

FIS Macro Report

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	Last	Previous	% Change
U.S. Dollar Index(DXY)	104.34	105.13	-0.75%
USD/CNY	7.2773	7.2886	-0.16%
U.S. FOMC Upper Interest Rate	5.50	5.50	0
China Repo 7 day	1.85	1.87	-1.07%
Caixin China Manufacturing PMI	51.80	51.70	0.19%
Markit U.S. Manufacturing PMI	51.10	52.00	-1.73%

Currency and Global Markets:

US dollar corrected from three month high at 106.13 to 104.00 during the past two weeks. Commodities including petro-chemicals, and ferrous metals stabilized after a fast correction in June. US weak economic data in June supported expectations of a Fed interest rate cut in H2. The market was also waiting for the new updated from the China 3rd Plenum meeting held during this week. The country’s GDP expanded 5% in H1, in line with market expectation. During the past week, China’s regulator CSRC increased cost on financing of short selling on equities, and market participants considered it as a short-run supporting indicator for equity market.

FFA:

Capesize were stable during the past report week while Panamax rebounded. Increased activity was observed from iron ore ships in Brazil, while there was a reduction in the activity from Australia. The reduction of ballast vessels could be potentially behind the recent support of freight rates. There was a healthy volume of coal circulation during this report week in both Atlantic and Pacific.

Metals:

BMO Capital Markets and Citigroup analysts both consider to increase the \$10,000 mark for copper price in near term due to China smelter supply shortage and grid investment growth. The cooling down of the US economy increased the probability of an interest rate cut, which could support metals. Turkey removed EV tariffs against China, and this also supported demand for metals.

Ferrous:

Iron ore was almost flat during the past week. Increased delivery and thin margin became unsolved problems that may influence prices in the mid-run. However, iron ore recovered in the short term due to the warming of China houses deleverage and stimulus news. Coking coal saw a correction as decreasing nearby demand has forced sellers to liquidate laycans with lower prices.

Sources: Bloomberg

	Last	Previous	
Shanghai&Shenzhen 300 Index	3476.25	3401.76	2.19%
Dow Jones Industrial Average	40211.72	39344.79	2.20%
FTSE 100 Index	8182.96	8193.49	-0.13%
Nikkei 225 Index	41190.68	40912.37	0.68%
BVAL U.S. 10-year Note Yield	4.2388	4.2875	-1.14%
BVAL China 10-year Note Yield	2.2668	2.3000	-1.44%

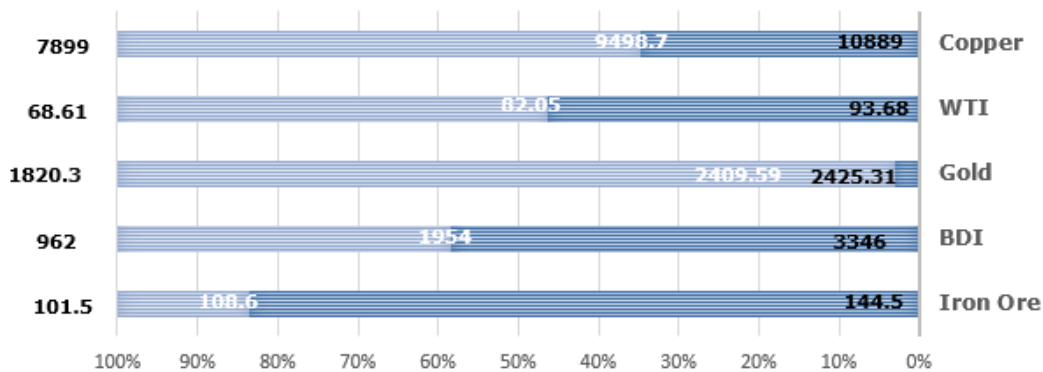
Oil:

OPEC remained bullish on oil demand. Meanwhile, the commercial crude stockpiles in the US fell last week. OPEC maintained the global oil demand growth target unchanged at 2.2 million barrels per day and 1.8 million barrels per day respectively in 2024 and 2025.

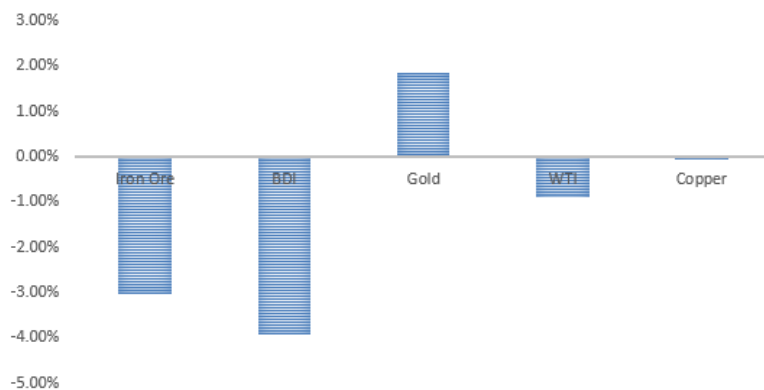
Agribulks:

USDA revised higher its 2024/2025 corn production estimates by 240 million bushels to 15.1 billion bushels due to higher acreage estimation. USDA revised lower its 2024/2025 soybean production by 15 million bushels to 4.44 billion bushels. This revision became one of the key factors driving the correction on agribulks during the past week.

Commodity Relative Price Range

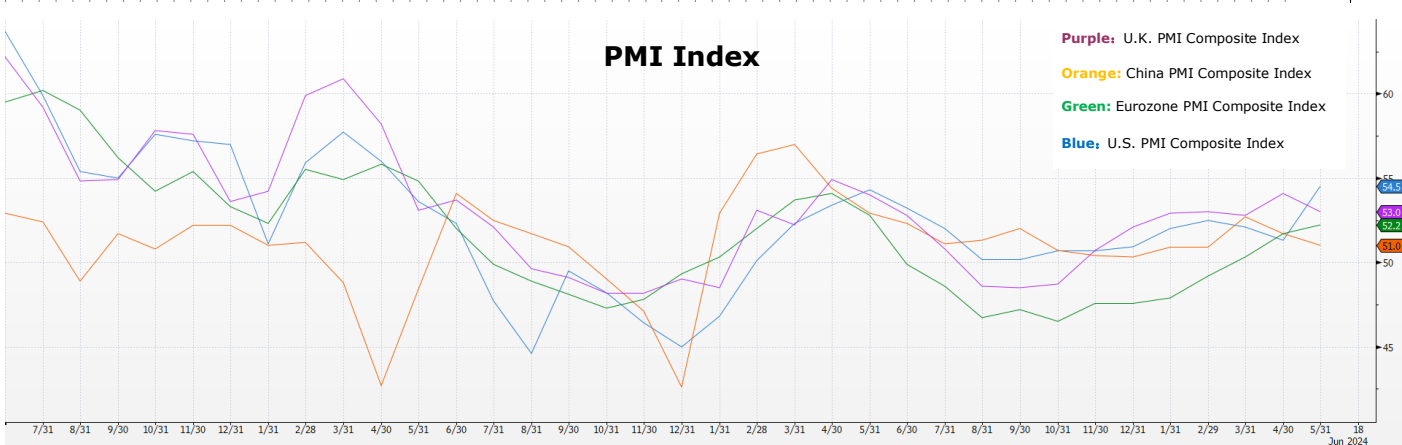
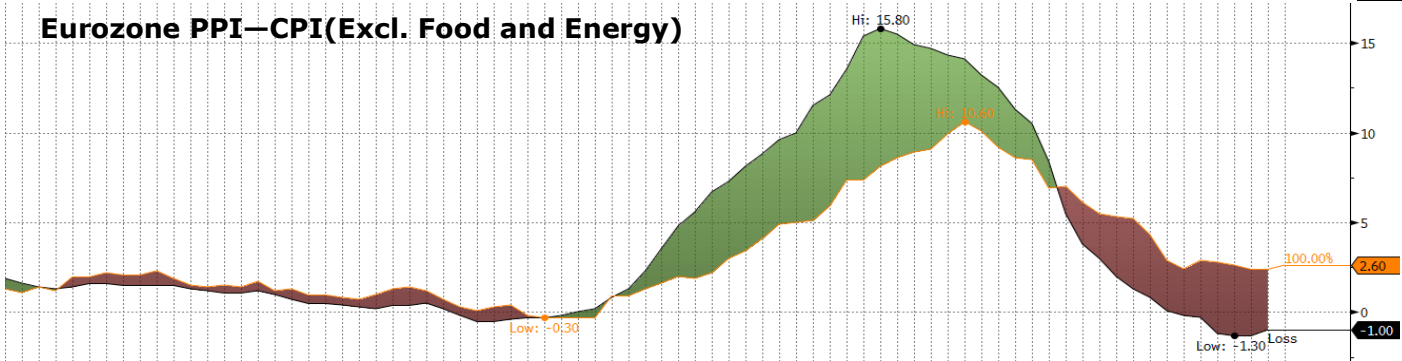
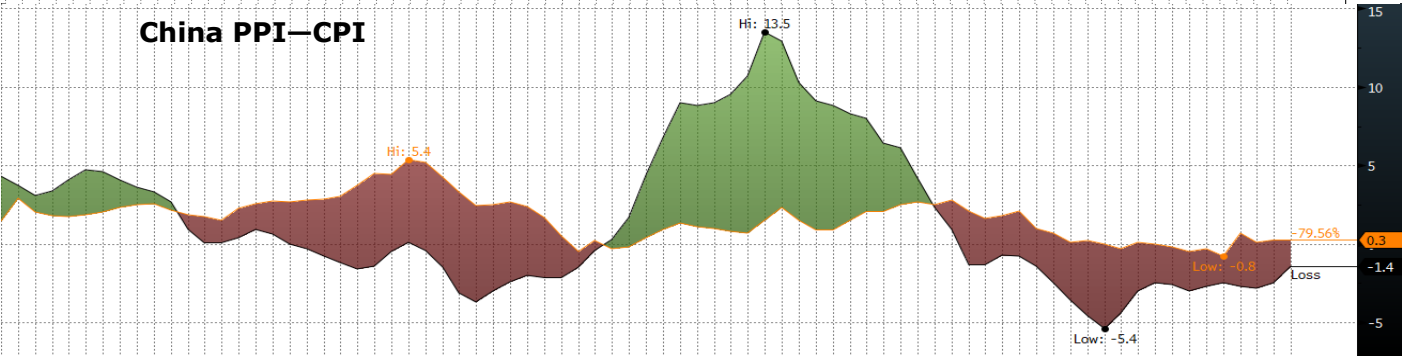
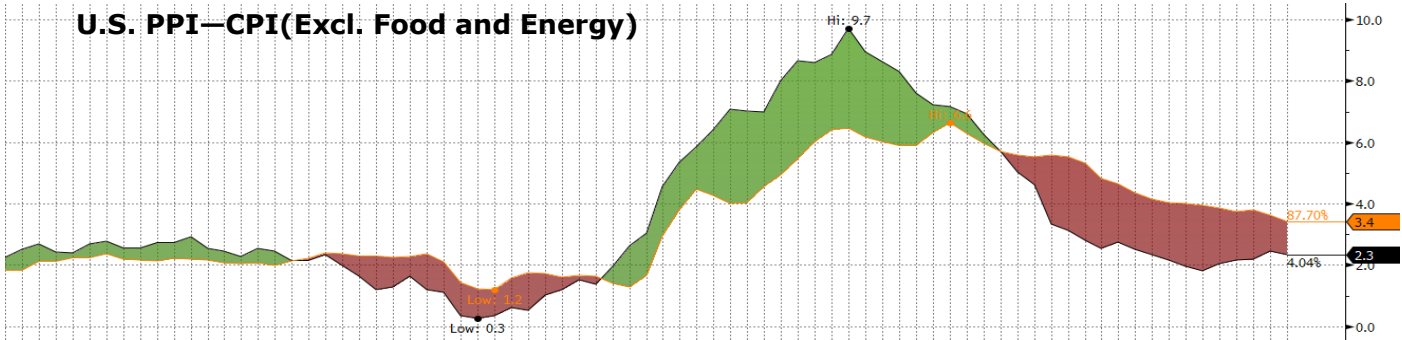


5 DAY MOVING AVERAGE CHANGE ON COMMODITIES



Sources: Bloomberg, FIS

	Last	Previous	
LME Copper 3 Month Rolling	9806.00	9915.00	-1.10%
LME Aluminium 3 Month Rolling	2461.50	2531.50	-2.77%
WTI Cushing Crude Oil	81.91	82.33	-0.51%
Platts Iron Ore Fe62%	108.75	108.65	0.09%
U.S. Gold Physical	2427.50	2364.09	2.68%
BDI	1993.00	1966.00	1.37%



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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