

FIS Macro Report

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	Last	Previous	% Change
U.S. Dollar Index(DXY)	103.87	103.83	0.04%
USD/CNY	7.2084	7.2139	-0.08%
U.S. FOMC Upper Interest Rate	5.50	5.50	0
China Repo 7 day	2.00	2.15	-6.98%
Caixin China Manufacturing PMI	50.90	50.80	0.20%
Markit U.S. Manufacturing PMI	53.80	50.80	5.91%

The US Semi-Annual Monetary Policy Report

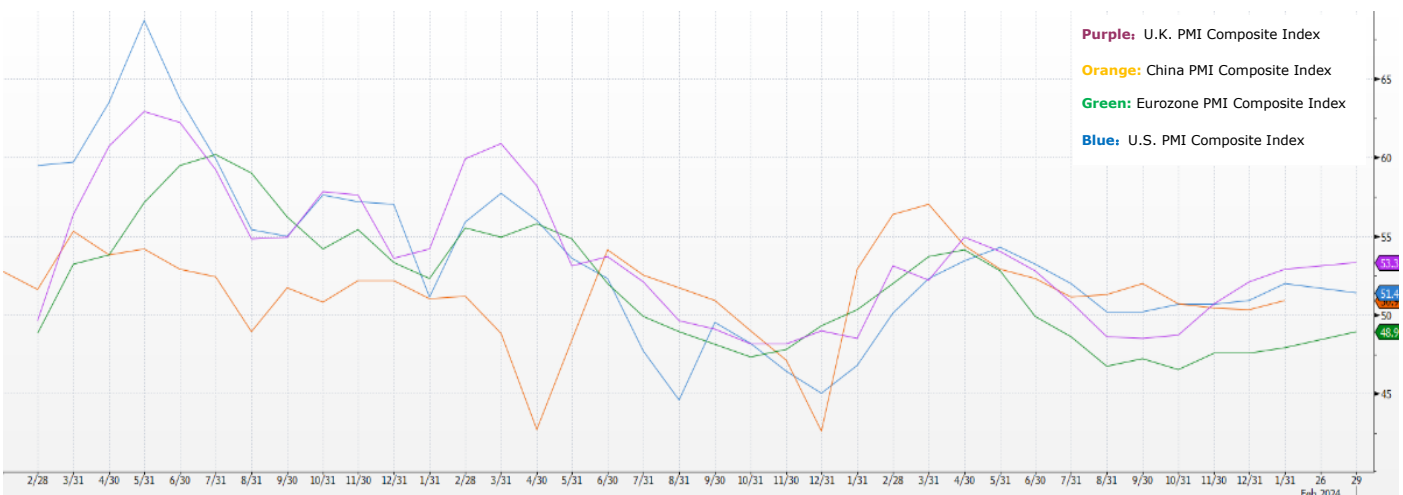
The US Semi-Annual monetary report from mid-March has been one of the highlights of recent times. The latest monetary decision will directly shift the market from “tight” to “moderate”, thus allowing sufficient liquidity to support the booming of the economy. As a signal, many countries will follow the monetary decision in the following quarters.

Ahead of Chairman Jerome Powell’s testimony, the central bank said that inflation has slowed “notably” but remains above the 2% target. In addition, the labor market remains relatively tight even after the easing of the latest data. The report generally reiterated the prediction that the Federal would spend most of their time and power to fight inflation in 2024. Previously, the Chief Economist from Apollo Management Torsten Slok, one of the biggest US asset management companies, indicated that the market was too optimistic on the interest cut and the Federal would still concentrate on inflation target in 2024.

One of the most important inflation measurement tools, PCE index, is up 0.4% in January from 0.2% in December, marking the biggest increase since April 2023. In addition, both CPI and PPI statistics have outperformed market expectation.

Similar view to Torsten, Reserve bank governor Adrian Orr said that the global central banks would hang onto high interest rates for longer than financial market expected during the past two quarters.

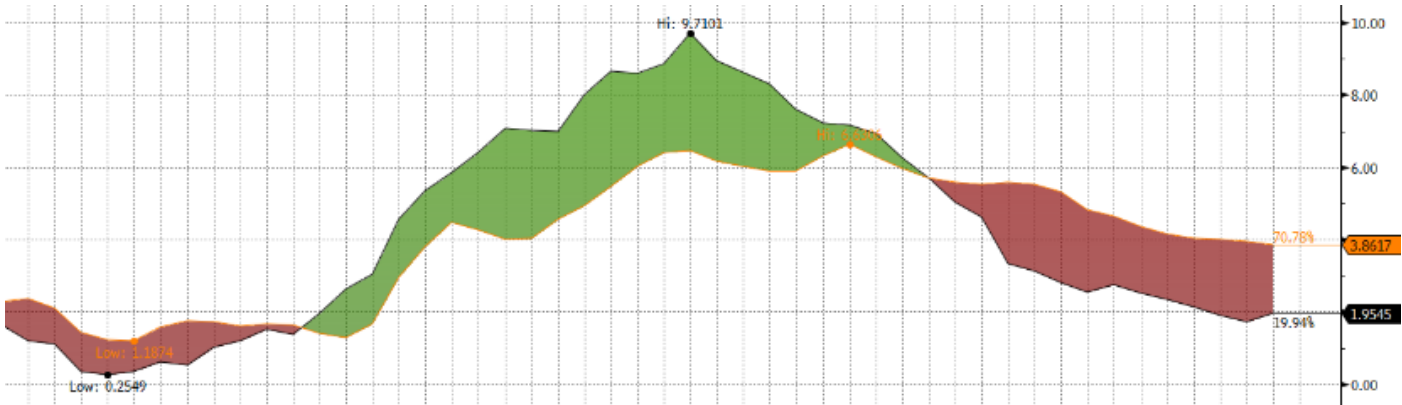
PMI Index



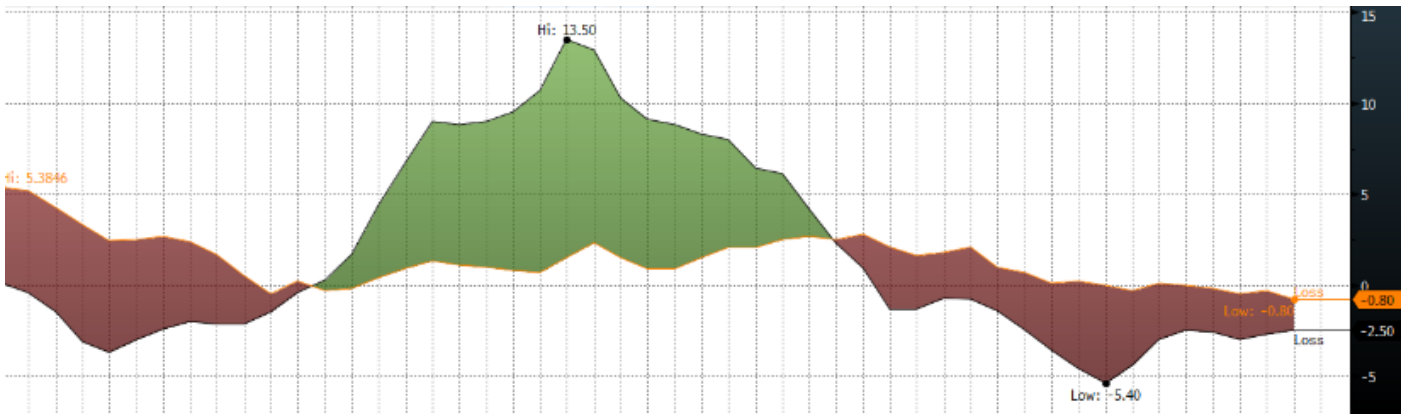
Sources: Bloomberg

	Last	Previous	
Shanghai&Shenzhen 300 Index	3540.87	3453.36	2.53%
Dow Jones Industrial Average	38989.83	39069.23	-0.20%
FTSE 100 Index	7640.33	7684.30	-0.57%
Nikkei 225 Index	40109.23	39233.71	2.23%
BVAL U.S. 10-year Note Yield	4.2255	4.2888	-1.48%
BVAL China 10-year Note Yield	2.4193	2.4361	-0.69%

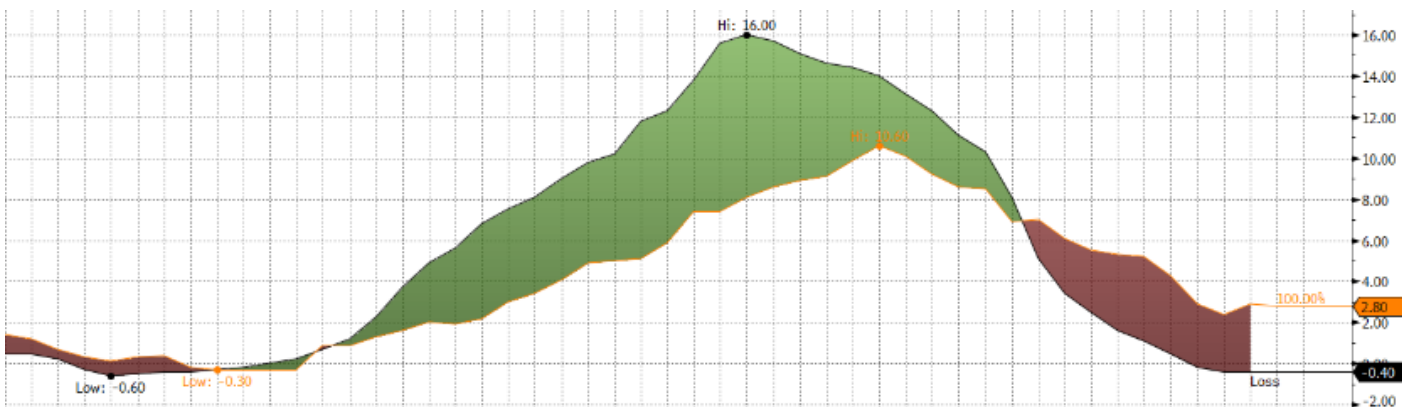
U.S. PPI—CPI(Excl. Food and Energy)



China PPI—CPI



Eurozone PPI—CPI(Excl. Food and Energy)

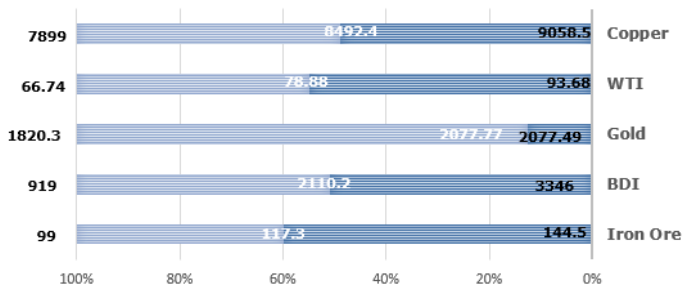


Sources: Bloomberg, FIS

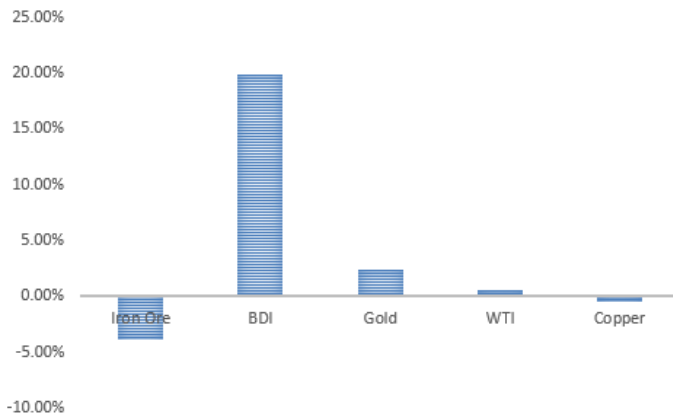
	Last	Previous	
LME Copper 3 Month Rolling	8542.50	8466.00	0.90%
LME Aluminium 3 Month Rolling	2234.00	2180.00	2.48%
WTI Cushing Crude Oil	78.74	77.58	1.50%
Platts Iron Ore Fe62%	117.75	116.00	1.51%
U.S. Gold Physical	2112.58	2030.48	4.04%
BDI	2297.00	1866.00	23.10%

Commodity Outlook and Major Economists Event

Commodity Relative Price Range



5 DAY MOVING AVERAGE CHANGE ON COMMODITIES



- Iron ore stabilised given the recovery on downstream and steel production.
- Seaborne coking coal weakened because of the oversupply on front months.
- The BDI saw gains due to fast growth following the seasonality rule as well as the congestions and disruptions in European areas.
- WTI Oil price ticked up given the proactive production cut from OPEC+ countries.
- Copper gained support from potential interest cut and stimulus from China politburo, however facing priced-in risks after the news.

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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