

FIS Macro Report

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

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	Last	Previous	% Change
U.S. Dollar Index(DXY)	103.50	103.42	0.08%
USD/CNY	7.2339	7.2268	0.10%
U.S. FOMC Upper Interest Rate	4.50	4.75	-5.26%
China Repo 7 day	1.92	1.83	4.92%
Caixin China Manufacturing PMI	50.80	50.10	1.40%
Markit U.S. Manufacturing PMI	53.90	51.00	5.69%

Currency and Global Market:

The USD index remained stable last week around 103–140. Physical gold reached a breakthrough at \$3,000/OZ, hitting historical highs. The Houthis attack on ships, coupled with uncertainties brought by tariffs increased the risk hedging sentiment. The US consumer confidence index in March dropped to 57.9, the lowest since November 2022, est. 63.1. The five-year inflation expectation rose to 3.9%, the highest since February 1993. The Federal Reserve is facing a complex economic environment. Expectations for interest rate cuts are rising, but the actual number of interest rate cuts may be limited. Chinese January and February value added amount above the designated scale reaching 5.9%, last 6.2%, est. 5.3%. China rolled out new policies to encourage consumption levels by increase trade-in for consumer goods.

FFA:

Over the past week, the Capesize market has gradually rebounded, supported by tight shipping capacity in the Pacific and Atlantic regions. In the Pacific, major mines have been making frequent shipments, and the volume of iron ore and coal cargoes increased significantly in late March. In particular, shipping capacity shortage is severe in the South Atlantic. The situation in the Panamax market is similar, with the rebound mainly driven by the significantly increased demand for coal and grains in the Atlantic region. Additionally, the uncertainty of the trade pattern and new geopolitical risks in the Middle East have also contributed to the collective increase in shipping freight rates last week.

Oil:

OPEC+'s decision to lift voluntary production cuts has become the most crucial exogenous variable in the market. Given the existing pressure on demand from US tariff policies, the global crude oil prices in an even looser situation. The intensifying trade frictions between the US and multiple countries, with the new tariff policies and escalating retaliatory measures, have pushed the macro - risks downward. The current crude oil production in the US is at a historical high, and it is expected to be the largest source of supply increase in 2025, followed by Canada and Brazil.

Sources: Bloomberg

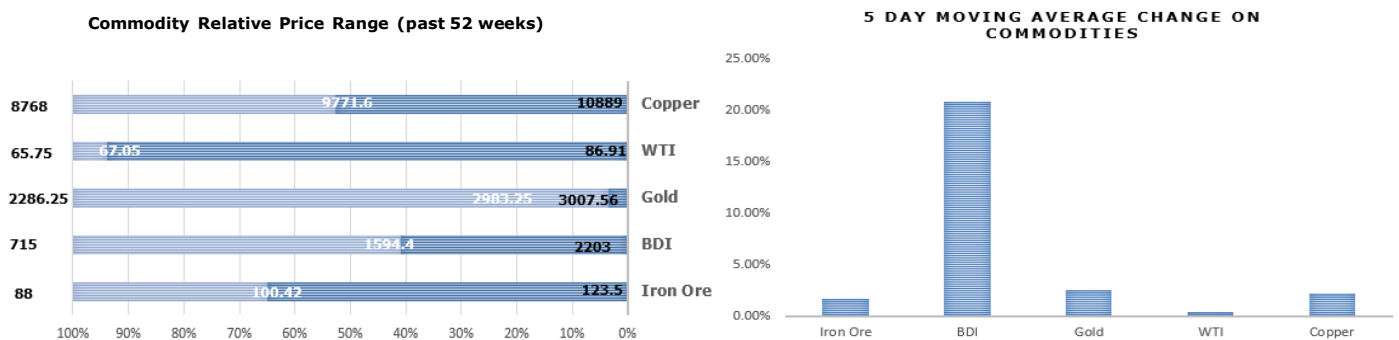
	Last	Previous	
LME Copper 3 Month Rolling	9861.50	9528.50	3.49%
LME Aluminium 3 Month Rolling	2687.00	2694.00	-0.26%
WTI Cushing Crude Oil	67.58	66.03	2.35%
Platts Iron Ore Fe62%	103.30	101.00	2.28%
U.S. Gold Physical	3007.56	2915.90	3.14%
BDI	1658.00	1400.00	18.43%

Metals:

The macroeconomic environment is influenced by the tariff policies of the Trump administration, which remain the main driving force for copper prices. The weakening trend of the US dollar index also provides simultaneous support for copper prices. Global physical inventories have been transferred to the US, leading to a decline in LME copper inventories. The expectation of physical copper shortages supports the price. The latest treatment charges for copper concentrates have dropped to -\$15.83. Smelters of the Tongling Group have cut production, advancing and extending scheduled maintenance. As the main source of the increase in China's copper concentrate imports, the DR Congo faces certain restrictions on the raw material supply due to the recent unrest. The supply is expected to be significantly limited.

Ferrous:

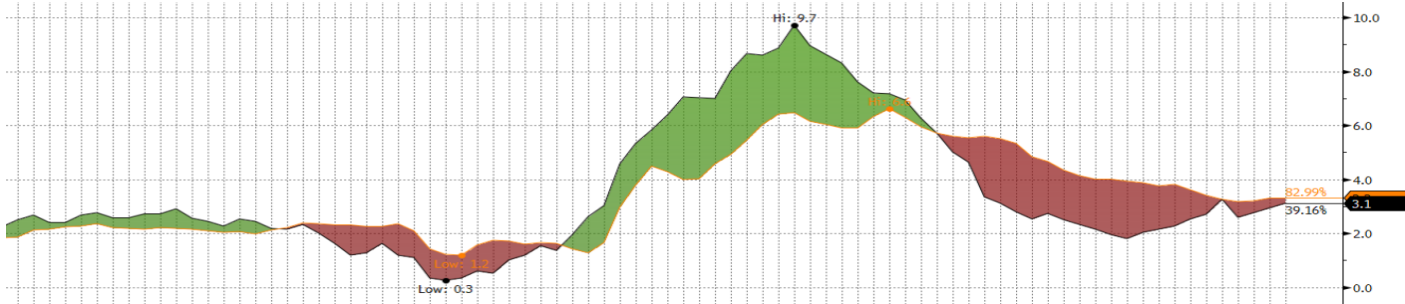
Chinese iron ore inventories dropped from 154 million tons to 144 million tons during the past five weeks. The delivery of iron ore down 2.89 million tons to 23.54 million tons last week, contributed by the decrease from Australian ports. The construction season in China has supported the ferrous demand from late March. Virtual steel margin slightly improved by 57 yuan/ton from 49 yuan/ton. Landing margins are expected to recover as the depreciation of US dollar continues. The overall correction should be limited in March and April from a fundamental perspective.



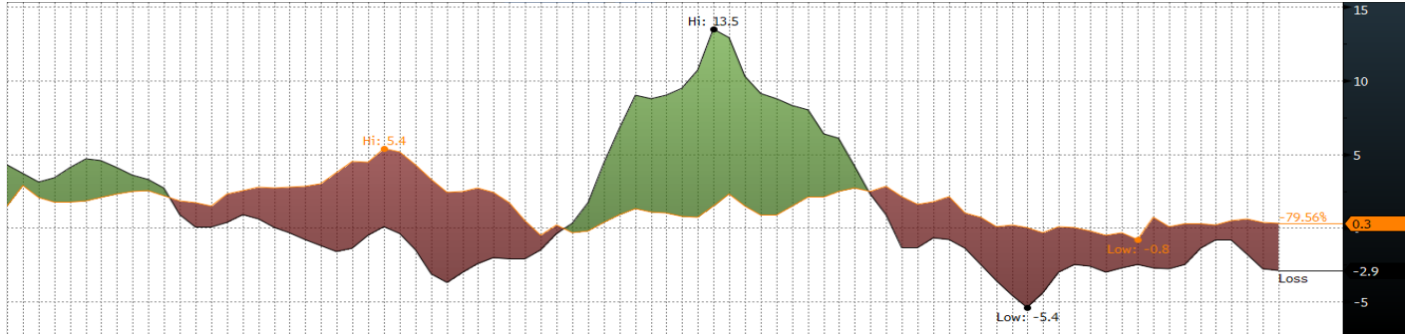
Sources: Bloomberg, FIS

	Last	Previous	
Shanghai&Shenzhen 300 Index	3996.79	3928.80	1.73%
Dow Jones Industrial Average	41841.63	41911.71	-0.17%
FTSE 100 Index	8680.29	8600.22	0.93%
Nikkei 225 Index	37396.52	37028.27	0.99%
BVAL U.S. 10-year Note Yield	4.3160	4.2367	1.87%
BVAL China 10-year Note Yield	1.9291	1.8358	5.08%

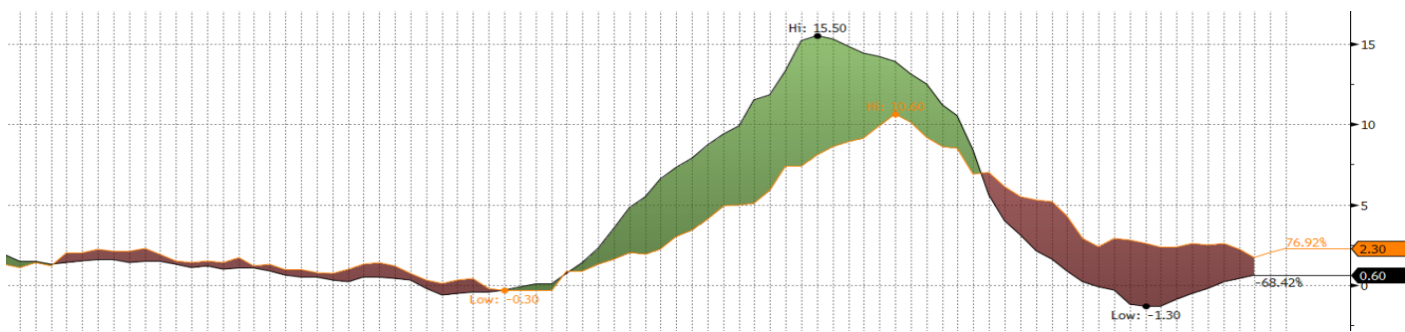
U.S. PPI—CPI(Excl. Food and Energy)



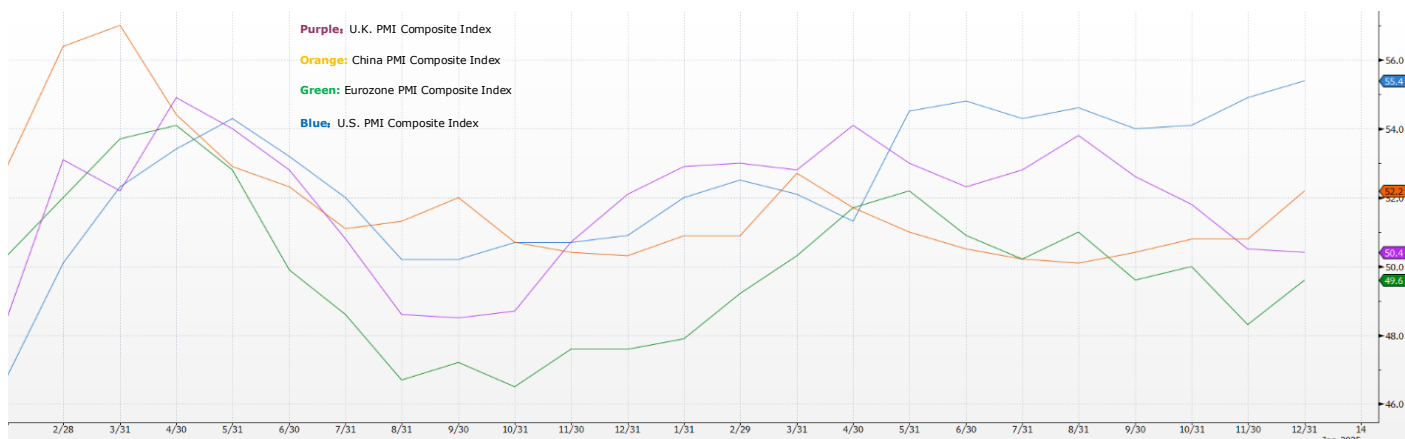
China PPI—CPI



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.

Written by **Hao Pei**,
FIS Senior Research Analyst
haop@freightinvestor.com