

# FIS Macro Report

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	Last	Previous	% Change
<b>U.S. Dollar Index(DXY)</b>	102.81	103.80	<b>-0.95%</b>
<b>USD/CNY</b>	7.1835	7.2121	<b>-0.40%</b>
<b>U.S. FOMC Upper Interest Rate</b>	5.50	5.50	<b>0</b>
<b>China Repo 7 day</b>	2.00	2.00	<b>0</b>
<b>Caixin China Manufacturing PMI</b>	50.90	50.80	<b>0.20%</b>
<b>Markit U.S. Manufacturing PMI</b>	53.80	50.80	<b>5.91%</b>

## China Politburo Week Takes

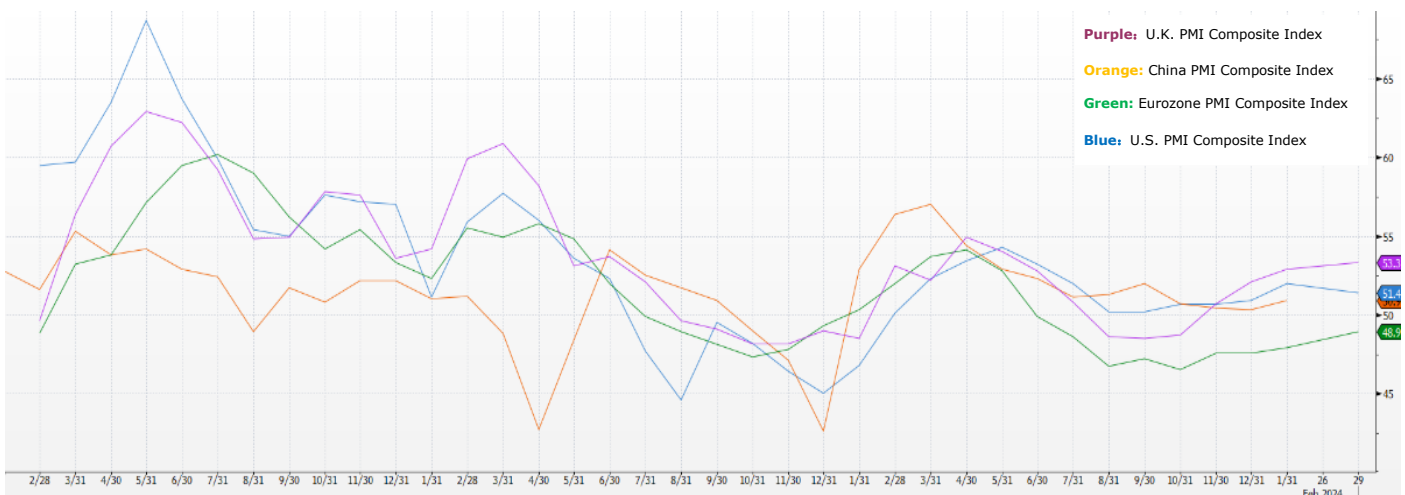
The major links between the past Chinese Politburo and the commodity market were the increases in NEVs sales and in stimulus, as well as ultra-long debts issuance. The Chinese government issued 1 trillion yuan (139 billion USD) in ultra-long specialised bonds, which were used to invest in technical innovation, urban and sub-urban area development, grain safety and talents building. Although the debts didn't directly mention the issues in the housing area, some analysts believed the bonds would help resolve some local debt conditions and inject liquidity in long-run on some half-finished projects or houses in Tier 3 and 4 cities.

The major economic target remained unchanged including GDP growth, financial deficit ratio and unemployment rate. However, the unchanged target was believed to be a bullish signal of economic recovery.

Two-year low on China's government bond yield indicated a potential easing of policies on the way. Chinese yuan expected to remain stable and stay within a certain range instead of directional movement.

The governor is expected to roll out tax and fee cuts to support high-tech and industrial sector. In commodity field, analysts expected to see better quality and higher costs in ferrous and some base metals but in general smaller market demand in long-run.

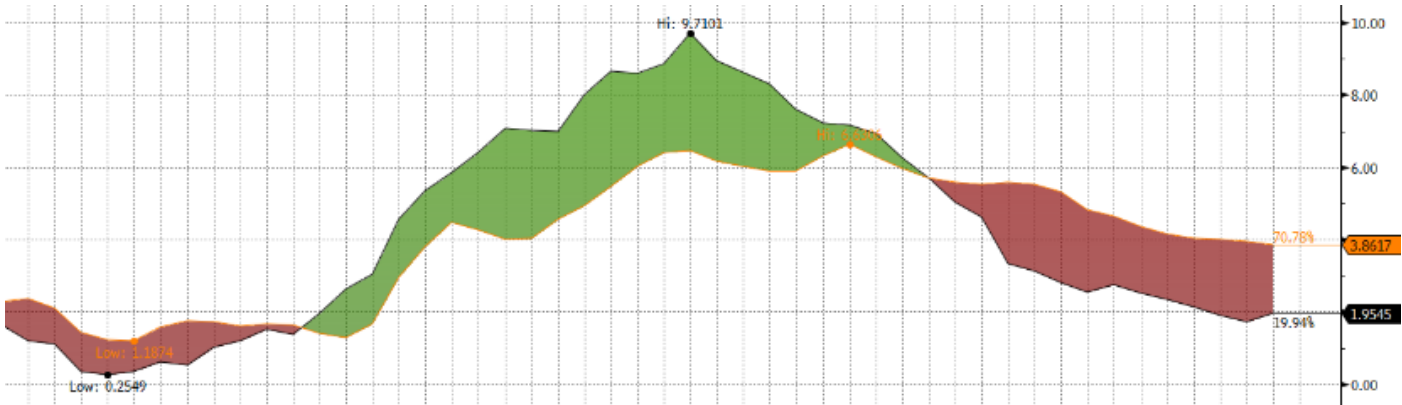
## PMI Index



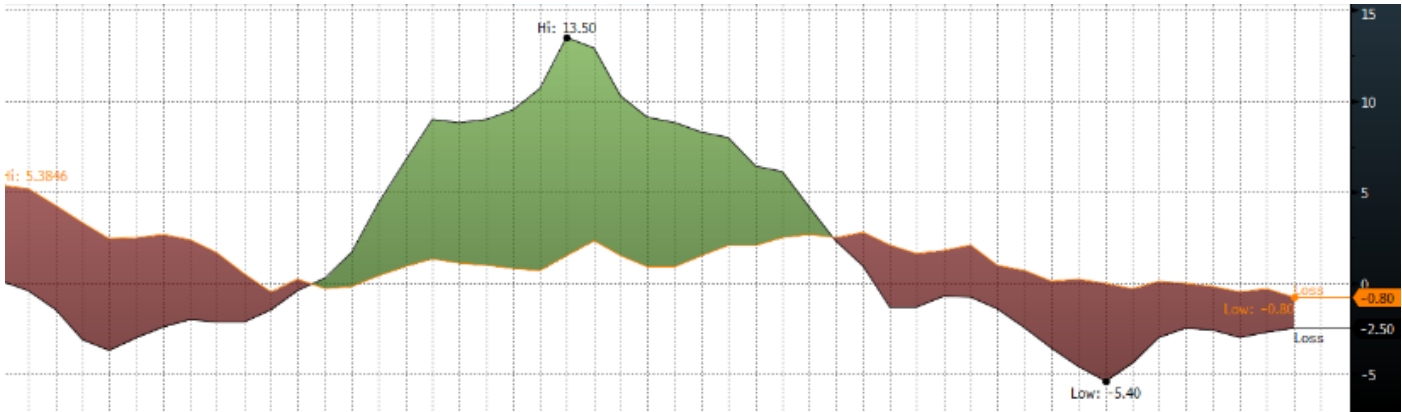
Sources: Bloomberg

	Last	Previous	
<b>Shanghai&amp;Shenzhen 300 Index</b>	3589.26	3540.87	<b>1.37%</b>
<b>Dow Jones Industrial Average</b>	38769.66	38989.83	<b>-0.56%</b>
<b>FTSE 100 Index</b>	7669.23	7640.33	<b>0.38%</b>
<b>Nikkei 225 Index</b>	38820.49	40109.23	<b>-3.21%</b>
<b>BVAL U.S. 10-year Note Yield</b>	4.1066	4.2255	<b>-2.81%</b>
<b>BVAL China 10-year Note Yield</b>	2.3561	2.4194	<b>-2.62%</b>

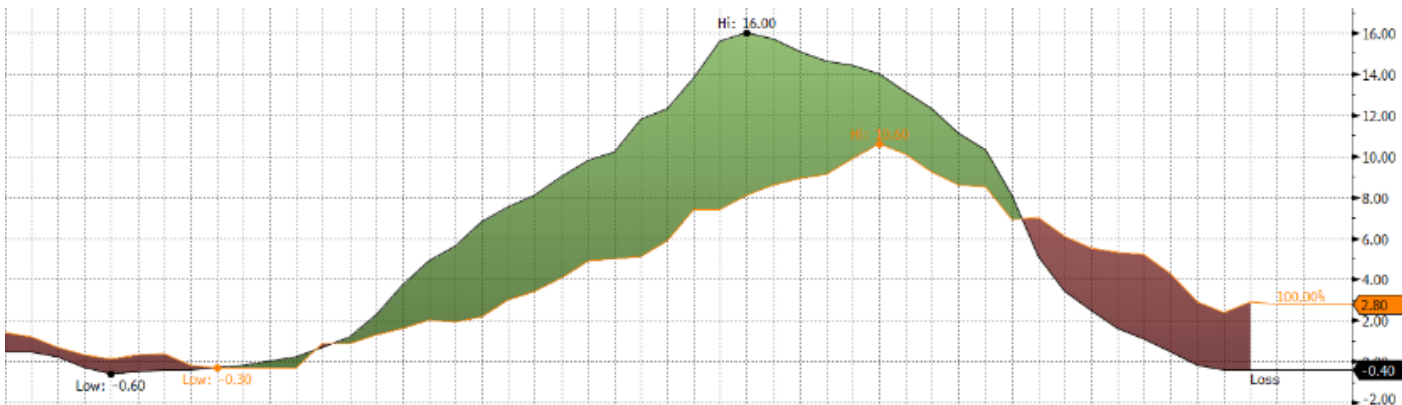
**U.S. PPI—CPI(Excl. Food and Energy)**



**China PPI—CPI**



**Eurozone PPI—CPI(Excl. Food and Energy)**

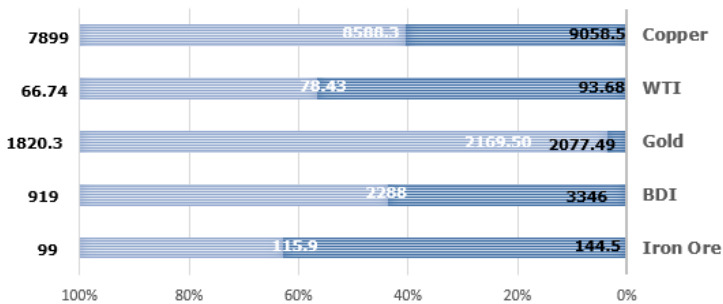


Sources: Bloomberg, FIS

	Last	Previous	
<b>LME Copper 3 Month Rolling</b>	8653.00	8542.50	<b>1.29%</b>
<b>LME Aluminium 3 Month Rolling</b>	2259.00	2234.00	<b>1.12%</b>
<b>WTI Cushing Crude Oil</b>	77.93	78.74	<b>-1.03%</b>
<b>Platts Iron Ore Fe62%</b>	108.40	117.75	<b>-7.94%</b>
<b>U.S. Gold Physical</b>	2177.63	2128.04	<b>2.33%</b>
<b>BDI</b>	2377.00	2203.00	<b>7.90%</b>

## Commodity Outlook and Major Economists Event

Commodity Relative Price Range

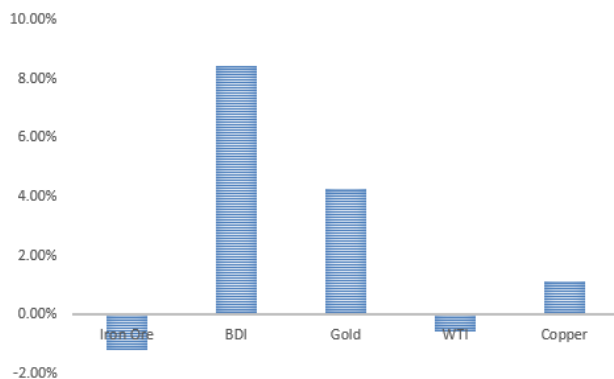


- Iron ore collapsed given the stimulus failed traders expectations, as well as slower demand compared to last Q1.

- Seaborne coking coal weakened because oversupply on nearby laycans.

- The BDI saw gains due to fast growth following the seasonality rule as well as the congestions and disruptions in European areas.

5 DAY MOVING AVERAGE CHANGE ON COMMODITIES



- WTI Oil price maintained movement in a small rangebound.

- Copper gained support from US interest cut news and the recovery signals from China.

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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