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

FIS Macro Report

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25/2/2025

,	Last	Previous	% Change
U.S. Dollar Index(DXY)	106.88	107.96	-1.00%
USD/CNY	7.2742	7.3100	-0.49%
U.S. FOMC Upper Interest Rate	4.50	4.75	-5.26%
China Repo 7 day	2.08	1.80	15.56%
Caixin China Manufacturing PMI	50.10	50.50	-0.79%
Markit U.S. Manufacturing PMI	51.00	47.90	6.47%

Currency and Global Market:

The USD index corrected from 110.17 in mid-January to 106.30 in late February. The Hangseng Index rebounded to the highest since March 2022. China announced a new round of urban houses revamping, which is expected to lift demand through the year. The increased tariffs over the globe are starting to squeeze exports to minimum, but they are stimulating importing countries to start building up their own capacities. New talk between US and China are expected to ease trade tensions. Thus, risk appetite increased.

FFA:

The Capesize market saw a continuous rebound during past week and refreshed four-week high, eyeing many cargoes fixed ships in C3 route. The demand from Australia is expect to start as in the next few weeks. Several fixtures were done last week. There was demand from South Africa as well.

The Panamax market saw ups and downs during last week, however is back to an ascending tunnel. The activities of cross-Atlantic remains small. The front-haul for grains ships supported the rates. The fixtures were solid during the past week.

Metals:

Diminishing market concerns about Donald Trump's trade war have become the main driving force for the overall rebound of commodities. However, the possible imposition of auto tariffs in April ndicates that long-term trade barriers are inevitable. Currently, US economic data suggests that inflation is likely to remain high in the short term and will stay there. US tariffs on copper have led to a reduction in domestic resources and COMEX copper has rebounded continuously, which has also driven the rebound of LME and Shanghai copper. But recently, attention should be paid to the continuous increase in LME copper inventories and domestic copper inventories, which may pose pressure on the market at the end of the first quarter.

Sources: Bloomberg



	Last	Previous	
LME Copper 3 Month Rolling	9395.50	9447.50	-0.55%
LME Aluminium 3 Month Rolling	2645.00	2658.50	-0.51%
WTI Cushing Crude Oil	70.74	71.00	-0.37%
Platts Iron Ore Fe62%	106.35	107.70	-1.25%
U.S. Gold Physical	2897.17	2897.91	-0.03%
BDI	806.00	815.00	-1.10%

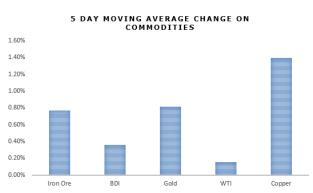
Ferrous:

Chinese iron ore inventories expected to decrease fast from seasonal high around 154 million tons in the next two months as the loss of ships during cyclone weeks in Australia as well as upcoming China construction season. BHP narrowed discount for MACF and JMBF because of high demand. IOC6 became major alternative of the discount ores. Brazil shipments are expected to increase in the first two months of 2025. China house revamps plans boosted new round of demand in steel. However increasing export tariffs and anti-dumping act could potentially lower the export from many steel-making countries. Asian steel traders were valuing the opportunities to increase export to Middle East instead of Europe/US.

Oil:

The EIA report shows that the commercial crude oil inventory in US increased by 4.633 million barrels on the week to 432.49 million barrels, exceeding the originally expected increase of 3.144 million barrels. The continuous inventory buildup for four consecutive weeks has become the main factor suppressing oil prices. In addition, the spare capacity of OPEC+ is relatively sufficient, hedging the supply problem caused by the delay in production increase. After the Caspian Pipeline Consortium pump station was attacked, the oil flow decreased by 30-40%. It will take nearly half a year to repair the pipeline.



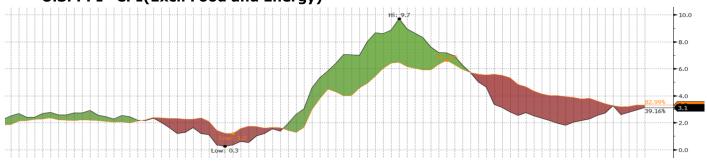


Sources: Bloomberg, FIS

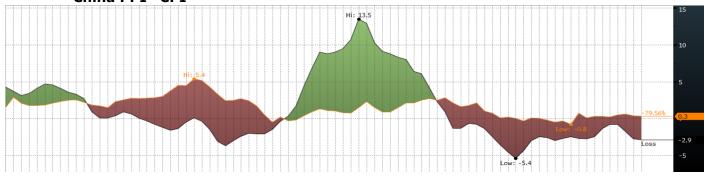


	Last	Previous	
Shanghai&Shenzhen 300 Index	3947.40	3901.06	1.19%
Dow Jones Industrial Average	44546.08	44303.40	0.55%
FTSE 100 Index	8768.01	8767.80	0.00%
Nikkei 225 Index	39174.25	38787.02	1.00%
BVAL U.S. 10-year Note Yield	4.4857	4.4992	-0.30%
BVAL China 10-year Note Yield	1.6720	1.6578	0.86%

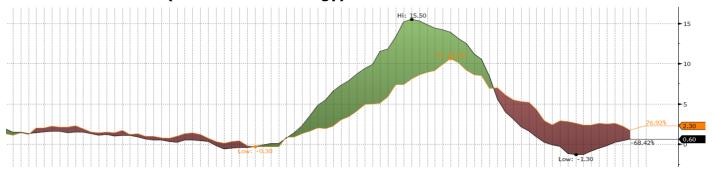




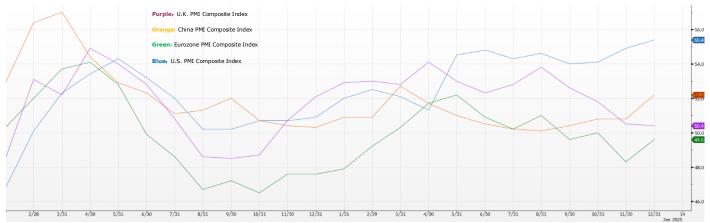
China PPI—CPI



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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