EMISSIONS | OIL | FERROUS | FREIGHT | AGRI | METALS | ENERGY | PHYSICAL FREIGHT |

FIS Macro Report

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	Last	Previous	% Change
U.S. Dollar Index(DXY)	103.89	104.32	-0.41%
USD/CNY	7.1077	7.1428	-0.49%
U.S. FOMC Upper Interest Rate	5.00	5.50	-9.09%
China Repo 7 day	1.78	1.93	-7.77%
Caixin China Manufacturing PMI	50.30	49.30	2.03%
Markit U.S. Manufacturing PMI	48.10	47.90	0.42%

Currency and Global Market:

The biggest event this week is the US presidential election. Different political stances determine the different short-term fates of commodities. However, for most commodities, even if there are huge policy changes, it is difficult to see substantial changes in supply and demand in the short term. This is because it often takes a lot of time from policy formulation to implementation. Since it is impossible to foresee the future, many investors are also eyeing opportunities for volatility to increase first and then decrease, or opportunities for a return after deviating too far from fundamentals. At the same time, China will also hold the most important Politburo meeting of the year, which concerns some major economic policy changes or expectations for the end of the year and the coming year. The global investment market is looking forward to the "super week" when the market may experience violent fluctuations.

FFA:

In the Cape market, last week, the holiday in India and Singapore and Chinese ports affected by typhoons led to a weakening of the Pacific market. In the Panamax market, there is an increase in coal transportation in eastern Australia. However, in general, there are relatively few time charter businesses in the Pacific market. Most transactions are for older or smaller vessels, so prices are suppressed.

Metals:

For copper, China's manufacturing PMI in October recovered to above the 50 boom-bust line, offsetting the weakness of the U.S. ISM manufacturing index in October. Both the monthly and quarterly US PCE indexes are as expected. Coupled with the weak non-farm payrolls data, expectations for US interest rate cuts remain unchanged. However, due to risk aversion before important macro events, copper has seen position reductions in both the LME and SHFE. The profit of copper processing in China has turned negative, so the expected operating rate of smelters is expected to decline in the future. The strength of aluminum is mainly affected by the shortage of production. The suspension of mines in Guinea has triggered concerns about the lack of alumina raw materials. However, Chinese alumina plants that were under maintenance earlier have recently resumed production.

Sources: Bloomberg

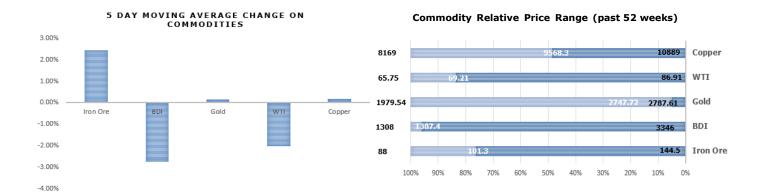
	Last	Previous	
Shanghai&Shenzhen 300 Index	3944.76	3964.16	-0.49%
Dow Jones Industrial Average	41794.60	42387.57	-1.40%
FTSE 100 Index	8184.24	8285.62	-1.22%
Nikkei 225 Index	38053.67	37913.92	0.37%
BVAL U.S. 10-year Note Yield	4.3094	4.2846	0.58%
BVAL China 10-year Note Yield	2.1529	2.1767	-1.09%

Ferrous:

The port inventory of iron ore has reached 154 million tons, the highest level for the whole year and seasonally. At the same time, China's demand for hot metal may be on the verge of a downward turn. As iron ore shipments and production are expected higher on the year and on the quarter, iron ore price potentially weaken in the last two months of this year. The Asian flat steel market has stopped falling, and there are also signs of a halt in the decline of deep-sea scrap steel in Turkey. As China is about to enter winter, northern building materials need to be circulated to eastern China and southern regions, which will bring certain regional price pressures at that time.

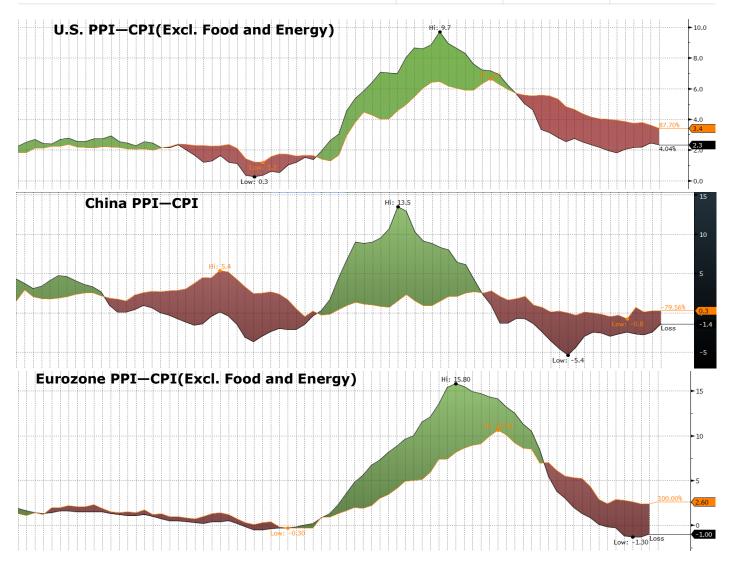
Oil:

On November 3rd, the Eight OPEC member countries have decided to extend the voluntary production cut of 2.2 million barrels per day, which was originally due to expire at the end of November, until the end of December. The tension between Israel and Iran escalated during weekends. Thus, WTI main contract recovered from \$67.21/b last Tuesday to \$71.47/b on Monday. In long-run, US crude oil output hits fresh record 13.401 million barrels per day in August. The market was concerned about the sustainability of this oil cut extension.



Sources: Bloomberg, FIS

	Last	Previous	
LME Copper 3 Month Rolling	9696.50	9541.50	1.62%
LME Aluminium 3 Month Rolling	2620.00	2645.50	-0.96%
WTI Cushing Crude Oil	71.47	67.38	6.07%
Platts Iron Ore Fe62%	104.10	103.55	0.53%
U.S. Gold Physical	2733.70	2774.74	-1.48%
BDI	1374.00	1410.00	-2.55%





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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