

FIS Macro Report

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15/7/2025

	Last	Previous	% Change
U.S. Dollar Index(DXY)	98.03	97.52	0.52%
USD/CNY	7.1778	7.1818	-0.06%
U.S. FOMC Upper Interest Rate	4.50	4.50	0
China Repo 7 day	1.60	1.51	5.96%
Caixin China Manufacturing PMI	50.40	48.30	4.35%
Markit U.S. Manufacturing PMI	53.40	52.80	1.14%

Currency and Global Market:

Industrial commodities experienced a reversal in July, following a 6-9 month bear market, as the major risks posed by US president Donald Trump's tariff policies have been fully priced in, and China's anti-involution strategies are expected to reduce industrial overcapacity. In the first half of July, the Nasdaq hit a new all-time high, coinciding with the CSI 300 reaching a 9-month peak. Over the past two weeks, the US Dollar Index has rebounded from a three-year low of 96.37 to 98.00. Meanwhile, the VIX has hovered in a low range of 16.7-18.7 throughout July, signaling a recovery in market risk appetite. Looking ahead, the July Politburo meeting is widely regarded as a key focus for the investment community. Facing pressures from mid-year earnings reports, some equity investments could potentially shift to the commodity market.

FFA:

As the weekend approached, the Capesize market saw a rebound in freight and charter rates, driven by increased demand for vessels. After iron ore miners completed their shipment push in June, shipments dropped significantly in July. Last week, bauxite shipments from Guinea to China fell considerably. In the short term, shipping capacity on the C3 and C5 routes remains sufficient, and the market is still expecting increasing demand in August.

The Panamax market remains stable with a slight upward bias. While grain demand stays steady, the peak coal consumption season has led to strong demand, coupled with tight shipping capacity for Panamax vessels.

Oil:

OPEC+ has confirmed its plans to increase oil production by 548,000 b/day in August, while other factors including the suspension of US tariffs, Houthi attacks on merchant ships in the Red Sea, and Saudi Arabia's decision to raise crude oil prices for Asian buyers in August, have collectively underpinned the rise in international oil prices. In the long run, if OPEC+ collectively abandons its joint production cuts in September, oil production is likely to continue increasing throughout this year.

Sources: Bloomberg

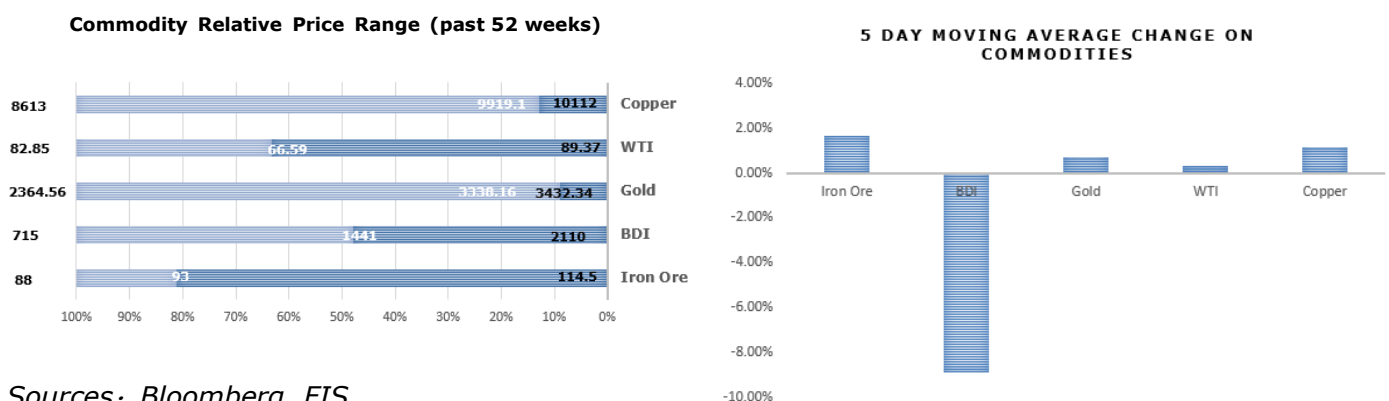
	Last	Previous	
LME Copper 3 Month Rolling	9619.00	9829.50	-2.14%
LME Aluminium 3 Month Rolling	2592.00	2573.50	0.72%
WTI Cushing Crude Oil	66.98	67.93	-1.40%
Platts Iron Ore Fe62%	98.60	94.90	3.90%
U.S. Gold Physical	3362.50	3301.92	1.83%
BDI	1783.00	1436.00	24.16%

Metals:

COMEX copper inventories continued their upward trend, reaching 220,954 tons on 10th July, close to its three-year high, reflecting the sustained "rush shipping" effect amid expectations of US tariffs. Although there is an overall copper supply gap in 2025, the low level of TC (treatment charge) has restricted smelters' willingness to increase production. The market expects that once US tariffs take effect, the global copper supply will surge instantly, which potentially suppress copper prices at that time. However, Goldman Sachs believes that strong demand from China will support copper prices in non-US regions after August.

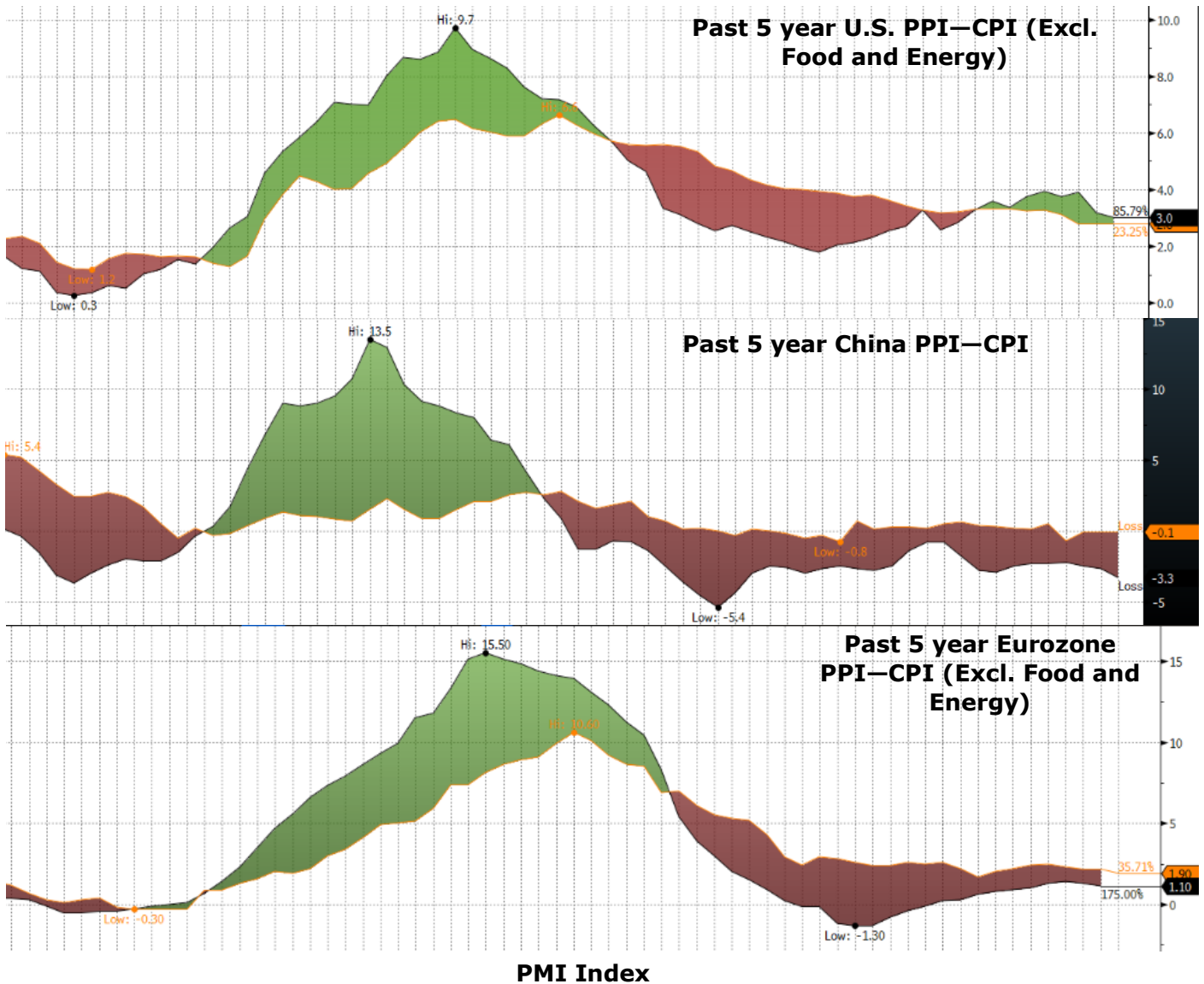
Ferrous:

China's major port iron ore inventories fell by 1.13 million tons to 137.66 million tons. Following the conclusion of Australia's end-of-financial-year shipment rush in June, its iron ore shipments to China have dropped significantly. Meanwhile, demand for flat steel exports in Asian markets remains robust. Market participants have expressed concerns that extreme heat and typhoons in July and August could disrupt construction activities. Coal demand has stayed high, driven by surging electricity consumption and active industrial demand. China's Ministry of Housing and Urban-Rural Development reported stronger housing sales data for the first half of 2025. Additionally, urban renovation projects including old housing upgrades, park renovations, and the installation of smart cities facilities are expected to boost domestic steel demand in the second half of the year.



Sources: Bloomberg, FIS

	Last	Previous	
Shanghai&Shenzhen 300 Index	4017.67	3965.17	1.32%
Dow Jones Industrial Average	44459.65	44406.36	0.12%
FTSE 100 Index	8998.06	8806.53	2.17%
Nikkei 225 Index	39459.62	39587.68	-0.32%
BVAL U.S. 10-year Note Yield	4.4496	4.4074	0.96%
BVAL China 10-year Note Yield	1.7049	1.6735	1.88%



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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