

10/2/2026

	Last	Previous	% Change
U.S. Dollar Index(DXY)	97.48	96.22	1.31%
USD/CNY	6.9376	6.9337	0.06%
U.S. FOMC Upper Interest Rate	3.75	4.00	-6.25%
China Repo 7 day	1.55	1.64	-5.49%
Caixin China Manufacturing PMI	50.30	50.10	0.40%
Markit U.S. Manufacturing PMI	53.30	49.70	7.24%

Global Macro Market:

US employment data softened, and the probability of the Federal Reserve cutting interest rates to 3.25-3.5% in June has risen above 50%, while the odds of a second rate cut by September have also edged higher, alongside a stronger US dollar. The US government faced another technical shutdown. The ECB and the Bank of England remained on hold, but inflation in the euro area fell notably. Australia became the first major advanced economy to raise interest rates in 2026. Recent Chinese policy meetings have focused on issuing government bonds and structured interest rate cuts. A phone call between Chinese and US leaders is seen as a catalyst for cooperation to ease geopolitical tensions. Minutes from the Bank of Japan's meeting suggested the possibility of one to two rate hikes within the year.

US and Chinese equities swung lower before rebounding last week, while European and Japanese stocks extended their rallies. Precious metals plunged and dragged the broader commodity complex lower. However, gold prices stabilized in early trading this week following exchange bans on short selling and renewed large-scale buying by multiple central banks, which in turn helped stabilize the metals sector.

FFA:

The Capesize market in the Pacific region witnessed strong cargo momentum in the first half of the week, supported by the resumption of bauxite exports from West Africa and increased iron ore shipments from Brazil. However, the C5 route weakened ahead of Chinese New Year amid softer miners iron ore export volumes, weighing on overall Asian FFA levels.

Similarly, the Panamax market saw freight rates rise first then ease lower. In the Pacific, spot coal cargoes from Indonesia emerged early in the week, supported by firmer sentiment in the North Pacific and South America markets, lifting rates modestly. During the second half of the week, the inverted price spread between domestic and imported coal weakened the competitiveness of imported coal, leading to softer demand for coal-related tonnage. With ample available vessel capacity in the market, rates softened slightly. Separately, grain freight from Santos, Brazil to North China ports edged up marginally, supported by solid cargo bookings. Nevertheless, congestion at some Brazilian ports has prompted charterers to defer vessel fixtures, which could weigh on freight rates in the near term.

	Last	Previous	
LME Copper 3 Month Rolling	12891.50	13199.00	-2.33%
LME Aluminium 3 Month Rolling	3056.00	3188.50	-4.16%
WTI Cushing Crude Oil	62.14	60.63	2.49%
Platts Iron Ore Fe61%	100.20	102.40	-2.15%
U.S. Gold Physical	4850.70	5180.16	-6.36%
BDI	2148.00	1761.00	21.98%

Supramax vessels in Southeast Asia staged a modest and gradual recovery. Some spot nickel ore cargoes from Indonesia emerged in the SEA region during the week, coupled with increased steel exports from northern China, leading to improved overall market sentiment and steady, mild gains in daily hire rates. News emerged that Indonesia had suspended spot coal exports. While some coal cargoes are still being tendered in the market, ample available tonnage has only resulted in modest volatility in daily rates.

Oil:

Geopolitical tensions between the US and Iran have eased. Delegations from the US, Ukraine, and Russia held a second round of trilateral talks in Abu Dhabi, United Arab Emirates. With geopolitical risks moderating sharply, international crude oil prices fell notably. Oil production at Kazakhstan's giant Tengiz field is gradually recovering after being suspended in mid-January. Saudi Aramco lowered the official selling price (OSP) of Arab Light crude to Asian buyers by 30 cents/barrel, setting it at par with the regional benchmark for March. This marks the first time since 2021 that Saudi Aramco has priced its crude to Asia at the regional benchmark, rather than at a premium. Sources familiar with the matter stated that the US administration is pushing to issue a general license as early as this week, allowing companies to engage in crude oil and natural gas exploration and production in Venezuela. Previously, eight OPEC member states agreed to maintain their existing pause on additional production increases, keeping crude output unchanged in March.

Metals:

In late January and early February, amid market concerns about a hawkish pivot by the Federal Reserve, metals fell sharply while the US dollar rebounded. Technology sectors such as software, semiconductors, and AI experienced a sell-off. Coupled with the concentrated exit of long funds, non-ferrous metals suffered significant declines. In the medium term, the US \$12 billion critical mineral reserve program, as well as China's expansion of copper strategic reserves and commercial reserve mechanisms, are conducive to the long-term resilient growth of copper demand. The labor contract for Chile's Mantoverde mine was signed, ending a one-month strike, and the market expects production to resume soon. After a prolonged period of copper inflows into Comex, supply has loosened, and the direction of subsequent copper inflows may shift to China. As China's holiday approaches, downstream consumption expectations are weakening.

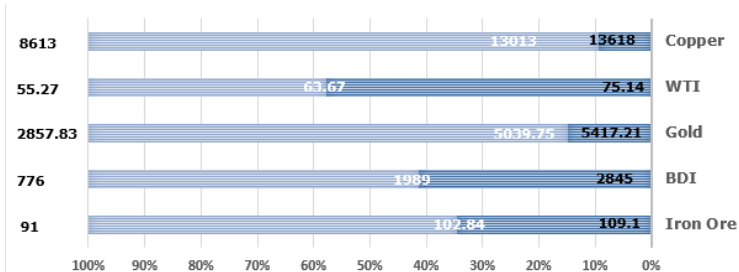
Sources: Bloomberg, FIS

Ferrous:

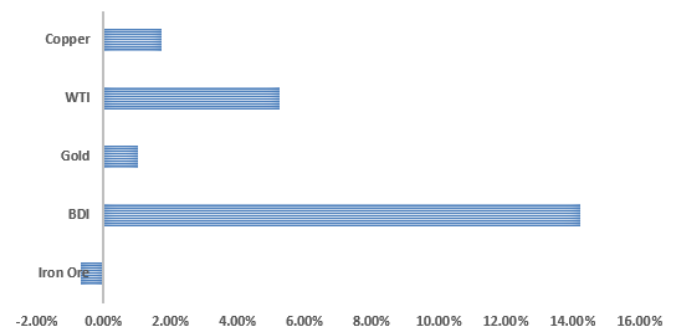
Last week, Indonesia's coal production cut policy drew market attention. Although the policy has not yet been implemented and may still be subject to adjustments, the downward trend in Indonesia's coal output is largely established. Spot PLV cargoes remained scarce, market sources reported active offers for prompt-loading Australian PLV Peak Downs cargoes, though details could not be verified before market close. Indian domestic metallurgical coke prices extended gains on the East Coast in the week to February 6, driven by firm demand and rising coking coal costs.

As the Chinese New Year approaching, reduced downstream steel production and elevated inventories continued to weigh on prices. Trading activity slowed significantly in both primary and secondary markets. China's port-stock iron ore prices declined further to end the trading week, with muted liquidity amid completed mill restocking. Although it is now clear that MACF and NHGF are not subject to import restrictions, Chinese steel mills continue to avoid direct purchases of these two brands from miners in the seaborne spot market, with traders becoming the primary counterparties. As Tropical Cyclone Mitchell moves south, Port Hedland in northwest Australia resumed operations on Sunday.

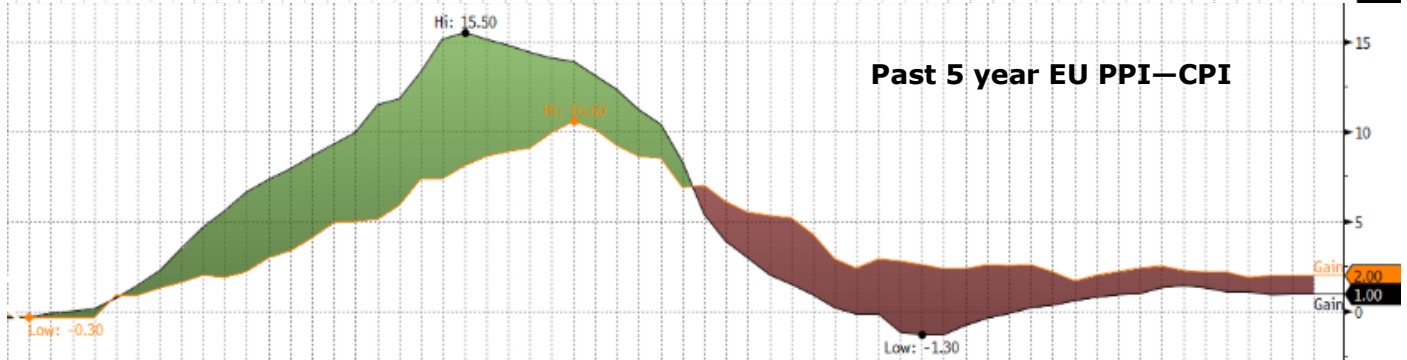
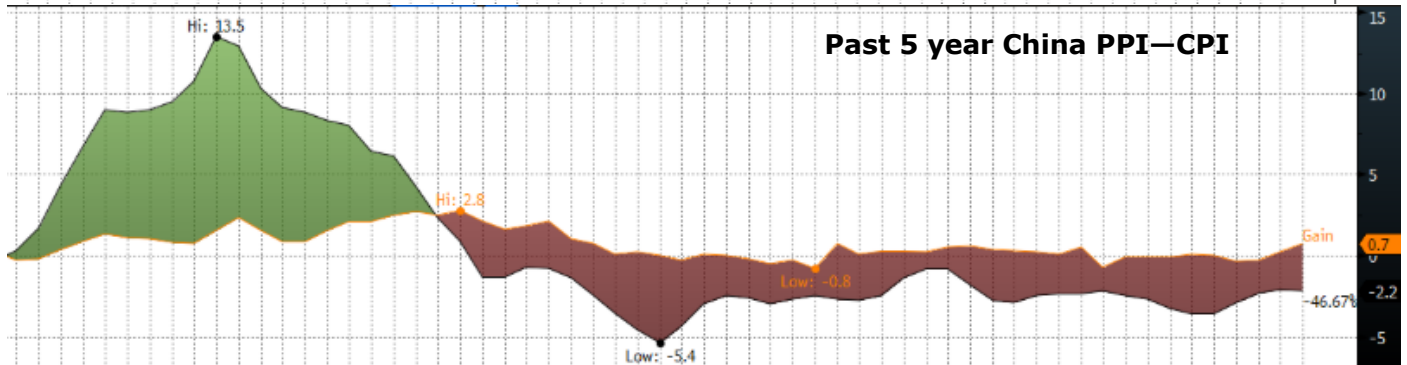
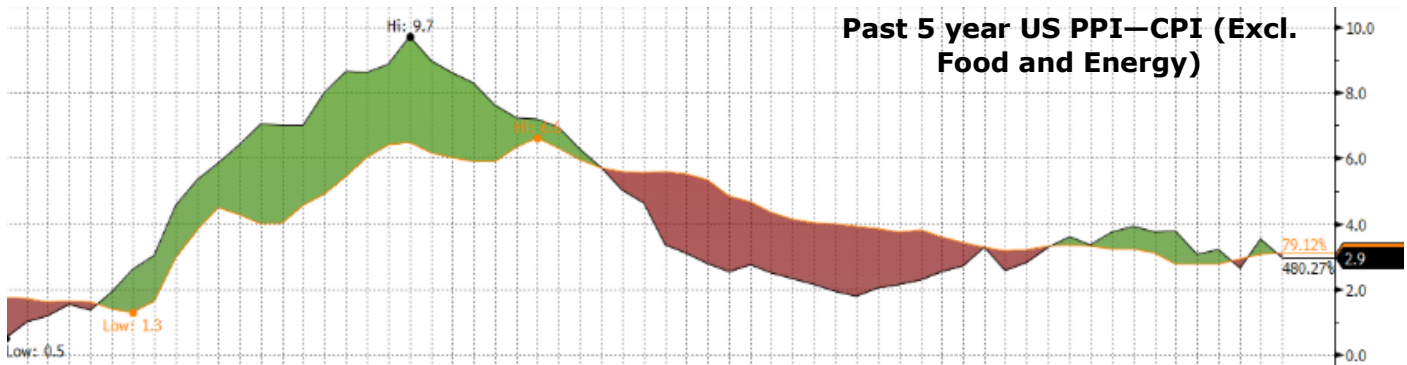
Commodity Relative Price Range (past 52 weeks)



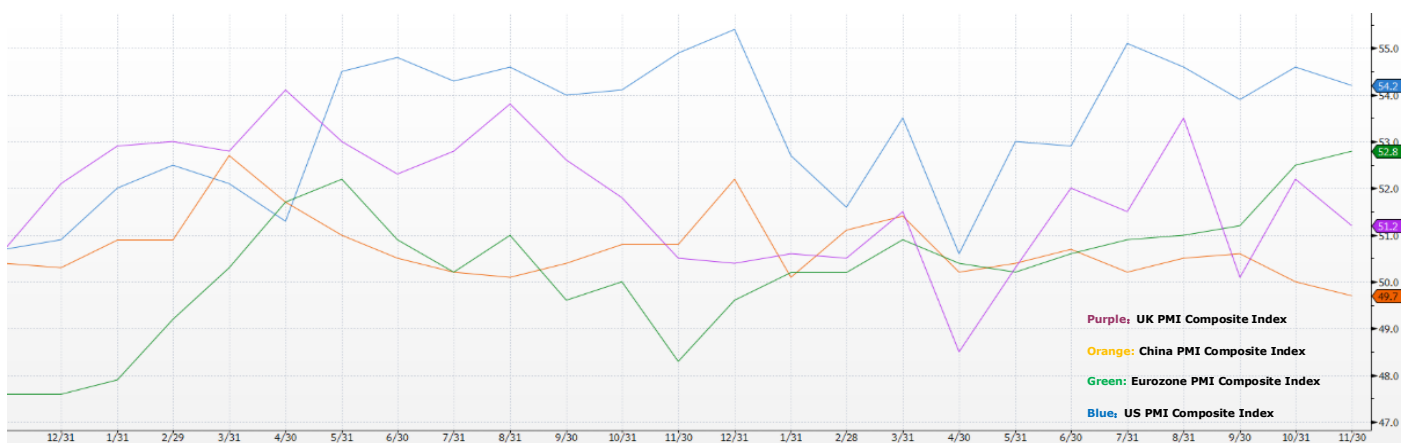
5 DAY MOVING AVERAGE CHANGE ON COMMODITIES



	Last	Previous	
Shanghai&Shenzhen 300 Index	4605.98	4706.96	-2.15%
Dow Jones Industrial Average	49407.66	49412.40	-0.01%
FTSE 100 Index	10341.56	10148.85	1.90%
Nikkei 225 Index	52655.18	52885.25	-0.44%
BVAL U.S. 10-year Note Yield	4.3046	4.2328	1.70%
BVAL China 10-year Note Yield	1.8130	1.8264	-0.73%



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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