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

FIS Macro Report

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

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	Last	Previous	% Change
U.S. Dollar Index(DXY)	98.84	99.52	-0.68%
USD/CNY	7.1973	7.1896	0.11%
U.S. FOMC Upper Interest Rate	4.50	4.50	0
China Repo 7 day	1.75	1.63	7.36%
Caixin China Manufacturing PMI	48.30	50.40	-4.17%
Markit U.S. Manufacturing PMI	52.80	50.80	3.94%

Currency and Global Market:

The USD index consolidated from 98.3 - 99.4 during the past report week. The yield on the 10-year US T-Note rose by 7 bps to 4.506%, steepening the yield curve. The spread between the 2-year and 10-year Treasury yields narrowed to 47 bps, the smallest gap since March 2024, suggesting the expectation of a soft landing for the US economy. The dot-plot of the US Federal Reserve shows that the expected number of rate cuts in 2025 has decreased to one, and the pricing of interest rate futures indicates that the probability of a rate cut in September has dropped to 35%. COMEX silver grew rapidly by 11.41% in June.

FFA:

The Capesize market was strong, as it was supported by cargoes demand from Pacific, North Atlantic and South Brazil. Tight capacities combined with strong iron ore miners activity lift C3 and C5 prices. Cross Atlantic sentiment was fueled in the second half of last week after ships went from North America to China.

The Panamax market saw strong activity after being quiet for 3-4 weeks. North Atlantic and South America freight price supported the index. There was mixed sentiment in Asia, eyeing a slip from North Atlantic to Australia, however Asian shipowners saw increased demand from South America.

Oil:

The active WTI contract increased by 4.43% during the past report week. The geopolitical tensions between Russia and Ukriane, Israel and Egypt, could potentially impact the supply chain of oil, offsetting the news of a production increase from OPEC+. In non-OPEC countries, the rebound in US shale oil production, coupled with increased output from Brazil and Canada, has led the IEA to forecast a global supply surplus of 800,000 b/day in 2025, far exceeding demand growth. Meanwhile, the number of US drilling rigs has fallen for five consecutive weeks to 461, a three-and-a-half-year low, and combined with cost constraints in shale oil, production growth may slow to below 900,000 b/year. Additionally, sanction-lifted capacities in Iran and Venezuela are around 2.5 million b/day, but political obstacles make it difficult to resolve them in the short term.

Sources: Bloomberg

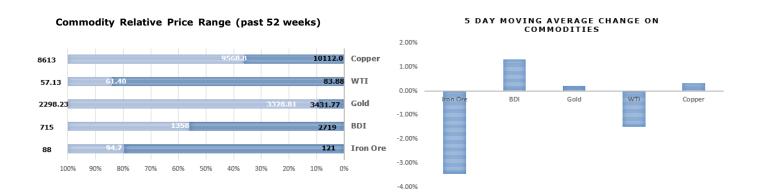
	Last	Previous	
LME Copper 3 Month Rolling	9616.50	9610.00	0.07%
LME Aluminium 3 Month Rolling	2466.00	2463.50	0.10%
WTI Cushing Crude Oil	62.52	62.18	0.55%
Platts Iron Ore Fe62%	96.30	97.65	-1.38%
U.S. Gold Physical	3367.81	3300.87	2.03%
BDI	1422.00	1341.00	6.04%

Metals:

LME copper gradually increased by 1.84% during the past week. SHFE copper active contracts were generally in line with LME increase. The open interest increased from May for both LME and SHFE, indicating more investors were entering this market. LME copper inventories went down by 3,500 tons to 130,000 tons last week. SHFE copper inventories decreased by 1,500 tons to 320,000 tons last week. Some small miners in South America slowed down production pace due to cost issues. In addition, some Chinese processing mills are scheduled to begin maintenance in June given an extreme

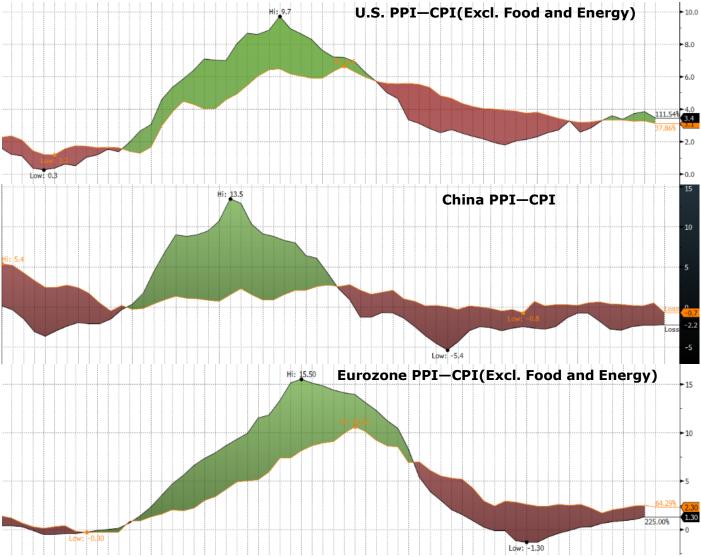
Ferrous:

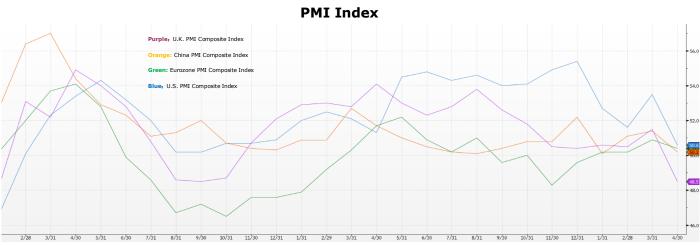
Chinese steel export increased by 8.9% during the first five months of the year, offset by the weakened domestic demand to some extent. However, the current rainy weather in eastern and southern cities are impacting demand from construction companies. Chinese export of HRC are \$50/mt cheaper than Vietnam, which may potentially keep a competitive advantage for exporters. Chinese steel mills iron ore and port inventories are at low level compared to last year, indicating a tight supply on iron ore. The DCE coking coal went up significantly after hitting a 9-year-low, hearing rumors of tariffs on Mongolia and production cuts in Shanxi. In addition, some international traders were rethinking of purchasing prime coals in China given a strong cost-efficiency compared with international



Sources: Bloomberg, FIS

	Last	Previous	
Shanghai&Shenzhen 300 Index	3840.23	3882.27	-1.08%
Dow Jones Industrial Average	42305.48	41603.07	1.69%
FTSE 100 Index	8774.26	8717.97	0.65%
Nikkei 225 Index	37470.67	37531.53	-0.16%
BVAL U.S. 10-year Note Yield	4.4661	4.5329	-1.47%
BVAL China 10-year Note Yield	1.7222	1.7186	0.21%





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

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