FIS

Macro Report

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	Last	Previous	% Change
U.S. Dollar Index(DXY)	98.58	99.05	-0.47%
USD/CNY	7.1212	7.1402	-0.27%
U.S. FOMC Upper Interest Rate	4.25	4.50	-5.56%
China Repo 7 day	1.48	1.48	0
Caixin China Manufacturing PMI	51.20	50.50	1.39%
Markit U.S. Manufacturing PMI	51.90	51.60	0.58%

Currency and Global Market:

Last week, market tensions flared briefly over the tensions between China and the US. Safe-haven assets like gold surged, while risky assets dropped sharply. However, sentiment later shifted toward expectations of continued China-US negotiations, allowing risk assets to recoup some losses. The market is closely watching the policy direction of the 15th Five-Year Plan in China, paying particular attention to the oversight and enforcement of "anti-involution" measures, as well as the layout of advanced manufacturing and green energy, energy consumption and emission constraints. The US government remains in a shutdown, while global central banks continue to reduce their holdings of US Treasuries. Against this backdrop, the market will remain in a medium-term cycle of low risk appetite. That said, short-term tightness in the London spot silver market may ease, and recent declines in lease rates are a sign of this. If such easing occurs, it could trigger a short-term shift of investment away from precious metals and into other commodities.

FFA:

Last week, after China launched countermeasures against the US Section 301 tariffs by imposing a special port fee on ships, FFA rates for some routes surged sharply, with the C5 route jumping nearly 10%, as the surcharge exceeded the cargo value of dry bulk vessels. However, following the release of detailed rules by the Ministry of Commerce, the market expects dry bulk shipping to be minimally impacted; there is also an expectation that China-US negotiations will gradually marginalize such effects.

Over the past week, cargo flows in the Capesize market have gradually rebounded, though falling oil prices have curbed the extent of this rebound. Iron ore shipments remained stable, while bauxite shipments saw a slight pickup. Meanwhile, the Panamax market was affected by the port fee last week: available shipping capacity turned tight, and bullish sentiment in the market prevailed.

Oil:

Market sentiment has eased, with trade concerns temporarily subsiding, providing some support to oil prices. That said, the three major crude oil consulting agencies hold a cautious outlook on global crude demand over the next two years. Meanwhile, the market is worried that OPEC+ will launch the

Sources: Bloomberg

	Last	Previous	
LME Copper 3 Month Rolling	10691.50	10820.50	-1.19%
LME Aluminium 3 Month Rolling	2776.50	2763.00	0.49%
WTI Cushing Crude Oil	57.52	59.49	-3.31%
Platts Iron Ore Fe62%	105.30	109.20	-3.57%
U.S. Gold Physical	4338.28	4142.94	4.72%
BDI	2071.00	1936.00	6.97%

second phase of production increases in October, and non-OPEC+ countries are expected to keep their crude shipments at a seasonally high level in the same month. On the geopolitical front, expectations for peace talks in the Middle East have weighed on oil prices.

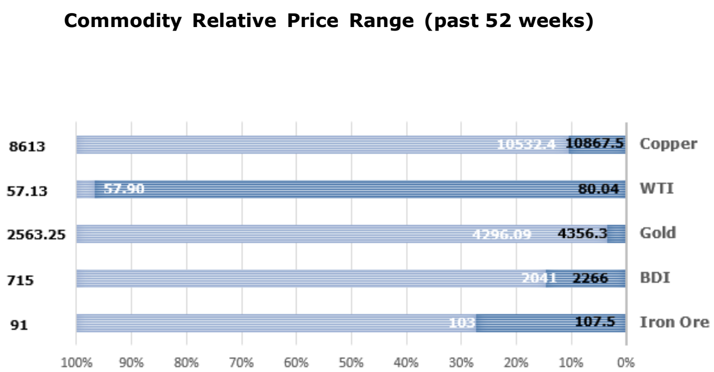
Metals:

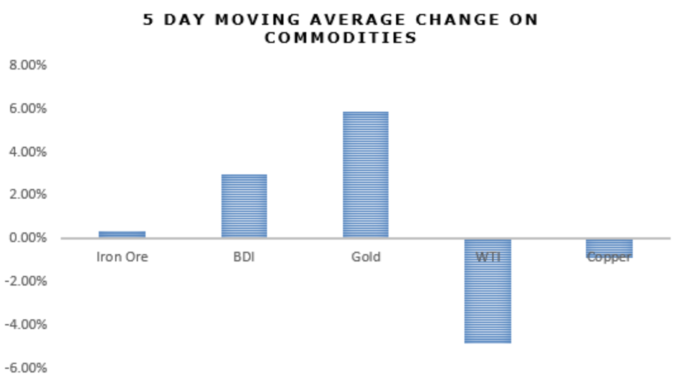
In 2025, the crude treatment charge (TC) for copper concentrates has hovered around -$40/t, a level that underscores the persistent copper supply gap across Asia. Japan, Spain, and South Korea jointly released a statement, voicing deep concerns over the sharp drop in copper smelting and refining charges (TC/RC), while warning that neither smelters nor mining enterprises can sustain viable operations under the current market conditions. In the short term, copper inventories are in a de-stocking trend on both the London Metal Exchange (LME) and the Shanghai Futures Exchange (SHFE), in stark contrast to the inventory accumulation seen on the Commodity Exchange (COMEX). This divergence stems primarily from trade shifts that have directed a larger share of global copper flows toward the US. For Codelco’s El Teniente copper mine, production losses stemming from an accident are now projected to be 45% higher than initial estimates. The softening momentum of the manufacturing sector, coupled with growing demand expectations tied to the AI industry, is further intensifying the tight balance in the copper market.

Ferrous:

China’s physical iron ore market has seen transactions involving a broader range of dynamic brands. Major miners have widened their discounts on iron ore sales. Looking ahead, several Chinese steel mills have jointly set a floor price of 3,000 yuan/ton for rebar sales starting in November.

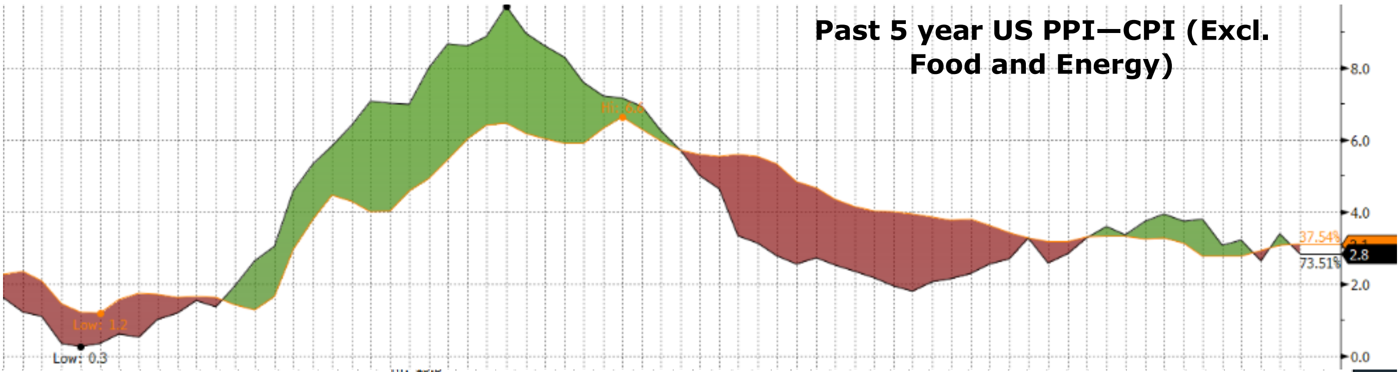
For Australian coking coal, shipment volumes have improved as the weather got better. Domestically in China, coke and coking coal prices are expected to rise, driven by the ongoing capacity inspections. Meanwhile, the market is awaiting fresh policy signals from China’s upcoming Politburo.

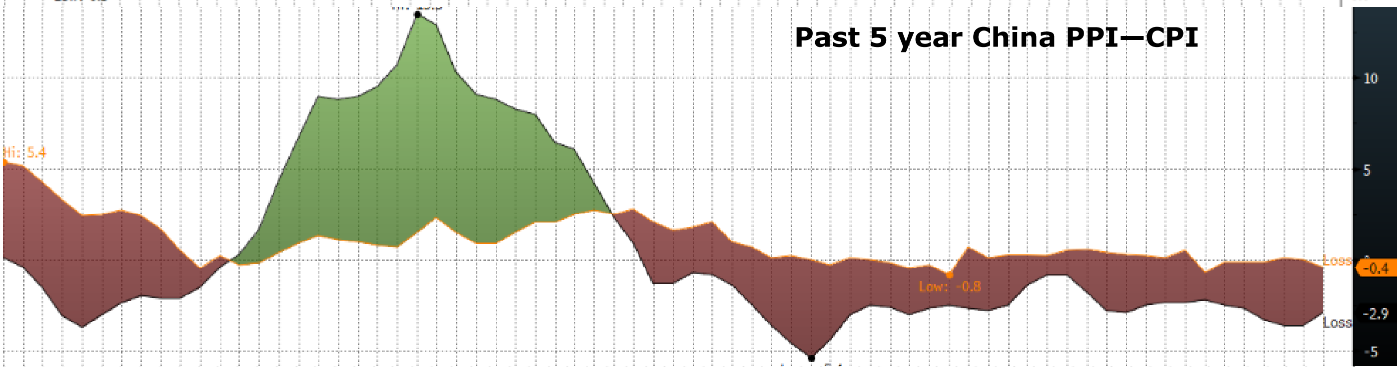


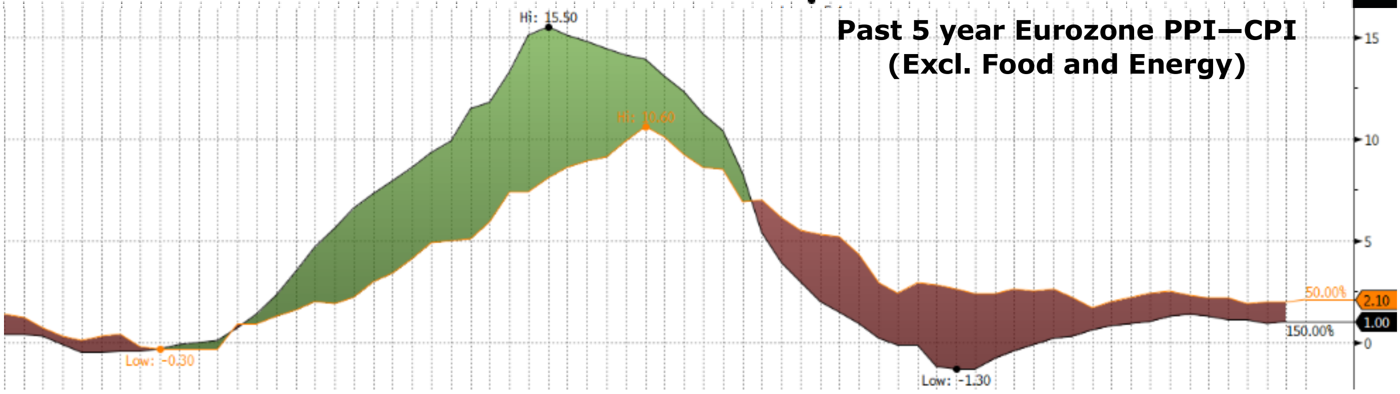


Sources：Bloomberg, FIS

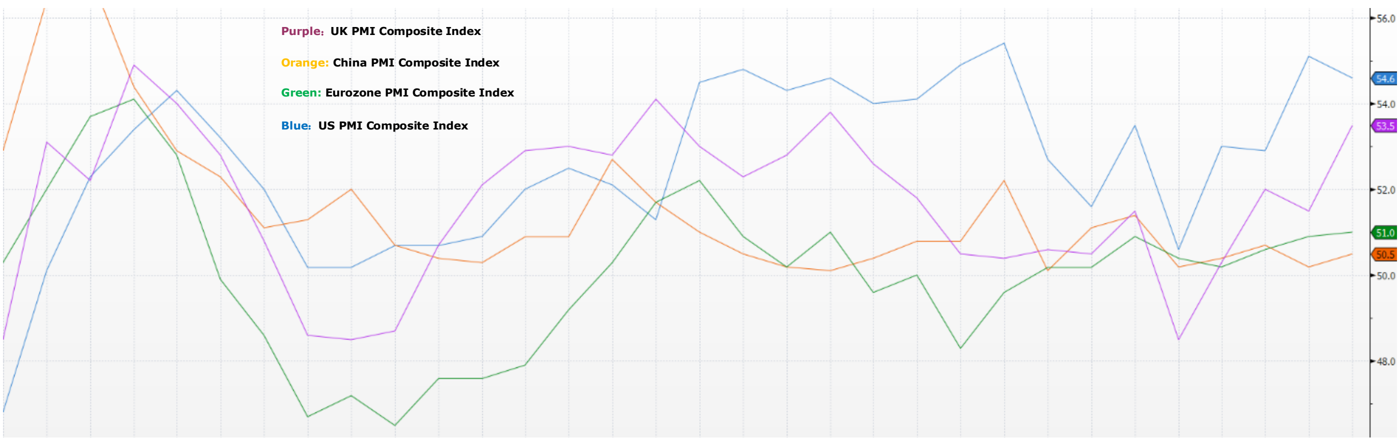
	Last	Previous	
Shanghai&Shenzhen 300 Index	4538.22	4593.98	**-1.21%**
Dow Jones Industrial Average	46706.58	46067.58	**1.39%**
FTSE 100 Index	9403.57	9442.87	**-0.42%**
Nikkei 225 Index	49185.50	48088.80	**2.28%**
BVAL U.S. 10-year Note Yield	4.0041	4.0738	**-1.71%**
BVAL China 10-year Note Yield	1.8266	1.8307	**-0.22%**







PMI Index



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—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.

US 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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