Macro Report

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

25/3/2025

	Last	Previous	% Change
U.S. Dollar Index(DXY)	104.31	103.24	1.04%
USD/CNY	7.2692	7.2277	0.57%
U.S. FOMC Upper Interest Rate	4.50	4.75	-5.26%
China Repo 7 day	1.82	1.92	-5.21%
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 103.2–104.2. Physical gold correct from historical high at \$3047/OZ to \$3022/OZ. Although tensions in the Red Sea and in the Middle East escalated, the three week low VIX proved an increase on risk appetite. In the US, the number of initial claims for unemployment benefits last week decreased by 21,000 to 221,000. The number of continued claims rose to 1.897 million, reaching a relatively high level in the past three years, indicating that it is difficult for the unemployed to find new jobs. As for tariffs, the White House is narrowing its approach to those slated to take effect on April 2. It is likely to exclude some industry-specific tariffs while applying reciprocal levies on a set of countries, as reported by the Wall Street Journal. Thus, general commodities regained support.

FFA:

The demand for ships in Australia at the beginning of the week dragged down the performance of Capesize vessels in the iron ore market. Global bauxite shipments were at a seasonal high and a month-on-month high last week. The Panamax market was mainly affected by the decline in coal shipments from Australia. However, the increase in imports from India may become the main factor supporting the Panamax market in the coming weeks.

Oil:

The US imposed sanctions on some Chinese companies that purchase Iranian crude oil, triggering a backlash. The impact is expected to be limited. After the Federal Reserve's interest rate setting meeting alleviated market concerns about the economic downturn, global equities and major industrial commodities rebounded. CFTC non-commercial net long positions increased by 1% to 17.9%. In the long term, OPEC+ plans to increase production starting from April, so crude oil will still tend to be in surplus in the second quarter.



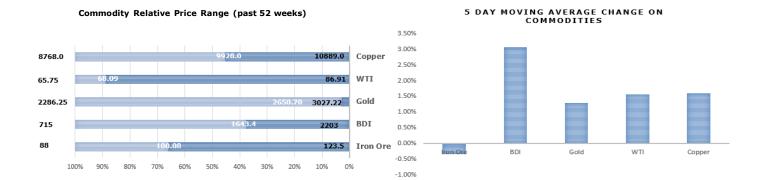
	Last	Previous	
LME Copper 3 Month Rolling	9956.00	9861.50	0.96%
LME Aluminium 3 Month Rolling	2615.50	2687.00	- 2.66 %
WTI Cushing Crude Oil	69.51	67.58	2.86%
Platts Iron Ore Fe62%	103.15	103.30	-0.15%
U.S. Gold Physical	3010.23	3034.73	-0.81%
BDI	1652.00	1669.00	-1.02%

Metals:

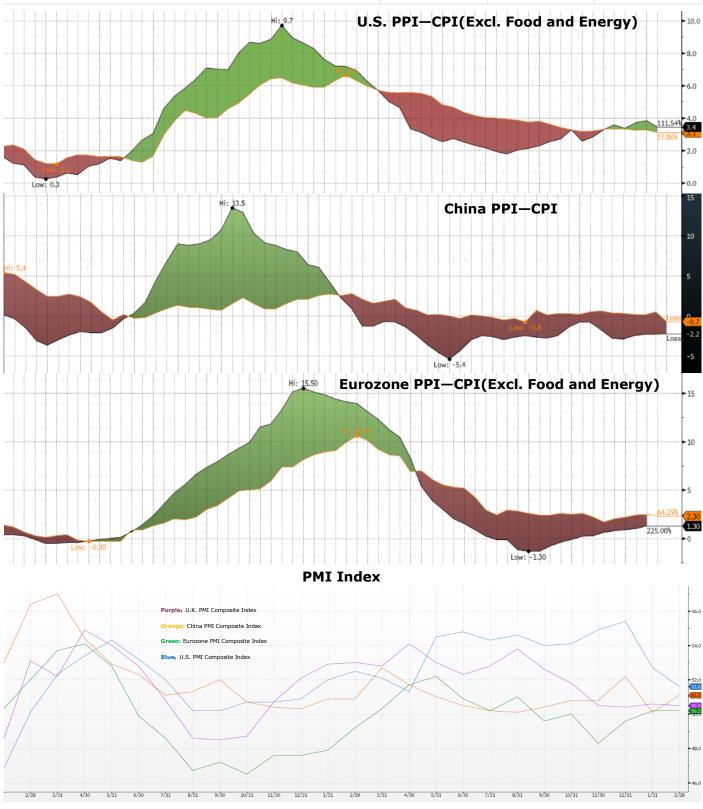
The influx of a large amount of copper into US will leave other parts of the world, in particular to those major consumers, facing a serious shortage. Comex copper active contract refreshed historical high last Friday at \$5.149/lbs. It is expected that 100,000 to 150,000 tons of refined copper will arrive US in the coming weeks. If these arrivals concentrated in one month, it will be the highest single month import volume in US history. It is reported that many major commodity traders are redirecting large amounts of copper originally destined for Asia to the US.

Ferrous:

China iron ore inventories maintained similar at 144 million tons during past two weeks, however they are expected to continue decreasing next week following the busy construction season in March and April. Construction steel sales pick up from late half of March in China. For flat steels, Indonesia exports HRC saw growth on European countries because of exemptions of tariffs. Other Asian countries saw pressures on the export price. Australia coking coal supported at \$165-166/mt level because of resilient Indian bottom hunting demand.



	Last	Previous	
Shanghai&Shenzhen 300 Index	3934.85	3996.79	-1.55%
Dow Jones Industrial Average	42583.32	41841.63	1.77%
FTSE 100 Index	8638.01	8680.29	-0.49%
Nikkei 225 Index	37608.49	37053.10	1.50%
BVAL U.S. 10-year Note Yield	4.3487	4.3160	0.76%
BVAL China 10-year Note Yield	1.8994	1.9291	-1.54%



Sources: Bloomberg, FIS

Freight Investor Services 2025.



-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

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is a uthorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at <u>freightinvestorservices.com</u>