

# FIS Macro Report

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	Last	Previous	% Change
<b>U.S. Dollar Index(DXY)</b>	104.17	103.82	0.34%
<b>USD/CNY</b>	7.2454	7.2120	0.46%
<b>U.S. FOMC Upper Interest Rate</b>	5.50	5.50	0
<b>China Repo 7 day</b>	2.40	2.00	20.00%
<b>Caixin China Manufacturing PMI</b>	50.90	50.80	0.20%
<b>Markit U.S. Manufacturing PMI</b>	53.80	50.80	5.91%

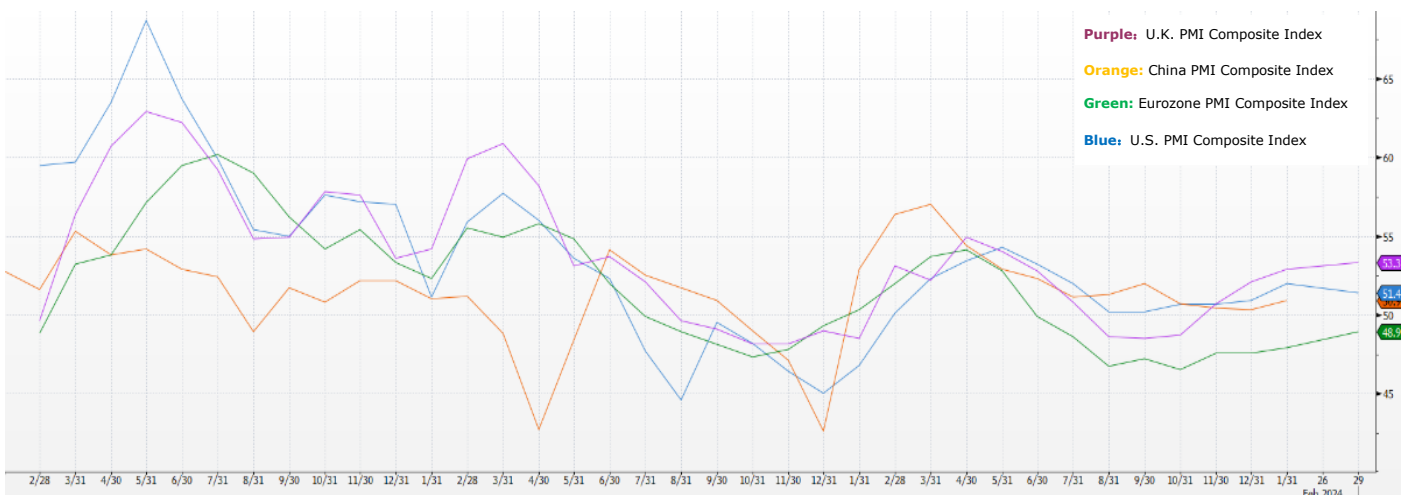
## Central Banks Week Takes

The most influential central banks over the world announced the latest interest rate decisions last week.

Bank of Japan started the interest raise for the first time in 17 years, officially exiting YCC. The BOJ is poised to reduce the extraordinarily large balance sheet, albeit in a slow manner. Swiss National Bank became the first European bank to announce an interest cut after implementing tight policies for the last three years, namely because of a foreseeable inflation decrease to 2%. US FOMC maintained an unchanged interest rate. Those policy changes supported the USD and JPY growth levels and created pressure on other currencies. However, the short-run impact to potentially be limited, especially after the slight recovery in the money market this Monday.

Major economies in Europe and US to enter an interest loose cycle in H2, it is now just a matter of frequencies. The divergences were mainly on the frequencies of the interest rate cut as well as the timing of these first interest cuts. Some traders believed that the USD appreciation during past week was "overdone". Thus, a pull-back in short-run will potentially support commodity prices naturally.

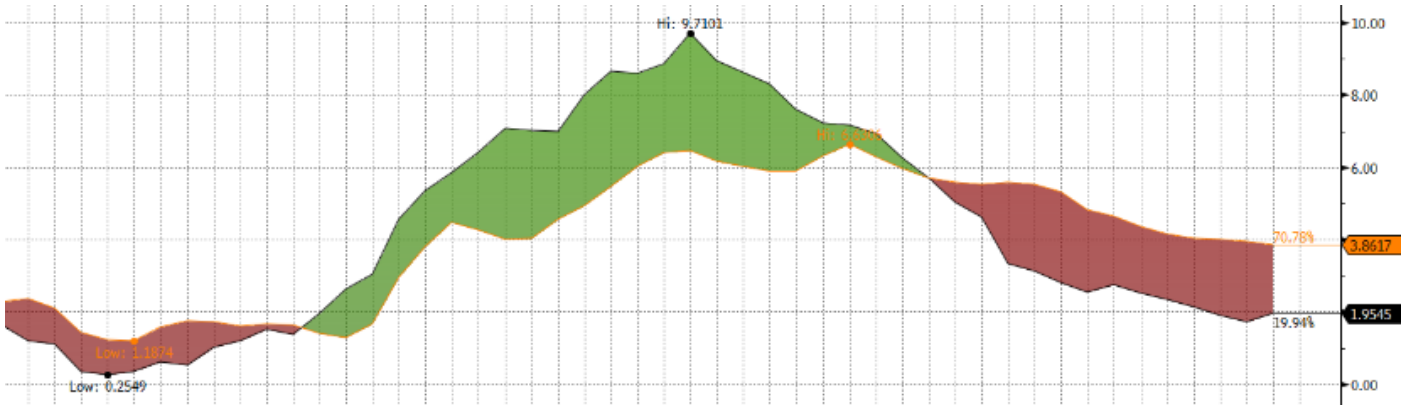
## PMI Index



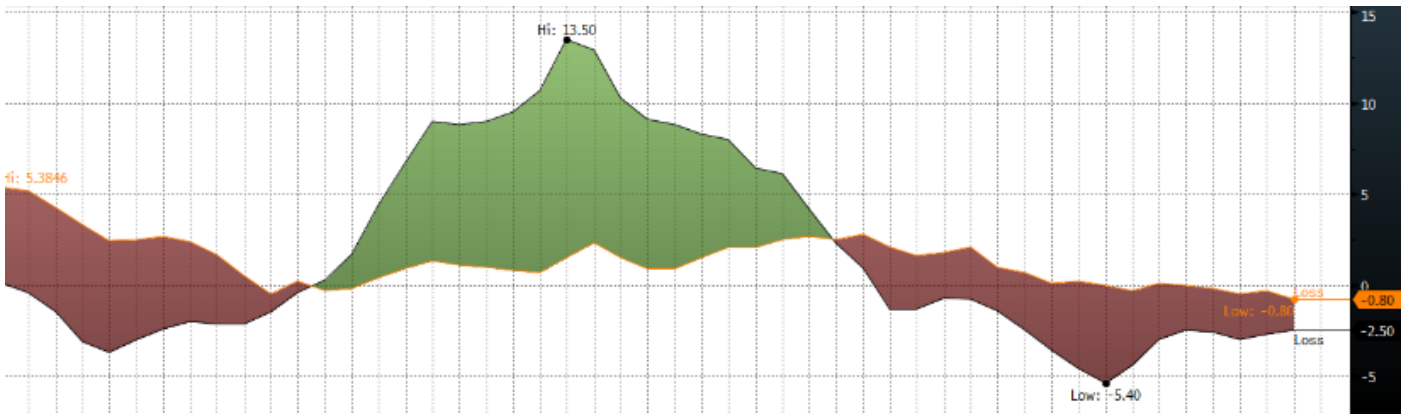
Sources: Bloomberg

	Last	Previous	
<b>Shanghai&amp;Shenzhen 300 Index</b>	3525.76	3603.53	<b>-2.16%</b>
<b>Dow Jones Industrial Average</b>	39313.64	38790.43	<b>1.35%</b>
<b>FTSE 100 Index</b>	7917.57	7722.55	<b>2.53%</b>
<b>Nikkei 225 Index</b>	40414.12	38707.64	<b>4.41%</b>
<b>BVAL U.S. 10-year Note Yield</b>	4.2532	4.3384	<b>-1.96%</b>
<b>BVAL China 10-year Note Yield</b>	2.3982	2.4002	<b>-0.08%</b>

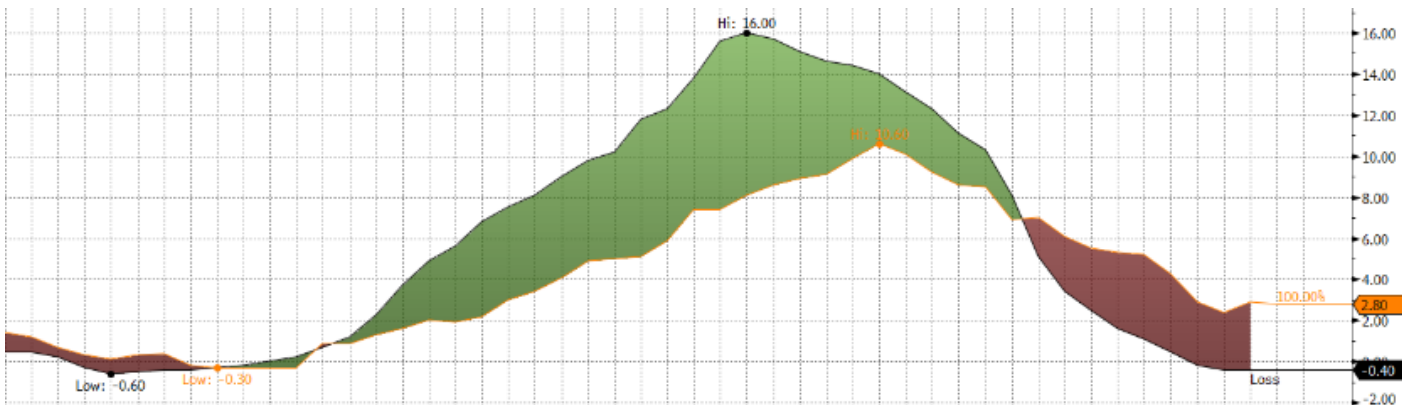
**U.S. PPI—CPI(Excl. Food and Energy)**



**China PPI—CPI**



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

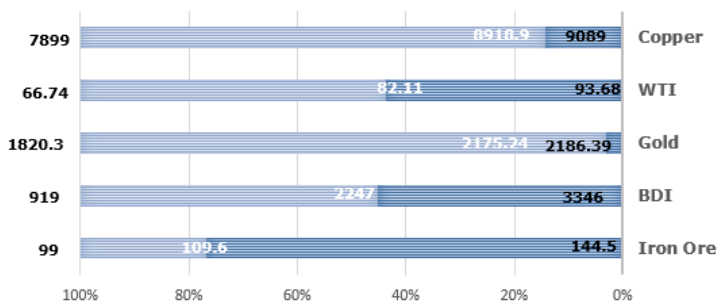


Sources: Bloomberg, FIS

	Last	Previous	
<b>LME Copper 3 Month Rolling</b>	8873.00	9089.00	<b>-2.38%</b>
<b>LME Aluminium 3 Month Rolling</b>	2326.00	2277.50	<b>2.13%</b>
<b>WTI Cushing Crude Oil</b>	82.84	82.72	<b>0.15%</b>
<b>Platts Iron Ore Fe62%</b>	108.80	105.25	<b>3.37%</b>
<b>U.S. Gold Physical</b>	2171.19	2157.59	<b>0.63%</b>
<b>BDI</b>	2123.00	2374.00	<b>-10.57%</b>

## Commodity Outlook and Major Economists Event

Commodity Relative Price Range

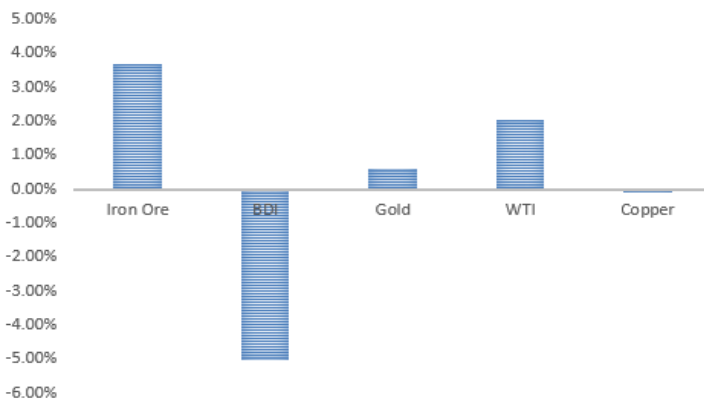


- Iron ore recovered, after eyeing the recovery of downstream activities and the improving steel margin.

- Seaborne coking coal weakened because oversupply on nearby laycans.

- The BDI corrected from seasonal high as it priced-in geo-political tensions.

5 DAY MOVING AVERAGE CHANGE ON COMMODITIES



- WTI Oil price remained strong because the destruction of refinery facilities and Russian oil cut.

- Copper remained neutral.

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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