

3/3/2026

	Last	Previous	% Change
U.S. Dollar Index(DXY)	98.38	97.71	0.69%
USD/CNY	6.8958	6.8793	0.24%
U.S. FOMC Upper Interest Rate	3.75	4.00	-6.25%
China Repo 7 day	1.56	1.63	-4.29%
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 and Israel have launched joint military strikes against Iran. As a result, few vessels are still sailing through the Strait of Hormuz. Furthermore, the Houthi rebels have resumed attacks to ships in the Red Sea.

A review of geopolitical conflicts over the past decade reveals a consistent trend: precious metals tend to see sustained support from geopolitical tensions; crude oil typically rallies first on supply-shortage fears, then corrects lower as risk sentiment improves. Other commodities initially fall on risk-off flows before rebounding back to their fundamental trends. In the early stage of the current crisis, commodity price action has so far aligned with this trend. However, the overall volatility in this cycle could reach the highest level seen in any geopolitical conflict of the past 10–20 years. This is largely due to extreme divergence across commodities: industrial and chemical products are at historical lows, while precious metals trade near record highs. The sudden shift in market logic from the crisis, combined with valuation reversion, has accelerated price moves.

Demand for safe-haven goods and the US achieving part of its short-term strategic objectives have underpinned the strength of the dollar. However, potential credit risks and the prospect of a rate-cut cycle will still weigh on the dollar over the longer term.

FFA:

In the context of the geopolitical crisis, surging war risk insurance premiums, capacity reallocation, and rising fuel costs are expected to underpin strong Capesize freight rates. C3 and C5 refreshed 3-months high.

Panama route freight rates have rebounded, mainly driven by more Australian coal cargoes and stronger South American shipping demand compared with the same period in the past two years. South America saw less rainfall in March and April; despite being off-season, coal demand remains stable. TC rates for routes from Indonesia to China have rebounded significantly.

In the Southeast Asian market, demand for Indonesian coal from India and Southeast Asia has been strong this week, becoming the main driver of the rally in the Supramax market.

Sources: Bloomberg, FIS

	Last	Previous	
LME Copper 3 Month Rolling	13108.00	12868.50	1.86%
LME Aluminium 3 Month Rolling	3194.50	3089.50	3.40%
WTI Cushing Crude Oil	71.30	66.31	7.53%
Platts Iron Ore Fe61%	100.35	96.40	4.10%
U.S. Gold Physical	5352.35	5143.85	4.05%
BDI	2140.00	2019.00	5.99%

Oil:

The Middle East crisis risks becoming prolonged, with a potential closure of the Strait of Hormuz disrupting most oil tankers destined for Asia. While OPEC+ agreed to implement a modest production increase starting in April, with some producers even ramping up exports early, these measures are insufficient to address short-term shipping disruptions.

EIA data showed that the US refinery utilization rate fell by 2.4% last week, easing the refined product inventory pressure to some extent. However, US drilling activity remains weak, and shale oil production is near the cost threshold, leading to insufficient incentive to increase output. Refinery run rates in major Chinese refineries are currently stable.

Metals:

Copper prices edged higher last week. Recent flooding in the Democratic Republic of the Congo (DRC) has collapsed bridges, causing a temporary slowdown in logistics and transportation. Approximately 90% of DRC's copper exports are destined for China. Short-term geopolitical risks are providing support for copper prices.

JPMorgan forecasts a 130,000-tonne supply deficit in the global copper market for 2026, which is expected to shift to a modest surplus in 2027. Following the Chinese New Year, operating rates at China's downstream copper-consuming sectors have rebounded, absorbing the previously accumulated large inventories. The market outlook hinges on the implementation of policies from China's upcoming Two Sessions and changes in geopolitical risks.

Ferrous:

Following the Chinese New Year, key seaborne iron ore trading activity was concentrated in mid-grade fines, including PBF, NHGF and MACF, traded on a floating basis. However, sintering restrictions in northern China ahead of the Two Sessions, coupled with elevated port inventories, capped upside potential for prices.

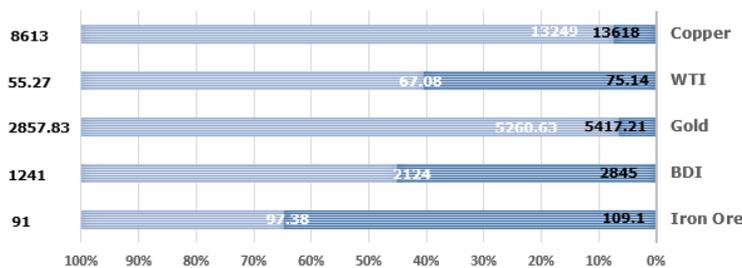
Seaborne coking coal demand in Asia remained weak. Indian buyers stayed on the sidelines, seeking lower offers. Long-term contract volumes from Canada offset supply disruptions from Australian miners.

Sources: Bloomberg, FIS

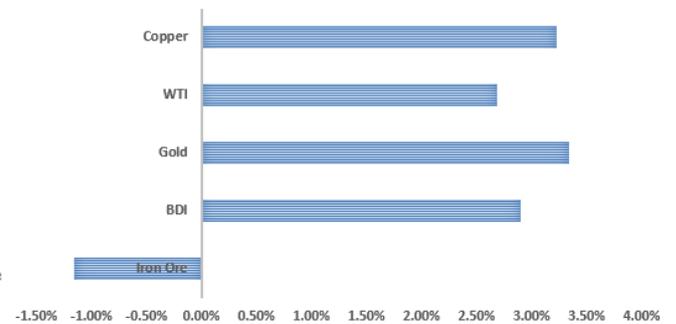
Chinese buying interest was muted, supported by ample domestic supply and increased Mongolian coking coal arrivals. Chinese steel mills are planning for a new round of price cut on physical coke during this week. On the other hand, government policies targeting over-involution may exert downward pressure on supply-heavy sectors such as coal.

Currently, steel and aluminum products remain affected by the earlier US Section 232 tariffs, but the new US Provisional Tariff No. 122 will not be applied cumulatively. Additional headwinds this year include higher export costs for steel and aluminum products due to the EU’s CBAM certificates, as well as the rapid phase-out of high-carbon products.

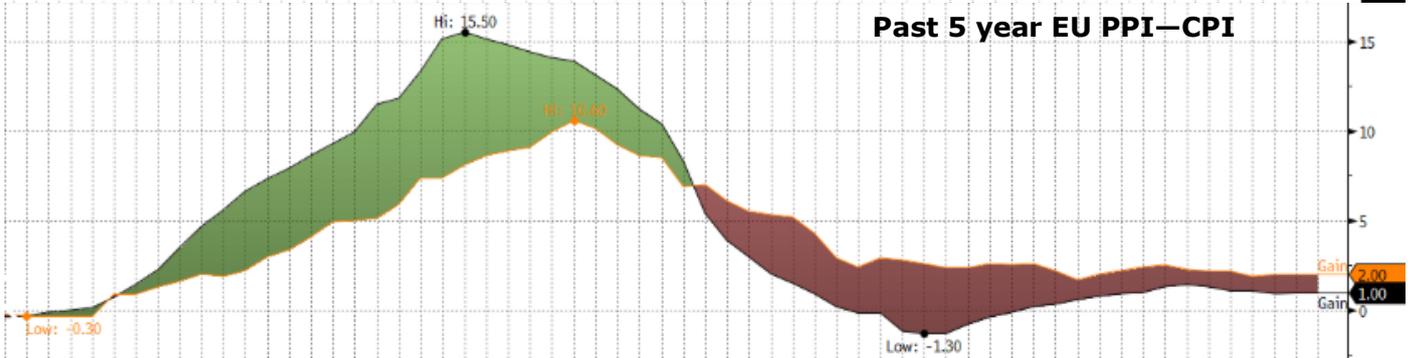
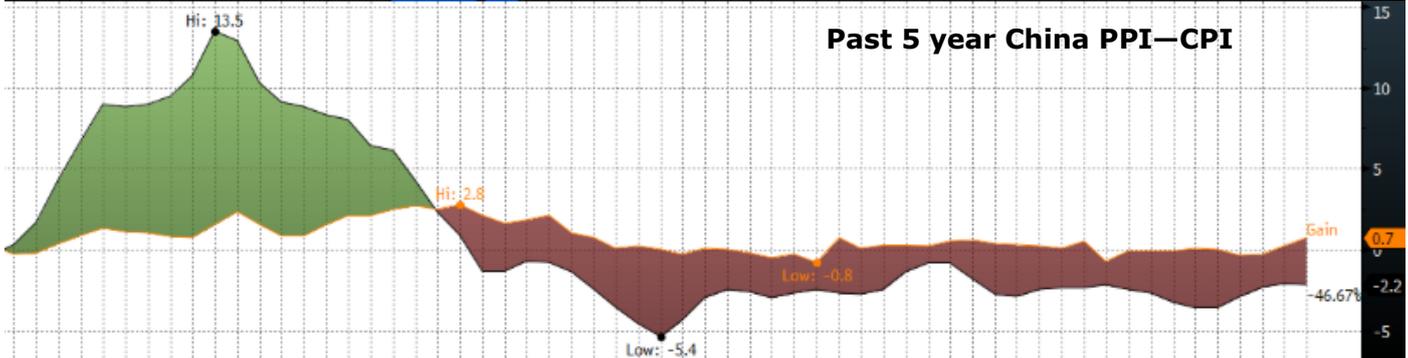
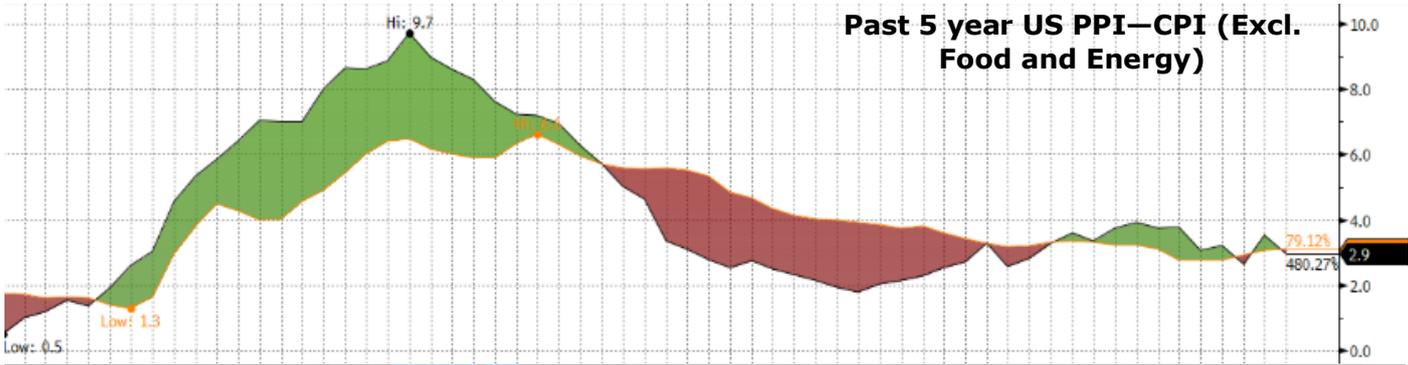
Commodity Relative Price Range (past 52 weeks)



5 DAY MOVING AVERAGE CHANGE ON COMMODITIES



	Last	Previous	
Shanghai&Shenzhen 300 Index	4710.65	4719.58	-0.19%
Dow Jones Industrial Average	48904.78	48804.06	0.21%
FTSE 100 Index	10780.11	10684.74	0.89%
Nikkei 225 Index	58057.24	56825.70	2.17%
BVAL U.S. 10-year Note Yield	4.0635	4.0453	0.45%
BVAL China 10-year Note Yield	1.7920	1.7902	0.10%



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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