

# FIS Macro Report

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

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	Last	Previous	% Change
<b>U.S. Dollar Index(DXY)</b>	99.81	102.96	<b>-3.05%</b>
<b>USD/CNY</b>	7.3163	7.4257	<b>-1.47%</b>
<b>U.S. FOMC Upper Interest Rate</b>	4.50	4.75	<b>-5.26%</b>
<b>China Repo 7 day</b>	1.75	1.75	<b>0</b>
<b>Caixin China Manufacturing PMI</b>	51.20	50.80	<b>0.79%</b>
<b>Markit U.S. Manufacturing PMI</b>	53.10	53.90	<b>-1.48%</b>

## Currency and Global Market:

After the escalation of tariffs between US and China, the USD index dropped from 104 to 99 during the last two weeks. Physical gold hit new historical highs at \$3237/OZ. However, from Friday to early this week, major equity and commodity markets saw growth as risk appetite returned. The VIX index dropped from 52 to 30 from last Tuesday to Monday. US equities recovered 7% from their 15 month-low. The Trump administration mentioned exemptions on some high-tech or related parts export from China, however the market generally believes more issues could arise before the official decision.

## FFA:

The BCI has plummeted due to the escalation of international tariffs, which has increased concerns on the trade outlook. However, as the US began to exempt some products later on, global assets generally rebounded. There is possibility that FFAs will further recover in the subsequent period. As a result, demand of ships remained active since the trade barriers don't create direct impact on key mines in H1.

## Oil:

The price of WTI crude oil dropped to a four-year low of \$55.12/b due to past tariff shocks. The market is concerned that the overall consumption of crude oil will decline as global economic activities weakens. Eight OPEC+ oil-producing countries have decided to increase production by 411,000 barrels per day starting from May this year, and the amount of production increase significantly exceeds market expectations. The EIA expects that the crude oil market will experience a supply surplus in the second half of 2025, with the surplus reaching 640,000 b/day in the fourth quarter. The IEA predicts that the surplus will reach 1.1 million b/day in the fourth quarter of this year and 600,000 b/day for the whole year. Recently, the Iran nuclear negotiations have become an important variable affecting the market.

Sources: Bloomberg

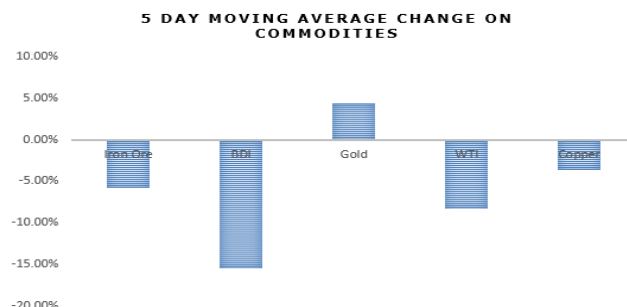
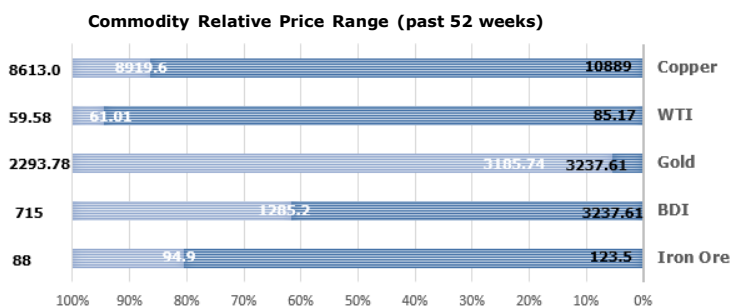
	Last	Previous	
<b>LME Copper 3 Month Rolling</b>	9187.00	8732.00	<b>5.21%</b>
<b>LME Aluminium 3 Month Rolling</b>	2374.00	2370.50	<b>0.15%</b>
<b>WTI Cushing Crude Oil</b>	61.53	60.70	<b>1.37%</b>
<b>Platts Iron Ore Fe62%</b>	99.45	98.85	<b>0.61%</b>
<b>U.S. Gold Physical</b>	3221.25	2983.27	<b>7.98%</b>
<b>BDI</b>	1282.00	1489.00	<b>-13.90%</b>

### Metals:

The global copper apparent inventories went down by 40,000 tons at 674,000 tons on 11th April. For copper, the uncertainty of tariffs, the suspension of interest rate cuts in the US and other factors have exacerbated the two-way volatility of the market. The US Customs and Border Protection has released the "Exemption List", excluding electronic products such as mobile phones and computers from the list of reciprocal tariffs. The gradual moderation of the tariff policy has improved the macro sentiment, and the copper price has stabilized and rebounded. In addition, The CPI in the US increased by 2.4% in March, a significant decline from the 2.8% last, reaching a six - month low and lower than the market - expected 2.6%. Traders have increased their bets on the Federal Reserve cutting interest rates by a full percentage point by the end of the year, and the market has almost fully priced in a rate cut by the Federal Reserve in June.

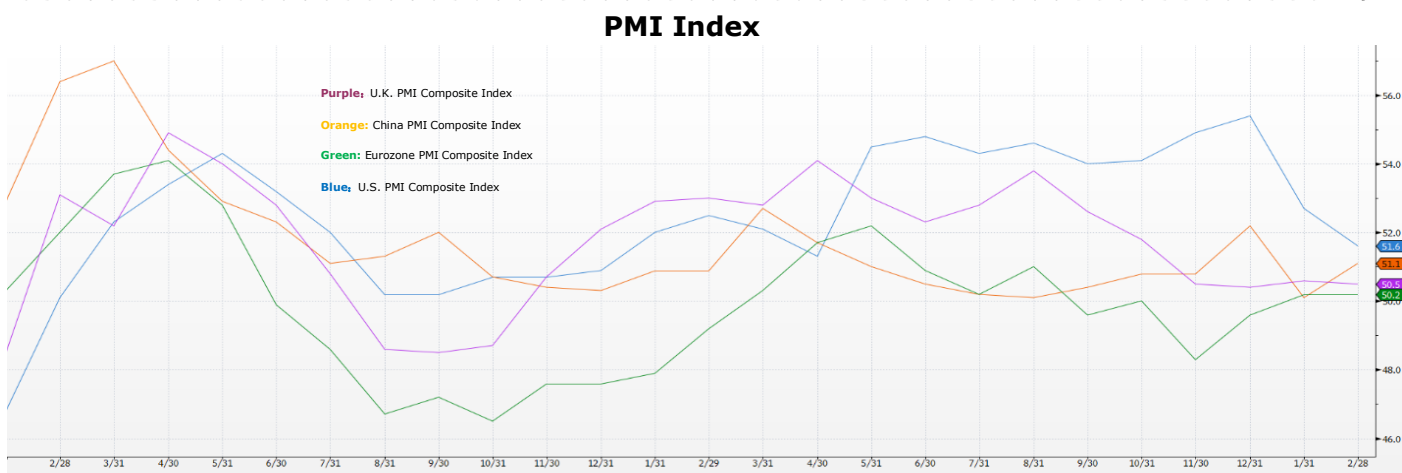
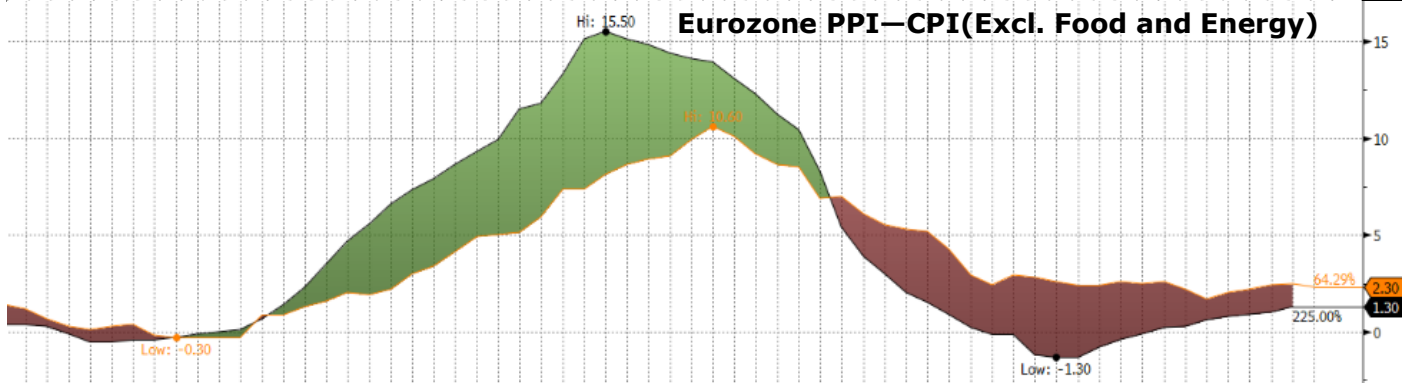
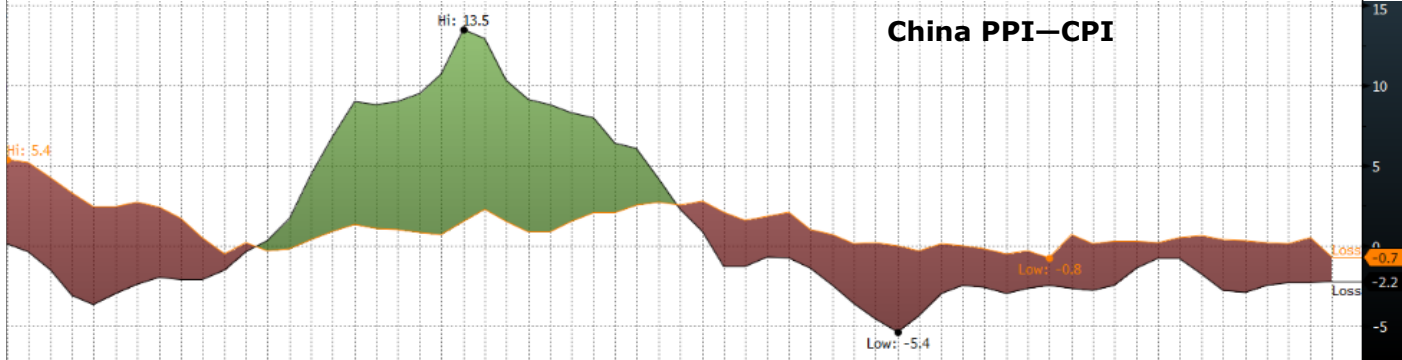
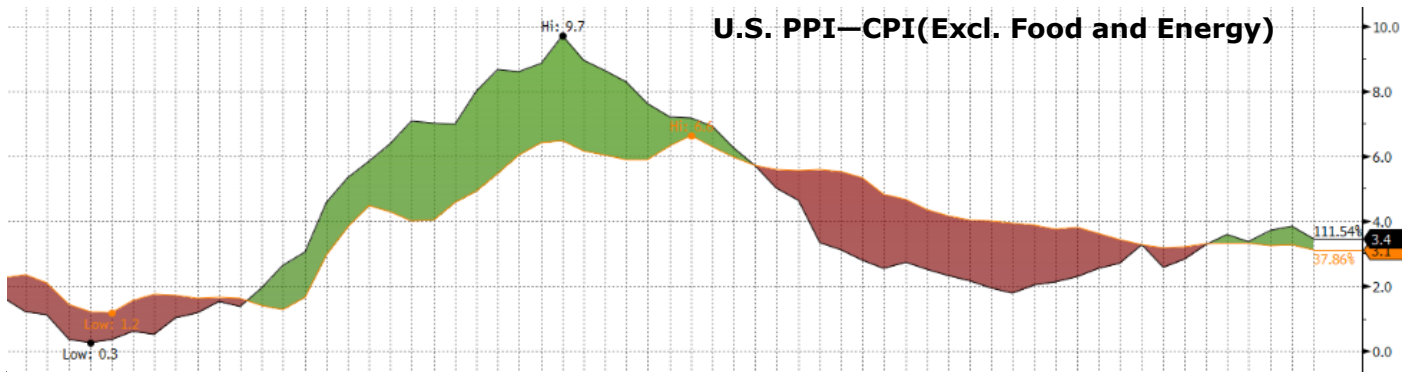
### Ferrous:

China iron ore inventories saw a decline after the increase of consumption lowered mills inventory level. The recent commodity correction set iron ore undervalued, thus market expect a strong recovery this week. Physical buyers were aggressive when index level drop close to \$95/mt. The coking coal market increased after important miner cut production as well as Indian buyers make stable procurements when price drop. In China, both physical coke and coking coal start the first round of price increase after a continuous decline for four months.



Sources: Bloomberg, FIS

	Last	Previous	
<b>Shanghai&amp;Shenzhen 300 Index</b>	3759.14	3589.44	<b>4.73%</b>
<b>Dow Jones Industrial Average</b>	40524.79	37965.60	<b>6.74%</b>
<b>FTSE 100 Index</b>	8134.34	7702.08	<b>5.61%</b>
<b>Nikkei 225 Index</b>	33982.36	31136.58	<b>9.14%</b>
<b>BVAL U.S. 10-year Note Yield</b>	4.3980	4.1946	<b>4.85%</b>
<b>BVAL China 10-year Note Yield</b>	1.7212	1.7184	<b>0.16%</b>



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