



Macro Report

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	Last	Previous	% Change
US Dollar Index(DXY)	98.14	98.44	-0.31%
USD/CNY	6.7922	6.8276	-0.52%
US FOMC Upper Interest Rate	3.75	3.75	0.00%
China Repo 7 day	1.37	1.40	-2.14%
Caixin China Manufacturing PMI	52.20	50.80	2.76%
Markit US Manufacturing PMI	55.70	55.30	0.72%

Global Macro Market:

The crisis in the Middle East remains unresolved, with sporadic frictions on the US -Iran and Israel-Lebanon fronts. Market participants widely expect the upcoming China-US meeting to bring marginal de-escalation to regional tensions. Recent PPI data across China, the US and Europe have rebounded more than expected, corroborating synchronized expansion in global industrial activity and economic recovery.

Elevated energy prices persist, accelerating the energy transition across economies while sustained mine capacity constraints and logistics bottlenecks continue to underpin base metal fundamentals. Global inflation remains entrenched at elevated levels, leaving major economies with limited room for monetary easing and prompting cautious policy stance. Containing further inflation pressure hinges largely on unimpeded shipping routes and a phase easing of geopolitical conflicts. Until these conditions materialize, trade and monetary policies are unlikely to deliver any unexpectedly accommodative stimulus.

FFA:

Capesize spot freight and time charter rates surged sharply this week. Major Australian mines actively sought vessel tonnage last week, and with prior vessel supply already absorbed, tightness in the Pacific market has become increasingly evident. Rising iron ore cargo flow from Brazil and Africa on long-haul routes has also tightened vessel availability across the Atlantic basin.

The Panamax market was boosted by robust coal and grain shipping demand, pushing time charter rates steadily higher. Coal cargoes out of Australia, Indonesia, China, Japan and Vietnam remained firm, keeping spot vessel supply tight. Meanwhile, reduced coking coal exports from Australia and Canada have eased some tonnage demand. Looking ahead, the rising probability of an El Niño event, together with wider fuel-switching demand toward coal, is set to underpin solid coal shipping demand throughout the year. Market focus also remains on the upcoming China-US talks; any pickup in US soybean exports would directly boost dry bulk vessel demand.

Sources: Bloomberg, FIS

	Last	Previous	
LME Copper 3 Month Rolling	13943.00	12996.50	7.28%
LME Aluminium 3 Month Rolling	3579.50	3522.00	1.63%
WTI Cushing Crude Oil	98.07	106.42	-7.85%
Platts Iron Ore Fe61%	112.35	108.55	3.50%
US Gold Physical	4727.96	4556.92	3.75%
BDI	3001.00	2686.00	11.73%

Supramax TC rates stayed firm at elevated levels overall. Near-term shipping appetite for coal and nickel ore moderated slightly, amid softer coal volumes in Southeast Asia and disrupted nickel ore shipments due to rainfall in the Philippines, weighing on overall cargo availability. Nevertheless, sustained growth in steel exports from North China ports has effectively offset weaker cargo fundamentals and provided firm support for Supramax freight rates.

Oil:

Multiple energy agencies confirm daily loadings of crude, condensate and oil products via the Strait of Hormuz collapsed from around 3.8 million barrel/day in early April to below 0.5 million barrel/day in early May, versus pre-conflict levels of over 20 million barrel/day, effectively rendering the key waterway dysfunctional. The IEA reports global supply losses reached 360 million barrels in March and widened to 440 million barrels in April; Singapore fuel oil inventories have fallen to a year-low. In its May report, the IEA revised down its 2026 global oil demand forecast from a 640,000 barrel/day increase to an 80,000 barrel/day decline—the first annual contraction in six years.

Geopolitical and supply dynamics are shifting sharply: the UAE announced its exit from OPEC in late April, driven by ambitions to unlock idle capacity around 4.85 million barrel/day, well above its quota. Its fiscal break-even price is far below Saudi Arabia's. On May 9, Saudi Arabia cut its crude OSP to Asia by \$13/barrel to defend market share. Modest production gains from Brazil and Norway marginally offset Middle Eastern supply shortfalls.

Metals:

Global copper supply-side disruptions have intensified significantly, with the full production resumption of Indonesia's Grasberg copper mine delayed from early 2027 to early 2028, creating widening global supply shortfalls; the mine's 2026 copper output is projected at 363,000 tonnes, representing a year-on-year reduction of 91,000 tonnes or a 20% decline, while China's CSPT plans to cut domestic smelting output by more than 10% in 2026. China's sulfuric acid export ban, officially implemented on May 1, further tightens global supply, as China accounts for 23% of global seaborne sulfuric acid trade and the policy poses a notable impact on global solvent extraction-electrowinning copper production. Chinese smelters have entered a concentrated maintenance cycle starting in May, while overseas operational disturbances have continued to mount, including an explosion at Glencore's Kazzinc smelter in Kazakhstan and a temporary suspension of the Romero copper-gold mine in the Dominican Republic.

Sources: Bloomberg, FIS

	Last	Previous	
Shanghai&Shenzhen 300 Index	4951.84	4810.35	2.94%
Dow Jones Industrial Average	49704.47	48941.90	1.56%
FTSE 100 Index	10269.43	10363.93	-0.91%
Nikkei 225 Index	62417.88	59917.46	4.17%
BVAL US 10-year Note Yield	4.4393	4.4686	-0.66%
BVAL China 10-year Note Yield	1.7724	1.7747	-0.13%

On the inventory front, SHFE copper stocks have declined for six consecutive weeks and currently stand at the lowest level since January, reflecting tight spot supply conditions.

From a demand perspective, copper's medium-to-long-term fundamentals remain firmly underpinned by rapidly rising global new energy vehicle penetration, with each EV requiring over four times more copper than traditional fuel vehicles to drive incremental consumption growth, alongside robust year-on-year expansion in grid and data center investment in both China and the US, which further solidifies structural demand for copper.

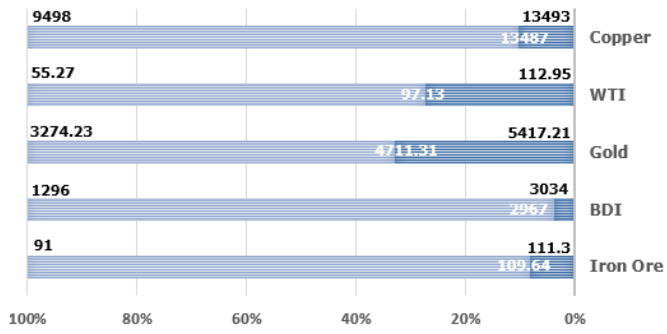
European new energy vehicle sales surging 28% year-on-year in Q1 and US energy storage installations jumping 53% year-on-year over the same period. China's full lithium battery industrial chain production schedule is expected to rise sharply in May. Both China and global lithium supplies face severe shortages in Q2. Market institutions unanimously hold a bullish view on lithium prices for the first half of the year, while significant divergence emerges over the second-half price trend.

Ferrous:

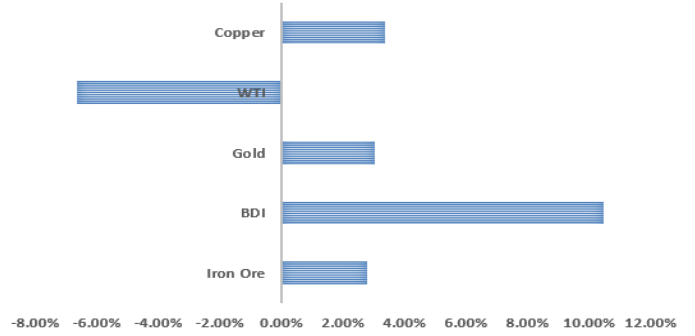
Following the May Day holiday, iron ore spot and futures prices moved higher on the back of stronger offshore markets and improved macro sentiment, while China's daily molten iron output remained elevated at 2.39 million tons. Solid exports of finished and semi-finished steel products have boosted steel mill profitability, sustaining continuous crude steel production expansion. On the supply side, global iron ore shipments have entered the seasonal peak season, with overall overseas shipments in the first two weeks of May hitting a multi-year high for the period. Rising monthly shipments from the Simandou project and increased spot cargo availability from BHP's ports have further lifted global supply volumes. Nevertheless, persistent high freight rates on Western Australia-China routes have pushed up overall CIF costs, providing firm cost support for iron ore prices.

In the coking coal market, border clearance volume for Mongolian coal has returned to high levels, accelerating destocking at northern Chinese ports, while global supply of high-quality coking coal remains structurally tight. With improving fundamental momentum, market participants widely expect the fourth round of China domestic coke price hikes to be fully implemented.

Commodity Relative Price Range (past 52 weeks)

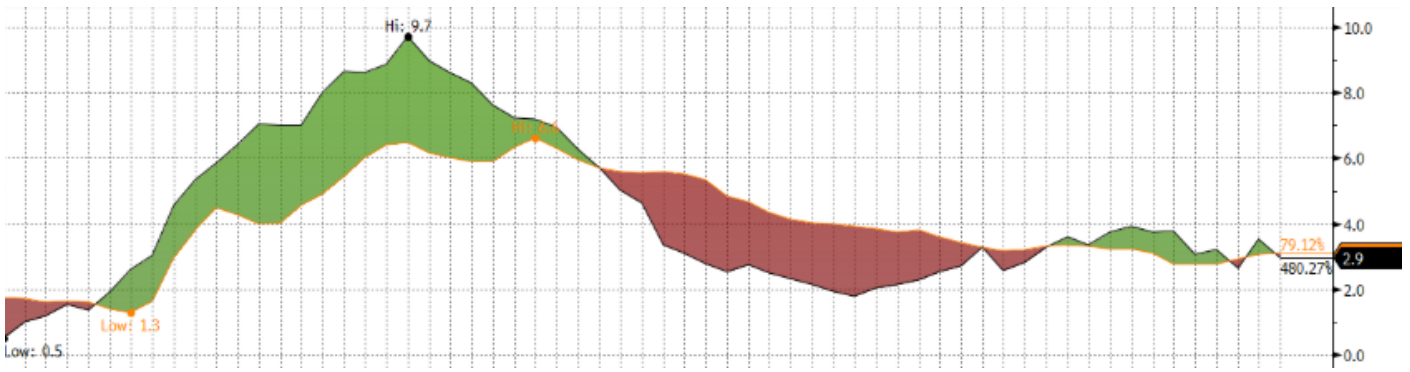


5 Day Moving Average Change on Commodities

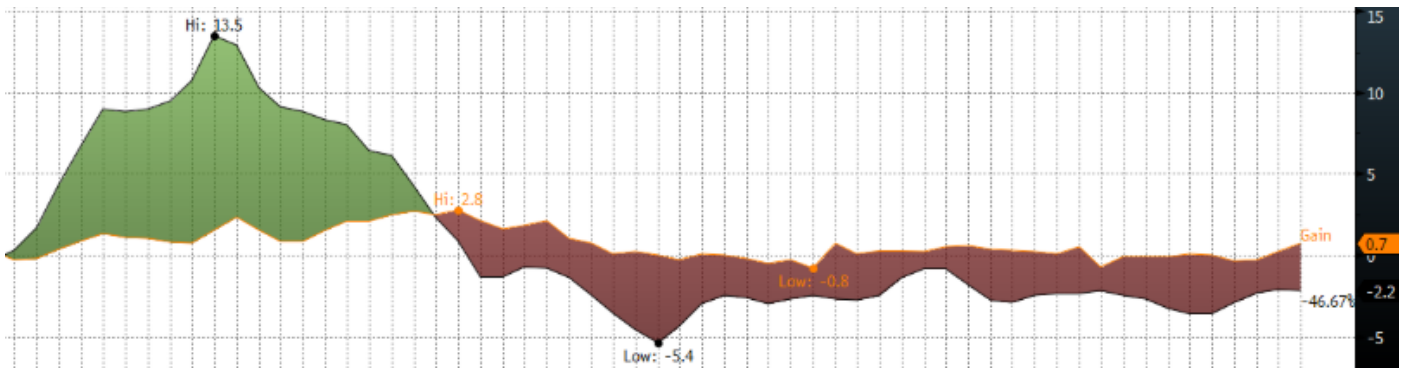


Sources: Bloomberg, FIS

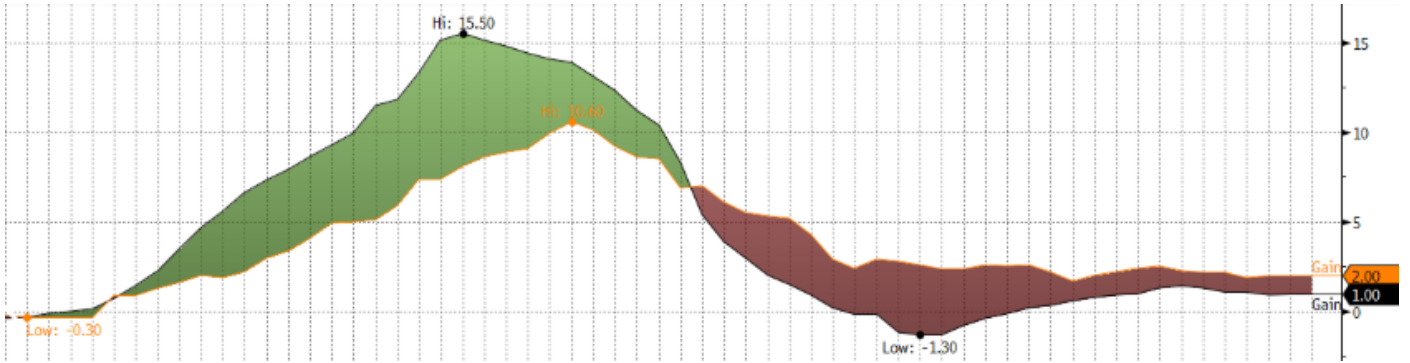
Past 5 year US PPI—CPI (Excl. Food and Energy)



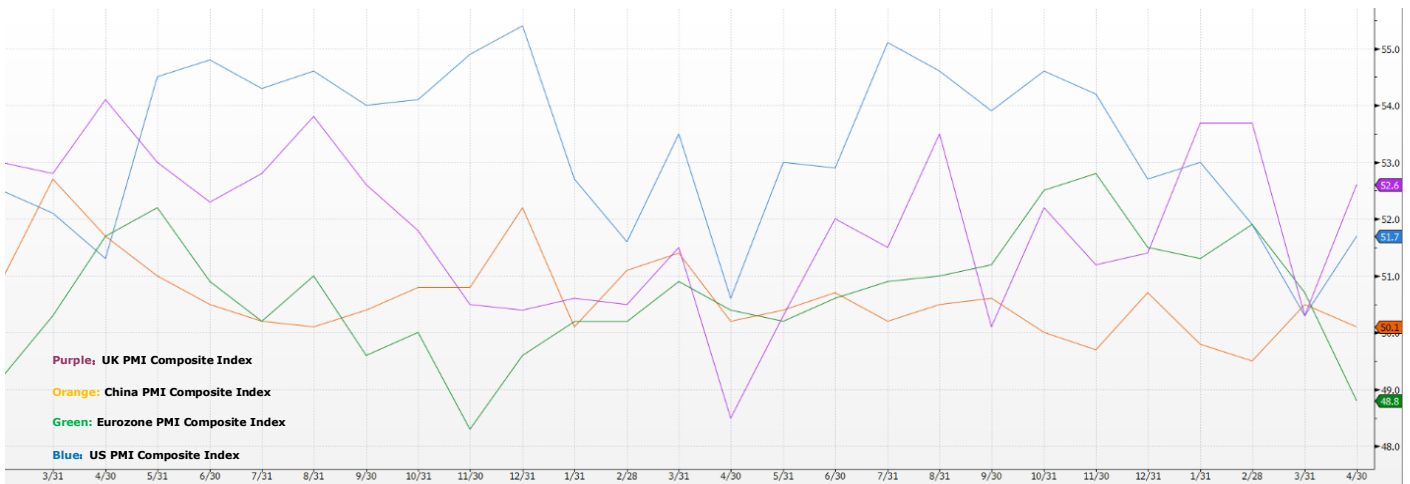
Past 5 year China PPI—CPI



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.

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