

FIS Macro Report

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	Last	Previous	% Change
U.S. Dollar Index(DXY)	98.85	100.12	-1.26%
USD/CNY	7.1805	7.2152	-0.48%
U.S. FOMC Upper Interest Rate	4.50	4.50	0
China Repo 7 day	1.70	1.65	3.03%
Caixin China Manufacturing PMI	50.40	51.20	-1.56%
Markit U.S. Manufacturing PMI	50.80	53.10	-4.33%

Currency and Global Market:

The USD index dropped to 99 from 101.98 in mid-May. The international rating agency Moody's has downgraded the US sovereign credit rating from Aaa to Aa1 with a negative outlook. The US Treasury's \$16 billion auction of 20-year Treasury bonds yielded poor results, triggering a sharp market reaction. The yield on 10-year Treasury bonds surged to 4.6%, while the yield on 30-year Treasury bonds once broke through 5%, hitting a new high since November 2023. The negative economic outlook potentially created negative feedback on commodities market and equities market in long-run. VIX rose from 18 to 22 and dropped to 20 early this week. Gold rose from 3249 to 3356 during the report week supported by new trade friction and mid-east tensions.

FFA:

Capesize market once tanked following the news that Guinea's military government has revoked mining licenses of 51 companies, which cover bauxite, gold, diamonds, graphite and iron ore mining. However, the market went up quickly after pricing-in the news and strong demand from Pacific miners and operators. Panamax market softened after increasing backhauls ships and sufficient capacities. Some cargoes demand was split by handysize and supramax markets.

Oil:

The US crude oil inventories decreased by 3.8 million barrels to 412 million barrels unexpectedly during past week, marking the sixth consecutive week of decline. The inventory at the Cushing delivery hub dropped to 21 million barrels, hitting the lowest level since June 2023. The non-commercial net long positions of NYMEX crude oil increased by 45,000 lots to 287,000 lots, reaching the highest level since October 2024, indicating a significant increase in buying by hedge funds and asset management institutions. Geopolitical risks in the Middle East continue, and the OPEC+ production cuts are expected to persist. With US crude oil inventories at low levels and the expectation of China's demand recovery. On the bearish side, there are frequent signals of economic recession in Europe and the US,. The US shale oil production capacity recovered. The global crude oil shipping costs decreased, which could cut down overall oil cost.

Sources: Bloomberg

	Last	Previous	
LME Copper 3 Month Rolling	9610.00	9447.50	1.72%
LME Aluminium 3 Month Rolling	2463.50	2481.50	-0.73%
WTI Cushing Crude Oil	62.18	62.49	-0.50%
Platts Iron Ore Fe62%	97.65	100.35	-2.69%
U.S. Gold Physical	3341.71	3290.13	1.57%
BDI	1340.00	1305.00	2.68%

Metals:

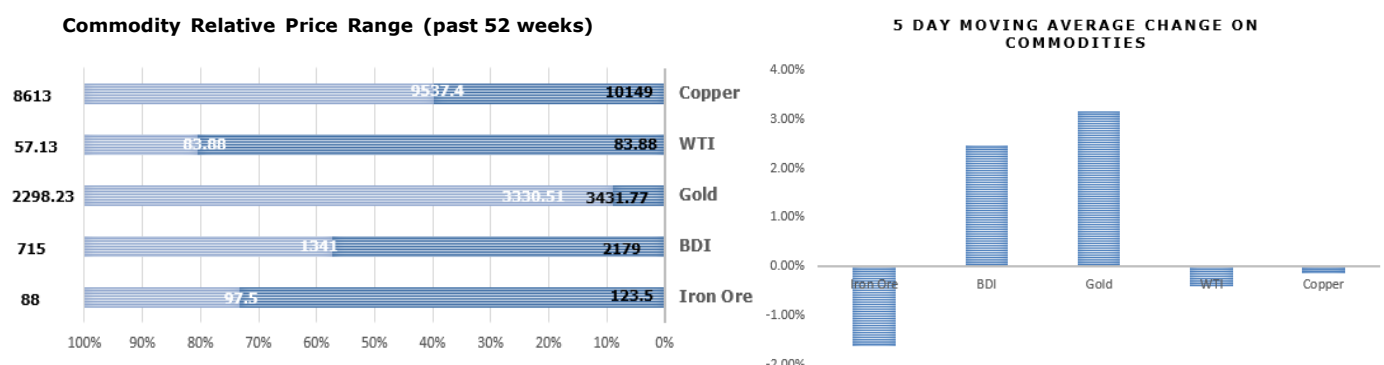
China's power grid investment in April increased by 12% year-on-year, driving steady demand for copper cables. China NEV production surged 35% year-on-year, boosting orders for power battery copper foils. However, high inventory in Europe's automotive industry has led to weak copper consumption. LME inventory decreased by 3,200 tons during the week to 85,000 tons, hitting a new low since November 2023. SHFE copper inventory dropped by 1,500 tons within the week to 42,000 tons. COMEX copper non-commercial net long positions increased by 23,000 lots to 48,000 lots, reaching the highest level since February. The inflow of speculative funds has pushed prices to rebound.

Freeport Indonesia announced that the Manyar smelter has resumed operations two months ahead of schedule after being shut down due to a fire last year. The smelter is designed to process 1.7 million tons of copper concentrate annually, producing about 480,000 tons of cathode copper, with raw materials sourced from Grasberg, the world's second-largest copper mine. The first batch of cathode copper is expected to be produced by the end of June, and the capacity utilization rate will reach 100% in December 2025.

Ferrous:

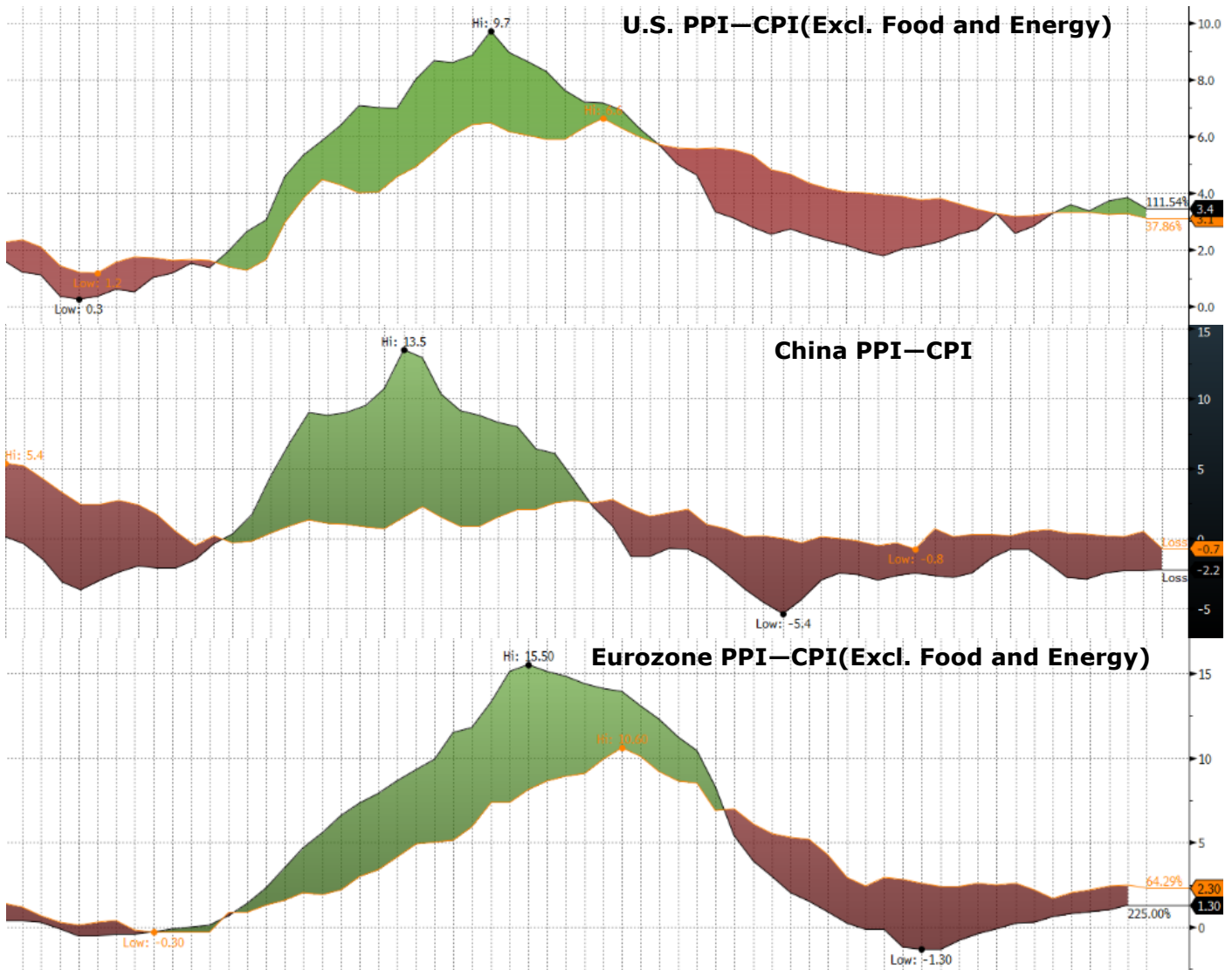
China iron ore inventories reached 139.88 million tons, down 1.78 million tons on the week. Daily pig iron production at 2.436 million tons, down 11,700 tons on the week, up 68,000 tons on the year. Steel mills inventories were 89.25 million tons, 356,800 lower than last year. The low mills inventory and high pig iron consumption support iron ore price in short-run. However, the upcoming rainy season in south and eastern area in China and Moonson in India potentially lower iron ore demand in summer. In addition, the increasing EAFs operation rates are squeezing some blast produced steels out of the market.

The Australia FOB coking coal saw a jump up on last Friday because of some Indian mills rush production on steels before Moonson come.

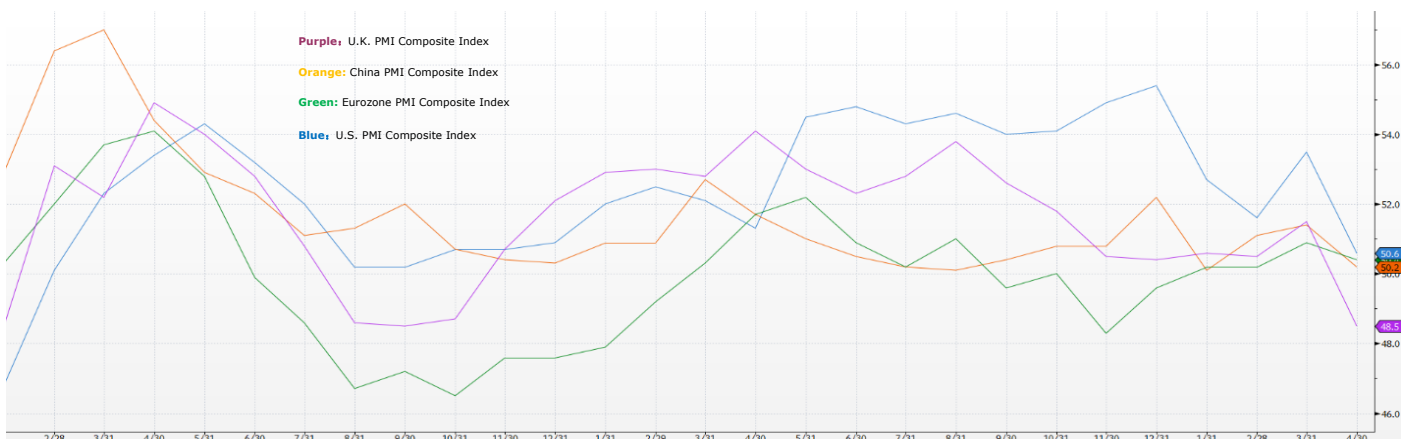


Sources: Bloomberg, FIS

	Last	Previous	
Shanghai&Shenzhen 300 Index	3860.11	3877.15	-0.44%
Dow Jones Industrial Average	41603.07	42654.74	-2.47%
FTSE 100 Index	8717.97	8684.56	0.38%
Nikkei 225 Index	37531.53	37498.63	0.09%
BVAL U.S. 10-year Note Yield	4.5329	4.4609	1.61%
BVAL China 10-year Note Yield	1.7133	1.7121	0.07%



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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