

9/12/2025

	Last	Previous	% Change
U.S. Dollar Index(DXY)	99.10	99.36	-0.26%
USD/CNY	7.0719	7.0670	0.07%
U.S. FOMC Upper Interest Rate	4.25	4.50	-5.56%
China Repo 7 day	1.50	1.50	0
Caixin China Manufacturing PMI	49.90	50.60	-1.38%
Markit U.S. Manufacturing PMI	50.70	52.00	-2.50%

Currency and Global Market:

Last week, the US ATP data came in weaker than expected, boosting expectations for interest rate cuts. However, the release of September's US PCE data that missed expectations led to a pullback in inflation expectations and a slight decline of interest rate hike expectations. Silver retreated after hitting a new all-time high. Following the rate cut this week, trades driven by expectations of a rate cut may face profit-taking sell-offs. Inflation in the Eurozone has fallen to levels close to the 2% policy target, hinting to a period of stability for the ECB's monetary policy in the near term. In addition to consensus being reached in China-US consultations and accelerated stocking for overseas holidays, China's manufacturing PMI rebounded in November and December. Some researchers argue that the Chinese Politburo made no mention of the "anti-involution" initiative in its December meeting. Instead, it prioritized supply-side optimization, a policy tilt that fell short of market expectations and subsequently triggered price declines in certain commodities, including coking coal and coke. After raising interest rates in January, the Bank of Japan has kept its policy unchanged for six consecutive meetings. Last Sunday, the central bank sent an explicit signal indicating an interest rate hike in December.

FFA:

Capesize freight rates in the Pacific market have surged sharply, with daily time charter rates (TCR) hitting a new high since April 2024. This rally is primarily driven by robust spot market demand: Australian miners and operators have maintained active vessel inquiries this week, with strong shipping demand concentrated on cargoes scheduled for loading in mid-to-late December. Meanwhile, the Atlantic round-trip routes have also seen significant rate gains, while FFA prices have continued to fuel strong bullish sentiment. In addition, China-Japan/Pacific round-trip route has risen to nearly \$40,000. For long-haul iron ore routes, cargo volumes from Brazil and West Africa bound for China remained lackluster this week.

Daily TCR for Panamax vessels in the Pacific market edged down moderately from recent highs, weighed down by a combination of weaker coal prices and rising inventories in China, coupled with a slight reduction in coal cargo volumes returning from Indonesia this week. That said, steady coal shipment demand on routes such as Australia-to-Japan is expected to cap the magnitude of the rate decline.

	Last	Previous	
LME Copper 3 Month Rolling	11635.50	11252.00	3.41%
LME Aluminium 3 Month Rolling	2888.00	2893.00	-0.17%
WTI Cushing Crude Oil	58.88	59.32	-0.74%
Platts Iron Ore Fe62%	105.75	107.80	-1.90%
U.S. Gold Physical	4194.52	4205.85	-0.27%
BDI	2727.00	2480.00	9.96%

Oil:

OPEC+ kept crude oil production flat in November. Nevertheless, the global market is currently mired in a pronounced supply surplus. In the near term, sanctions on Russian oil continue to trap substantial volumes of crude in floating storage at sea. Looking ahead, two key factors will dominate geopolitical uncertainty: US efforts to broker a ceasefire between Russia and Ukraine, and its military posturing toward Venezuela.

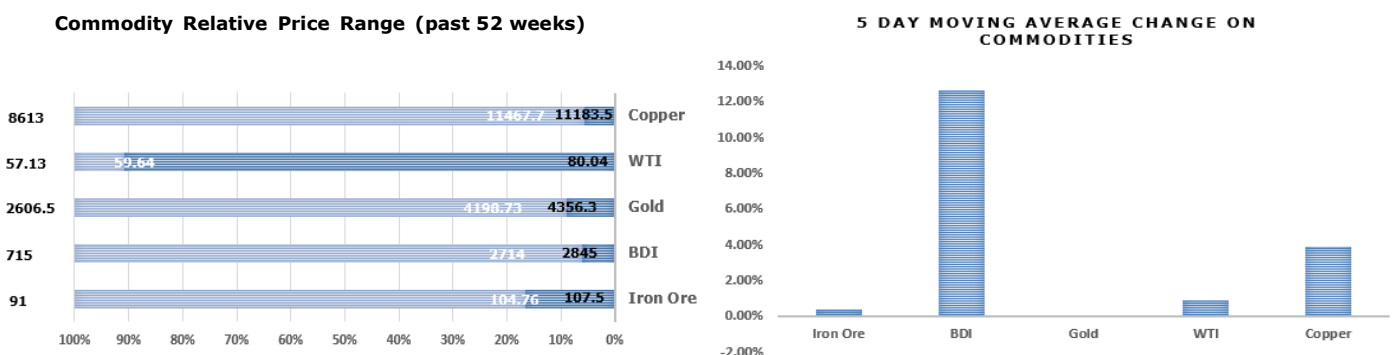
Metals:

Against a backdrop of tight global copper concentrate supply, exacerbated by declining ore grades at major mines in Chile and Peru, frequent production disruptions, and historically low treatment and refining charges (TC/RC), competition for scrap copper as an alternative feedstock has intensified worldwide. Meanwhile, surging withdrawal activities at LME warehouses have driven an unexpected sharp decline in inventories, further exacerbating tightness in the physical copper market.

Recently, downstream sectors in China have shown weak acceptance of elevated copper prices, with purchasing willingness constrained by mounting cost pressures amid record-high spot prices. The China Smelters Purchase Team (CSPT) has recently convened for further deliberations and reached a consensus: it will cut the operating rate of mineral copper production capacity by over 10% in 2026 to improve supply-demand fundamentals of copper concentrate. Additionally, the group is committed to safeguarding the benchmark pricing system, enhancing direct cooperation with mining companies, and resolutely resisting the unreasonable index-based pricing model adopted by traders.

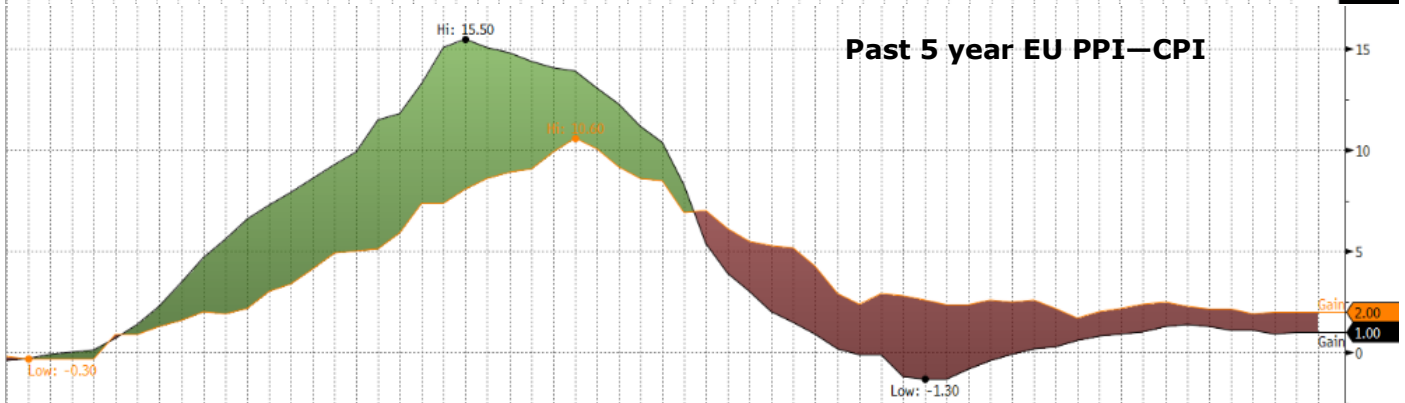
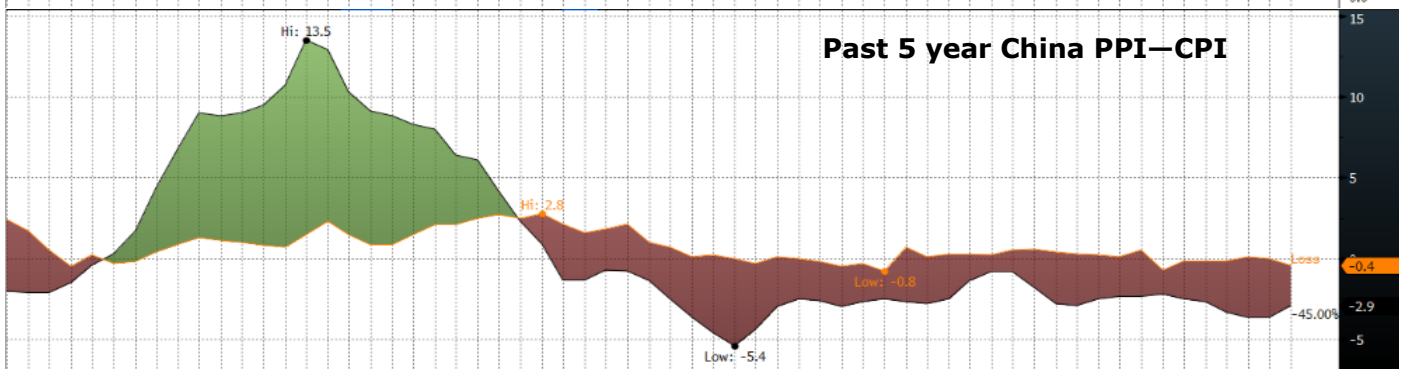
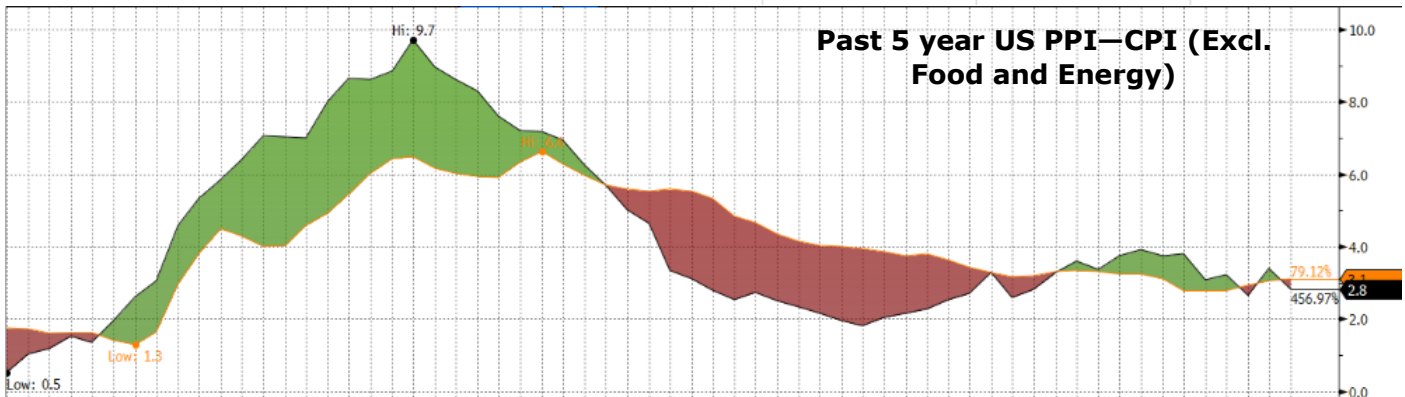
Ferrous:

Market participants are showing a preference for non-PBF ore brands. This is attributable to the declining cost-effectiveness and the impaired sintering performance caused by impurities. Meanwhile, steel mills are ramping up blast furnace maintenance schedules, which is expected to exert downward pressure on port ore prices in the short term.

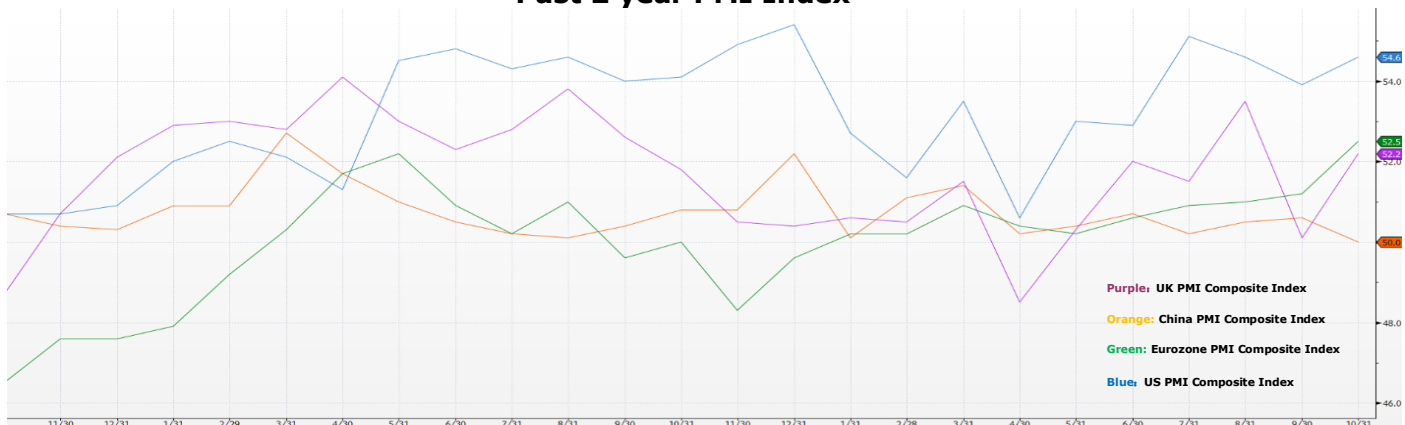


Sources: Bloomberg, FIS

	Last	Previous	
Shanghai&Shenzhen 300 Index	4584.54	4526.66	1.28%
Dow Jones Industrial Average	47739.32	47289.33	0.95%
FTSE 100 Index	9645.09	9702.53	-0.59%
Nikkei 225 Index	50581.94	49303.28	2.59%
BVAL U.S. 10-year Note Yield	4.1829	4.1076	1.83%
BVAL China 10-year Note Yield	1.8564	1.8266	1.63%



Past 2 year 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.

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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