



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

May 20, 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 a strong week on Wall Street, with the Dow rising for the fifth straight week and closing above the key 40,000 for the first time. The S&P 500 and Nasdaq Composite climbed 1.54% and 2.11%, respectively, last week, posting their fourth consecutive weekly gain. Those moves came as strong corporate earnings and growing expectations that the Federal Reserve will carry out interest rate cuts this year lifted the market. Despite some pushback from some Fed officials, recent data pointed to slowing inflation and economic activity in the US. Investors now look ahead to minutes of the Fed's May 1 decision on Wednesday for further guidance. On the corporate front, Nvidia's quarterly earnings report and the Microsoft Build event will take center stage this week. Other companies set to report earnings this week include AutoZone, Analog Devices, Intuit, Ralph Lauren and Palo Alto Networks.

NASDAQ

Day High: 18702

Day Low: 18544

RESISTANCE 1

18755

RESISTANCE 2

18840

RESISTANCE 3

18990

SUPPORT 1

18605

SUPPORT 2

18544

SUPPORT 3

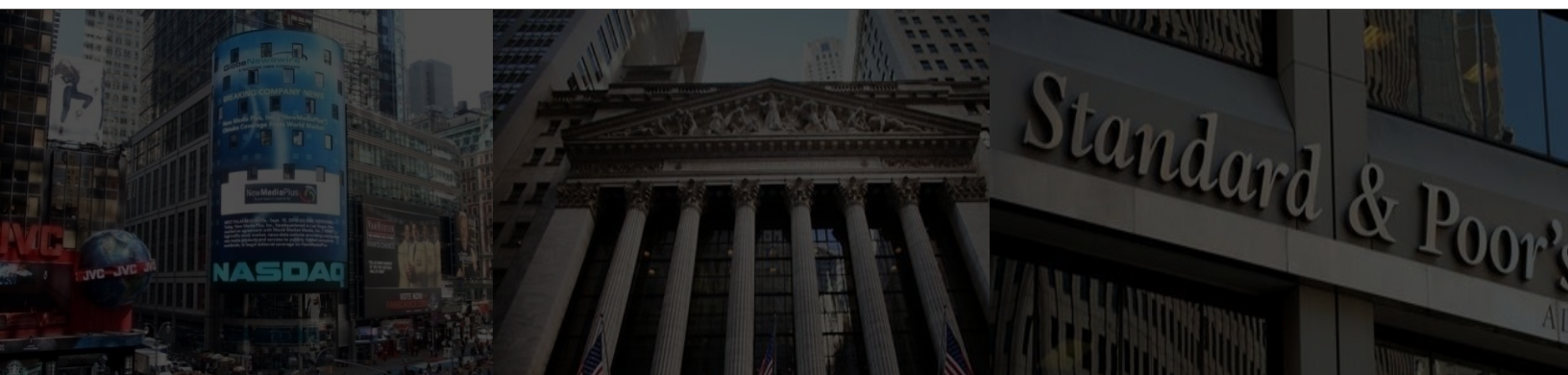
18420

CURRENT PRICE

18675

PIVOT

18639



➤ METALS

Gold climbed around \$2,430 per ounce on Monday, reaching a new record, after latest US economic data strengthened speculations that the Federal Reserve might deliver at least two rate cuts this year. Last week, data showed signs of slowing US consumer inflation, coupled with stalling retail sales have given the Fed more leeway to initiate monetary easing. Although policymakers haven't shifted their stance yet about the timing of rate cuts, markets are already betting that the first rate reduction will occur this year. Lower interest rates raise the appeal of non-bearing assets like gold. Meanwhile, investors will take more cues from several Fed officials due to speak later in the day. Additionally, rising geopolitical tensions, including conflicts between Israel and Hamas and the war in Ukraine, also boosted gold prices. Strong central bank buying, particularly by China, seeking to reduce its dependence on the US dollar, further supported the trend. Silver climbed past \$30 per ounce, its highest level since January 2013 and up more than 25% year-to-date, fueled by robust investment and industrial demand. Although ETFs have shown little interest in silver, physical sales have increased since the metal appeared to be undervalued. Back in January, the gold-to-silver ratio exceeded 90, the widest spread since September 2022. It has since narrowed to around 80 and is estimated to drop further to 70 if the Fed cuts rates and the US economy stays resilient.

GOLD

Day High: 2423

Day Low: 2377

RESISTANCE 1

2460

RESISTANCE 2

2475

RESISTANCE 3

2490

SUPPORT 1

2445

SUPPORT 2

2435

SUPPORT 3

2423

CURRENT PRICE

2453

PIVOT

2401

SILVER

Day High: 31.69

Day Low: 29.69

RESISTANCE 1: 32.55

SUPPORT 1: 32.13

RESISTANCE 2: 32.80

SUPPORT 2: 31.77

RESISTANCE 3: 32.99

SUPPORT 3: 31.45

CURRENT PRICE: 32.38

PIVOT: 30.73

PLATINUM

Day High: 1100

Day Low: 1061

RESISTANCE 1: 1105

SUPPORT 1: 1090

RESISTANCE 2: 1118

SUPPORT 2: 1078

RESISTANCE 3: 1130

SUPPORT 3: 1065

CURRENT PRICE: 1098

PIVOT: 1083

➤ 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: 1.2710

Day Low: 1.2642

RESISTANCE 1

1.2735

RESISTANCE 2

1.2770

RESISTANCE 3

1.2805

SUPPORT 1

1.2680

SUPPORT 2

1.2650

SUPPORT 3

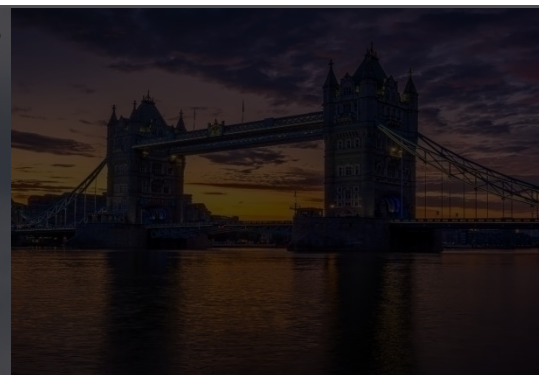
1.2615

CURRENT PRICE

1.2705

PIVOT

1.2683



➤ GOLD-EUR/USD

The EURUSD increased 0.0013 or 0.12% to 1.0881 on Monday May 20 from 1.0869 in the previous trading session. Historically, the Euro US Dollar Exchange Rate - EUR/USD reached an all time high of 1.87 in July of 1973. The euro was only introduced as a currency on the first of January of 1999. However, synthetic historical prices going back much further can be modeled if we consider a weighted average of the previous currencies. 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. Similarly, speculation is growing that the US will cut rates this year after core inflation slowed in April for the first time in six months. Meanwhile, recent GDP data for the Euro Area confirmed its exit from recession in Q1, and the European Commission's latest forecasts suggest a smooth economic trajectory ahead.

GOLD-EUR/USD

Day High: 1.0877

Day Low: 1.0833

RESISTANCE 1

1.0910

RESISTANCE 2

1.0945

RESISTANCE 3

1.0980

SUPPORT 1

1.0850

SUPPORT 2

1.0815

SUPPORT 3

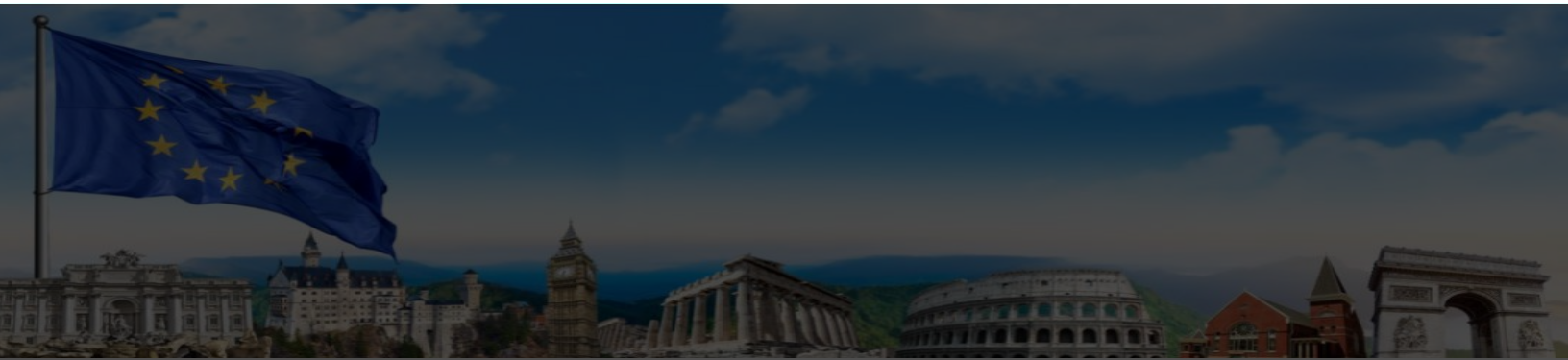
1.0777

CURRENT PRICE

1.0880

PIVOT

1.0863



➤ GOLD-USD/JPY

The Japanese yen weakened toward 156 per dollar, facing renewed pressure after the Bank of Japan left its bond buying amounts the same as the previous operation, opting not to follow up with a surprise cut to debt buying earlier this week. Markets speculated that the BOJ left the purchase amounts unchanged because the yen benefited from a broad weakening of the dollar, but traders are still betting that the central bank will decide to reduce bond buying at the June policy meeting. BOJ Governor Kazuo Ueda also said he has no immediate plan to sell the central bank's ETF holdings. Meanwhile, data earlier this week showed that Japan's economy contracted at an annualized 2% in the first quarter of 2024, coming in worse than market expectations for a 1.5% contraction as private consumption fell for the fourth straight quarter. The latest figures complicate the BOJ's stance, which needs to balance its support for the economy with efforts to defend a weak currency.

GOLD-USD/JPY

Day High: 155.96

Day Low: 155.23

RESISTANCE 1

156.05

RESISTANCE 2

156.40

RESISTANCE 3

156.78

SUPPORT 1

155.45

SUPPORT 2

155.15

SUPPORT 3

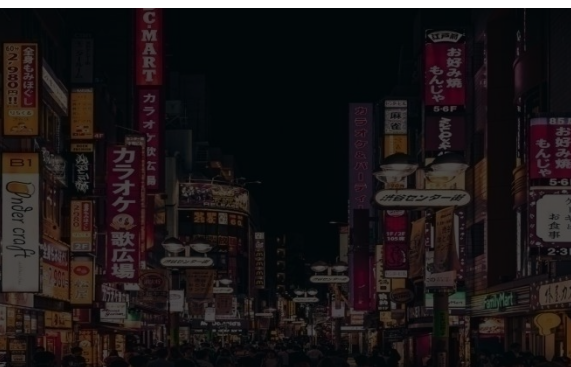
154.89

CURRENT PRICE

155.70

PIVOT

155.54



➤ CRUDE OIL

WTI crude futures rose above \$80 per barrel on Monday, extending gains from last week after Iranian state media reported "no sign of life" at the crash site of the helicopter that carried President Ebrahim Raisi, stoking political uncertainty in a major oil-producing nation. Iranian Foreign Minister Hossein Amirabdollahian was also with him in the helicopter. In the US, the government said late last week that it had purchased 3.3 million barrels of oil at \$79.38 per barrel to replenish its Strategic Petroleum Reserve. Elsewhere, the latest OPEC report indicated that member countries exceeded their production cap by 568,000 barrels per day in April, but maintained solid demand projections of 2.25 million barrels per day in 2024 and 1.85 million barrels per day in 2025. Investors now look ahead to OPEC's meeting on June 1 where the group will decide on output policy beyond the second quarter.

CRUDE OIL

Day High: 79.61

Day Low: 78.56

RESISTANCE 1

80.65

RESISTANCE 2

81.50

RESISTANCE 3

83.00

SUPPORT 1

79.10

SUPPORT 2

78.45

SUPPORT 3

77.60

CURRENT PRICE

79.81

PIVOT

79.16



➤ NATURAL GAS

Natural gas increased 0.35 USD/MMBtu or 14.91% 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. However, the report also showed US gas stockpiles are 30.8% above the 5-year average. On the other hand, US gas production is down about 10% so far in 2024 after several energy firms, including EQT and Chesapeake Energy, delayed well completions and cut back on other drilling activities. Looking ahead, weather forecasts indicate a shift to warmer-than-normal temperatures until May 31, leading to increased gas consumption by power generators to meet electricity demand for air conditioning. Also, gas flows to major US LNG export plants rose in May from April, with the return to full service of Freeport.

NATURAL GAS

Day High: 2.641

Day Low: 2.481

RESISTANCE 1

2.750

RESISTANCE 2

2.830

RESISTANCE 3

2.940

SUPPORT 1

2.445

SUPPORT 2

2.387

SUPPORT 3

2.305

CURRENT PRICE

2.674

PIVOT

2.566



Product	Previous Day High	Previous Day Low	Current Price	Pivot	Pivot Strategy
NASDAQ	18702	18544	18675	18639	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	2423	2377	2353	2401	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	31.69	29.69	32.38	30.73	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	1100	1061	1098	1083	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	1.2710	1.2642	1.2705	1.2683	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	1.0877	1.0833	1.0880	1.0863	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	155.96	155.23	155.70	155.54	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	79.61	78.56	79.81	79.16	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	2.641	2.481	2.674	2.566	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.