

FIS Macro Report

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	Last	Previous	% Change
U.S. Dollar Index(DXY)	103.94	103.26	0.66%
USD/CNY	7.1338	7.1354	-0.02%
U.S. FOMC Upper Interest Rate	5.00	5.50	-9.09%
China Repo 7 day	1.92	1.92	0
Caixin China Manufacturing PMI	49.30	50.40	-2.18%
Markit U.S. Manufacturing PMI	47.90	46.60	2.79%

Currency and Global Market:

The interest rate cuts in Europe and China have supported the metal market from a rapid decline last week. However, the US presidential election and tensions in the Middle East could potentially add more volatility to the financial market in the near-terms.

FFA:

The Capesize market demonstrated negative sentiments during past week, as the lower rates were observed from southern Brazil and south Africa to China. The weakness in the Pacific market generally outweighed the slight recovery in the Atlantic market. In contrast, the Panamax market showed resilience compared to the Capesize, underpinned by the growing coal demand from Asia.

Metals:

The northern region of South Australia has been struck by severe thunderstorms, resulting in significant damage to the transmission infrastructure in the area. BHP's Olympic Dam copper mine is encountering power outages and has currently suspended operations. Earlier last week, a fire accident occurred at Freeport McMoRan's copper mine in Indonesia. The accident potentially delays some fourth-quarter sales to the second quarter in 2025. The CFTC non-commercial positions decreased from 43,096 contracts to 35,222 contracts from the week starting on October 15th. The year's high of 71,694 contracts was created in late May. LME copper inventories declined by 13,350 tons during the week to 284,200 tons. SHFE copper inventories increased by 11,940 tons to 168,425 tons during the week. The recent stimulus in China has become a powerful driver for the copper market. However, the slowing economic statistics in major economies are the long-term restraining factor on the copper market. In addition, the strong US dollar resisted the current copper price.

Sources: Bloomberg

	Last	Previous	
Shanghai&Shenzhen 300 Index	3935.20	3961.34	-0.66%
Dow Jones Industrial Average	42931.60	43065.22	-0.31%
FTSE 100 Index	8318.24	8292.66	0.31%
Nikkei 225 Index	38954.60	39605.80	-1.64%
BVAL U.S. 10-year Note Yield	4.2021	4.0958	2.60%
BVAL China 10-year Note Yield	2.1285	2.1610	-1.50%

Ferrous:

In China, iron ore inventories at ports witnessed an unexpected growth during the past week. By contrast, iron ore inventories at steel mills demonstrated a declining trend. Hot metal production has been accelerating since late September. In the physical trading arena, mid-grade iron ores remain highly competitive. Steel prices are underpinned by the improving downstream demand as well as the continuous stimulus measures in China's housing and financial sectors. In the prime coal market, there is an increasing demand for coal sourced from the US and Australia to Asian countries.

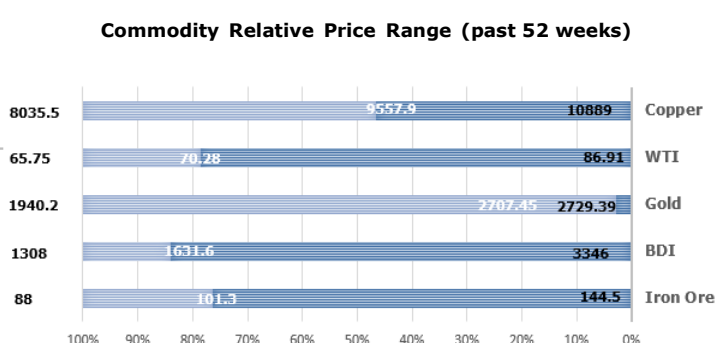
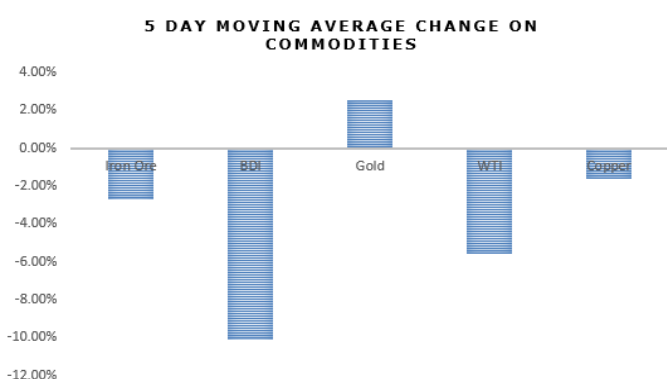
Oil:

The potential increase in the geopolitical tensions in the Middle East and the security concerns of oil exported from Iran after some leaks in oil pipes increased volatility of the oil market.

At the September meeting, OPEC+ announced that the additional voluntary production cut of 2.2 million barrels per day would be extended for two months until the end of November 2024. However, as demand growth remains sluggish, production cuts gradually ease in the coming months. Moreover, the market has concerns regarding the willingness and strength of OPEC+'s coordinated production cuts.

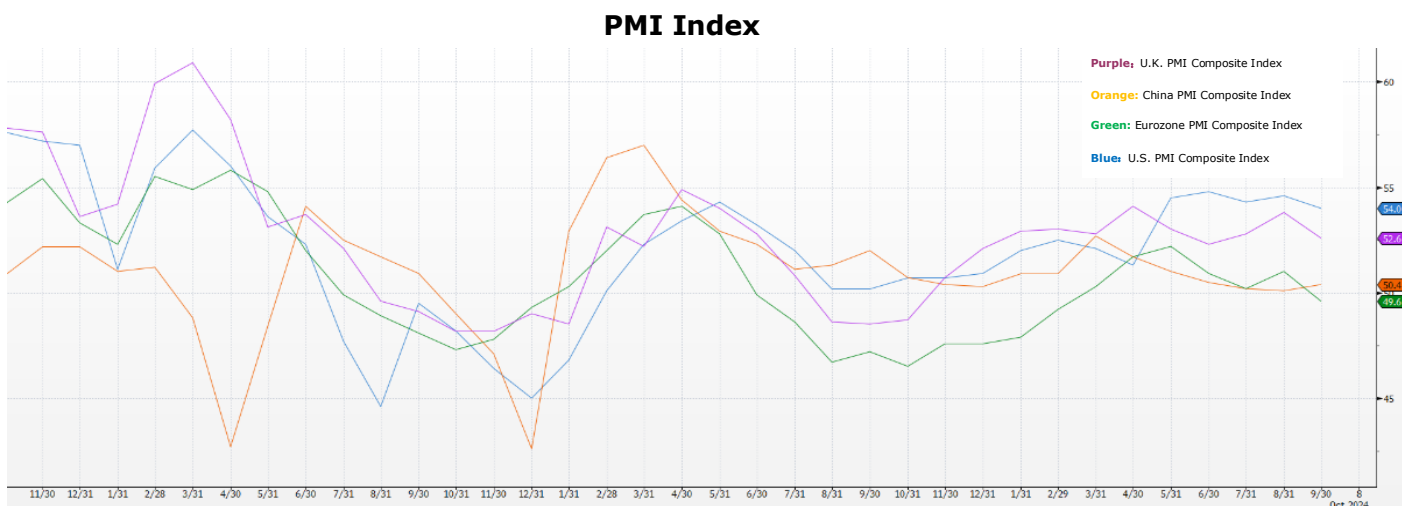
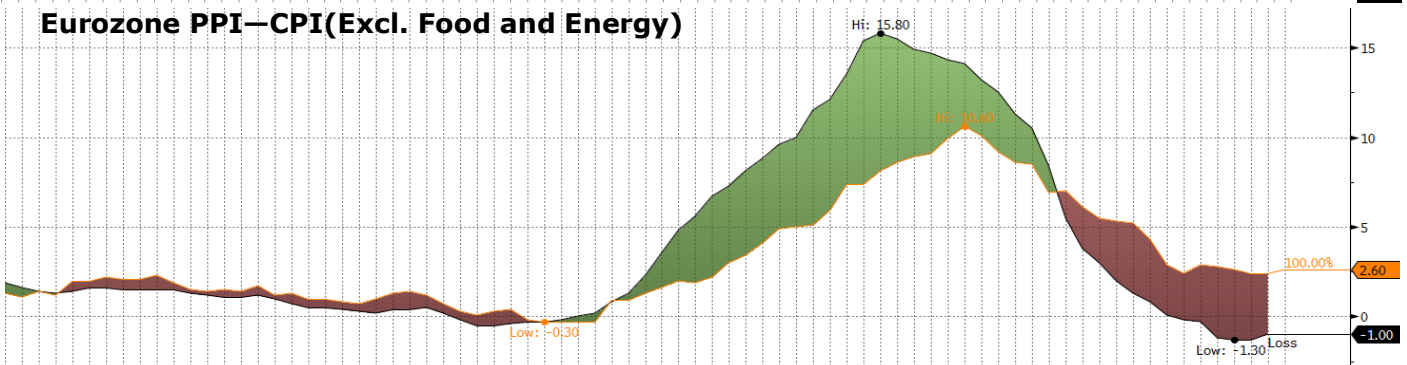
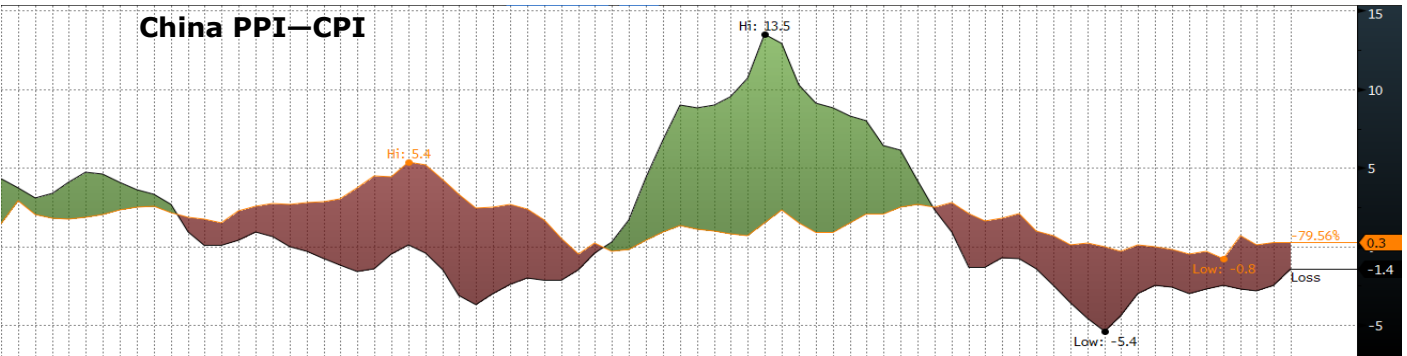
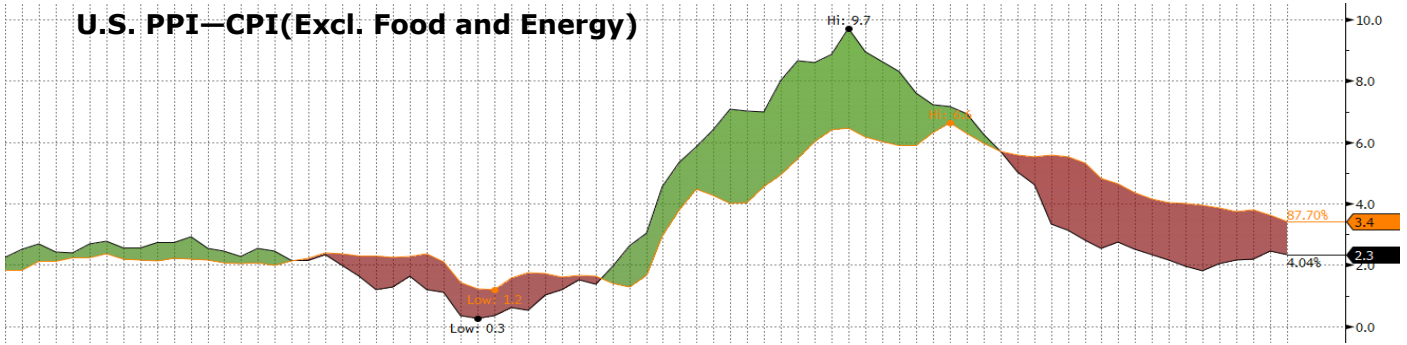
The National Oil Corporation of Libya announced that the country's oil production has returned to the level prior to the central bank crisis, reaching 1.25 million barrels per day, which to a certain extent has increased market supply.

The supply of US shale oil has also fallen short of market expectations, exerting a certain impact on the supply side of the crude oil market.



Sources: Bloomberg, FIS

	Last	Previous	
LME Copper 3 Month Rolling	9559.00	9659.50	-1.04%
LME Aluminium 3 Month Rolling	2595.50	2594.00	0.06%
WTI Cushing Crude Oil	70.56	73.83	-4.43%
Platts Iron Ore Fe62%	101.30	107.50	-5.77%
U.S. Gold Physical	2729.39	2662.58	2.51%
BDI	1546.00	1809.00	-14.54%



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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