

FIS Macro Report

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	Last	Previous	% Change
U.S. Dollar Index(DXY)	101.72	100.55	1.16%
USD/CNY	7.1258	7.1215	0.06%
U.S. FOMC Upper Interest Rate	5.50	5.50	0
China Repo 7 day	1.85	2.05	-9.76%
Caixin China Manufacturing PMI	50.40	49.80	1.20%
Markit U.S. Manufacturing PMI	49.60	51.10	-2.94%

Currency and Global Market:

The Fed's latest Beige book analysis upset soft-landing expectations, eyeing slower economic activities and lower non-agriculture claims. Chinese August Manufacturing PMI was at 49.1, down 0.3% on the month, now lower than 50 for 4 consecutive months. Chinese PPI was down 0.7%, creating a 23 month consecutive drop. With much of this weak economic data already priced in, commodity markets could see a short-run recovery.

FFA:

The Capesize market saw a strong performance during the reporting week supported by a strong Pacific market. The major iron ore miners were active, which led growth in C5 trading. Although Typhoon landed in Southern China and Vietnam once decrease laycans significantly, the market saw a fast recovery after the typhoon moved inland. The Atlantic market maintained quiet. The ex-Atlantic market in general saw resilient demand. The Panamax maintained its negative trend which has been going for several weeks. Crowded nearby ship arrivals resisted the freight rates. However the market seems to have reached a bottom.

Metals:

The concerns over slow manufacturing in US and job market dragged down metals market. Refined copper production in July unexpectedly rose. China announced an agreement with African countries to construct a super grid, which expected to increase copper consumption in long-run. Copper climbed back to \$9,000 after a draw down on the inventories in China. Chinese demand became a sustainable support for the current copper market. China released the National Carbon Emission Trading Market Coverage for cement, steel and aluminum, raising market concerns about the supply side and rising costs on the aluminium industry.

Sources: Bloomberg

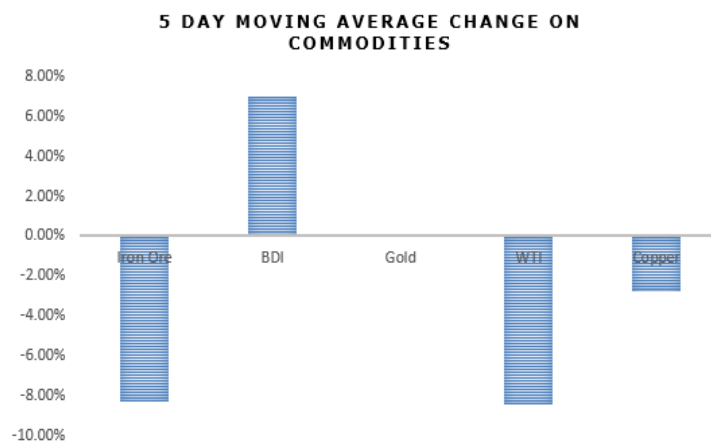
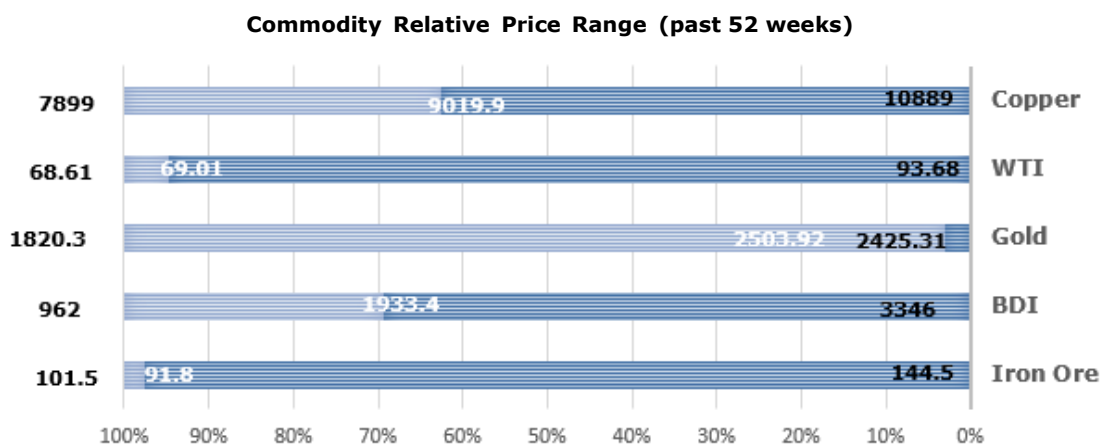
	Last	Previous	
Shanghai&Shenzhen 300 Index	3265.01	3324.22	-1.78%
Dow Jones Industrial Average	41563.08	41175.08	0.94%
FTSE 100 Index	8363.84	8327.78	0.43%
Nikkei 225 Index	38700.87	38110.22	1.55%
BVAL U.S. 10-year Note Yield	3.9318	3.8168	3.01%
BVAL China 10-year Note Yield	2.1648	2.1568	0.37%

Ferrous:

The port inventories climbed up to 154 million tons, which was a seasonal and year-high. Market participants believed that the restocking was in continuance however delayed compared to the last five years. Steel margins were maintaining at a year-low level, resisting marginal production of steels. HRC inventories started to decrease, along with some price locking, potentially supporting Chinese domestic steel market. Turkish Deepsea scrap market saw pressure as cheap international steels in CIS and Europe market.

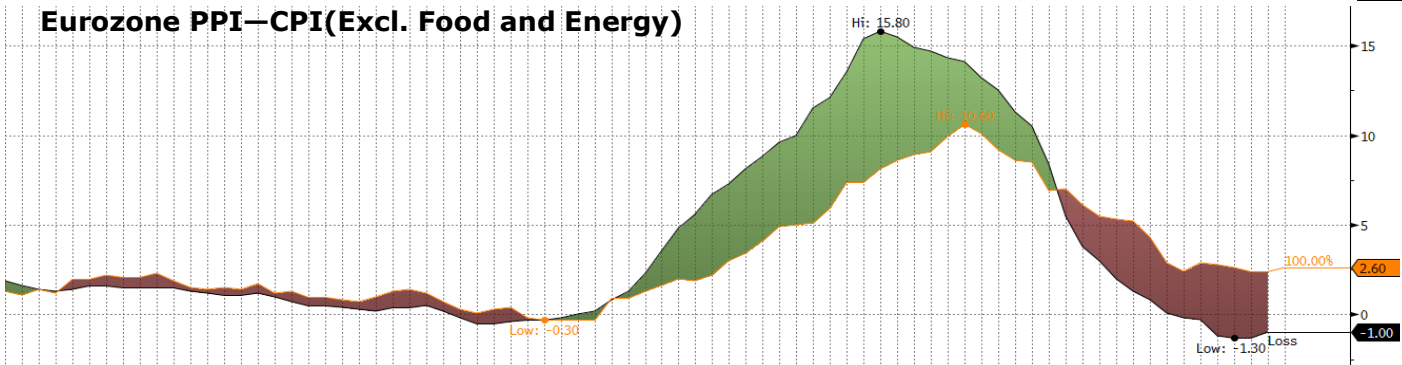
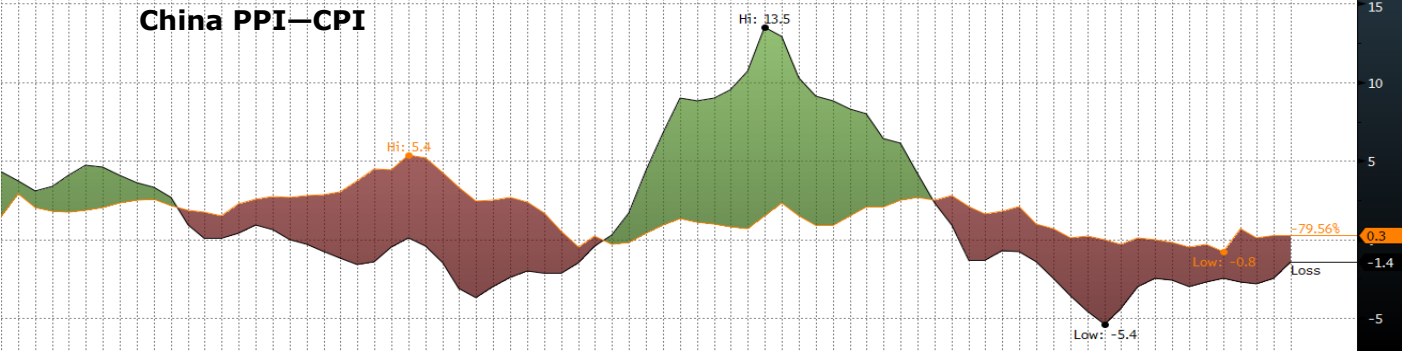
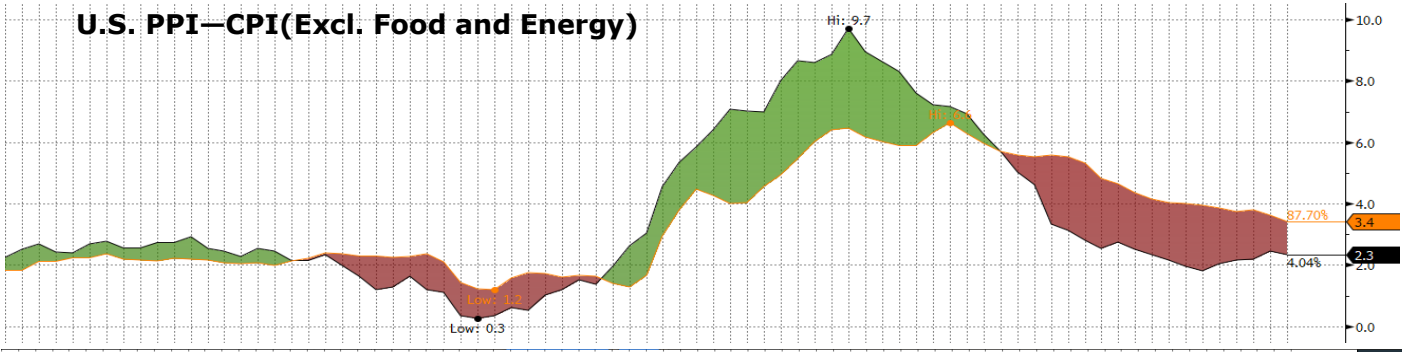
Oil:

Morgan Stanley has lowered its Brent oil price forecast for the fourth quarter of 2024 by \$5 per barrel to \$75 per barrel. Morgan Stanley predicted that the oil market will remain tight in the third quarter, and will be closer to equilibrium in the fourth quarter, with a surplus of about 1 million barrels per day by 2025.

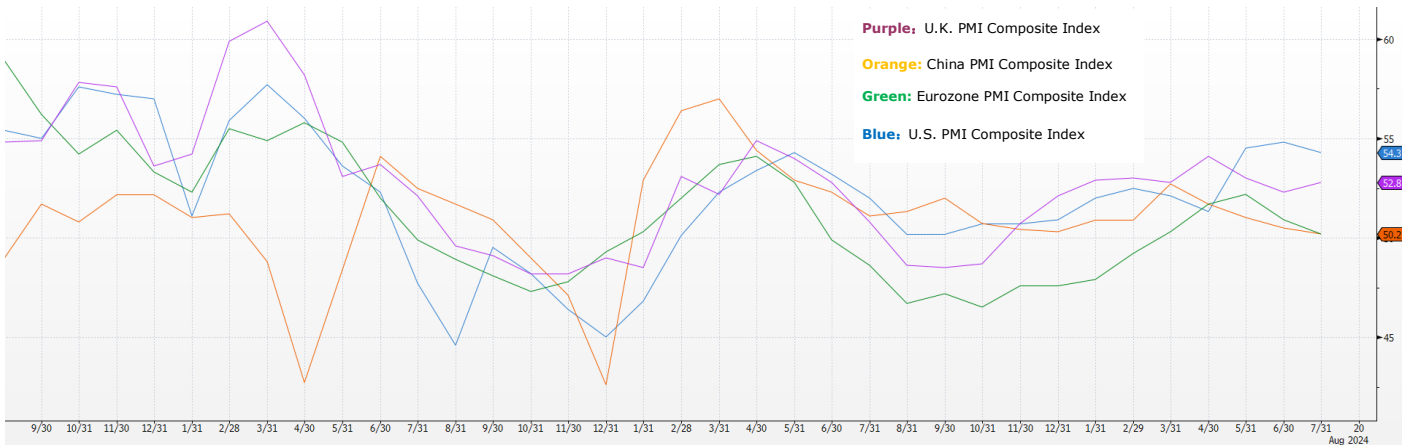


Sources: Bloomberg, FIS

	Last	Previous	
LME Copper 3 Month Rolling	9288.50	9115.50	1.90%
LME Aluminium 3 Month Rolling	2542.00	2365.50	7.46%
WTI Cushing Crude Oil	77.42	74.37	4.10%
Platts Iron Ore Fe62%	100.10	94.45	5.98%
U.S. Gold Physical	2507.29	2513.99	-0.27%
BDI	1762.00	1692.00	4.14%



PMI Index



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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