

FIS Macro Report

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	Last	Previous	% Change
U.S. Dollar Index(DXY)	104.26	104.27	-0.01%
USD/CNY	7.2902	7.2891	0.02%
U.S. FOMC Upper Interest Rate	5.50	5.50	0
China Repo 7 day	1.85	1.85	0
Caixin China Manufacturing PMI	51.80	51.70	0.19%
Markit U.S. Manufacturing PMI	51.10	52.00	-1.73%

Currency and Global Market:

China H1 industrial profits were up by 3.5% on the year, outperforming previous expectations. Citi Bank decreased its Chinese 2024 growth rate forecasts from 5% to 4.8%. US June PCE was up 0.1% on the month, up 2.5% on the year, as was expected with support coming from an expectation of an interest cut. Russia's central bank hiked interest rates from 16% to 18%. The G20 outlined an expectation of a soft landing for the global economy in 2024 and urged countries to strengthen global cooperation.

FFA:

A typhoon landing in China pulled down Capesize rates as some eastern ports closed. As the ports reopen, there should be a slight recovery in the index. The fixtures out of Pacific and Atlantic softened. However, high iron ore deliveries have helped support Capesize rates for Q3.

Metals:

Weakened US and EU manufacturing PMI data in June, in addition to the massive decrease on the net long positions according to COTR report, both became bearish drivers on copper. The market potentially entered a flat period after all these news items were priced-in. The growth on gold started to diverge with copper. The two commodities used to have a high correlation in Q1 and Q2.

Ferrous:

Iron ore corrected massively in early part of the last reporting week and saw signals of recovery because of active buying in the seaborne physical market. Coking coal saw oversupply in the Australia FOB market. China started its first round of physical coke cuts. Scrap usage became limited in both Asia and Europe due to the high cost of electricity. China exports of half-finished and flat steels reached a low area of the past 52 weeks. Vietnam was proposing to launch tariffs for flat steels from China and India. Vietnam became a key destination for exports of Chinese finished steels.

Sources: Bloomberg

	Last	Previous	
Shanghai&Shenzhen 300 Index	3514.93	3476.25	1.11%
Dow Jones Industrial Average	40415.44	40211.72	0.51%
FTSE 100 Index	8198.78	8182.96	0.19%
Nikkei 225 Index	39599.00	41190.68	-3.86%
BVAL U.S. 10-year Note Yield	4.2675	4.2388	0.68%
BVAL China 10-year Note Yield	2.2423	2.2668	-1.08%

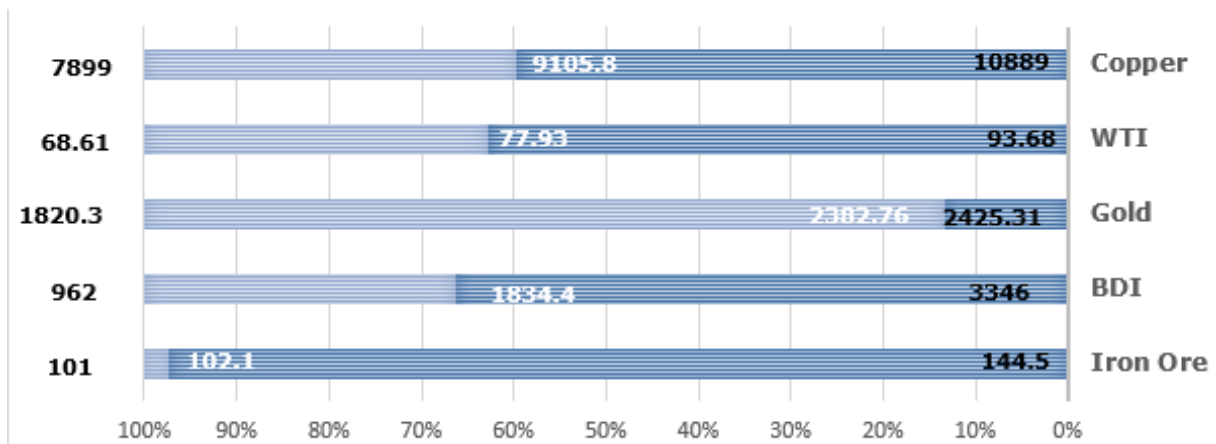
Oil:

Oil rebounded as OPEC+ members could make voluntary production cuts in Q3. Russia, Iraq and Kazakhstan submitted a complementary oil cut plan, which meant extra reductions for the three countries from July to September. The summer demand season also helped support oil prices.

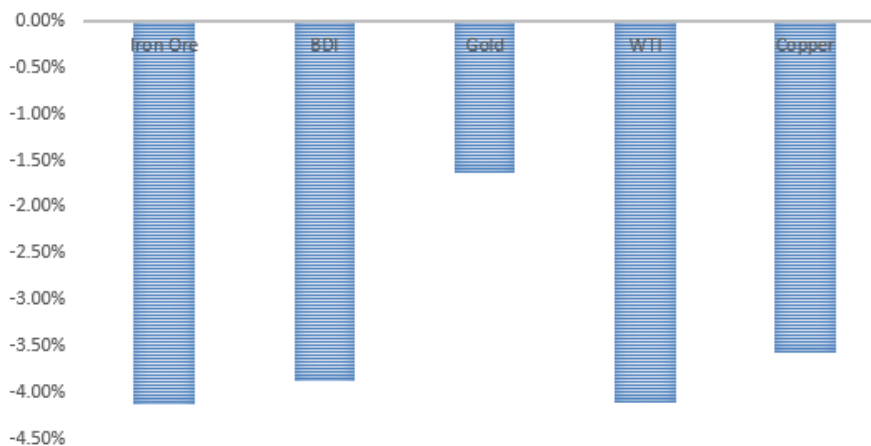
Agribulks:

US soybean stabilised and rebounded during the report week, which in general supported agribulks. The planting cost of soybean in US lied in lower range after a 10% correction recently. CFTC reports indicated that the net short positions were in extreme high level, which potentially triggered crowded covering in future.

Commodity Relative Price Range

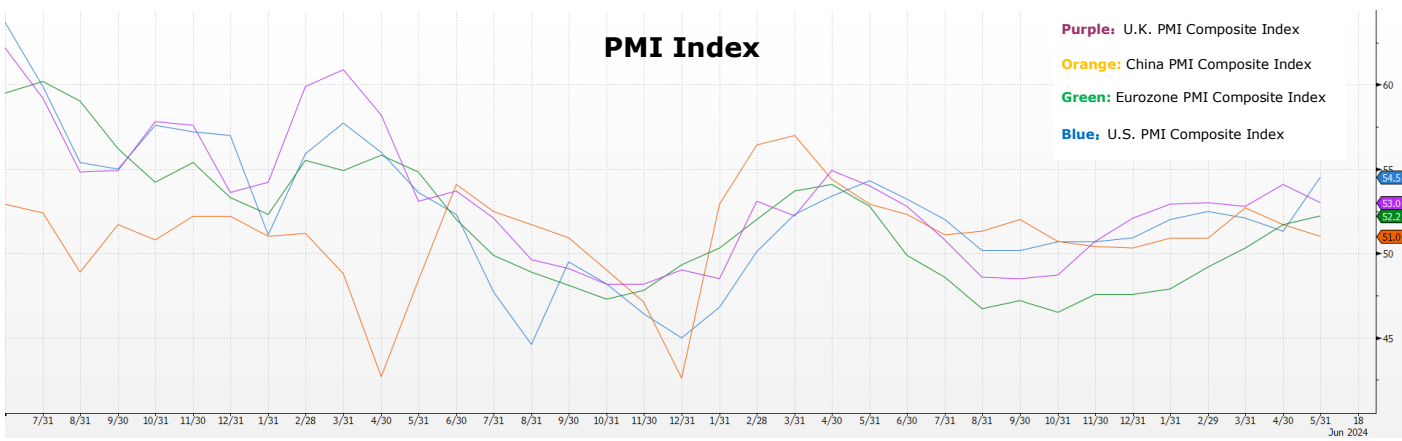
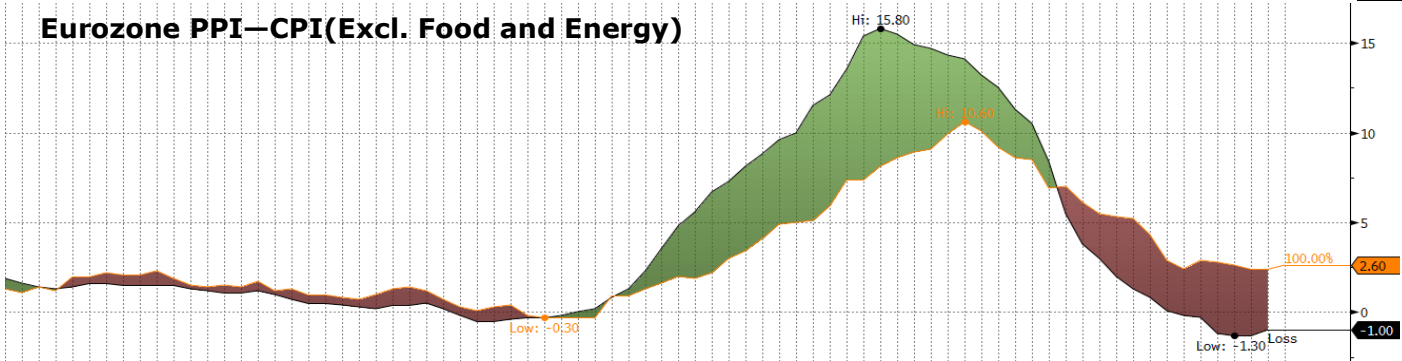
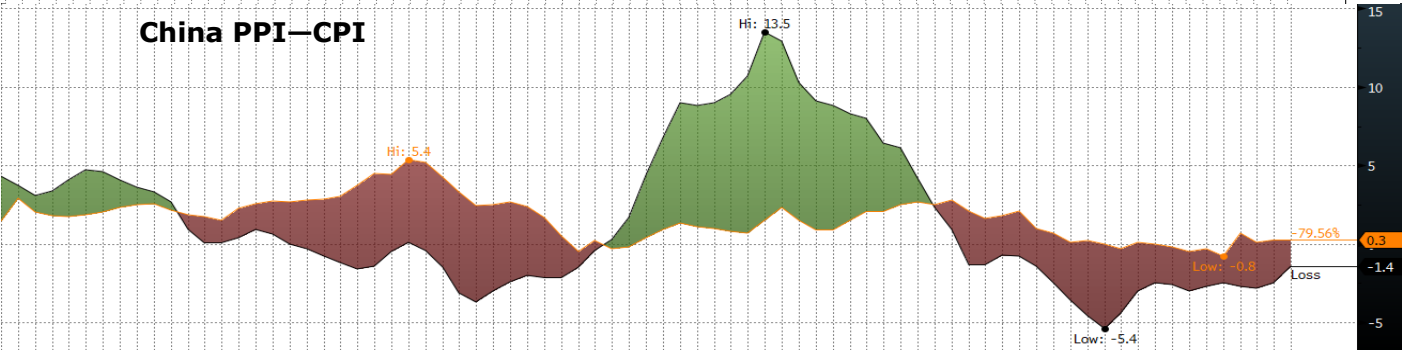
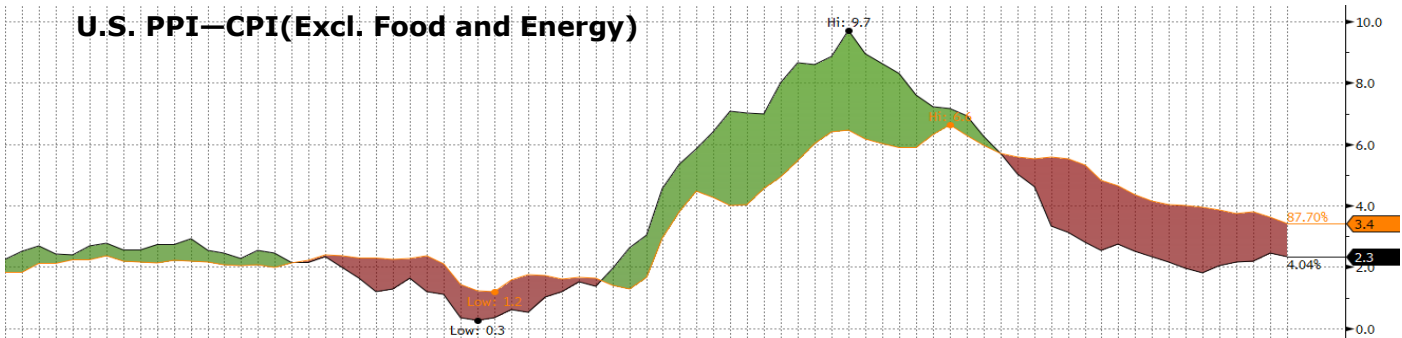


5 DAY MOVING AVERAGE CHANGE ON COMMODITIES



Sources:

	Last	Previous	
LME Copper 3 Month Rolling	9216.50	9806.00	-6.01%
LME Aluminium 3 Month Rolling	2299.50	2461.50	-6.58%
WTI Cushing Crude Oil	79.78	81.91	-2.60%
Platts Iron Ore Fe62%	103.20	108.75	-5.10%
U.S. Gold Physical	2397.80	2469.08	-2.89%
BDI	1896.00	1997.00	-5.06%



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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