

FIS Macro Report

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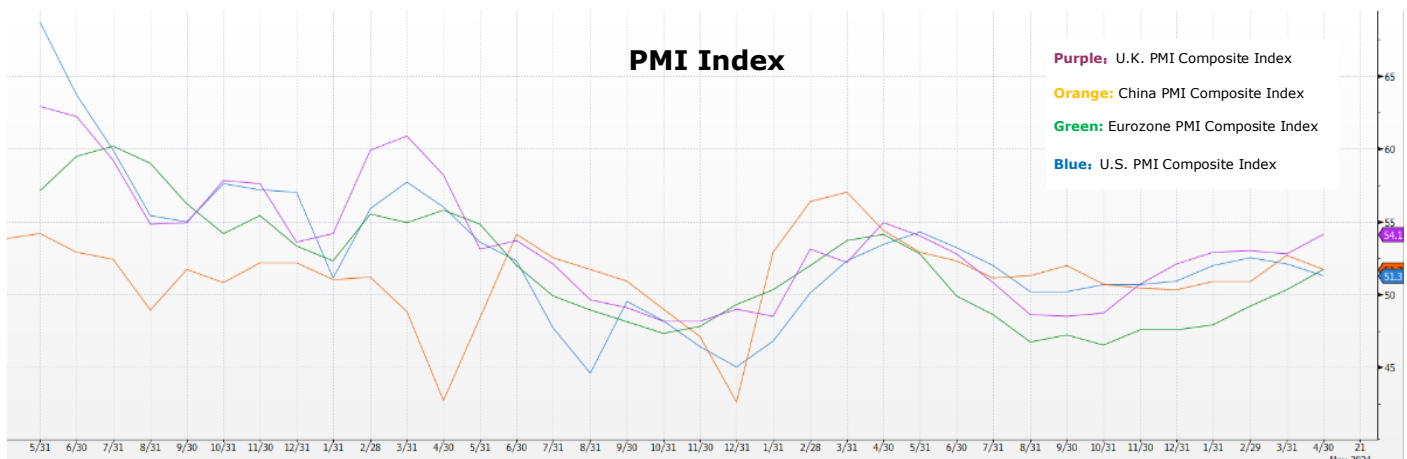
4/6/2024

	Last	Previous	% Change
U.S. Dollar Index(DXY)	104.08	104.61	-0.51%
USD/CNY	7.2564	7.2636	-0.10%
U.S. FOMC Upper Interest Rate	5.50	5.50	0
China Repo 7 day	1.84	1.95	-5.64%
Caixin China Manufacturing PMI	51.70	51.40	0.58%
Markit U.S. Manufacturing PMI	52.00	50.60	2.77%

Banks and IMF upgrade China’s GDP growth rate

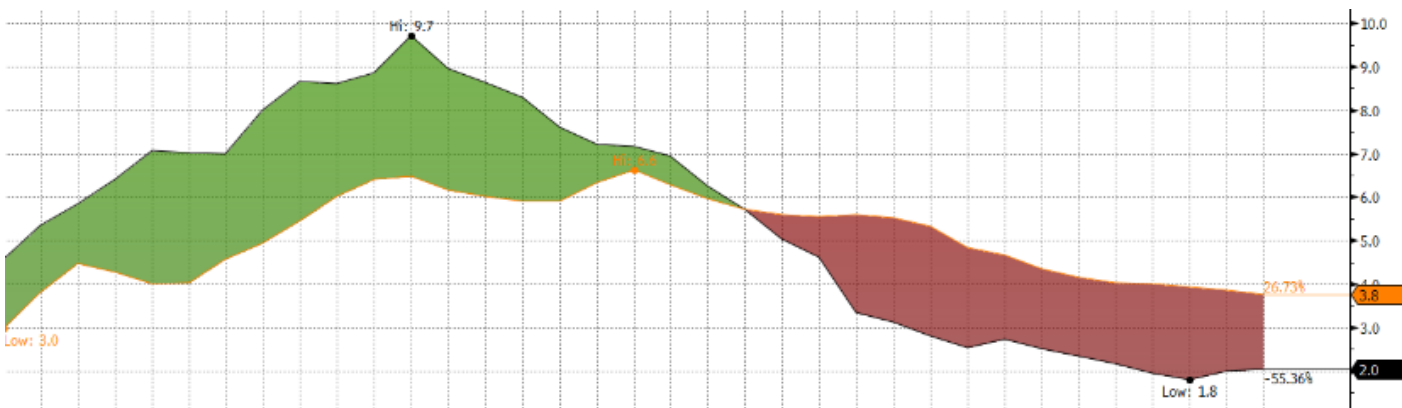
The IMF upgraded China’s GDP growth rate for 2024 from 4.6% to 5.0% during the past week, which was in line with Beijing’s growth target of 5%. Previously, Goldman Sachs raised China’s economic growth from 4.8% to 5%, Citi Bank raised the growth rate from 4.6% to 4.8% and Deutsche Bank raised the growth rate from 4.8% to 5.2%.

The major drivers of the strong Q2 and H2 in 2024 included the strong housing market stimulus package, a rebound in domestic consumption, opening up of foreign and domestic investments, and lowering of taxes. However, there were also concerns over the sustainability of these growth indicators. Some economists mentioned deflation risks and protracted property crisis dragging on economic growth in the long-run. New homes sales and prices were both falling in big cities. The stabilisation of the Chinese housing market was connected closely to the revenue of local government and health of the economy. China’s government has taken action to clear the unsold houses over the next few years. At the same time, house developers were transferring into different industries including property management, agriculture, and new energy sector. It would take more time and analysis to confirm a recovery on popular Chinese linked assets including industrial commodities, but it seems that the worst times have past.

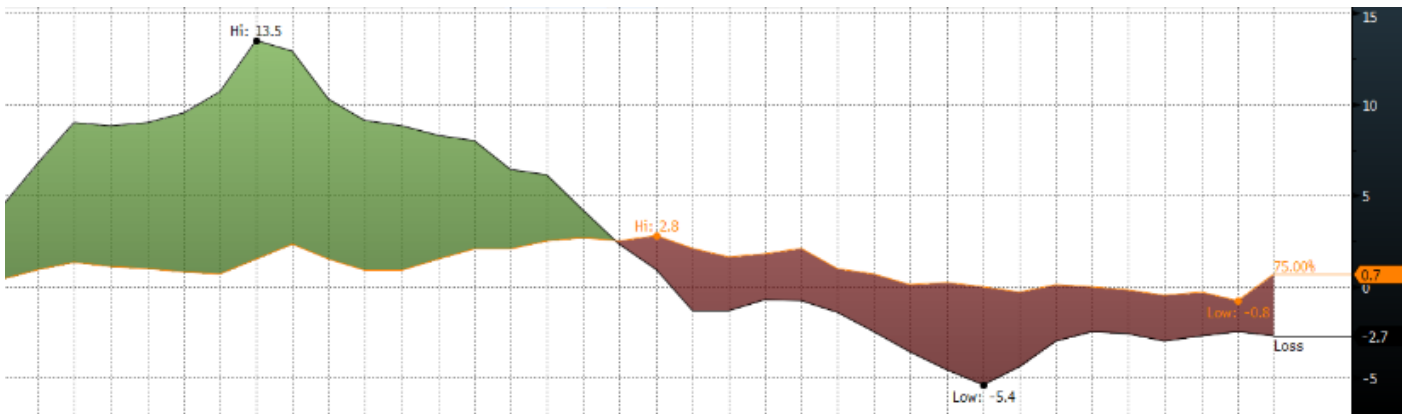


	Last	Previous	
Shanghai&Shenzhen 300 Index	3588.75	3635.71	-1.29%
Dow Jones Industrial Average	38571.03	39069.59	-1.28%
FTSE 100 Index	8262.75	8317.59	-0.66%
Nikkei 225 Index	38923.03	38900.02	0.06%
BVAL U.S. 10-year Note Yield	4.4130	4.4777	-1.44%
BVAL China 10-year Note Yield	2.3370	2.3470	-0.43%

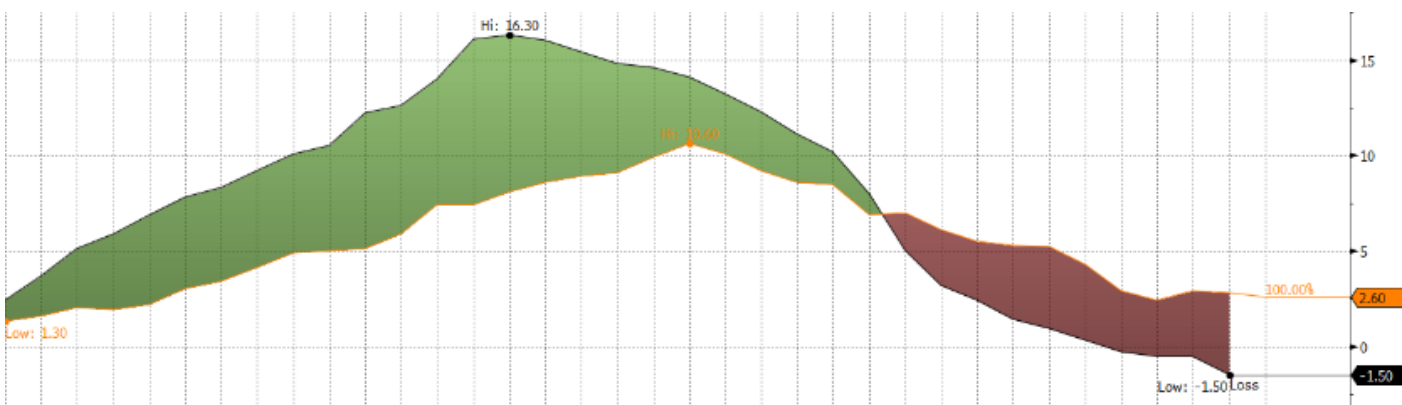
U.S. PPI—CPI(Excl. Food and Energy)



China PPI—CPI



Eurozone PPI—CPI(Excl. Food and Energy)

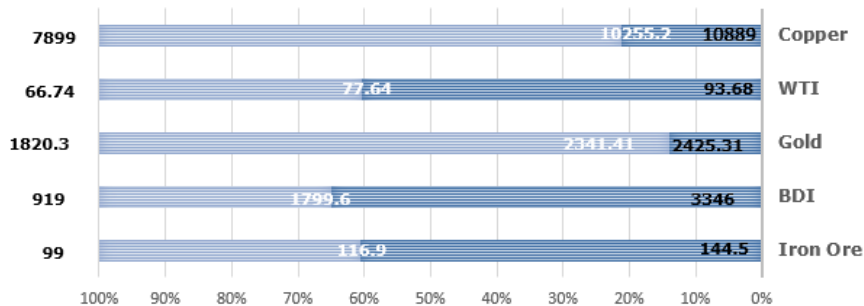


Sources: Bloomberg, FIS

	Last	Previous	
LME Copper 3 Month Rolling	10143.00	10324.00	-1.75%
LME Aluminium 3 Month Rolling	2661.50	2662.00	-0.02%
WTI Cushing Crude Oil	74.22	78.74	-5.74%
Platts Iron Ore Fe62%	109.65	119.00	-7.86%
U.S. Gold Physical	2347.76	2361.31	-0.57%
BDI	1808.00	1796.00	0.67%

Commodity Outlook and Major Economists Event

Commodity Relative Price Range



- Iron ore corrected as market saw high deliveries and arrivals in June in China, however slight decreasing pig iron consumption during past two weeks.

- Seaborne coking coal saw limited front demand during India presidential election.

5 DAY MOVING AVERAGE CHANGE ON COMMODITIES



- The BDI corrected as signals of ease on geo-tensions and increasing backhaul ships.

- WTI price corrected as there were uncertainties on production cut in H2.

- Copper corrected after delivery to LME and short-run traders taking gains.

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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