

# FIS Macro Report

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07/03/2022

	Last	Previous	% Change
<b>U.S. Dollar Index(DXY)</b>	104.35	104.67	<b>-0.31%</b>
<b>USD/CNY</b>	6.9505	6.9546	<b>-0.06%</b>
<b>U.S. FOMC Upper Interest Rate</b>	4.75	4.50	<b>5.56%</b>
<b>China Repo 7 day</b>	2.00	2.65	<b>-24.53%</b>
<b>Caixin China Manufacturing PMI</b>	51.60	49.20	<b>4.88%</b>
<b>Markit U.S. Manufacturing PMI</b>	47.70	46.70	<b>2.14%</b>

## A Quick Takeaway of Chinese Government Report

The 5% GDP growth rate was slightly below market expectation at 5.5%, or last year at 5.5%. To some extent, the lower target would be easier to realise by the end of 2023. Moreover, the lower target indicated that China entered a high-quality developing phase.

The CPI growth rate of 3% was similar to 2022. At the same time, the sub-conference was to promote the prevention of commodities from mispricing and optimise supply in many fields, including industrial materials and agriculture.

Fiscal deficit rate at 3%, raised from 2.8% in 2022. Specialised debt issuance target at 3.8 trillion yuan, compared with 3.65 trillion yuan last year. The tiny growth on both numbers indicated that the government left some safety room to control inflation.

The conference still emphasised that “houses are for living, but not investment”. But, on the other side, it urged to resolve basic living demands for young generations and citizens.

The conference promoted carbon emission and green energy development.

The conference promoted accelerated signature and international projects landing and attracting foreign investments.

PMI Index

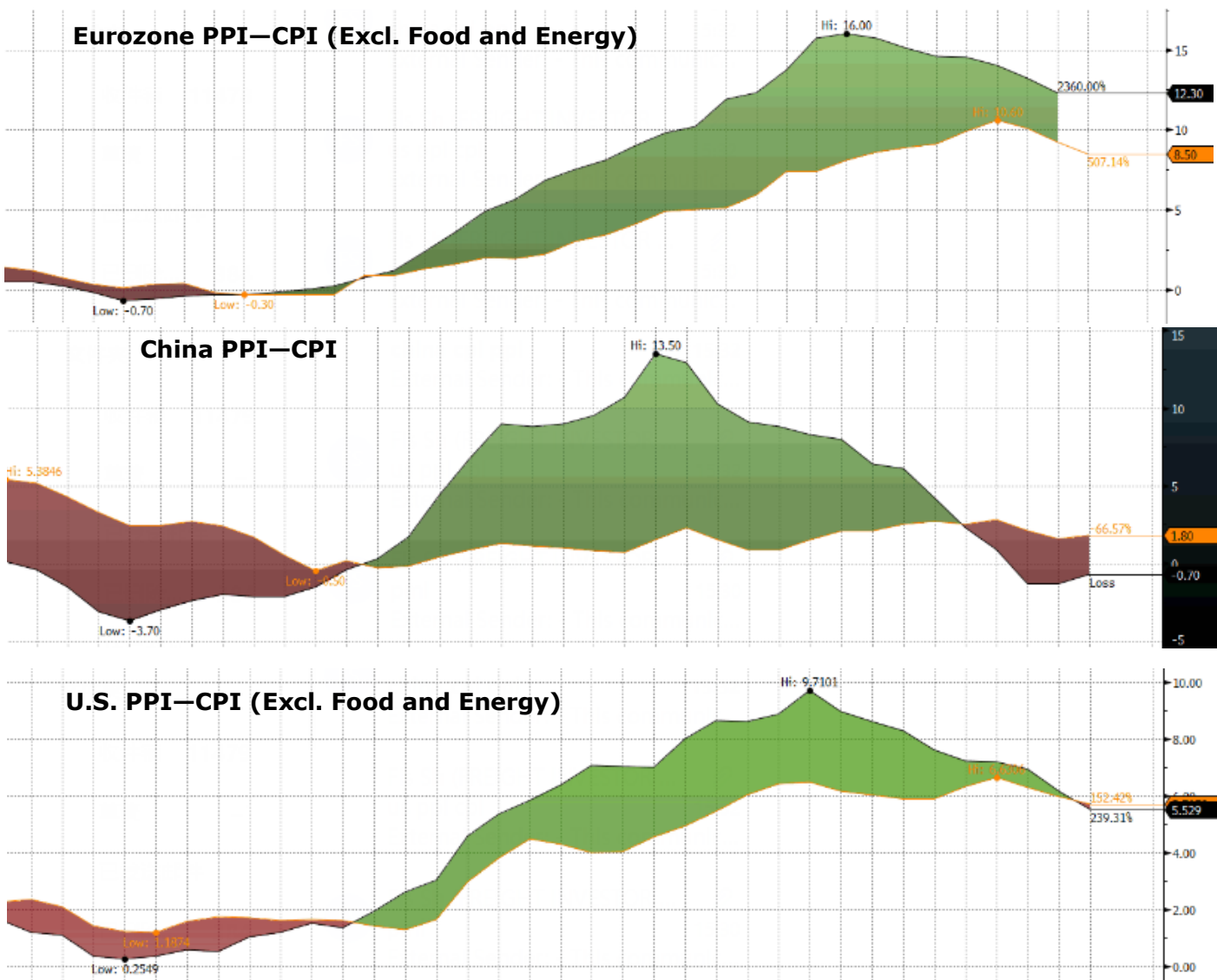


Sources: Bloomberg

	Last	Previous	
<b>Shanghai&amp;Shenzhen 300 Index</b>	4130.55	4061.05	<b>1.71%</b>
<b>Dow Jones Industrial Average</b>	33431.44	32889.09	<b>1.65%</b>
<b>FTSE 100 Index</b>	7929.79	7935.11	<b>-0.07%</b>
<b>Nikkei 225 Index</b>	28237.78	27423.96	<b>2.97%</b>
<b>BVAL U.S. 10-year Note Yield</b>	3.9796	3.9212	<b>1.49%</b>
<b>BVAL China 10-year Note Yield</b>	2.8927	2.8979	<b>-0.18%</b>

## The Global PMI Watch

The global Manufacturing PMI at 49.9%, up 0.7% on the month, created a consecutive 2-month growth. Analysts expect this number to break through 50%, the boom-and-bust line, in the coming month, majorly driven by the revival in Asia manufacturing activities. China and Vietnam contributed fast growth in the month. Europe Manufacturing PMI was under 50% for the past seven months, indicating a deep impact from geo-political, energy risk and financial health. Africa became the most significant dragging sector, with a 4.2% decrease to 46.7% in February, partially due to the monthly number in Africa being believed to be volatile in a relatively small industrial amount.



Sources: Bloomberg, FIS

	Last	Previous	
<b>LME Copper 3 Month Rolling</b>	8920.50	8802.00	<b>1.35%</b>
<b>LME Aluminium 3 Month Rolling</b>	2382.00	2363.00	<b>0.80%</b>
<b>WTI Cushing Crude Oil</b>	80.46	75.68	<b>6.32%</b>
<b>Platts Iron Ore Fe62%</b>	125.35	122.50	<b>2.33%</b>
<b>U.S. Gold Physical</b>	1845.56	1826.92	<b>1.02%</b>
<b>BDI</b>	1211.00	883.00	<b>37.15%</b>

## Commodity Outlook and Major Economists Event

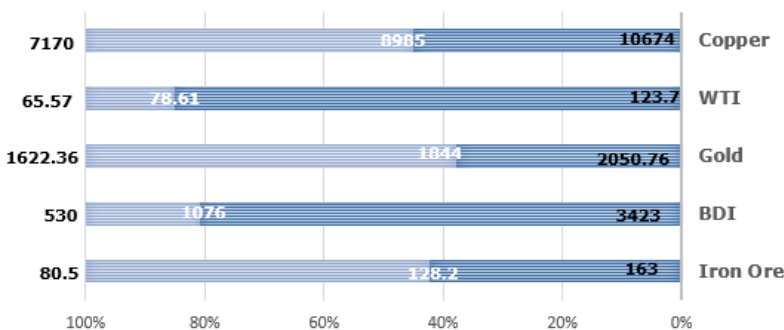
### Fed Spectrometer: Fed Members' Policy Inclinations

2023 FOMC Voting Members		Alternate Voters (2)	
<b>Board of Governors</b>			
Jerome Powell, Chair	+1	Helen Mucciolo, Interim First VP of FRB New York	N/A
Lael Brainard, Vice Chair of Board of Governor(3)	-2	Loretta Mester, Cleveland	+1
Michael Barr, Vice Chair for Supervision	0	Thomas Barkin, Richmond	0
Michelle Bowman, Governor	+1	Raphael Bostic, Atlanta	-1
Christopher Waller, Governor	+1	Mary Daly, San Francisco	+1
Lisa Cook, Governor	-1		
Philip Jefferson, Governor	0		
<b>Voting Regional FRB Presidents</b>		<b>Non-Voters</b>	
John C Williams, New York	0	James Bullard, St Louis	+2
Austan Goolsbee, Chicago	-1	Esther George, Kansas City	+1
Patrick Harker, Philadelphia	0	Susan Collins, Boston	0
Neel Kashkari, Minneapolis	+2		
Lorie Logan, Dallas	0		

(1) Numerical ratings are subjective assessments of Bloomberg's U.S. Economics team based on recent comments.  
 (2) Alternate Voters are non-voting unless required to vote in the absence of a voting member.

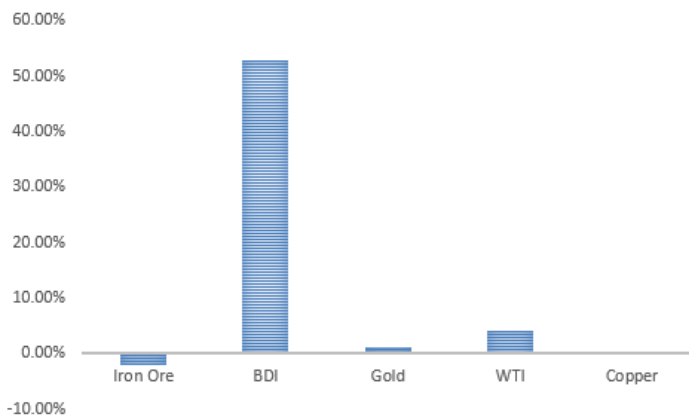
- On the left side, the Bloomberg Economics Fed Spectrometer subjectively classifies each governor or banker in a spectrum spanning from -2(Dove) to +2 (Hawk). Voters tilt Dovish in 2023 from this Spectrometer. The chart is updated weekly to observe the voters' decision expectations as an early indicator of FOMC decisions.

### Commodity Relative Price Range



- Iron ore moving average ended with negative growth, indicating that the market started to become cautious on the roof area, particularly worried about more control policies on prices from China.
- Primary coal saw resilient demand for HCCAs.

### 5 DAY MOVING AVERAGE CHANGE ON COMMODITIES



- BDI improved fast, following the recovery sentiment on the global economy.
- Copper was steady, waiting for the interest decisions in U.S. and Europe.
- The oil and energy market was supported by unexpectedly fast-growing consumption in the U.S. and Europe, which boosted China's economy.

Sources: Bloomberg, FIS

## —Fact Sheet—

**EMH: Efficient Market Hypothesis:** proposed by Eugene Fama in 1970, Economist, and Nobel Prize Winner in 2013. The EMH believed that in the stock market with sound laws, good functions, high transparency, and full competition, all valuable information should be timely, accurate, and fully reflected in the stock price trend. Unless there is market manipulation, investors can't obtain excess profits higher than the average level of the market.

**Eurostat:** is the highest administrative body of EU statistics, located in Luxembourg. The statistical system consists of Eurostat, statistical institutions, and central banks of EU Member States, Iceland, Norway, and Liechtenstein.

**FedWatch:** CME Group's FedWatch tool allows investors to gauge the market's expectations of a potential change quickly and efficiently to the Fed Funds target rate.

**Lagging Economic Indicators:** refers to the time lag of the indicator relative to the economic cycle. For example, if the peak or bottom of an indicator is several months behind the peak or bottom of the natural economic cycle, the indicator is called a lagging indicator. The common examples are the unemployment rate, materials inventory, and the scale of uncollected loans.

**Leading Economic Indicators:** Indicators that make forecasts on economic trends. The most common indicators are unemployment insurance application rate, money supply, weekly average working hours, new house construction rate, and stock index trend.

**U.S. Hiking Cycle:** refers to the decision of the Management Committee of the Federal Reserve System to adjust the monetary policy and raise the federal fund's interest rate after the meeting held in Washington.

**Stagflation:** an economic situation where there is high inflation (prices rising continuously) but no increase in the available jobs or business activity.

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