

# FIS Macro Report

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	Last	Previous	% Change
<b>U.S. Dollar Index(DXY)</b>	98.20	98.82	<b>-0.63%</b>
<b>USD/CNY</b>	7.1761	7.1917	<b>-0.22%</b>
<b>U.S. FOMC Upper Interest Rate</b>	4.50	4.50	<b>0</b>
<b>China Repo 7 day</b>	1.57	1.57	<b>0</b>
<b>Caixin China Manufacturing PMI</b>	48.30	50.40	<b>-4.17%</b>
<b>Markit U.S. Manufacturing PMI</b>	52.80	50.80	<b>3.94%</b>

## Currency and Global Market:

The FOMC meeting minutes confirmed no change to the US interest rate range, aligning with market expectations. The US Dollar Index remained rangebound between 97 and 99 throughout June, as global equity markets stabilized following the easing of the tensions in the Middle East . In response, risk-hedging investors rotated out of gold and silver, redirecting capital into industrial commodities. Market participants expect commodities to revert to fundamental trading logic, as geopolitical tension risks abate.

## FFA:

The Capesize market corrected last week after a strong first half of June. Reduced iron ore shipments from Western Australia and port maintenance operations dragged down the C5 route freight rates. While coal cargo demand provided some support for East Australia routes, the overall market sentiment remained subdued. The Atlantic market started the week moderately, but gradually declined in the second half due to sparse quotations and weakening transatlantic demand.

The Panamax market stayed muted last week, with limited transaction volume on transatlantic routes. Demand for grain and mineral shipments showed broad-based weakness. In the Asian segment, rapid growth in vessel supply across the North Pacific, Australia, and Indonesia exerted downward pressure on FFA prices, as insufficient mineral cargo bookings failed to stem the decline.

## Oil:

OPEC+ maintained its production cuts until the end of 2025, with Saudi Arabia and Russia continuing to reduce output. OPEC confirmed that the global crude oil demand growth forecast for 2025 remains at 1.3 million barrels/day. Global average daily crude oil production in May was 41.23 million barrels, an increase of 180,000 barrels m-o-m, slightly lower than market expectations. Europe and US have entered the peak summer travel season, driving a surge in demand for refined oil products such as gasoline, resulting in increased refinery operating rates. The Middle East accounts for one-third of global oil supply, so recent ceasefire negotiations have triggered sharp volatility in crude oil prices. However, as the market absorbs geopolitical risks, the trading range for crude oil is likely to gradually narrow following repeated bouts of bull-bear tug-of-war.

Sources: Bloomberg

	Last	Previous	
<b>LME Copper 3 Month Rolling</b>	9667.50	9703.00	<b>-0.37%</b>
<b>LME Aluminium 3 Month Rolling</b>	2588.50	2513.50	<b>2.98%</b>
<b>WTI Cushing Crude Oil</b>	69.62	72.98	<b>-4.60%</b>
<b>Platts Iron Ore Fe62%</b>	94.15	94.25	<b>-0.11%</b>
<b>U.S. Gold Physical</b>	3351.39	3388.11	<b>-1.08%</b>
<b>BDI</b>	1674.00	1968.00	<b>-14.94%</b>

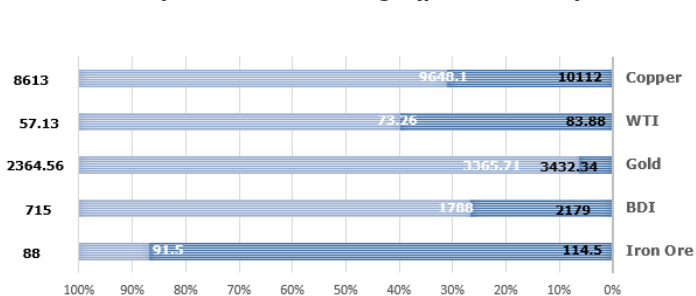
### Metals:

The LME copper price has continued to rebound in June, supported by expectations of a global economic recovery. The LME copper inventory stands at 135,000 tons, a decrease of 3,000 tons on the week, and the trend of inventory reduction has persisted for several consecutive weeks. The CME inventory has shown minimal fluctuations, while the SHFE inventory has declined slightly. Overall, the global copper inventory is trending downward. Copper TC fees remain at a historic low range of -\$45 to -\$40/ton. In the long term, continuous expansion at Peru's Las Bambas copper mine and substantial releases of low-priced Russian copper resources are expected, while China's copper production is set to tighten. Although copper demand in China has declined, increased investment in rail transit construction in India, Brazil, and Indonesia may boost demand within the year.

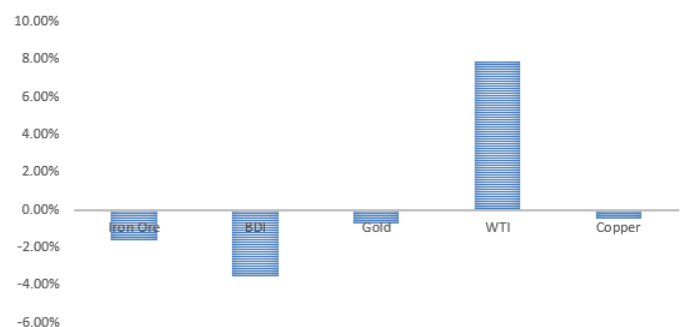
### Ferrous:

Some Chinese steel enterprises predicted that although steel production in June will decline slightly month-on-month, it should be supported by the high base in May. In the short term, demand and exports are relatively resilient, driving the inventory of the five major steel products to be 22% lower than the historical average for the same period. Steel production in the Asian market remained high in Q2, but frequent anti-dumping investigations have restricted trade circulation, keeping steel prices persistently sluggish. Domestic iron concentrate production in May increased by 4.6% week-on-week to 24.066 million tons. Coupled with the concentrated shipments from overseas mines at the end of the fiscal year in June, the oversupply of domestic iron ore is expected to continue until July.

Commodity Relative Price Range (past 52 weeks)

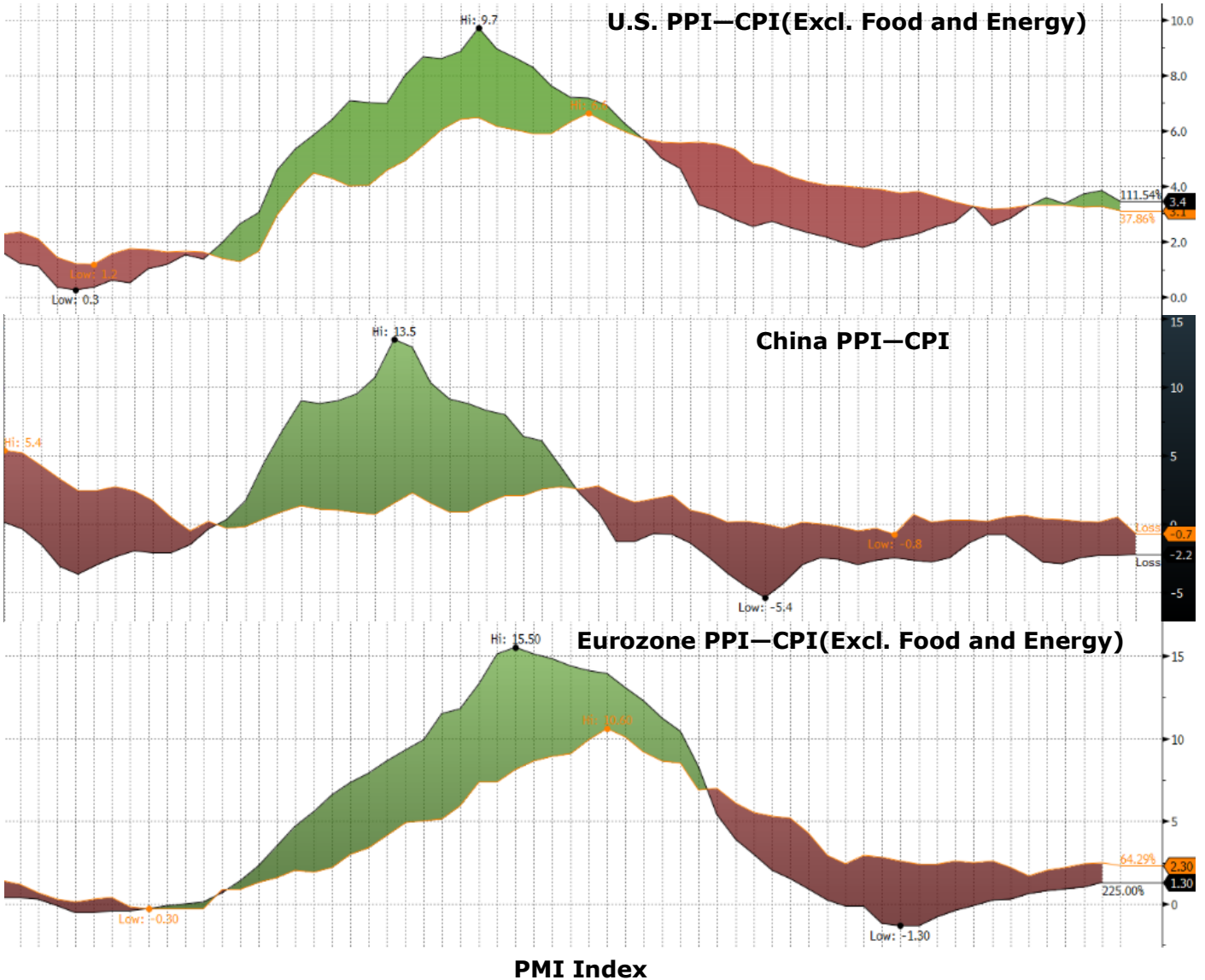


5 DAY MOVING AVERAGE CHANGE ON COMMODITIES



Sources: Bloomberg, FIS

	Last	Previous	
Shanghai&Shenzhen 300 Index	3857.90	3873.80	<b>-0.41%</b>
Dow Jones Industrial Average	42581.78	42197.79	<b>0.91%</b>
FTSE 100 Index	8758.04	8875.22	<b>-1.32%</b>
Nikkei 225 Index	38354.09	38311.33	<b>0.11%</b>
BVAL U.S. 10-year Note Yield	4.3580	4.4276	<b>-1.57%</b>
BVAL China 10-year Note Yield	1.6752	1.6889	<b>-0.81%</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.

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