



Macro Report

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

17/3/2026

	Last	Previous	% Change
U.S. Dollar Index(DXY)	99.93	98.83	1.12%
USD/CNY	6.8882	6.8790	0.13%
U.S. FOMC Upper Interest Rate	3.75	4.00	-6.25%
China Repo 7 day	1.52	1.52	0
Caixin China Manufacturing PMI	52.10	50.30	3.58%
Markit U.S. Manufacturing PMI	53.30	49.70	7.24%

Global Macro Market:

Geopolitical tensions in the Middle East remain the dominant market theme. Iran’s new leadership has adopted a hardline stance and threatened to block the Strait of Hormuz, prompting the IEA to slash its global oil supply growth forecast significantly. Shipping risks stemming from the conflict have spilled over across petro-chemicals, agricultural commodities, industrial goods, equities, and fixed income, with contagion continuing over the past week. To cap oil prices, US is reportedly planning a temporary waiver of the Jones Act to boost domestic petroleum logistics. Energy-importing economies and disrupted oil-exporting nations will bear a greater impact, while other energy exporters stand to benefit. If upcoming negotiations help de-escalate geopolitical risks, the current market positioning could reverse sharply: oil and chemicals may potentially correct lower, while other sectors would gradually recover. Global central banks have shifted to a hawkish stance, putting the bond market under selling pressure. At the same time, the safe-haven function of gold has been reduced.

FFA:

Capesize freight extended gains amid sustained tonnage growth as well as front-loading of shipping capacity. The market should gain momentum supported by sufficient iron ore exports. Major Australian miners have all entered the market, driving a surge in vessel demand. On the other side, the Guinean government is explicitly discussing capping monthly bauxite exports to counter the prolonged slump in global bauxite prices. In addition, the introduction of real-time export quotas and a push for local downstream processing will further reduce future export volumes, which in turn will weigh on vessel demand. However, as bauxite requires less shipping capacity relatively to iron ore, the impact on the marginal Capesize market should be limited.

Panamax rates have fallen while freight costs have risen. Rising international bunker prices have pushed up spot and time-charter rates on China’s coal import routes. In the grain market, surging bunker costs have led shipowners to raise offers sharply, prompting charterers to hold back shipments. The market is closely watching the crisis in the Middle East and its impact on oil prices.

Sources: Bloomberg, FIS

	Last	Previous	
LME Copper 3 Month Rolling	12855.50	12954.00	-0.76%
LME Aluminium 3 Month Rolling	3395.50	3385.50	0.30%
WTI Cushing Crude Oil	93.50	82.79	12.94%
Platts Iron Ore Fe61%	108.80	104.55	4.07%
U.S. Gold Physical	5004.49	5191.98	-3.61%
BDI	2028.00	2138.00	-5.14%

Supramax segment saw scarce new cargoes in Southeast Asia this week, due to a persistent market wait-and-see sentiment. Rising oil prices eroded earnings, pushing down daily T/C rates in the region.

Oil:

During the past week, geopolitical tensions in the Middle East escalated further, disrupting shipping through the Strait of Hormuz and hitting production and exports in Saudi Arabia, the UAE, and other regional producers. Qatar warned that all energy-exporting nations in the Gulf could halt their output within weeks, sending fears of a severe supply disruption soaring. President Donald Trump announced temporary waivers on some oil-related sanctions and IEA members agreed to release the strategic petroleum reserves (SPR), contributing to improve the market sentiment. Despite that, all current supply-boosting measures combined still cannot offset more than half of the daily crude oil deficit.

Metals:

Geopolitical conflicts and surging oil prices have dampened market expectations for the Fed rate cuts, while a strong US dollar has also weighed on copper prices. Copper concentrate prices have fallen recently. The impact of strikes in Australia is gradually fading. Inventories on COMEX and LME have started to accumulate rapidly at historical high level. Over the medium term, downstream enterprises in China will resume their work, entering the peak demand season in April and May. Demand from data centers and batteries is expected to recover. In addition, the restructuring of the US power grid infrastructure will also boost copper demand.

Ferrous:

China's steel market is gradually resuming production post-New Year holidays. Following the conclusion of major political meetings, expectations of output restrictions have eased, paving the way for accelerated production recovery ahead. In Southeast Asia, geopolitical risks have driven up prices for both finished and semi-finished steel products. Chinese steel export went down 8.1% in the first two months of 2026, while Turkey's steel exports plunged 11% year-on-year.

Sources: Bloomberg, FIS

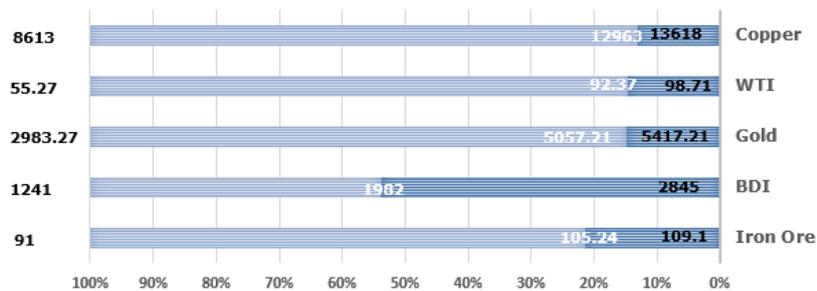
	Last	Previous	
Shanghai&Shenzhen 300 Index	4669.14	4660.44	0.19%
Dow Jones Industrial Average	46946.41	47740.80	-1.66%
FTSE 100 Index	10317.69	10249.52	0.67%
Nikkei 225 Index	53751.15	52728.72	1.94%
BVAL U.S. 10-year Note Yield	4.2461	4.1213	3.03%
BVAL China 10-year Note Yield	1.8362	1.8096	1.47%

The crisis in the Middle East has increased electricity costs for steelmaking in some countries, though domestic steelmaking costs in China have risen modestly. This is because iron ore freight costs were largely locked in earlier and have not been reflected in the short term. Additionally, land-shipped coal can be a substitute for seaborne coal. Further geopolitical may lend support to flat steel prices. The issuance pace of new special-purpose bonds in China Q1 2026 has accelerated YoY. The 2026 Draft Plan for China’s National Economic and Social Development pledges to stabilize supply and demand in steel, nonferrous metals and building materials, improve corporate profitability, lower energy use and carbon intensity per unit output, and orderly reduce steel capacity.

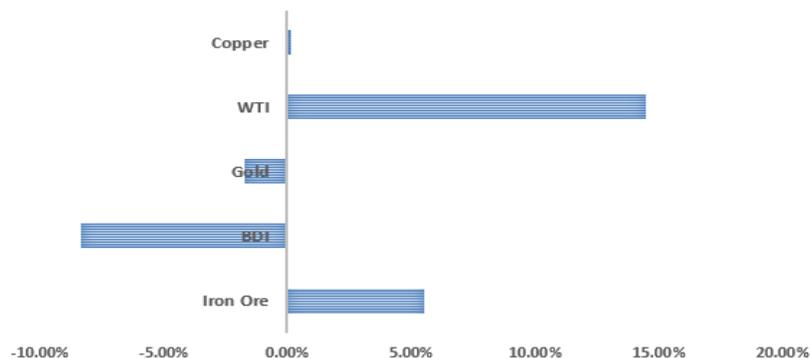
Seaborne coking coal market traded within a narrow range last week. Buying interest from Indian buyers has notably recovered, but they remain price-sensitive and quickly step back once prices rebound. China’s domestic spot coking coal market has been gradually declining since the Lunar New Year.

The physical trades of iron ore were concentrated on MACF and lumps. The market was focusing the potential reopening of JMBF stocks locked on ports. Leading Chinese steel producers held discussions earlier this afternoon to address raw material security and to safeguard stable supply chains amid escalating geopolitical risks and shipping disruptions in the Middle East.

Commodity Relative Price Range (past 52 weeks)

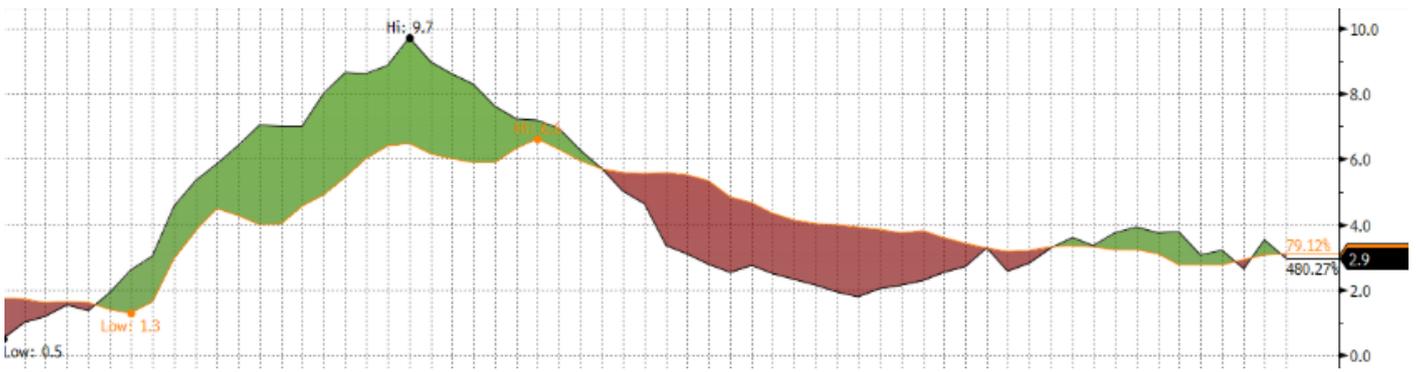


5 Day Moving Average Change on Commodities

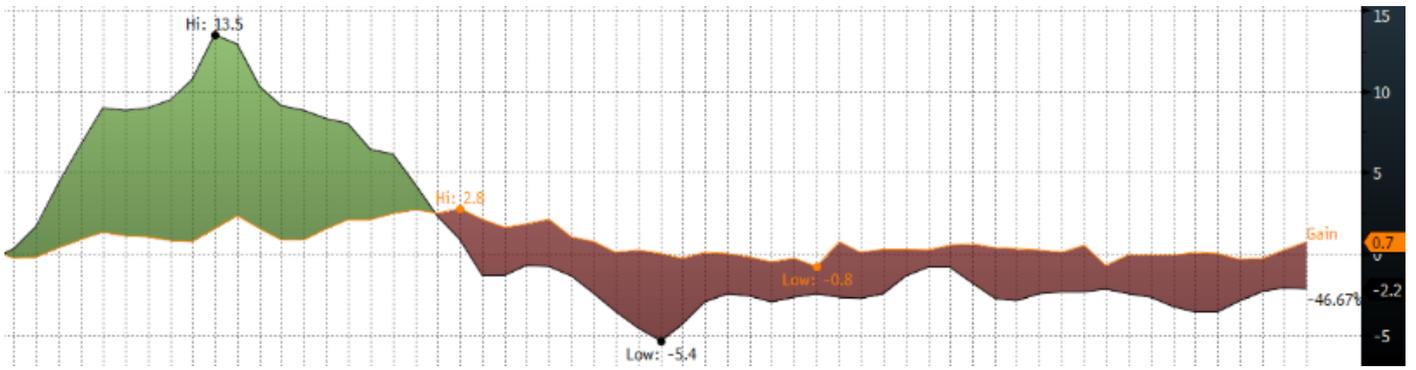


Sources: Bloomberg, FIS

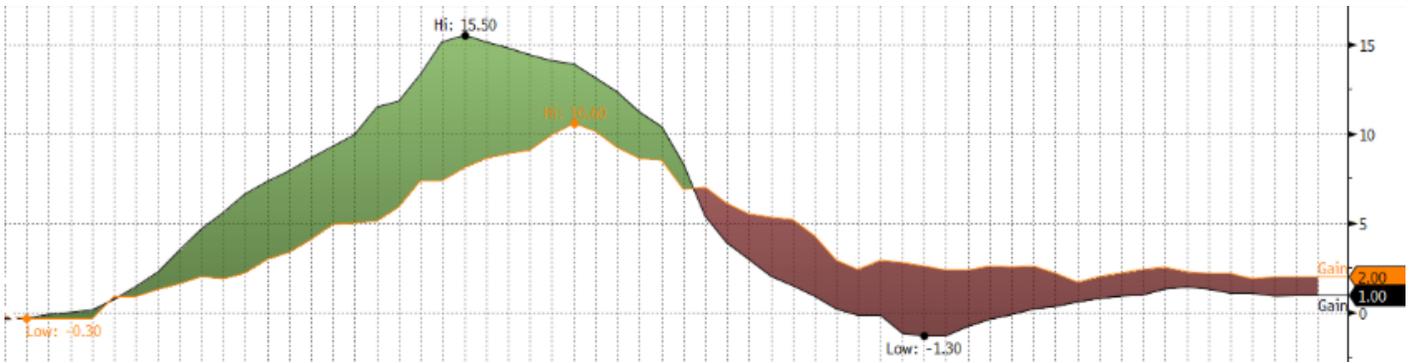
Past 5 year US PPI—CPI (Excl. Food and Energy)



Past 5 year China PPI—CPI



Past 5 year EU PPI—CPI



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.

Written by **Hao Pei**,
FIS Senior Research Analyst
haop@freightinvestor.com