

26/5/2026

	Last	Previous	% Change
US Dollar Index(DXY)	99.08	99.33	-0.25%
USD/CNY	6.7874	6.8169	-0.43%
US FOMC Upper Interest Rate	3.75	3.75	0.00%
China Repo 7 day	1.40	1.36	2.94%
Caixin China Manufacturing PMI	52.20	50.80	2.76%
Markit US Manufacturing PMI	55.70	55.30	0.72%

Global Macro Market:

New Federal Reserve Chairman Kevin Warsh struck a notably more hawkish tone compared to his previous remarks, with several other Fed officials also voicing hawkish stances. Market expectations for Fed rate cuts have now been pushed back to late 2026. Meanwhile, the European Central Bank is anticipated to deliver two more rate hikes this year; the Bank of England is likely to postpone any rate cut until 2027; and the Bank of Japan is expected to raise rates as early as July. On the news front, reports of a potential preliminary agreement between the US and Iran triggered a sharp sell-off in crude oil prices. Looking at the industrial commodities inventory cycle, after sustained restocking since January 2024, the market potentially enter a structural destocking phase over the next two years. During this process of destocking alongside demand recovery, commodity valuations are expected to gradually normalize. China’s April industrial value-added growth came in below both the March reading and market consensus. If energy supply-side disruptions ease in the future, industrial activity will see a rebound. In contrast, the US manufacturing PMI has climbed to a four-year high, pointing to continued improvement in US manufacturing sector conditions.

FFA:

Capesize time charter rates edged lower this week. While Australian miners have been active in the enquiry market, falling crude oil prices and an increase in ballasters from long-haul routes have weighed on freight levels. Looking ahead to June, Australian iron ore miners are approaching year-end volume targets, and with rising exports from the Simandou project, demand for tonnage is expected to pick up again. That said, the onset of the rainy season in Guinea, together with reduced shipments from smaller and mid-sized mines, could lead to weaker tonnage demand over the next month.

The Panamax market softened last week, mainly as the previous coal restocking cycle in the Pacific basin came to an end, while an influx of ballasters on long-haul routes pushed both charter rates and freight levels lower. In the near term, increased maintenance activity at Chinese steel mills could lift seaborne coal demand, providing marginal support.

Sources: Bloomberg, FIS

	Last	Previous	
LME Copper 3 Month Rolling	13667.50	13555.00	0.83%
LME Aluminium 3 Month Rolling	3649.50	3563.00	2.43%
WTI Cushing Crude Oil	100.93	105.42	-4.26%
Platts Iron Ore Fe61%	106.80	108.45	-1.52%
US Gold Physical	4536.03	4482.61	1.19%
BDI	2991.00	3195.00	-6.38%

However, Indonesia is tightening coal export controls, with many mines still lacking production licenses, creating supply-side uncertainty. Over the medium term, Chinese imports of US agricultural products will support long-haul tonnage demand, while incremental US corn exports will add further freight demand.

The Supramax market edged up this week, driven by sustained strength in Chinese steel exports, which have been consuming tonnage relatively quickly. On a medium-term view, restrictions on nickel ore export quotas continue to cap overall tonnage demand.

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.

	Last	Previous	
Shanghai&Shenzhen 300 Index	4921.60	4833.52	1.82%
Dow Jones Industrial Average	50579.70	49526.17	2.13%
FTSE 100 Index	10466.26	10195.37	2.66%
Nikkei 225 Index	65158.19	60815.95	7.14%
BVAL US 10-year Note Yield	4.5795	4.6125	-0.72%
BVAL China 10-year Note Yield	1.7535	1.7544	-0.05%

Metals:

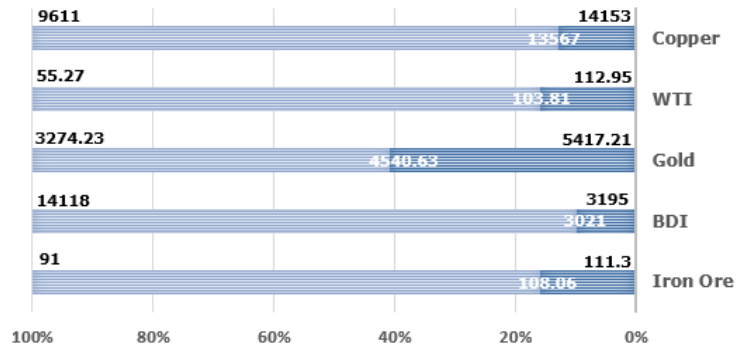
Sulfuric acid shortages keep lifting costs and squeezing margins for global copper smelters, pushing treatment charges deep into negative territory and leaving high-cost capacity barely profitable with uncertain long-term supply. China domestic reverse invoicing rules have tightened scrap copper supply, bringing pressures across mining, smelting and recycling sectors. COMEX copper stocks topped a record 627,000 tons, and anticipated June tariffs may draw more global inventories into US. Hawkish central bank stance and rising Treasury yields pulled copper prices down from highs. Market performance in June hinges on enforcement of power curbs in Peru, peaking signs of Treasury yields and potential prolonged maintenance by smelters amid tight acid supply.

Ferrous:

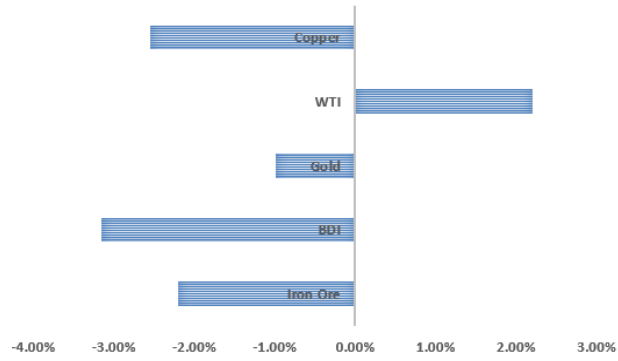
A coal mine accident in Shanxi over the weekend triggered nationwide safety inspections, tightening near-term coking coal supply. The affected mine will be shut for an extended period, while other producers face maintenance of 2–7 days with faster resumption than prior incidents. High Mongolian coal shipments partially offset China domestic supply gap.

Demand remains resilient: China's hot metal output stayed elevated at 2.408 million tons/day, with improved steel mill profitability supporting raw material demand. India's hot metal production also rose 5.4% YoY, reflecting firm external demand. However, risks persist: a visible coking coal supply shortage and price surge could squeeze steel margins, prompting output cuts that would pressure iron ore prices, creating a "strong coal, weak ore" dynamic.

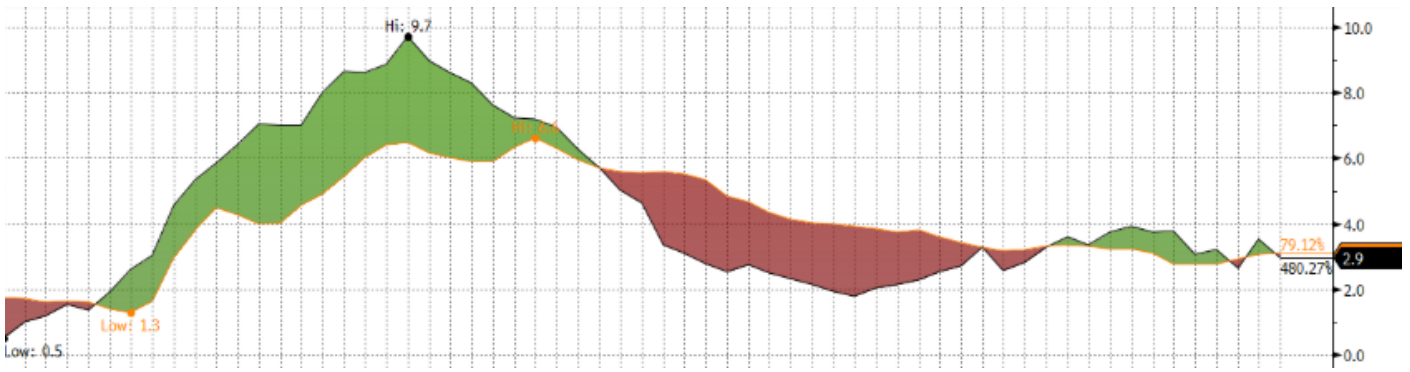
Commodity Relative Price Range (past 52 weeks)



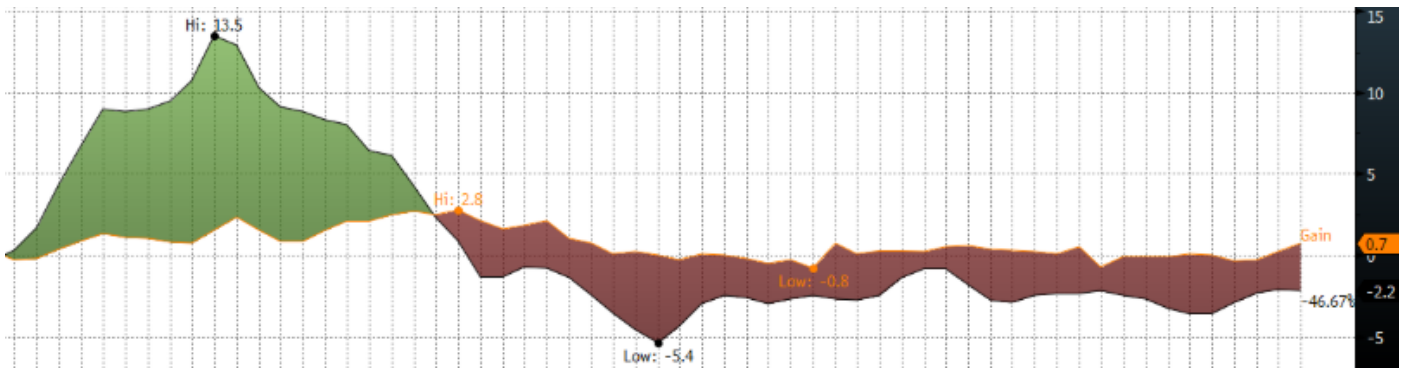
5 Day Moving Average Change on Commodities



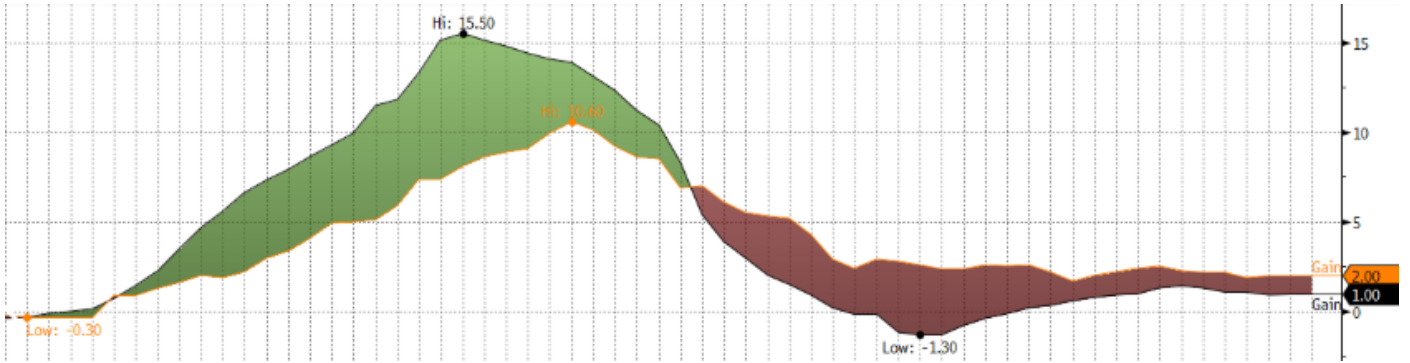
Past 5 year US PPI—CPI (Excl. Food and Energy)



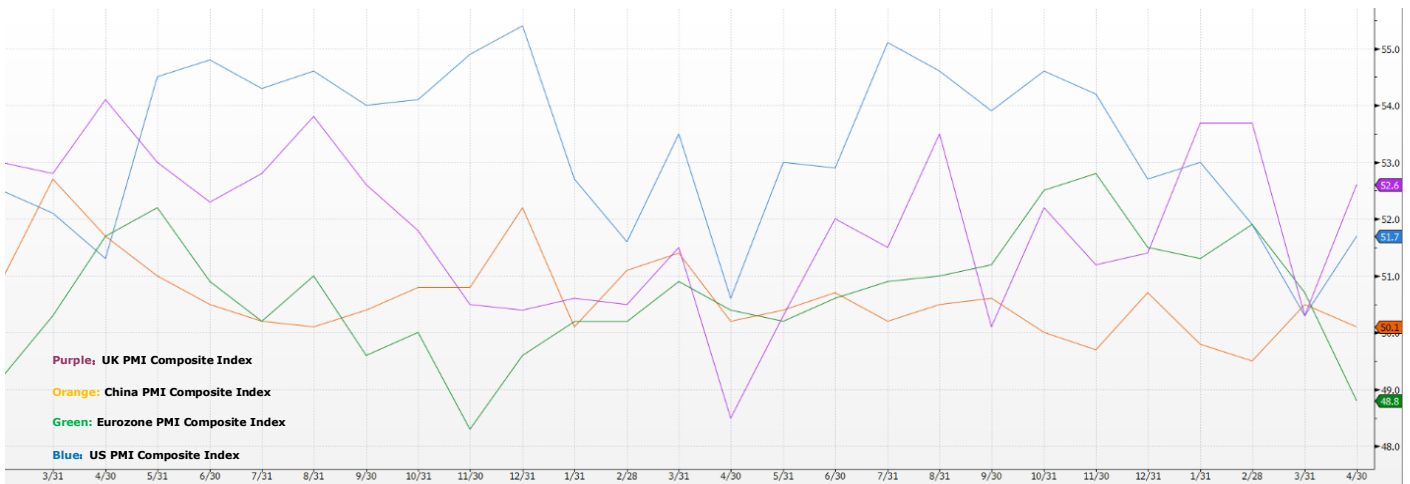
Past 5 year China PPI—CPI



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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