

FIS Macro Report

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	Last	Previous	% Change
U.S. Dollar Index(DXY)	98.67	97.39	1.31%
USD/CNY	7.1830	7.1712	0.16%
U.S. FOMC Upper Interest Rate	4.50	4.50	0
China Repo 7 day	1.64	1.50	9.33%
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:

High liquid commodity markets have corrected after a gain-taking phase, following the anti-involution driven bull run in July. Additionally, regulatory measures have been introduced to curb excessive speculative trading in China. The market is set to enter a "super week" – a cluster of key events will unfold during this period: China's Political Bureau meeting will be held by the end of July; the outcome of the third round of China-US economic and trade negotiations is expected to be released; and the US Federal Reserve and the Bank of Japan will convene monetary policy meetings. EU will impose sanctions on Russia, though their impact on oil supply will be limited. The Hamas-Israel issue in the Middle East has flared up again. The U.S. and the EU are close to reaching a 15% tariff deal.

FFA:

Last week, the Capesize ship market stayed firm starting from Tuesday and picked up pace in its upward trend in the latter half of the week. By last Friday, the BCI 5TC closed at 31,756, marking a 19% increase. In the North Atlantic region, ample cargoes and tight shipping capacity underpinned robust trading activities. In the Pacific market, the C5 route hit a monthly high.

Last week, the Panamax ship market saw an overall weakening, with freight rates generally on the decline. The Atlantic market remained dominated by long-distance voyages, and grain cargoes on the north coast of South America stayed stable. After several rounds of domestic coal price hikes in China, power grids have shown a preference for cheaper imported coal, which potentially support route rates during the summer.

Oil:

Last week, OECD crude oil inventories decreased by 4.359 million barrels, and the global crude oil market has shifted toward destocking. U.S. crude oil inventories fell by 3.169 million barrels last week, marking destocking for two consecutive weeks. U.S. refineries also started destocking simultaneously. However, on the other hand, OPEC has accelerated its production increase pace. In June, the output of non-sanctioned countries in OPEC+ saw significant growth. The growth in crude oil supply continued in July, and the increment will become more obvious after August.

Sources: Bloomberg

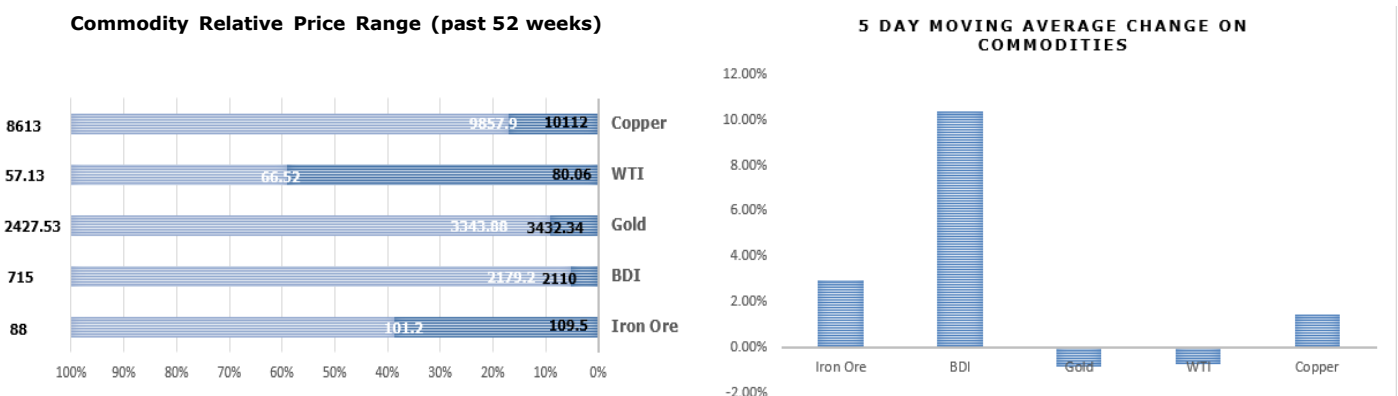
	Last	Previous	
LME Copper 3 Month Rolling	9793.00	9860.00	-0.68%
LME Aluminium 3 Month Rolling	2631.50	2646.50	-0.57%
WTI Cushing Crude Oil	66.71	67.20	-0.73%
Platts Iron Ore Fe62%	100.10	102.95	-2.77%
U.S. Gold Physical	3311.53	3431.48	-3.50%
BDI	2226.00	2052.00	8.48%

Metals:

China Ministry of Industry and Information Technology press conference revealed growth-stabilizing plans for ten key industries – including iron and steel, non-ferrous metals, petrochemicals and building materials – are soon to be released. The ministry will guide these industries to adjust structures, optimize supply and phase out outdated capacity. Meanwhile, with US president Donald Trump signing agreements with Japan, India and other nations, global trade tensions have shown signs of easing. Teck has cut its production target from the original 230,000 - 270,000 tons to 210,000 - 230,000 tons due to the impact of tailings storage issues at its QB open - pit mine on production. In June, China's electrolytic copper output tracked by SMM decreased by 0.3%, while increasing by 12.93% year-on-year. From January to June, the cumulative output rose by 674,700 tons year-on-year, with a growth rate of 11.40%. Based on the production schedules of various enterprises, SMM predicts that domestic electrolytic copper output will increase by 15,500 tons month-on-month in July, a rise of 1.37%, and increase by 122,200 tons year-on-year, a growth rate of 11.88%.

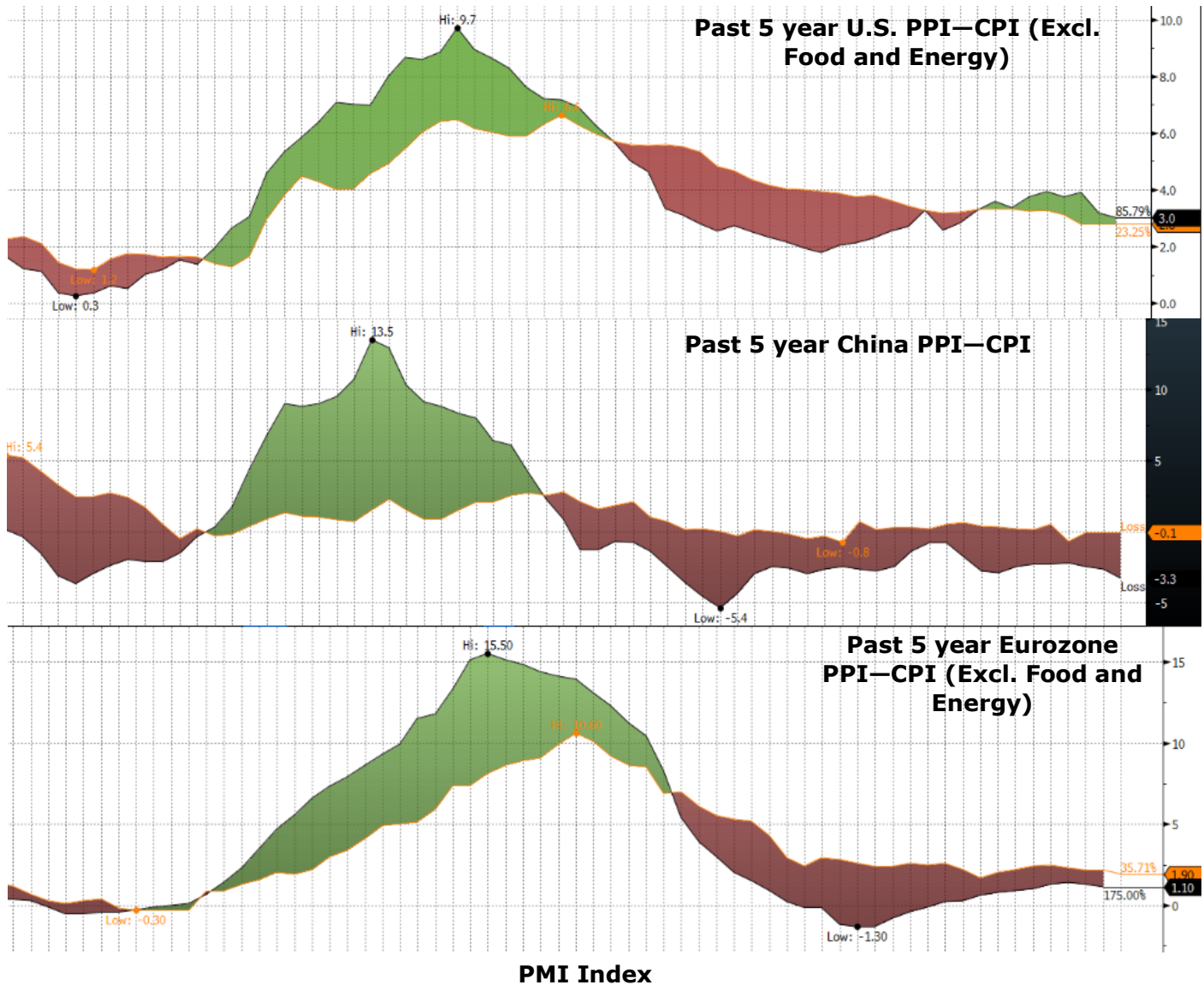
Ferrous:

After the DCE introduced position limits to curb over-speculation amid the "anti-involution" context, coking coal and ferrous products plunged sharply on Monday. Nevertheless, the effective reduction of low-quality capacities will generally support value appreciation and tighten supply in the long run. Iron ore port inventories remain at a high level. With the seasonal strong consumption of pig iron, the decline in shipments in July and August is likely to lower port stock levels. Although global iron ore shipments rose 2.95% week-on-week last week, recent cyclones in the Pacific region may potentially slow down laycans. China's new infrastructure projects that landed in July, coupled with strong housing sales data, have boosted sentiment toward rebar consumption.

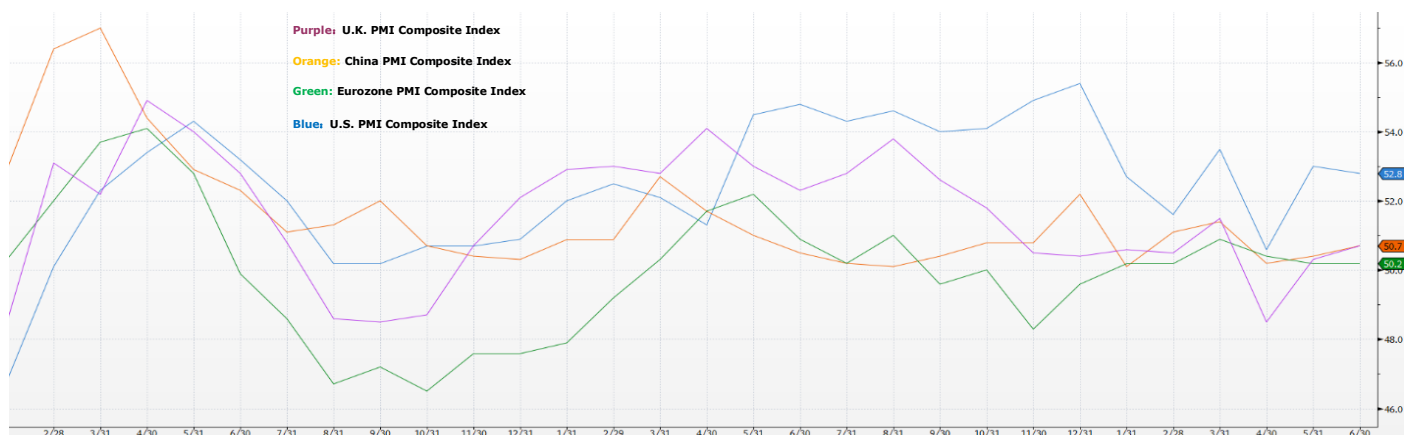


Sources: Bloomberg, FIS

	Last	Previous	
Shanghai&Shenzhen 300 Index	4127.16	4058.55	1.69%
Dow Jones Industrial Average	44837.56	44323.07	1.16%
FTSE 100 Index	9081.44	9012.99	0.76%
Nikkei 225 Index	40998.27	39819.11	2.96%
BVAL U.S. 10-year Note Yield	4.4361	4.4035	0.74%
BVAL China 10-year Note Yield	1.7534	1.7042	2.89%



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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