

FIS Macro Report

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	Last	Previous	% Change
U.S. Dollar Index(DXY)	102.05	101.86	0.19%
USD/CNY	7.2024	7.1856	0.23%
U.S. FOMC Upper Interest Rate	5.50	5.25	4.76%
China Repo 7 day	1.72	1.97	-12.69%
Caixin China Manufacturing PMI	49.20	50.50	-2.57%
Markit U.S. Manufacturing PMI	50.50	45.20	11.73%

U.S. statistics: Slowed down Inflation

U.S. economic statistics showed the most favorable side of the investment market. The non-agricultural job applications reached 185,000 and 187,000 respectively for the past two months, refreshing the lowest since December 2020, signaling a cooling down on labor market. The core PCE price index in the US rose 0.2% m-o-m in June, the smallest increase since November 2022, last up 0.3%. The core PCE price index increased by 4.10% year-on-year in June, the smallest increase since September 2021, last 4.6%.

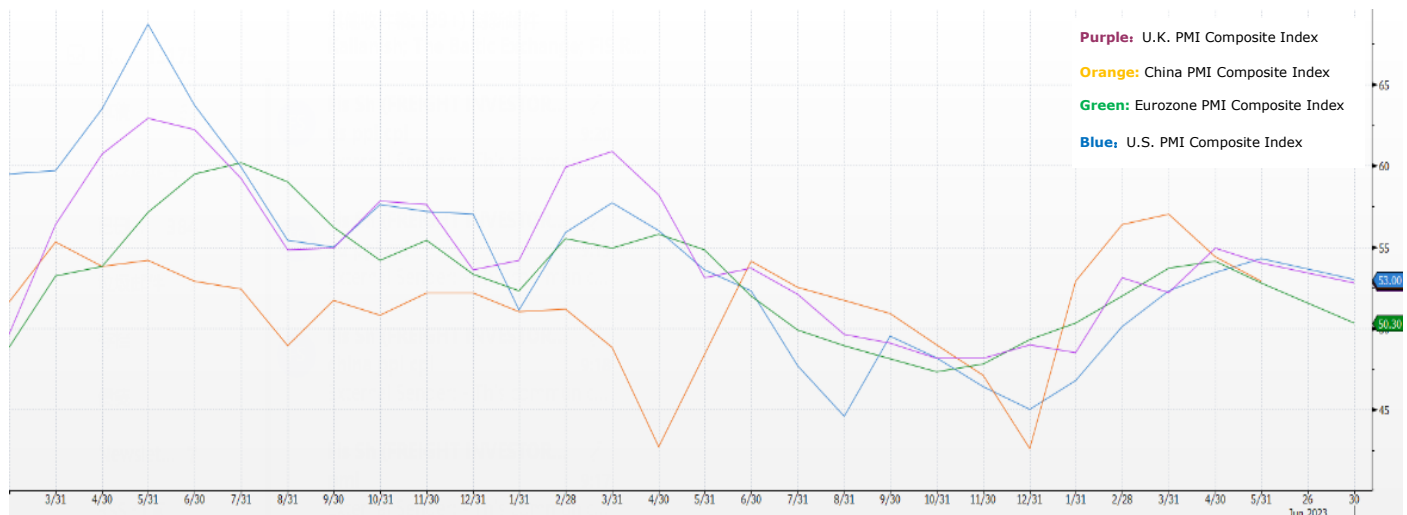
The statistics proved a slowed down inflation. Thus, financial markets generally believe that the interest hike in July was potentially the last one for this two-year tight monetary cycle. CME FedWatch tools indicated that the unchanged interest rates probability rose from 80% to 88%. The probability of 25 bps rates hike lowered from 20% to 12%.

China Released more Stimulus Plan

China landed more details and actions after the politburo held in late July.

- Expand the issuance of REITs in infrastructure through involvement of private investment. Shanghai Stock Exchange held conference to promote REITs in industrial areas, logistics and warehouse, which financed 22.8 billion yuan among the listed companies. In addition, the exchange are introducing enterprise annuities, pensions, and social securities as the long-term capital of REITs.

PMI Index

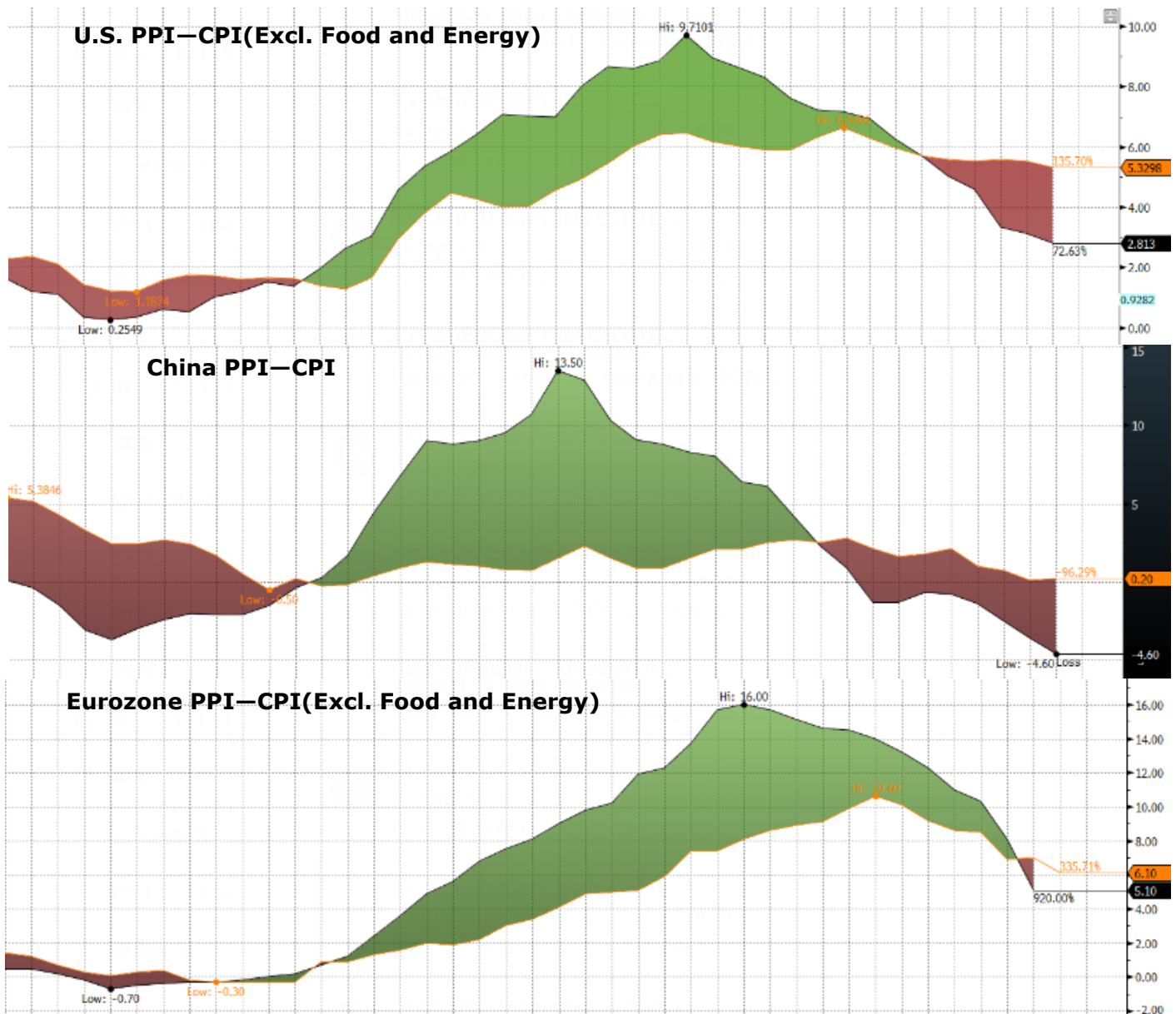


Sources: Bloomberg

	Last	Previous	
Shanghai&Shenzhen 300 Index	4020.58	3992.74	0.70%
Dow Jones Industrial Average	35473.13	35559.53	-0.24%
FTSE 100 Index	7554.49	7699.41	-1.88%
Nikkei 225 Index	32192.75	32759.23	-1.73%
BVAL U.S. 10-year Note Yield	4.0960	3.9512	3.66%
BVAL China 10-year Note Yield	2.6774	2.7043	-0.99%

China Released more Stimulus Plan(Cont'd)

- “20 Rules on Consumption” to cover stimuluses on commodity consumption, service consumption, rural area consumption, and new developed consumption mode.
- The Taxation Department of the Ministry of Finance in China stated that the preferential tax and fee policies will be announced in the near future to boost confidence in economy.
- China Tier I cities including Beijing, Shenzhen, and Guangzhou successively indicated to implement the demand for living

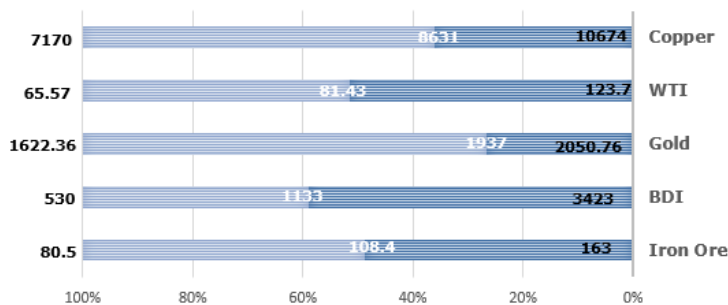


Sources: Bloomberg, FIS

	Last	Previous	
LME Copper 3 Month Rolling	8573.00	8662.50	-1.03%
LME Aluminium 3 Month Rolling	2232.50	2222.00	0.47%
WTI Cushing Crude Oil	81.94	81.80	0.17%
Platts Iron Ore Fe62%	104.10	110.05	-5.41%
U.S. Gold Physical	1935.95	1944.29	-0.43%
BDI	1136.00	1110.00	2.34%

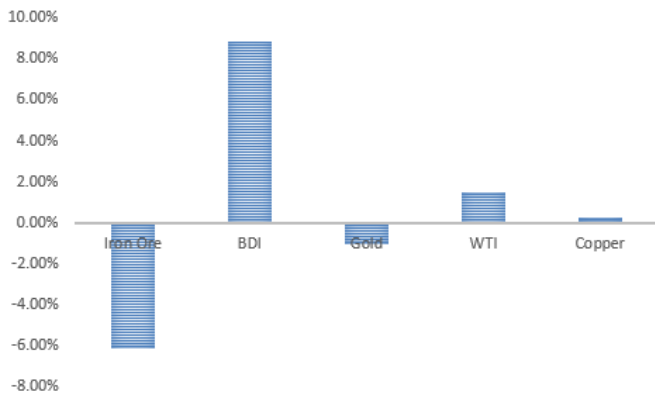
Commodity Outlook and Major Economists Event

Commodity Relative Price Range



- Iron ore retreated as extending sentiment on Chinese crude steel and pollution control, as well as concern over house developers default risk.
- Seaborne coking coal rebounded given the strong demand from China and less long-term sales in Q3.

5 DAY MOVING AVERAGE CHANGE ON COMMODITIES



- The BDI improved as pacific typhoons created lagging on laycans and drought conditions occurred in Panama Cannel.
- Oil price rebounded given the OPEC+ cut and Saudi Arabia's extension on extra month cut.
- The copper price remained largely flat.

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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