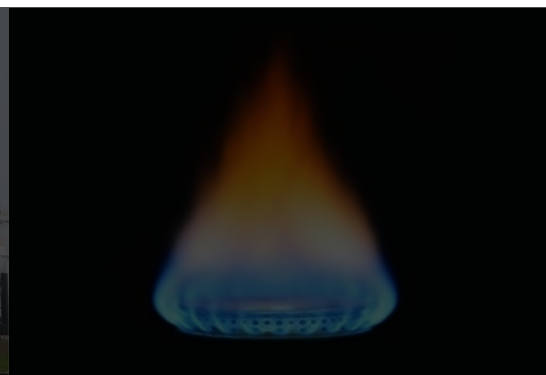
2.145

**CURRENT PRICE**

2.350

**PIVOT**

2.353



## Economic Calendar

Wed May 15	5:30pm	)	USD		Core CPI m/m		0.3%	0.4%	
		)	USD		Core Retail Sales m/m		0.2%	1.1%	
		)	USD		CPI m/m		0.4%	0.4%	
		)	USD		CPI y/y		3.4%	3.5%	
		)	USD		Empire State Manufacturing Index		-10.8	-14.3	
		)	USD		Retail Sales m/m		0.4%	0.7%	

Product	Previous Day High	Previous Day Low	Current Price	Pivot	Pivot Strategy
<b>NASDAQ</b>	18414	18164	18410	18318	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.
<b>GOLD</b>	2365	2340	2363	2353	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.
<b>SILVER</b>	28.97	28.30	28.80	28.63	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.
<b>PLATINUM</b>	1046	1009	1063	1027	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.
<b>GOLD-GBP/USD</b>	1.2591	1.2506	1.2590	1.2560	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.
<b>Gold-EUR/USD</b>	1.0824	1.0765	1.0821	1.0799	IF CURRENT PRICE IS ABOVE PIVOT, PRICE IS LIKELY TO GO UP. RESISTANCE 1 AND 2 COULD BE USED AS TARGET PRICES.

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