



August 01, 2024



DAILY RESEARCH REPORT

Global Monetary Policies- Interest Rates



Federal Reserve Bank 5.50%



Bank of Canada 4.50%



Bank of England 5.25%



European Central Bank 4.25%



Swiss National Bank 1.25%



Bank of Japan 0.25%

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➤ U.S INDICES

The S&P 500 and Nasdaq scored their biggest daily percentage gains since Feb. 22 and the Dow rose on Wednesday as chip stocks rallied and the Federal Reserve kept U.S. interest rates unchanged while signaling possible easing in September if inflation cools.

Seven out of the 11 S&P 500 sectors advanced, led by technology and consumer discretionary stocks. Healthcare, real estate and consumer staples were the weakest. The Fed kept its benchmark overnight interest rate in the 5.25%-5.50% range as it ended its two-day policymaking meeting on Wednesday, but opened the door to easing in September, seven weeks shy of the November U.S. elections. The benchmark U.S. 10-year note yield fell 9.8 basis points to 4.043%. The Dow Jones Industrial Average rose 0.24% to 40,842, the S&P 500 gained 1.58% to 5,522 and the Nasdaq Composite advanced 2.64% to 17,599.

Nvidia (NASDAQ:NVDA) jumped nearly 13%, helped by a rosy 2024 sales forecast for artificial intelligence chips by peer Advanced Micro Devices (NASDAQ:AMD), whose shares also gained 4.3%. The Philadelphia SE Semiconductor index rose finished up nearly 7%.

U.S. President Joe Biden's administration plans to unveil a new rule next month that will expand U.S. powers to stop exports of semiconductor manufacturing equipment from some foreign countries to Chinese chipmakers, two sources familiar with the matter told Reuters.

Microsoft (NASDAQ:MSFT) dipped 1% after it posted massive AI-related expenses. Meta (NASDAQ:META) jumped 5% after the bell as its earnings beat market expectations. Apple (NASDAQ:AAPL) and Amazon.com (NASDAQ:AMZN), which will report earnings on Thursday, closed up 1.5% and 2.9%, respectively.

NASDAQ

Day High: 19568

Day Low: 18726

RESISTANCE 1

19700

RESISTANCE 2

19780

RESISTANCE 3

19860

SUPPORT 1

19545

SUPPORT 2

19465

SUPPORT 3

19370

CURRENT PRICE

19625

PIVOT

19199



➤ METALS

Gold prices steadied in Asian trade on Thursday after surging close to record highs in the prior session after the Federal Reserve flagged the possibility of an interest rate cut in September. The yellow metal also saw increased safe haven demand amid heightened concerns over a bigger war in the Middle East, after the killing of Hamas leader Ismail Haniyeh in Tehran. Bullion prices rose sharply on Wednesday, coming close to a record high of \$2,483.78 an ounce after the Fed kept interest rates steady, as widely expected. But Fed Chair Jerome Powell flagged more progress towards lower inflation and a cooling labor market, and explicitly raised the possibility of a September rate cut on more encouraging data. While the Fed still has some more inflation and labor market readings to contend with before its next meeting, markets were seen almost entirely pricing in a 25 basis point cut in September, CME Fedwatch showed.

Lower rates bode well for gold, given that they reduce the opportunity cost of investing in non-yielding assets. Focus this week is also on key nonfarm payrolls data for July, due on Friday.

Other precious metals were mixed, but retained most of their gains from Wednesday. Platinum futures fell 0.2% to \$984.40 an ounce, while silver futures rose 0.5% to \$29.070 an ounce.

GOLD

Day High: 2480

Day Low: 2448

RESISTANCE 1

2500

RESISTANCE 2

2512

RESISTANCE 3

2525

SUPPORT 1

2480

SUPPORT 2

2468

SUPPORT 3

2355

CURRENT PRICE

2490

PIVOT

2463

SILVER

Day High: 29.03

Day Low: 28.38

RESISTANCE 1: 29.35

SUPPORT 1: 28.80

RESISTANCE 2: 29.60

SUPPORT 2: 28.50

RESISTANCE 3: 29.90

SUPPORT 3: 28.25

CURRENT PRICE: 29.10

PIVOT: 28.71

PLATINUM

Day High: 988

Day Low: 969

RESISTANCE 1: 978

SUPPORT 1: 977

RESISTANCE 2: 983

SUPPORT 2: 970

RESISTANCE 3: 990

SUPPORT 3: 963

CURRENT PRICE: 982

PIVOT: 978

➤ GOLD-GBP/USD

GBP/USD is easing toward 1.2800, unable to capitalize on the previous rebound led by the dovish Fed policy outlook. The pair stays on the back foot on 'Super Thursday', anticipating a BoE interest-rate cut and Governor Bailey's comments. After rising above 1.2850 during the European trading hours on Tuesday, GBP/USD lost its traction and closed the day in negative territory. The pair moves sideways slightly below 1.2850 in the European session on Wednesday as investors refrain from taking large positions ahead of the Federal Reserve's (Fed) and the Bank of England's (BoE) monetary policy announcements. Early Wednesday, the UK's FTSE 100 is up more than 1% on the day and US stock index futures trade in positive territory. The positive shift seen in risk mood, however, fails to help GBP/USD stage a rebound.

GOLD-GBP/USD

Day High: 1.2859

Day Low: 1.2818

RESISTANCE 1

1.2850

RESISTANCE 2

1.2885

RESISTANCE 3

1.2930

SUPPORT 1

1.2783

SUPPORT 2

1.2748

SUPPORT 3

1.2715

CURRENT PRICE

1.2815

PIVOT

1.2840



➤ GOLD-EUR/USD

EUR/USD is steady above 1.0800, losing its recovery momentum in the European session on Thursday. The US Dollar finds its feet after the dovish Fed decision-led slump. Looking ahead, the US ISM Manufacturing PMI data will be the highlight on Thursday. EUR/USD recorded acceptable gains on Wednesday, reversing two daily declines in a row amidst the weaker US Dollar (USD) following the FOMC gathering on Wednesday. The policy divergence between the Fed and the ECB is likely to persist, with both expected to cut rates soon. However, the US is anticipated to experience a soft landing, while the Eurozone's recovery is losing momentum, potentially weakening the European currency further in the medium term.

GOLD-EUR/USD

Day High: 1.0847

Day Low: 1.0799

RESISTANCE 1

1.0850

RESISTANCE 2

1.0895

RESISTANCE 3

1.0930

SUPPORT 1

1.0780

SUPPORT 2

1.0740

SUPPORT 3

1.0700

CURRENT PRICE

1.0815

PIVOT

1.0820



➤ GOLD-USD/JPY

The Japanese yen appreciated past 150 per dollar, the strongest in four-and-a-half months after the Bank of Japan raised its policy rate “to around 0.25%,” the highest level since 2008. The BOJ also added that if the outlook for economic activity and prices are realized, it will continue to raise the policy rate and adjust the degree of monetary accommodation. Markets are betting on two more rate increases this fiscal year than ends March 2025, with the next hike seen in December. Additionally, the BOJ said it will reduce its monthly bond purchases to about 3 trillion yen per month in the first quarter of 2026. Elsewhere, data released on Wednesday showed that Japanese authorities spent 5.53 trillion yen to support the currency via intervention in July. Externally, the yen gained further support after the US Federal Reserve held rates unchanged but acknowledged that it may commence rate cuts in September should inflation continue to moderate.

GOLD-USD/JPY

Day High: 153.89

Day Low: 149.61

RESISTANCE 1

150.40

RESISTANCE 2

150.90

RESISTANCE 3

151.50

SUPPORT 1

149.35

SUPPORT 2

148.85

SUPPORT 3

148.30

CURRENT PRICE

149.88

PIVOT

151.80



➤ CRUDE OIL

OPEC+ key ministers meet on Thursday to decide output policy with sources expecting it is unlikely to make any changes to its current deal to cut production and to start unwinding some cuts from October, despite recent sharp declines in oil prices.

Top ministers from the Organization of the Petroleum Exporting Countries and allies led by Russia, or OPEC+ as the group is known, will hold an online joint ministerial monitoring committee meeting (JMMC) on Thursday at 1000 GMT. Five OPEC+ sources have told Reuters this week no changes to the current plan were likely.

Oil has fallen from a 2024 high above \$92 a barrel in April to trade around \$81 on Wednesday, pressured by concern about the strength of demand but finding support this week from increasing tensions in the Middle East. OPEC+ is currently cutting output by a total of 5.86 million barrels per day (bpd), or about 5.7% of global demand, in a series of steps agreed since late 2022. At its last meeting in June, the group agreed to extend cuts of 3.66 million bpd by a year until the end of 2025 and to prolong the most recent layer of cuts - a 2.2 million bpd cut by eight members - by three months until the end of September 2024. The current plan also calls for OPEC+ to gradually phase out the cuts of 2.2 million bpd over the course of a year from October 2024 to September 2025.

CRUDE OIL

Day High: 78.04

Day Low: 74.91

RESISTANCE 1

79.40

RESISTANCE 2

80.20

RESISTANCE 3

81.00

SUPPORT 1

77.80

SUPPORT 2

77.00

SUPPORT 3

76.20

CURRENT PRICE

78.60

PIVOT

76.47



➤ NATURAL GAS

Natural gas settled down by 3.52% at 172.5 due to rising output and forecasts for milder weather and reduced gas demand next week. This decline occurred despite expectations of record-breaking heat later in the week, which could increase gas consumption by power generators to an all-time high. Additionally, gas flow to Freeport LNG in Texas reached a 14-month high after resuming full service following a nine-day outage due to Hurricane Beryl in early July. Currently, there is about 17% more gas in storage than usual for this time of year.

Storage builds have been smaller recently because several producers cut output after futures prices dropped to 3-1/2-year lows earlier this year. LSEG reported that gas output in the Lower 48 states rose to an average of 102.5 billion cubic feet per day (bcfd) so far in July, up from 100.2 bcfd in June and 99.4 bcfd in May. U.S. output hit a monthly record of 105.5 bcfd in December 2023. U.S. utilities added 22 billion cubic feet of gas into storage during the week ending July 19, 2024, surpassing market expectations of a 15 billion cubic feet increase. This raised stockpiles to 3,231 Bcf, 249 Bcf higher than last year and 456 Bcf above the five-year average of 2,775 Bcf.

NATURAL GAS

Day High: 2.145

Day Low: 2.020

RESISTANCE 1

2.100

RESISTANCE 2

2.150

RESISTANCE 3

2.200

SUPPORT 1

2.000

SUPPORT 2

1.950

SUPPORT 3

1.900

CURRENT PRICE

2.055

PIVOT

2.080



Economic Calendar

Date	11:26am	Currency	Impact		Detail	Actual	Forecast	Previous	Graph
Thu Aug 1	4:00pm	»	GBP	🇬🇧	BOE Monetary Policy Report	📁			
		»	GBP	🇬🇧	Monetary Policy Summary	📁			
		»	GBP	🇬🇧	MPC Official Bank Rate Votes	📁	0-6-3	0-2-7	
		»	GBP	🇬🇧	Official Bank Rate	📁	5.00%	5.25%	📊
	4:30pm	»	GBP	🇬🇧	BOE Gov Bailey Speaks	📁			
	5:30pm	»	USD	🇺🇸	Unemployment Claims	📁	236K	235K	📊
	7:00pm	»	USD	🇺🇸	ISM Manufacturing PMI	📁	48.8	48.5	📊

Product	Previous s Day High	Previous Day Low	Current Price	Pivot	Pivot Strategy
NASDAQ	19568	18726	19620	19199	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	2480	2448	2491	2463	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	29.03	28.38	29.05	28.71	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	988	969	981	978	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	1.2859	1.2818	1.2826	1.2840	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	1.0847	1.0799	1.0821	1.0820	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	153.89	149.61	149.88	151.80	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	78.04	74.91	78.61	76.47	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	2.145	2.020	2.055	2.080	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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