

FIS Macro Report

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	Last	Previous	% Change
U.S. Dollar Index(DXY)	105.63	105.22	0.40%
USD/CNY	7.2914	7.2812	0.14%
U.S. FOMC Upper Interest Rate	5.50	5.50	0
China Repo 7 day	2.05	2.00	2.50%
Caixin China Manufacturing PMI	49.50	50.60	-2.17%
Markit U.S. Manufacturing PMI	49.10	50.60	-2.96%

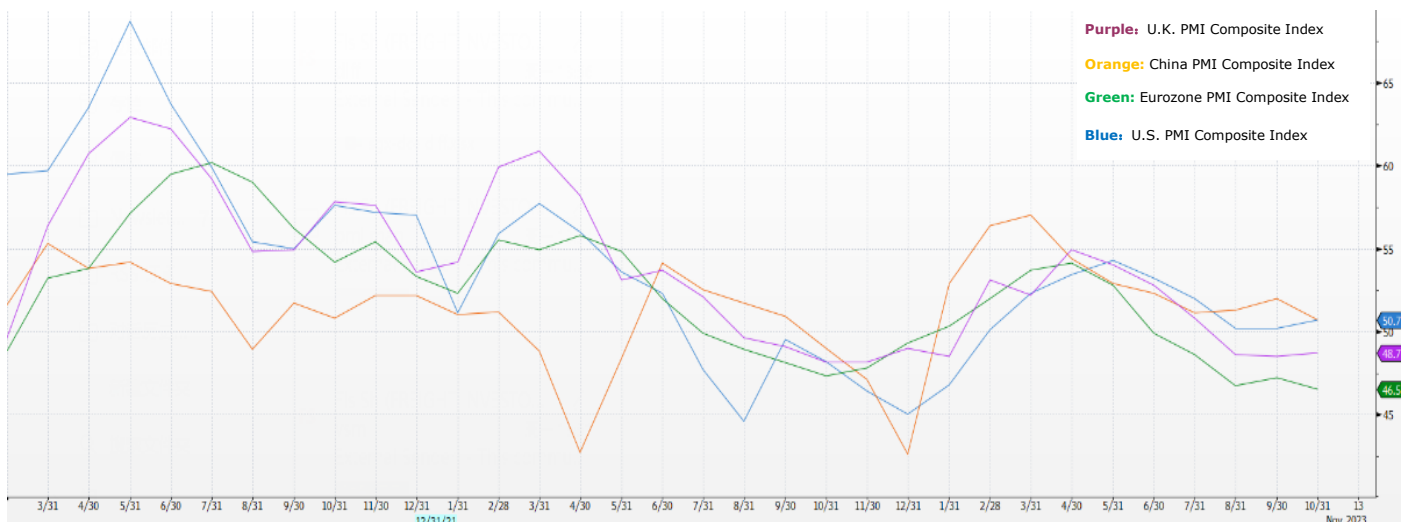
Global PMI Brief in October

The IMF predicted in its World Economic Outlook report released in October that world economic growth will continue to slow down in 2023 and 2024. The expected economic growth rate in 2023 is 3.0%, lower than the 3.5% in 2022. The expected economic growth rate in 2024 is 2.9%, which is 0.1% lower than the predicted value in July. However, IMF increased GDP growth in China in 2023 from 5% to 5.4%, after the new basket of financial support carried out by the government in Q3. IMF also predicted a soft-landing in the European economy with a growth rate up from 1.3% to 1.5%. In general, China's growth and fast recovery will potentially become a driving factor for the world economy in 2024.

US ISM Manufacturing PMI faced challenges in October, by seeing a 46.7, lower than estimated 49, and also lower than the last number at 49. The number remained in contraction area for twelve consecutive months. Four out of five subsidiary indices indicated a drop, including inventories, new orders, suppliers and jobs. In particular, job index played major dragging factor by falling 4.4%. The sharp drop was driven by the UAW strikes which lasted for two months.

China's PMI in October was 49.5, down 0.7% from past month, the number returned to contraction area again. The big capital company PMI averaged at 50.7, while mid and small-cap companies PMI averaged at 48.7% and 47.9% respectively. Production index played the major dragging subsidiary, which decreased by 1.8% to 50.9%, indicating a prosperous condition currently, however, with a significant slow down rate.

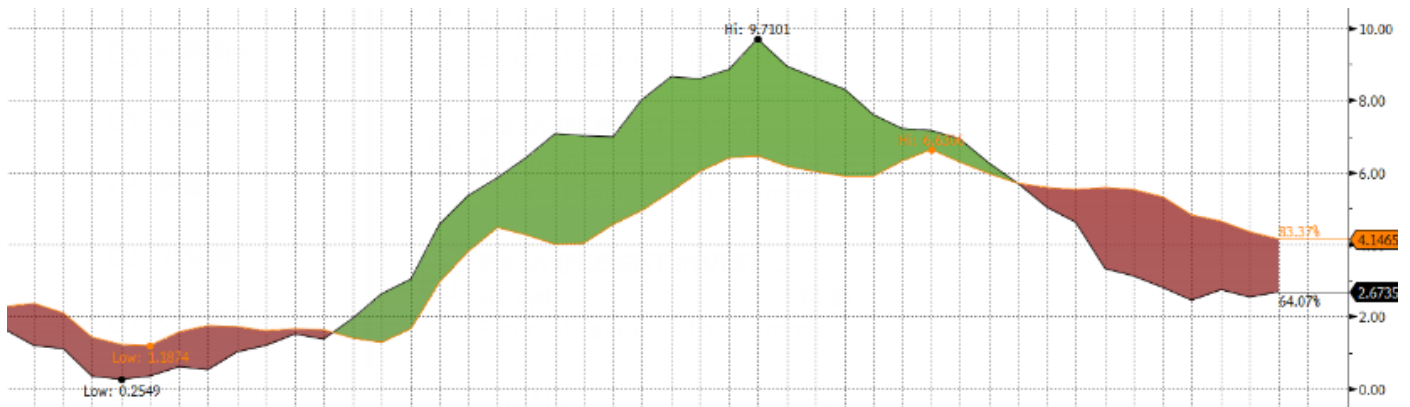
PMI Index



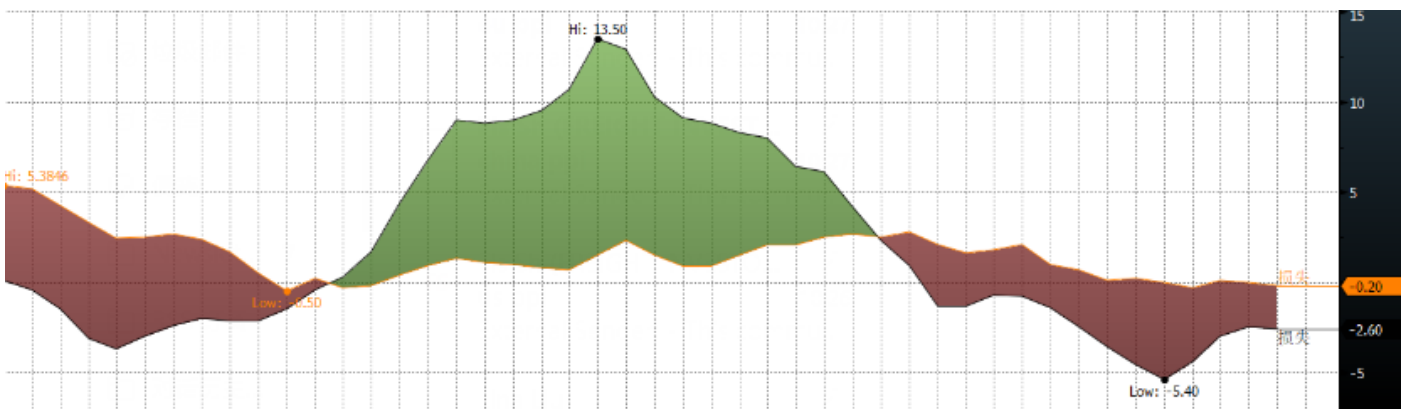
Sources: Bloomberg

	Last	Previous	
Shanghai&Shenzhen 300 Index	3586.49	3584.14	0.07%
Dow Jones Industrial Average	34337.87	34095.86	0.71%
FTSE 100 Index	7425.83	7417.76	0.11%
Nikkei 225 Index	32585.11	32708.48	-0.38%
BVAL U.S. 10-year Note Yield	4.6507	4.6677	-0.36%
BVAL China 10-year Note Yield	2.6736	2.6829	-0.35%

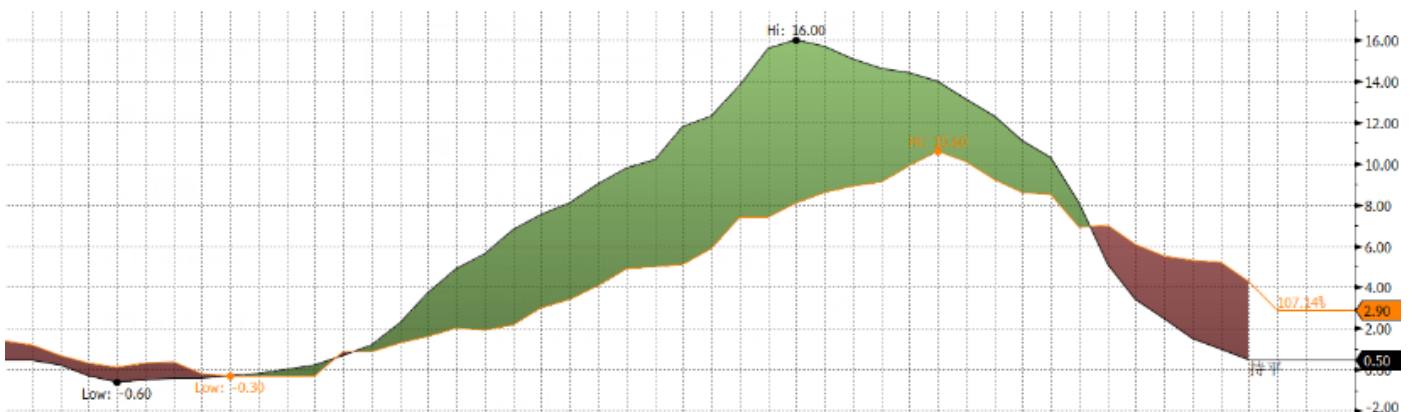
U.S. PPI—CPI(Excl. Food and Energy)



China PPI—CPI



Eurozone PPI—CPI(Excl. Food and Energy)

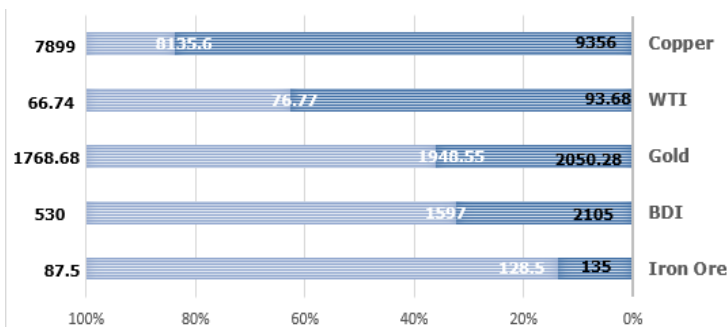


Sources: Bloomberg, FIS

	Last	Previous	
LME Copper 3 Month Rolling	8167.00	8238.00	-0.86%
LME Aluminium 3 Month Rolling	2223.50	2287.50	-2.80%
WTI Cushing Crude Oil	78.26	80.82	-3.17%
Platts Iron Ore Fe62%	129.80	126.80	2.37%
U.S. Gold Physical	1946.90	1969.45	-1.14%
BDI	1655.00	1385.00	19.49%

Commodity Outlook and Major Economists Event

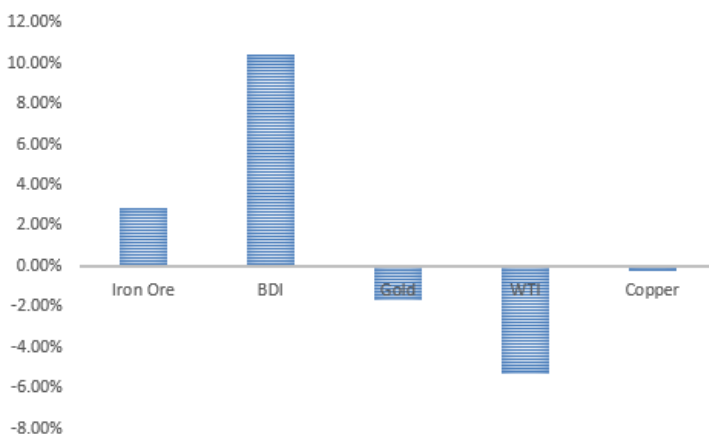
Commodity Relative Price Range



- Iron ore increased, supported by multiple events in Australia including internet problems at ports which irritated expectation on short-run delivery.

- Seaborne coking coal slowed down purchases in front laycans. Index dropped as seeing less buyers.

5 DAY MOVING AVERAGE CHANGE ON COMMODITIES



- The BDI increased as the demand recovered fast for bulk capacity. Chinese port operations interrupted because of snowy weather, which increased capsized ships demand.

- Oil price corrected as market priced-in geo-political tensions in short-run.

- The copper price remained stable during past three weeks as slow movement on fundamentals and risk-off sentiment on geo-political tensions.

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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