

2/6/2026

	Last	Previous	% Change
US Dollar Index(DXY)	99.21	99.17	0.04%
USD/CNY	6.7603	6.7852	-0.37%
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	51.80	52.20	-0.77%
Markit US Manufacturing PMI	56.70	55.70	1.80%

Global Macro Market:

US equities keep setting new all-time highs amid lingering inflation driven by elevated energy and trade expenses. US economic growth is shifting from traditional household consumption toward capital spending on AI and new energy, which structurally strengthens medium-term investment appeal for power and storage-linked commodities including copper, zinc, nickel and lithium. China's export mix is pivoting toward EVs and power batteries, while China CPI inflation is mainly fueled by imported cost pressure. Frequent swings in US-Iran tensions reignite market appetite for geopolitical risk premium, alongside accelerated renewable energy transition across Europe to underpin upstream raw material demand. Nevertheless, downside risks remain on the flip side: massive non-physical investment in the AI sector faces correction risks, and it remains questionable whether end-market consumption under constraint can afford rising system costs brought by energy transition. These uncertainties stand as global macro headwinds in the longer run. In the near term, however, the coexistence of these trends defines directional trades and underpins a prosperous backdrop for commodity markets.

FFA:

Capesize freight rates advanced across all routes this week on robust Pacific cargo flow, with firm fundamentals underpinning C5 and owners anchoring offers around recent fixture levels. The Atlantic stayed firm amid cautious market sentiment.

Panamax hire rates bottomed out last week. In the Pacific, lifted coal shipments out of Indonesia and Australia boosted owners' pricing stance. On the Atlantic side, persistent high Brazilian soybean loadouts were offset by ample tonnage and softer energy prices, weighing down route earnings.

Supramax rates edged lower week-on-week. Trading activity centered on spot TCT and short-period fixtures amid regional public holidays across parts of Europe on Monday.

	Last	Previous	
LME Copper 3 Month Rolling	13832.00	13667.50	1.20%
LME Aluminium 3 Month Rolling	3716.00	3649.50	1.82%
WTI Cushing Crude Oil	92.16	100.93	-8.69%
Platts Iron Ore Fe61%	105.30	106.80	-1.40%
US Gold Physical	4486.83	4507.88	-0.47%
BDI	3222.00	2964.00	8.70%

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.

Metals:

The DRC cabinet approved a new mining decree, adding lithium, tantalum, niobium, tungsten, uranium and rare earths to its strategic minerals list, raising royalties to 10% (vs. 3.5% for base metals) and lifting global lithium development costs. Meanwhile, the US-Japan-Australia-India (Quad) launched a critical minerals initiative in New Delhi, mobilizing \$20 billion in public-private capital across the value chain. Global minerals strategy now features accelerated extraction and export restrictions, with rising resource nationalism driving supply chain restructuring.

Highland Copper, Ivanhoe Electric, Rio Tinto and Wieland are expanding full-cycle US copper mining, smelting and processing facilities to strengthen domestic supply. Key projects include Highland Copper's Copperwood in Michigan, Ivanhoe Electric's Santa Cruz in Arizona, and Wieland's \$500M Illinois processing upgrade. With no new US-specific copper tariffs announced, maintaining existing Section 232 measures would slow near-term copper inflows but extend long-term export windows for global suppliers, creating a "short-term delay, long-term stability" trade dynamic.

Sources: Bloomberg, FIS

	Last	Previous	
Shanghai&Shenzhen 300 Index	4844.26	4921.60	-1.57%
Dow Jones Industrial Average	51078.88	50579.70	0.99%
FTSE 100 Index	10338.95	10466.26	-1.22%
Nikkei 225 Index	66934.33	65158.19	2.73%
BVAL US 10-year Note Yield	4.4807	4.5795	-2.16%
BVAL China 10-year Note Yield	1.7145	1.7535	-2.22%

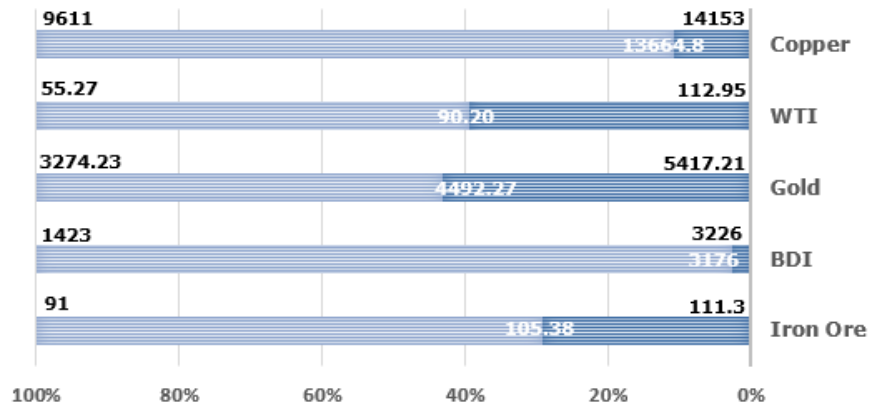
GFEX lithium carbonate inventories reached 55,215 tons on June 1, a record seasonal high, pressuring near-term spot prices. While China battery material procurement paused briefly, June stays peak demand season. European EV recovery and China's energy storage buildout provide new marginal demand drivers, supporting medium-term fundamentals.

Ferrous:

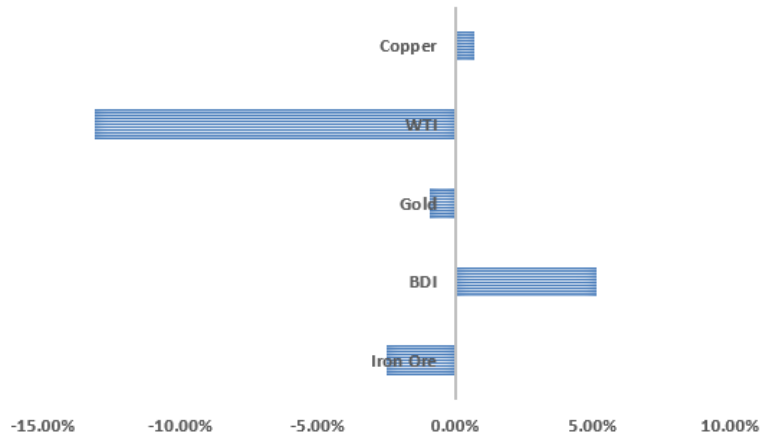
China coal safety inspections have expanded in scope and tightened in regulatory standards, yet mine resumption efficiency has improved notably during the current round of shutdown verifications, enabling suspended mines to restart rapidly and weakening the sustainability of supply contraction. China coal mine inventories have nearly doubled year-on-year, while rising Mongolian coal imports effectively offset localized supply disruptions caused by intensified safety checks. Despite intermittent regional production halts, overall coal supply remains sufficient to meet market demand, sustaining a loose supply pattern. On the demand side, steel mills show low tolerance for high-priced coking coal and adopt cautious purchasing strategies. As the traditional peak steel consumption season draws to an end, hot metal output faces short-term downward pressure amid sluggish China steel demand, with exports becoming the major support for overall consumption. The fifth round of China coke price hikes in China has been fully implemented, keeping the cost transmission channel intact.

Iron ore fundamentals remain weak in the near term. Global iron ore shipments declined 11% week-on-week, signaling a temporary slowdown. However, major miners are ramping up output for fiscal year-end targets in June, which will keep overall shipments elevated. China port iron ore inventories remain at historically high seasonal levels, with persistent inventory accumulation capping market performance. Downside demand risks continue to build as China steel mill margins keep shrinking, with certain long steel products falling into losses. Driven by deteriorating industry profitability, upcoming off-season consumption and high supply, steel producers have stronger willingness to curb production. Hot metal output is poised for further declines, fundamentally limiting iron ore's upside and keeping prices in a weak trading pattern.

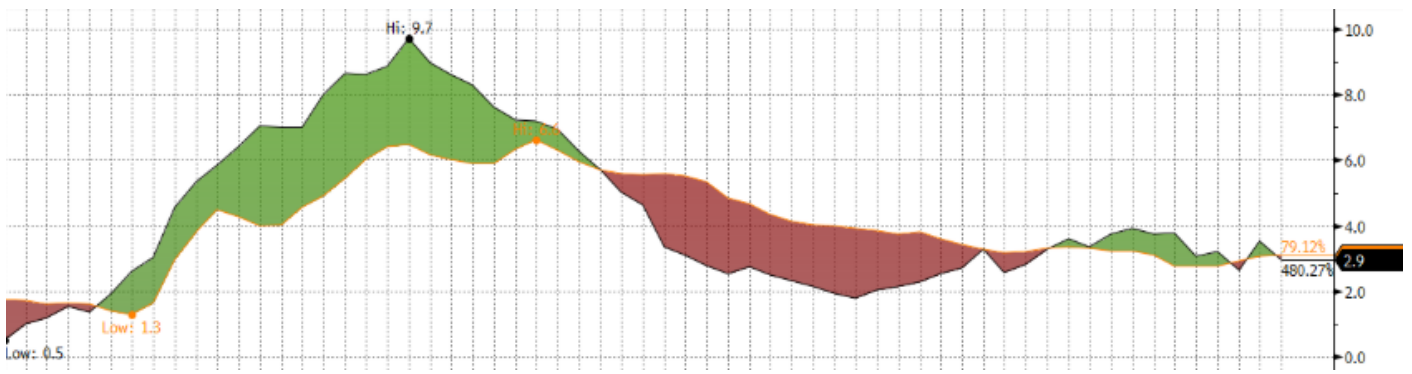
Commodity Relative Price Range (past 52 weeks)



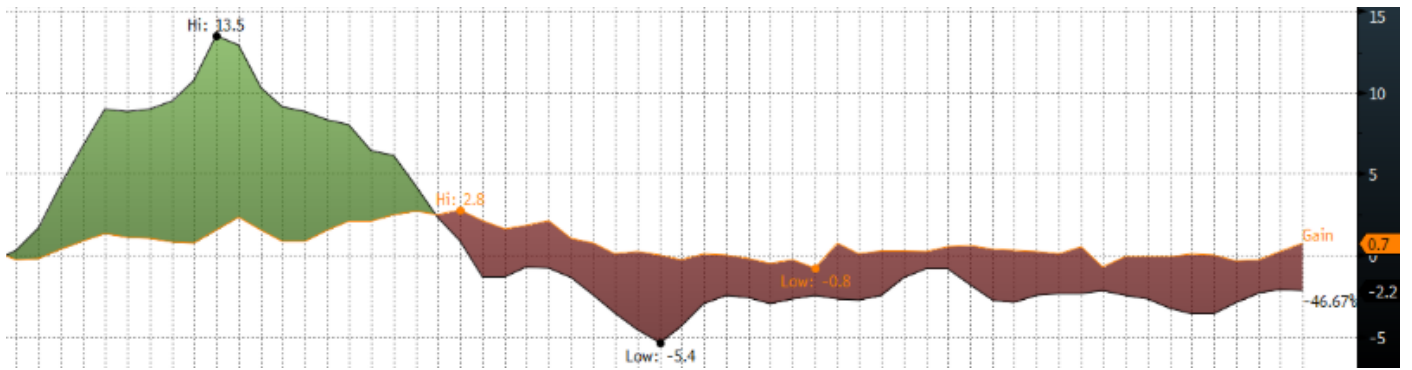
5 Day Moving Average Change on Commodities



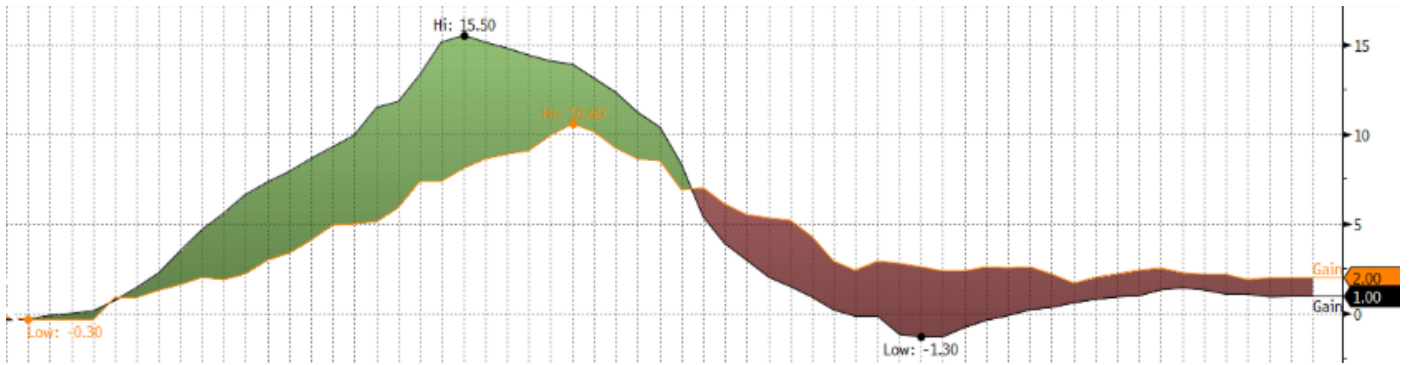
Past 5 year US PPI—CPI (Excl. Food and Energy)



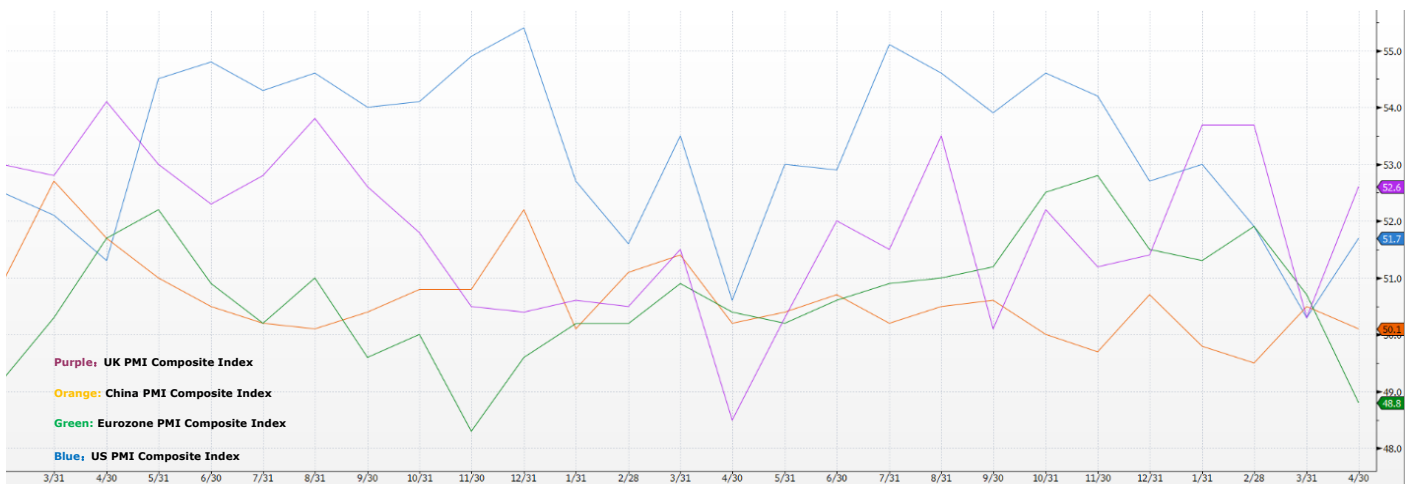
Past 5 year China PPI—CPI



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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