

3/2/2026

	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:

Following a short squeeze rally in January, gold and silver recorded their largest single-day declines in 43 and 46 years respectively on 30th January. US president Donald Trump's nomination of Kevin Warsh, a hawkish candidate, as the next Chair of the Federal Reserve emerged as the biggest trigger for the sharp plunge in precious metal prices. In addition, the rapid de-escalation of geopolitical risks, the renewed recognition of the Federal Reserve's independence, and the Fed's measures to defend the foreign exchange market all contributed to the dollar's rebound and the decline in precious metals. As gold and silver have become the world's largest and second-largest asset classes, the emergence of sell-offs triggered a broad decline in global commodities and equity markets. With the short-term crisis abating, commodities are expected to return to fundamentals.

The US PPI for February far exceeded expectations, and the housing price index stabilized and rebounded. China's economy in January featured pronounced seasonal effects, simultaneous weakness in domestic and external demand, and notable price rises. The Eurozone's Q4 GDP outperformed expectations, with Germany returning to growth for the first time in two quarters. The EU and India reached a free trade agreement. UK Prime Minister Keir Starmer concluded his four-day visit to China, the first trip to the country by a British Prime Minister since 2018. Starmer described the visit as "historic", and China and the UK agreed to establish a high-level climate and nature partnership. The two sides also committed to developing a long-term, stable and comprehensive strategic partnership, and signed 12 intergovernmental cooperation documents covering trade and economy, agri-food, culture, market supervision, law enforcement cooperation and other fields.

FFA:

Sentiment in the Capesize market has turned positive, with long-haul iron ore routes performing relatively well. In the Pacific market, major Australian miners have maintained stable shipments since the start of the year, with Rio Tinto registering relatively high shipping activities. For Brazil routes, the impact of the rainy season has been milder than usual, and shipping demand has outperformed the same period in previous years, helping absorb capacity. With the advancement of mine resumption projects in Guinea and the end of the rainy season, bauxite shipments from the country have remained stable. Australia's overall bauxite shipments have also been steady. However, Chinese alumina refineries are grappling with low profit margins, leading to weak procurement appetite.

	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%	102.40	106.65	-3.98%
U.S. Gold Physical	4850.70	5180.16	-6.36%
BDI	2148.00	1761.00	21.98%

The Panamax market edged up during the past report week. Indonesian coal cargo inquiries were limited, available capacity rose, and TC rates fluctuated slightly. China-Japan/Pacific round voyage TC was up significantly. Grain market shipping demand stayed firm, with ample spot cargo inquiries absorbing idle capacity and freight rate uptrend continuing.

Oil:

Geopolitical risks between US and Iran flared up, yet diplomatic negotiation restarted early this week. Market risk premium pricing is likely to pull back again after the fact. US EIA oil product inventories saw across-the-board builds this week, indicating a renewed uptick in supply pressure in the physical market, as demand has failed to fully consume the available supply. Iran's offshore crude oil inventories have hit a record high of approximately 170 million barrels. The OPEC+ production policy meeting on 1st February is expected to maintain the production hike pause and confirm that output will not be raised in March.

Metals:

Copper prices have pulled back following a record high, tracking the sharp plunge in gold and silver. Amid ongoing global geopolitical volatility and lingering high risks of trade frictions, the market remains in a period of elevated volatility. The global supply contraction is set to persist for an extended period, driven by production cuts at Grasberg and Southern Copper Peru, and the potential agreement among China Smelters Purchase Team to curtail mined copper output by 10%. In the long term, the synchronized accommodative policies of China and US have laid a fundamental foundation for a secular uptrend in copper prices. Rising geopolitical risks and eroding US dollar credibility have solidified gold's monetary attributes for the long haul, which in turn underpins the resilience of copper's intrinsic value. Key long-term risks stem from the bursting of the AI bubble and a de-escalation of geopolitical tensions.

On the supply side, global aluminum smelters still face lingering risks of production cuts driven by operational disruptions going forward. Following Century Aluminum's production halt, the Mozal Aluminum Smelter indicated that it may suspend production in March as it failed to reach a power supply agreement. In addition, smelters including Tomago are also at risk of halting production upon the expiration of their power supply contracts. However, Indonesia's new aluminum smelting projects are currently in the ramp-up phase. Backed by robust profit margins, China primary aluminum producers maintain a stable and high operating rate.

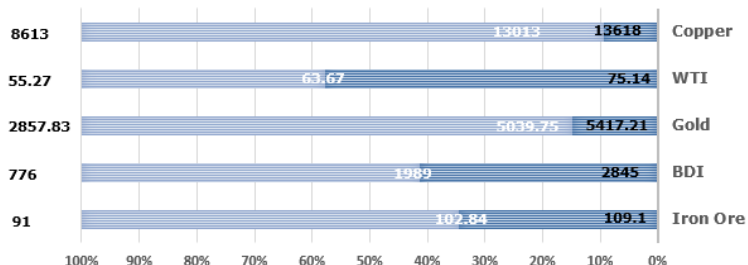
Sources: Bloomberg, FIS

Ferrous:

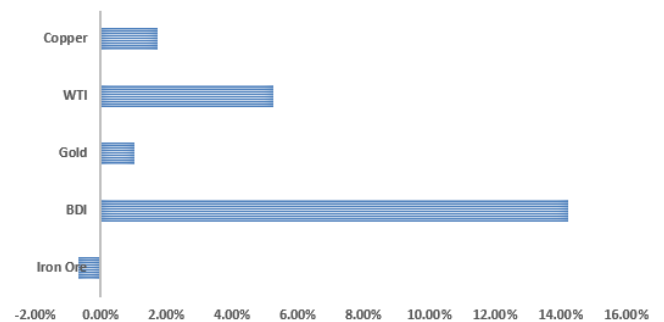
Last week, iron ore traded sideways, buoyed by the positive impact of relaxed real estate policies in China while being weighed on by the sharp decline in precious metals. Robust pre-holiday stocking demand in China led to heavy trading activity in the MACF. Aggregated seaborne and port trading volumes of iron ore in China rose last week, rebounding for four consecutive weeks since early January. Aggregated seaborne and port trading volumes of iron ore in China rose last week, rebounding for four consecutive weeks since early January.

In the Indian market, demand for imported coking coal has weakened due to the depreciation of the Indian rupee, with buyers switching to domestic coal or Iranian HBI. Eased port congestion and buyers' resistance to high prices have dented steel mills' pre-holiday stocking appetite, souring market sentiment. However, spot supply of medium-volatile coking coal remains tight.

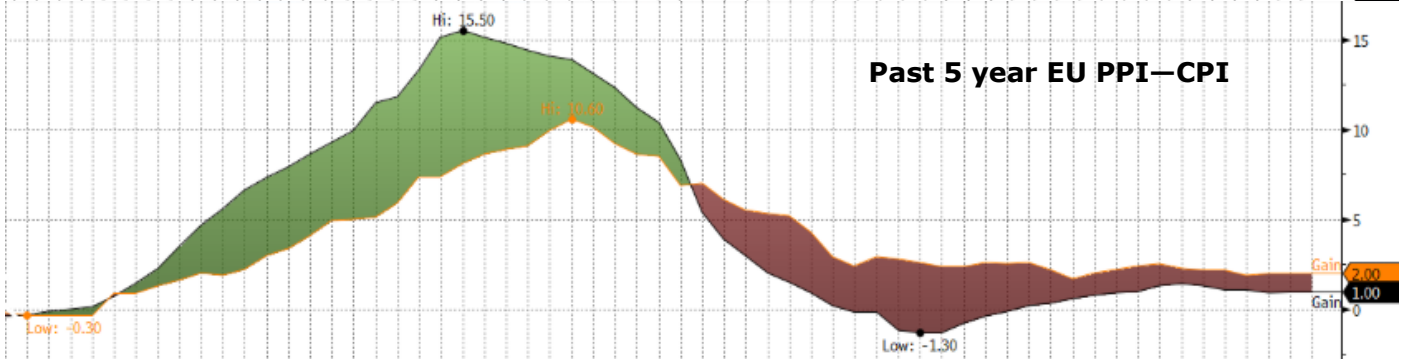
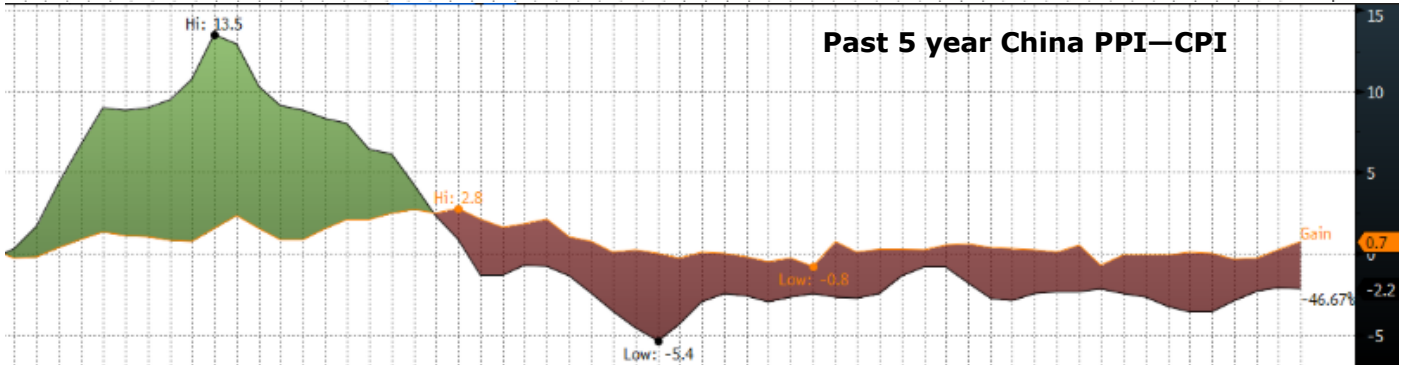
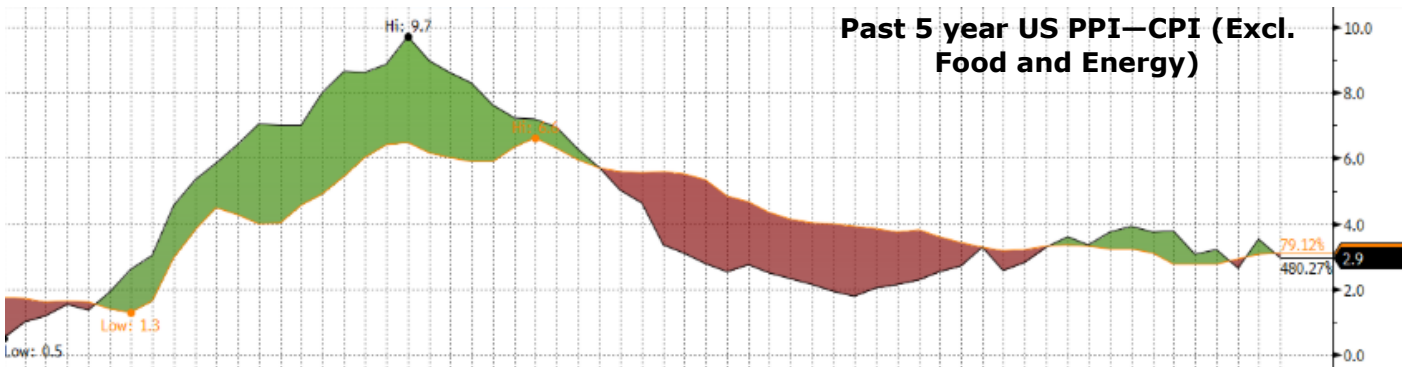
Commodity Relative Price Range (past 52 weeks)



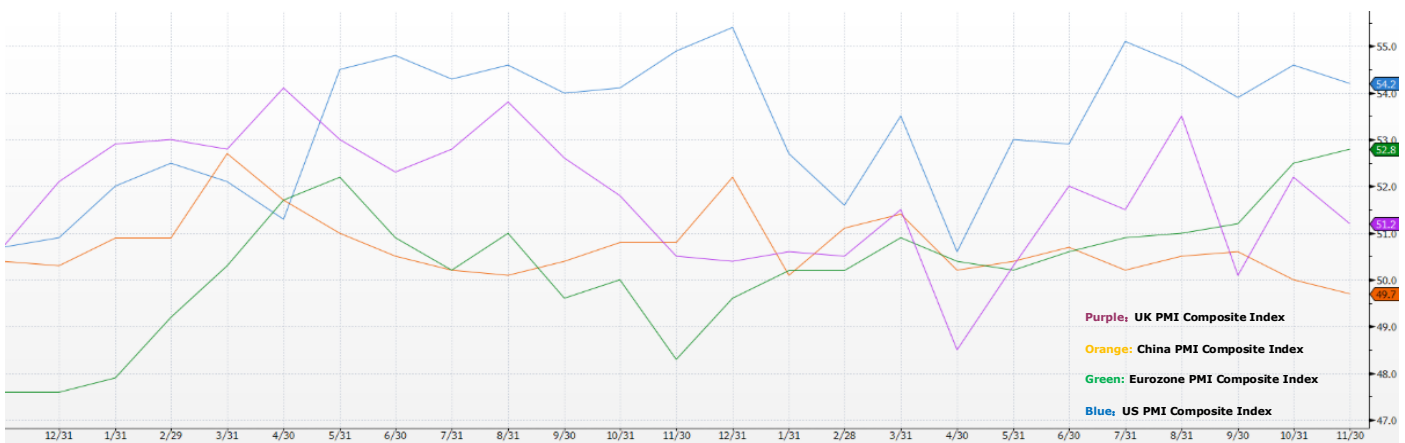
5 DAY MOVING AVERAGE CHANGE ON COMMODITIES



	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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