

19/5/2026

	Last	Previous	% Change
US Dollar Index(DXY)	99.09	98.30	0.80%
USD/CNY	6.8018	6.7908	0.16%
US FOMC Upper Interest Rate	3.75	3.75	0.00%
China Repo 7 day	1.36	1.37	-0.73%
Caixin China Manufacturing PMI	52.20	50.80	2.76%
Markit US Manufacturing PMI	55.70	55.30	0.72%

Global Macro Market:

The latest round of China-US talks delivered substantive breakthroughs in agricultural trade. Both sides agreed to expand import circulation through tariff reductions, which will directly bolster demand for shipping, and notably accelerate the seaborne transportation of bulk agricultural products including soybeans and corn. In addition, the two parties discussed about supply chain shortages of critical minerals in the US. Institutionalized cooperation in the future is expected to lower trade barriers for energy metals such as copper, lithium and nickel. The US stated that it may help resolve export tariff issues for part of China’s steel capacity, while China pledged to scale up purchases of US aircraft and components. Centered on agricultural products, this round of discussions delivers notable spillover effects across minerals, steel, aerospace equipment and other sectors. The upcoming detailed rules will continuously improve the visibility of trade flows between China-US and global merchandise markets.

The situation in the Middle East remains broadly unchanged. Market hedging sentiment against energy supply disruptions has faded, with capital exiting crude oil safe-haven positions and rotating into other equities and commodity sectors. Meanwhile, the “Warsh Shock” has prevailed. Market expectations for US interest rate cuts have been revised downwards, pushing the 10-year Treasury yield higher and triggering a correction in the metals complex. Crude oil staged a periodic rebound as geopolitical supply disturbances have not been fully eliminated.

FFA:

The Capesize index surged to the highest since 2023 this week, fueled by strong momentum in the Atlantic market. The upward trend was driven by robust chartering activity out of Brazil, supported by bumper soybean harvests and elevated grain export demand. Additional support came from ongoing grain clearance pressure in the US Gulf. In contrast, the Pacific market saw slower iron ore cargo flow, capping upside momentum in the region.

Sources: Bloomberg, FIS

	Last	Previous	
LME Copper 3 Month Rolling	13587.50	13943.00	-2.55%
LME Aluminium 3 Month Rolling	3569.00	3579.50	-0.29%
WTI Cushing Crude Oil	108.66	98.07	10.80%
Platts Iron Ore Fe61%	108.45	112.35	-3.47%
US Gold Physical	4567.60	4715.13	-3.13%
BDI	3092.00	2978.00	3.83%

Entering May, Panamax has emerged as the best-performing segment, led by rising coal shipments from Australia and Indonesia, recovering Asian import demand, and synchronized grain export growth from Brazil and the US. Key near-term risks include potential port strikes in Brazil that could disrupt loading schedules, and the upcoming seasonal slowdown in Chinese steel demand starting June, which may weigh on freight demand.

Supramax rates posted modest gains last week, supported by balanced two-way fundamentals. Ongoing strength in Chinese steel exports underpinned freight demand. While nickel ore exports from Indonesia softened, this has not materially dragged on overall rates. On the nickel ore front, inquiry levels for Indonesia–China voyages eased, but rate resilience persisted, reflecting tight vessel supply conditions. Meanwhile, aluminum prices have extended their rally, incentivizing higher operating rates at global aluminum smelters. The alumina market remains in surplus, with imports by GCC countries set to hit a three-month high, further underpinning minor dry bulk shipping demand on related routes.

Oil:

According to Bloomberg, the Trump administration declined to renew sales waivers for certain sanctioned Russian oil barrels, effectively reinstating US oil sanctions on Russia and tightening global supply at the margin. Separately, OPEC's latest monthly report revealed Saudi Arabia's crude oil production plummeted to 6.316 million barrels per day (bpd) in April 2026, its lowest level since 1990, amid severe shipping disruptions through the Strait of Hormuz. In China, April crude throughput fell 5.8% YoY, signaling weakening energy demand, while power generation rose 2.6% YoY, underscoring an accelerated transition to new energy amid elevated oil prices.

Over the past two weeks, the crude market's trading narrative has shifted rapidly from ceasefire hopes to physical supply disruptions, with Wall Street banks issuing repeated warnings that global oil inventories are approaching critical operational thresholds. A consensus has formed among major institutions: June will be decisive. With the Northern Hemisphere summer driving season kicking off, seasonal demand recovery for gasoline and jet fuel is underway. A prolonged blockade of the Strait of Hormuz into late June risks exhausting buffer inventories, exposing prices to non-linear upside spikes. Near-term incremental exports from the UAE will be insufficient to offset the massive supply gap. Notably, the UAE exited OPEC in late April with a core objective of unrestrained production expansion. Its fiscal breakeven oil price is materially lower than Saudi Arabia's, suggesting further erosion of OPEC+ supply discipline.

Sources: Bloomberg, FIS

	Last	Previous	
Shanghai&Shenzhen 300 Index	4859.59	4871.91	-0.25%
Dow Jones Industrial Average	49686.12	49704.47	-0.04%
FTSE 100 Index	10323.75	10269.43	0.53%
Nikkei 225 Index	60815.95	62417.88	-2.57%
BVAL US 10-year Note Yield	4.6261	4.4393	4.21%
BVAL China 10-year Note Yield	1.7544	1.7724	-1.02%

Metals:

Copper treatment charges (TC) have collapsed to around -\$103 per tonne. Chinese smelters without long-term contracts are now facing smelting losses of 10–15%, while those under long-term agreements remain between marginal profitability and breakeven. Current market trading is centered on the following narratives: tight sulphur supply driving up copper valuations, the delayed restart at Grasberg, and power curtailments at certain mines in Peru. On the macro front, however, headwinds are building: disappointed expectations of a US rate cut and rising expectations of a rate hike in Japan could exert systematic downward pressure on global risk assets.

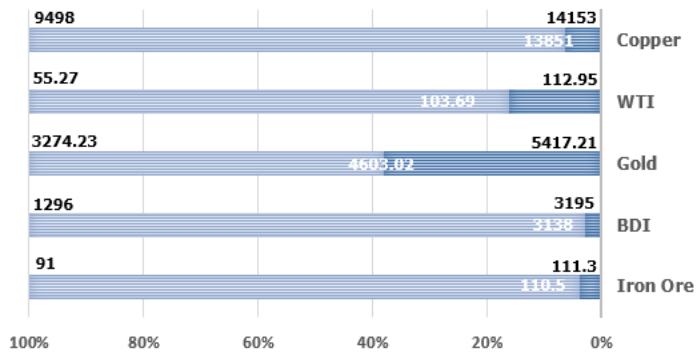
Battery-grade lithium carbonate prices have approached a near two-year high. Over the weekend, new China regulations reinstating mandatory energy storage for distributed solar PV were introduced, which the market interprets as a meaningful catalyst for incremental storage battery demand. The recent China International Battery Fair (CIBF) confirmed the medium- to long-term growth trajectory of storage demand and accelerated production schedules for next-generation battery cells, though the conference also signaled a shift in focus toward quality over scale going forward. Tier-1 battery manufacturers have already locked in production schedules through the third quarter of this year. Against the backdrop of surging raw material prices, a leading new-energy vehicle maker has officially announced price hikes, breaking a multi-year stalemate of price wars. On the supply side, ongoing geopolitical risks in Mali, China domestic mine maintenance schedules, the closure of a key mining company in Nigeria, and the continued absence of exports from Zimbabwe are all contributing to a persistent tightening of market supply.

Ferrous:

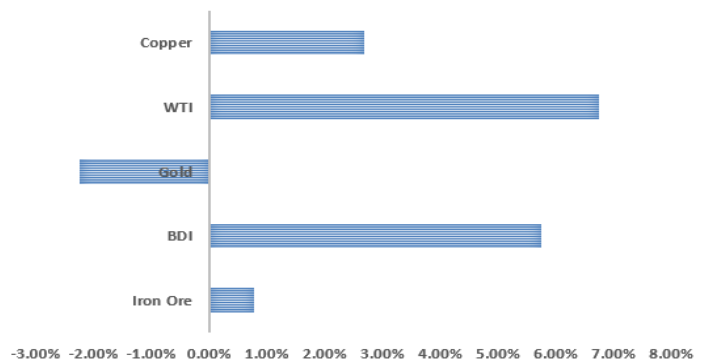
China's steel demand in May has demonstrated stronger-than-expected resilience, underpinned by a confluence of supportive factors: improving mill margins, a gradual pickup in steel exports, more favorable economic expectations, and continued monetary policy accommodation. At the same time, elevated freight rates and energy prices have further pushed up raw material costs. Average daily hot metal output is now gradually approaching its seasonal peak. Meanwhile, following the agreement between China Mineral Resources Group and BHP, certain iron ore export flows have returned to normalcy.

Sources: Bloomberg, FIS

Commodity Relative Price Range (past 52 weeks)



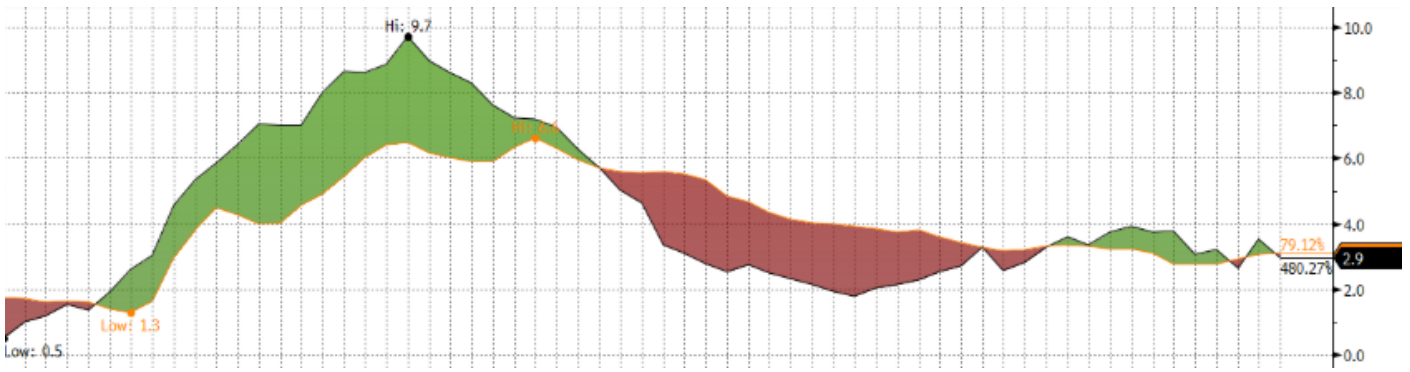
5 Day Moving Average Change on Commodities



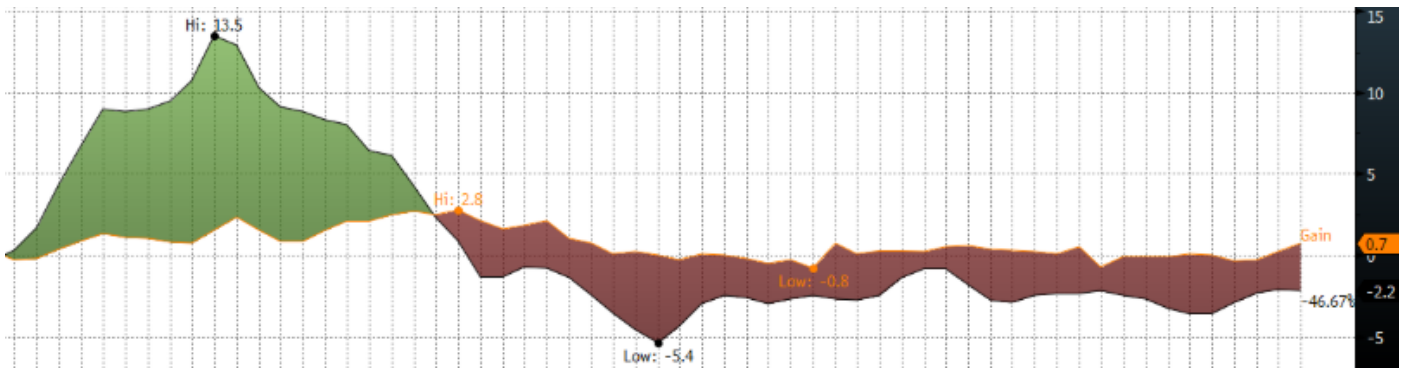
On the coking coal front, expectations of higher third-quarter term prices for Mongolian coal are providing a floor to the market. Port inventories of coking coal in China have declined rapidly. That said, a key dynamic to watch is China’s ongoing shift of coking coal demand from seaborne to overland sources—a trend unlikely to reverse unless seaborne prices correct significantly. On the import front, Vietnam’s coking coal imports rose 18% month-on-month in April and surged 37% year-on-year. In contrast, Japan’s coking coal demand fell 22% over the same period.

Sources: Bloomberg, FIS

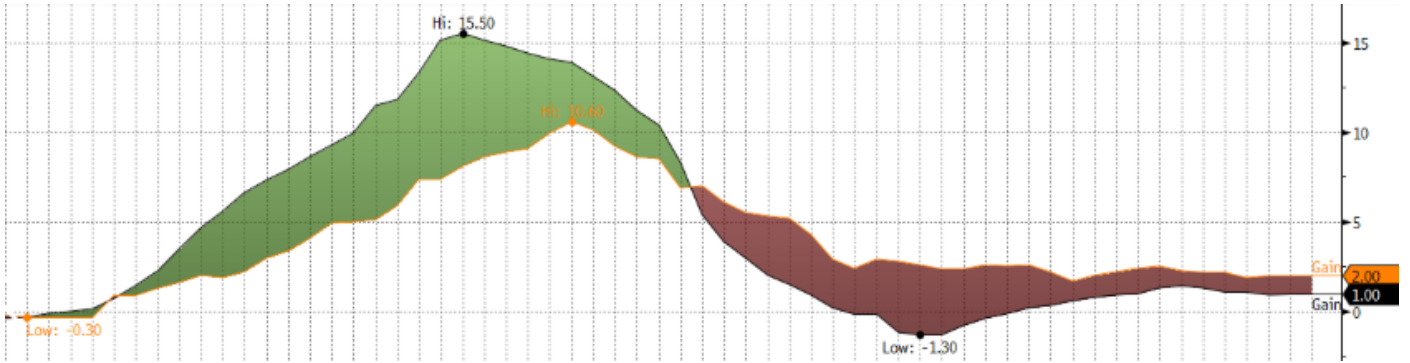
Past 5 year US PPI—CPI (Excl. Food and Energy)



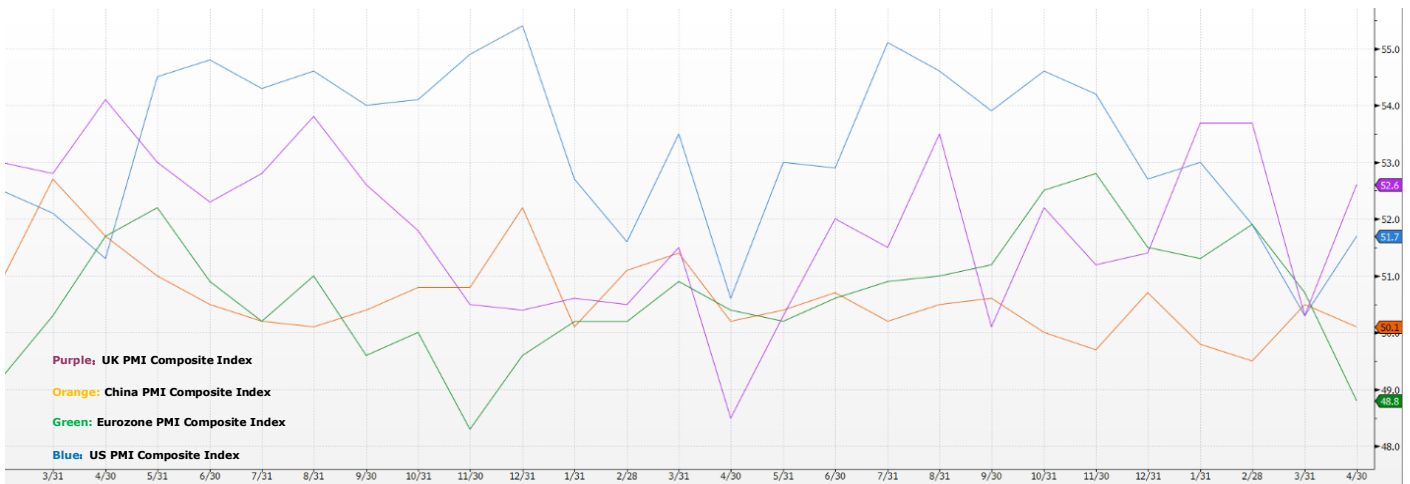
Past 5 year China PPI—CPI



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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