

14/1/2025

	Last	Previous	% Change
U.S. Dollar Index(DXY)	109.62	108.54	0.99%
USD/CNY	7.3441	7.3400	0.06%
U.S. FOMC Upper Interest Rate	4.50	4.75	-5.26%
China Repo 7 day	2.10	1.67	25.75%
Caixin China Manufacturing PMI	50.50	51.50	-1.94%
Markit U.S. Manufacturing PMI	47.90	48.70	-1.64%

**Currency and Global Market:**

The USD index has hit new highs at 110.17 on January 13th, the highest since November 2022, backed by strong non-agricultural job claims and slow down on interest cut. However, the negative correlation between dollar and industrial commodities became less significant during the past report week after a month-length correction on metal sector. Moreover, the fast increase on oil after US sanction against Russia lifted general sentiment on commodities.

**FFA:**

The Capesize 5TC index was almost flat during the past report week. Limited miners activities and ship deals dragged the freight rates. There was a glut on Pacific market because of the looming of Chinese New Year and low demand on steel-making materials in winter. South Brazil and Africa markets saw improving demand on ships because of limited capacities in late January. The cold weather could become an important factor for northern hemisphere in general for the coming 2-3 weeks.

The Panamax 4TC dropped from 8092 to 6696 during the report week, with a significant correction on both Atlantic and Pacific areas. The Atlantic market saw overcapacities on ships, given an increasing grains demand. The Pacific market saw a fast decrease on charter rates from Australia and Indonesia. The export of US and Canada coals increased in December and January, which potentially become a recent support for late market.

**Metals:**

China copper import from December refreshed 13-month-high, up by 18% on the year, which supported the copper market during the past report week. China Yangshan copper premium grew by 70% to \$73/t during the past 11 weeks.

The cancellation warrants in LME during past week reached 60%, indicating more aluminum was leaving the LME warehouse. The decrease of deliverable aluminum supported price growth.

Sources: Bloomberg

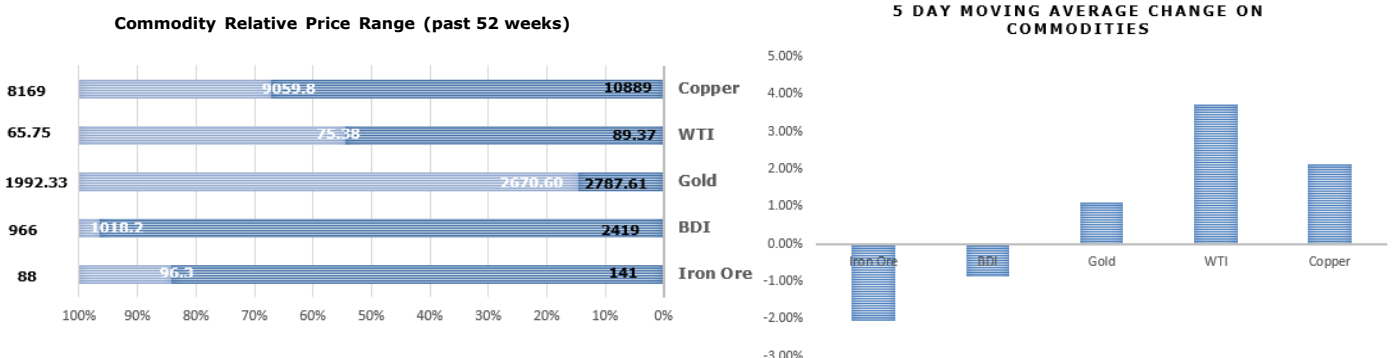
	Last	Previous	
<b>LME Copper 3 Month Rolling</b>	9094.50	9003.00	<b>1.02%</b>
<b>LME Aluminium 3 Month Rolling</b>	2578.50	2490.00	<b>3.55%</b>
<b>WTI Cushing Crude Oil</b>	78.82	73.56	<b>7.15%</b>
<b>Platts Iron Ore Fe62%</b>	99.20	97.05	<b>2.22%</b>
<b>U.S. Gold Physical</b>	2670.90	2648.59	<b>0.84%</b>
<b>BDI</b>	1093.00	1072.00	<b>1.96%</b>

### Ferrous:

Chinese iron ore port stocks stood on 150 million tons, which was a seasonal high over the past ten years. The steel margin maintained at 40-70 yuan from mid-December in 2024. In addition, the strong US dollar lifted the import cost of seaborne iron ore. Thus, mills prefer to purchase portside instead of seaborne. The seaborne trade expected to stay quiet from this week to Chinese New Year in late January. Global steel saw chances to stabilise as the finalization of tariffs and opening of quotas for Q1. Seaborne prime coal market was supported by resilient Indian demand. However, the secondary coal was dragged down by increasing Mongolia export to China and low steel-making demand. The increase US coking coal export potentially become competitors to Australian prime coals in Q1.

### Oil:

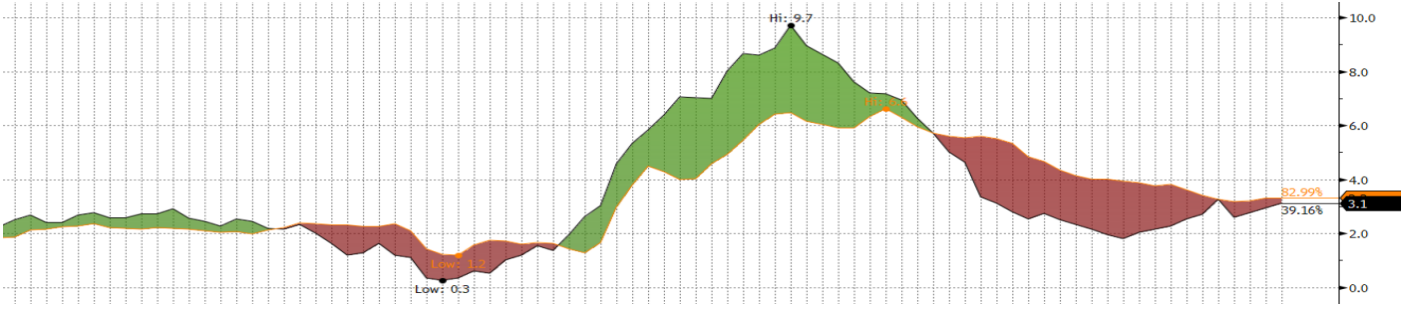
On January 10th, US imposed the most severe sanctions on Russia during the past three years on the crude oil exports. The main targets were two major Russian energy companies, Gazprom and Surgutneftegas, along with 27 affiliated companies and 183 oil tankers. The sudden news pushed WTI active oil futures price lift by \$5 during two trading days. According to a report by Reuters on the 13th, a European Union diplomat revealed that Denmark, Estonia, Finland, Latvia, Lithuania, and Sweden recently jointly sent a letter to the EU, calling for a reduction in the price cap set on Russian oil to further reduce Russia's revenue from oil trade. Citi bank estimated a 300,000-800,000 barrels decrease on crude oil supply after the sanction.



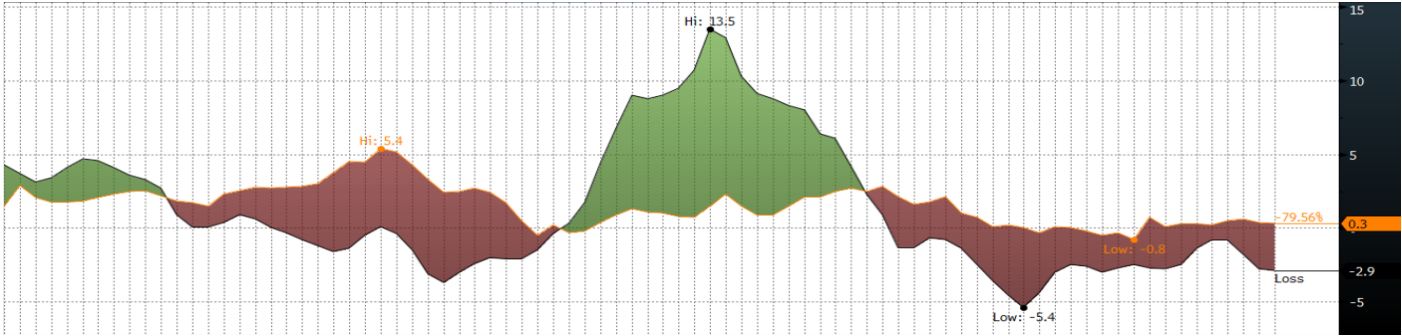
Sources: Bloomberg, FIS

	Last	Previous	
<b>Shanghai&amp;Shenzhen 300 Index</b>	3722.51	3768.97	<b>-1.23%</b>
<b>Dow Jones Industrial Average</b>	42297.12	42732.13	<b>-1.02%</b>
<b>FTSE 100 Index</b>	8224.19	8249.66	<b>-0.31%</b>
<b>Nikkei 225 Index</b>	39190.40	39894.54	<b>-1.77%</b>
<b>BVAL U.S. 10-year Note Yield</b>	4.7992	4.6315	<b>3.62%</b>
<b>BVAL China 10-year Note Yield</b>	1.6712	1.6435	<b>1.69%</b>

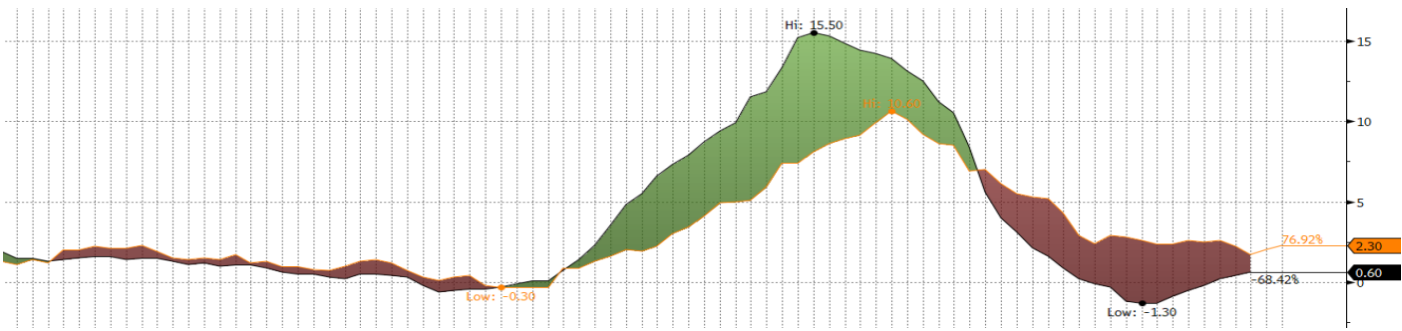
### U.S. PPI—CPI(Excl. Food and Energy)



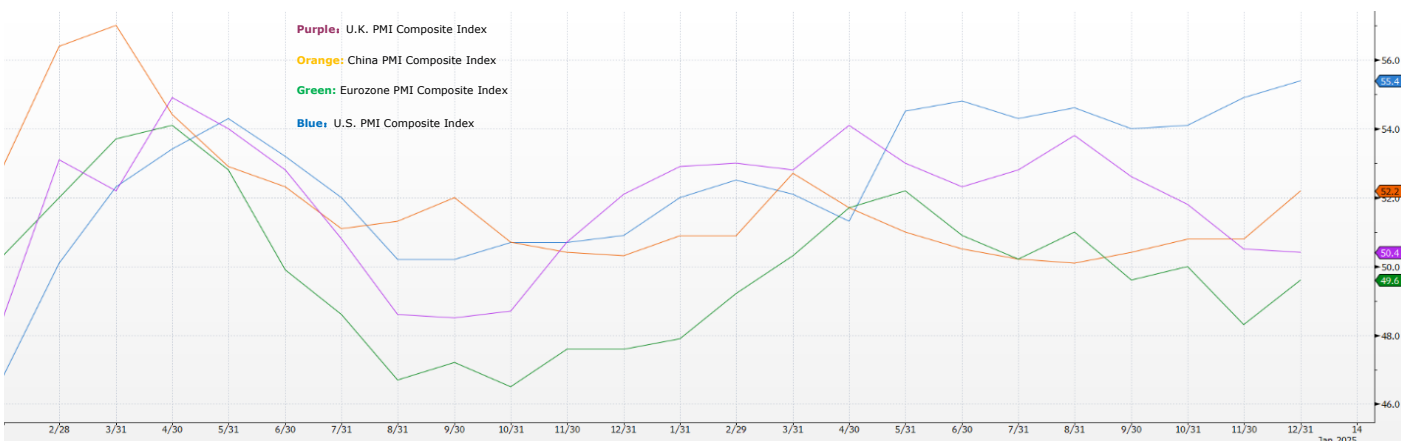
### China PPI—CPI



### Eurozone PPI—CPI(Excl. Food and Energy)



### 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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