

FIS Macro Report

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

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| | Last | Previous | % Change |
|---------------------------------------|--------|----------|---------------|
| U.S. Dollar Index(DXY) | 102.79 | 104.55 | -1.69% |
| USD/CNY | 7.1476 | 7.2438 | -1.33% |
| U.S. FOMC Upper Interest Rate | 5.50 | 5.50 | 0 |
| China Repo 7 day | 1.80 | 1.95 | -7.69% |
| Caixin China Manufacturing PMI | 49.80 | 51.80 | -3.86% |
| Markit U.S. Manufacturing PMI | 49.60 | 51.10 | -2.94% |

Currency and Global Market:

After the BOJ announced an unexpected interest rate hike, there was a massive unwind on previous carry trade between USD and JPY. The Dollar index depreciated along with a fast appreciation of JPY. Nikkei corrected by 12.5% on Monday, or 4451 points. Commodities were in general dragged down by the weakened global equities. Moreover, some market participants were worried about geopolitical tensions in the Middle-East. US Labor Department published the highest jobless rate number in July since September 2021, strengthening the probability of a Fed interest rate cut. The Nikkei recovered most of loss on Tuesday as market started to bet on the upcoming interest rate cut in US.

FFA:

The strong capacity in Pacific area resisted Capesize freight while Atlantic market was quiet. However, the increasing iron ore and coal shipping in next weeks could potentially support freight rates in Pacific. The capacity in Panamax route was tight.

Metals:

BHP faces strikes at world's largest copper mine in Escondida, Chile. The contango shape in both COMEX and SHFE flattened during the past week, and this along with the destock expectation in July and August, the price potentially stabilise in current level. However, the market was waiting for high frequency statistics including consumption recovery. The recession concerns may shift investors from some markets to gold, however the short-run crowded trading would face taking gains effect.

Ferrous:

The market saw a significant drop on China port inventories during the past week. The price locking on steel also brought relief iron ore price. At the same time, the decreasing demand may resist significant growth for iron ore. Physical coke started two rounds of drop in China. However, coking coal saw increasing demand on FOB Australia market. The market was expecting restocking from mid or late August.

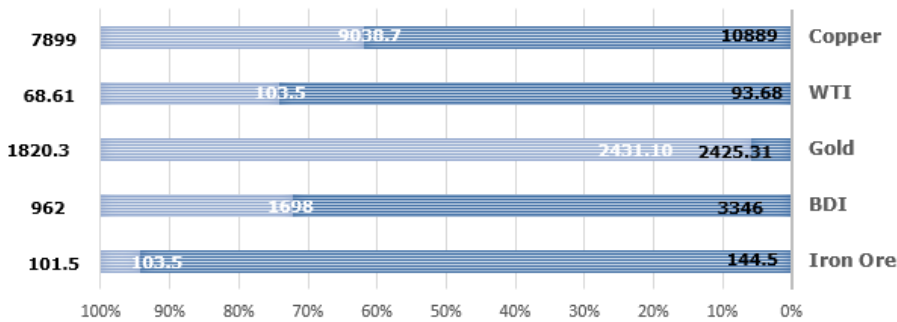
Sources: Bloomberg

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|--|----------|----------|----------------|
| Shanghai&Shenzhen 300 Index | 3343.32 | 3390.74 | -1.40% |
| Dow Jones Industrial Average | 38703.27 | 40539.93 | -4.53% |
| FTSE 100 Index | 8008.23 | 8292.35 | -3.43% |
| Nikkei 225 Index | 31458.42 | 38468.63 | -18.22% |
| BVAL U.S. 10-year Note Yield | 3.7887 | 4.1855 | -9.48% |
| BVAL China 10-year Note Yield | 2.1089 | 2.1712 | -2.87% |

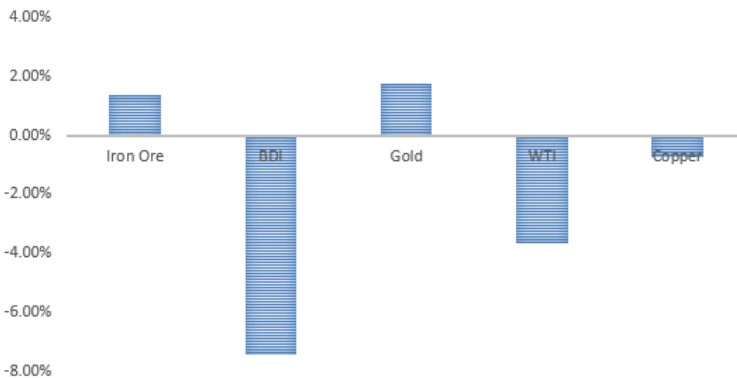
Oil:

Libya's largest oil field has faced some disruptions, resulting in a two-thirds oil production decrease equivalent approximately to 200,000 barrels per day of supply. The "recession trade" dragged oil performance during the past two weeks, and WTI active future once dropped 15.2% from the high of July. However, market started recovering 4% from the low after traders expected an interest rate cut from the Fed as well as decreasing carry trades.

Commodity Relative Price Range

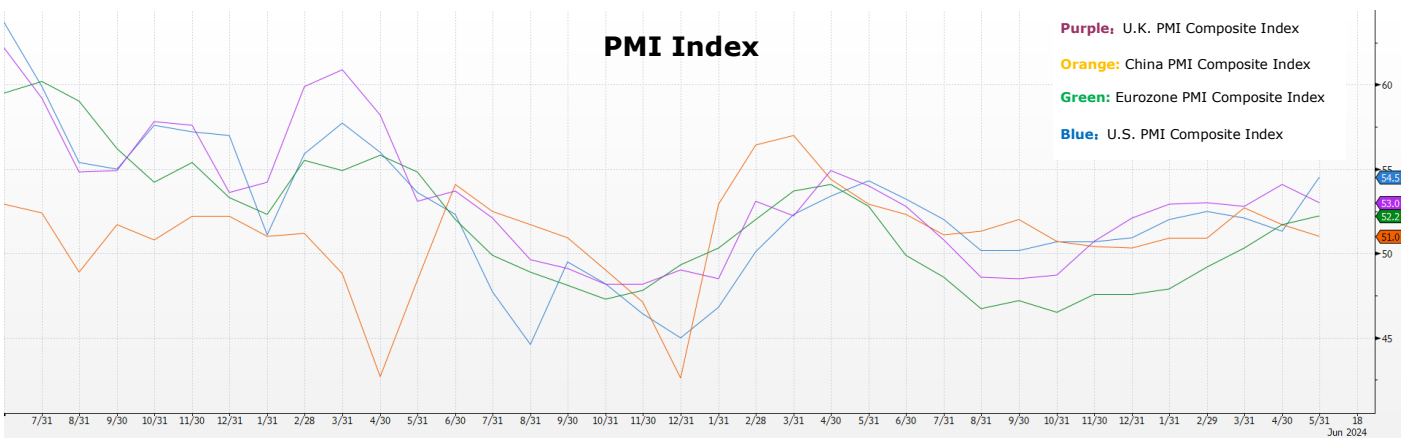
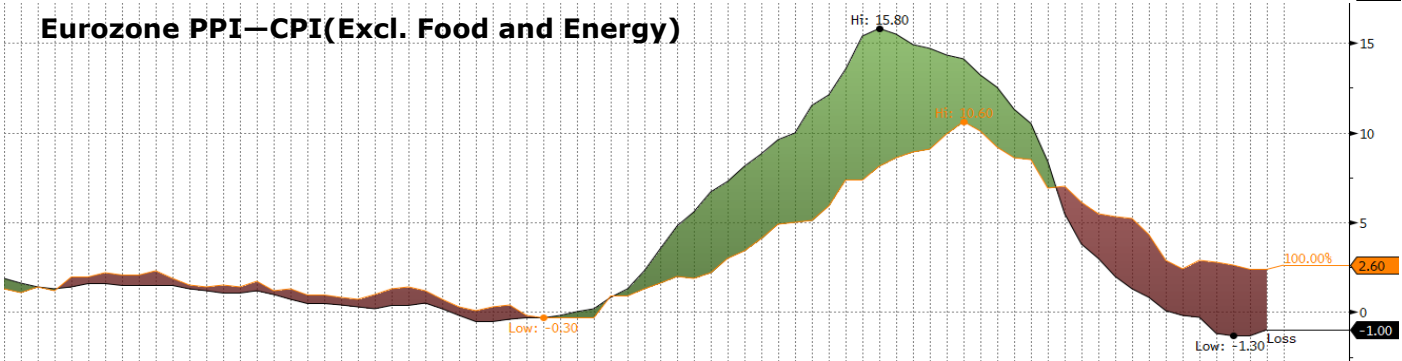
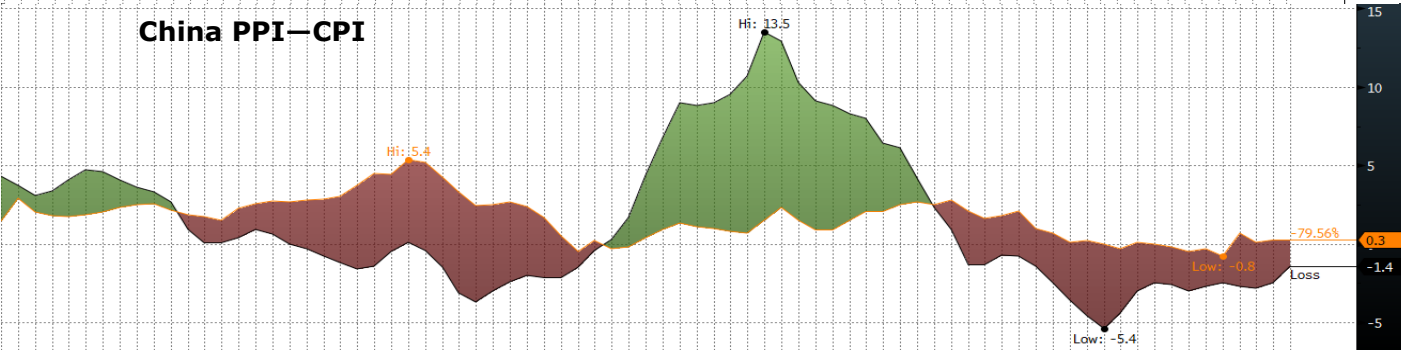
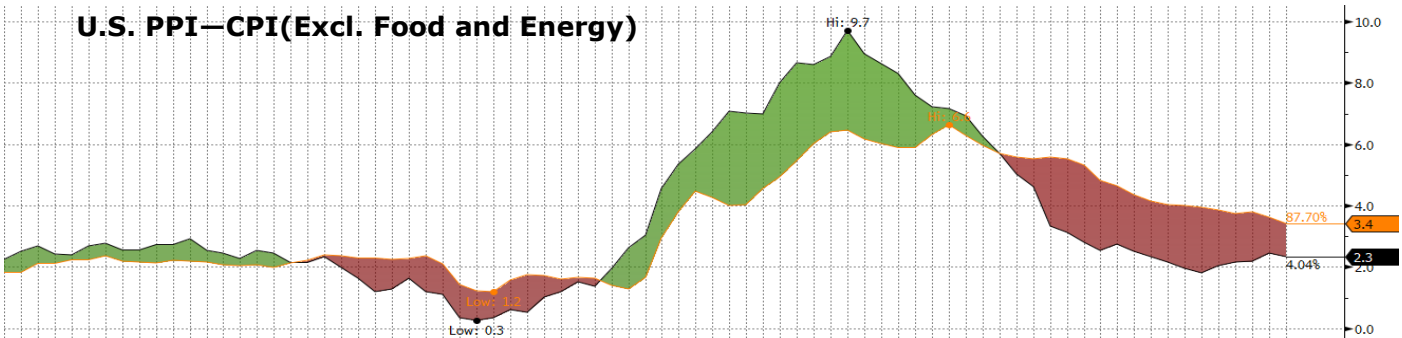


5 DAY MOVING AVERAGE CHANGE ON COMMODITIES



Sources: Bloomberg, FIS

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|-------------------------------|---------|----------|--------|
| LME Copper 3 Month Rolling | 8888.50 | 9026.00 | -1.52% |
| LME Aluminium 3 Month Rolling | 2250.00 | 2250.50 | -0.02% |
| WTI Cushing Crude Oil | 72.94 | 75.81 | -3.79% |
| Platts Iron Ore Fe62% | 104.10 | 101.45 | 2.61% |
| U.S. Gold Physical | 2407.62 | 2410.78 | -0.13% |
| BDI | 1677.00 | 1808.00 | -7.25% |



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.

Written by **Hao Pei**,

FIS Senior Research Analyst

haop@freightinvestor.com

Edited by **Davide Annarumma**

Senior Communications Specialist

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