

	Last	Previous	Changes %
US Dollar Index (DXY)	101.03	99.64	1.50%
USD/CNY	6.78	6.7595	0.32%
US FOMC Upper Interest Rate	3.75	3.75	0.00%
China Repo 7 day	1.48	1.47	0.68%
Caixin China Manufacturing PMI	51.80	51.80	-0.77%
Markit US Manufacturing PMI	56.70	56.70	1.80%

## Commentary:

### Global Macro Markets:

Five weeks after Fed Chair Walsh's May remarks, the US Dollar Index rallied sharply by 2.1%. The Fed's monetary tightening path has become clearer. Synchronized tightening across global central banks is forcing a repricing of all asset classes. Forward valuations of US-dollar-denominated commodities including steel raw materials, agricultural goods and oil chemicals face downward pressure. Near term, substantial progress in US-Iran talks enables gradual resumption of shipping through the Strait of Hormuz. Major oil producers ramp up output, and Iran may regain oil & chemical export permissions. These developments weigh heavily on energy prices and undercut the fundamental support for energy-linked commodities.

### FFA:

The US-Iran accord has entered implementation, dragging down fuel oil cost expectations. Iron ore supply will surge before tightening shipments and softening prices in July. Demand and valuation corrections already materialized mid-June, yet rising Brazilian iron ore exports plus steady growth from South Africa and Guinea have offered bottom support to Capesize from vessel owners.

Panamax and Capesize rates moved inversely over the past two weeks in a seesaw pattern; Panamax edged up then slumped sharply last week. Eastbound Atlantic volumes held steady, but shipping demand contracted markedly after a wave of concentrated loadings. Eased port congestion and increased vessel repositioning expanded available tonnage substantially. Ample time charter deals struck in June cap further downside.

Supramax outperformed larger vessel segments with a consistent recovery this June amid active fixture activity as charterers locked tonnage, underpinned by steady US Gulf grain cargoes and Asian nickel ore & steel volumes. With the strait reopened, fertilizer, sulphur, petroleum coke and coal cargoes are set to flow briskly to the Mediterranean and Europe, buoying small-vessel demand. Cargo flow structure is shifting away from the Pacific toward European routes.

	Last	Previous	Changes %
Shanghai & Shenzhen 300 Index	4941.60	4722.41	4.64%
Dow Jones Industrial Average	51712.71	51202.26	1.00%
FTSE 100 Index	10437.85	10430.62	0.07%
Nikkei 225 Index	72353.96	69317.50	4.38%
BVAL US 10-year Note Yield	4.53	4.50	0.62%
BVAL China 10-year Note Yield	1.7320	1.7524	-1.16%

### Oil:

While shipping through the Strait of Hormuz has resumed, transit volume data show stark discrepancies: U.S. authorities reported weekend daily throughput hit 40% of pre-conflict levels, whereas shipping agencies logged only 15–20%. On June 22, OFAC issued a 60-day general license permitting production, delivery and sales of Iranian crude oil, petrochemicals and oil products — including shipments bound for the U.S. — which further eases supply-side pressure. Markets remain watchful over potential disruptions across other Middle Eastern regions, yet the consensus is that strait traffic will not face material interruptions. Against this backdrop, Goldman Sachs cut its full-year Brent crude forecast to \$85/bbl, Morgan Stanley lowered its Q3 projection to \$80/bbl, and Citi reduced its Q3 outlook to \$75/bbl. Geopolitical risk premiums have largely vanished. Oil prices have not slumped to the \$60–70/bbl range, as the global transmission chain covering crude output, inventories and refinery operations is yet to normalize; market rebalancing is likely to take around six months.

### Metals:

**Copper:** Driven by three intertwined factors—the finalized US-Iran peace accord, hawkish Federal Reserve policy shifts and deepening rigid supply constraints—copper prices rallied, corrected, and entered range-bound consolidation.

Sliding mine treatment charges (TCs) plus concentrated smelter cuts in China created a tangible supply shortfall, forming solid support for SHFE copper prices. Yet sharp inventory builds on the Shanghai Futures Exchange reflect bearish sentiment toward domestic manufacturing activity and macro fundamentals. A stronger US dollar fueled by hawkish Fed expectations keeps weighing on copper valuations. Meanwhile, restored sulphur shipping via the Strait of Hormuz eases feedstock limits for overseas heap-leaching copper operations, lifting market expectations for long-term SX-EW copper output growth.

The June 17 industry meeting of China Copper Raw Material Negotiation Team (CSPT) delivered a key policy signal: authorities plan to replace the current automatic approval system for copper concentrate imports with an examination-and-approval regime, curbing domestic refined copper capacity expansion via tighter import controls.

**Lithium:** Social lithium inventories are gradually shifting upstream to downstream sectors, yet downstream players hit resistance when lifting product prices. Global lithium supply is set to improve in July on Zimbabwean shipments, with further relief in Q4 as Jiangxi mines resume production.

	Last	Previous	Changes %
LME Copper 3 Month Rolling	13649.00	13745.00	-0.70%
LME Aluminium 3 Month Rolling	3364.00	3379.50	-0.46%
Wti Cushing Crude Oil	74.82	84.88	-11.85%
Platts Iron Ore Fe61%	100.99	102.20	-1.18%
US Gold Physical	4193.75	4331.21	-3.17%
BDI	2722.00	2729.00	-0.26%

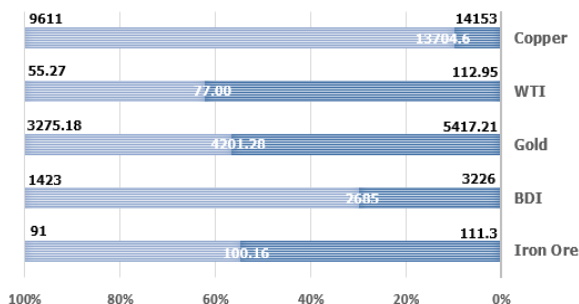
**Cobalt:** Cobalt salt prices remain bearish, trapped in a vicious cycle of feeble demand and inventory liquidation via price cuts. Downstream ternary precursor and lithium cobalt oxide producers aggressively destock, only purchasing minimal volumes to cover rigid demand. On the supply side, logistical bottlenecks and export quotas in the DRC delay large batches of cobalt intermediates until August, tightening near-term spot feedstock availability; this supply tightness, however, fails to reverse demand-driven price weakness.

**Ferrous:**

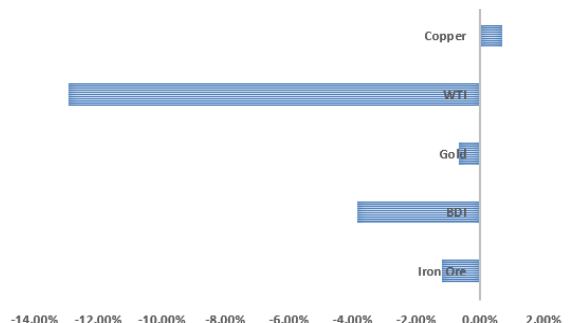
Iron ore shipments stay elevated with robust exports from Australia, Brazil and African suppliers. Nevertheless, molten iron output has clearly peaked amid weak steel mill margins, which face further pressure from rainy seasons and hot summer temperatures in China. Falling freight rates and a stronger US dollar also weigh on iron ore valuations.

Spot coke prices are pricing in a ninth round of hikes, yet market participants expect pushback against full implementation. Mines in Shanxi resume operations gradually under a "restart without output recovery" pattern: the number of active mines rises rapidly while capacity utilization remains subdued. Seaborne coal may find demand support from resumed Hormuz shipping and summer power peak load, but fading oil-to-coal switching will cap its valuation upside.

Commodity Relative Price Range (Past 52 Weeks)

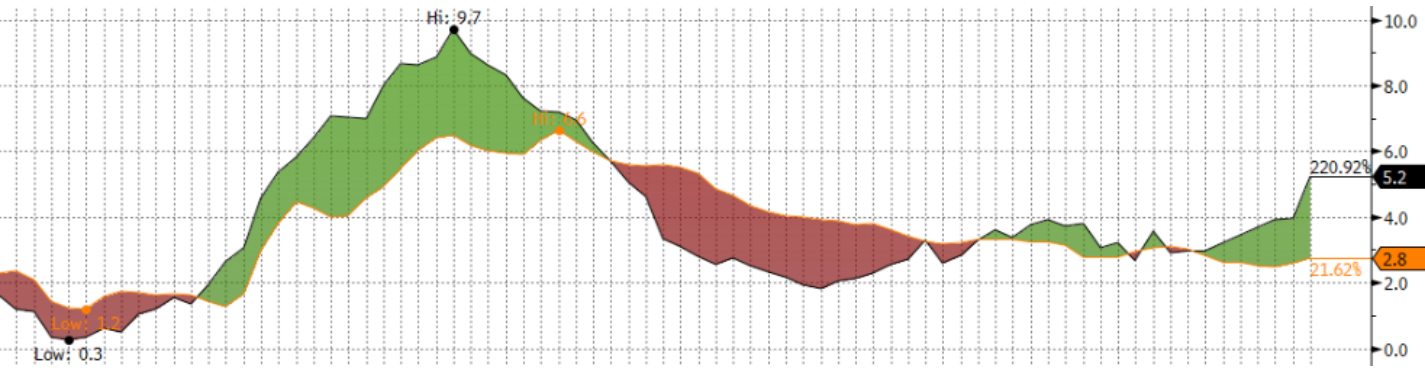


5 Day Moving Average Change On Commodities

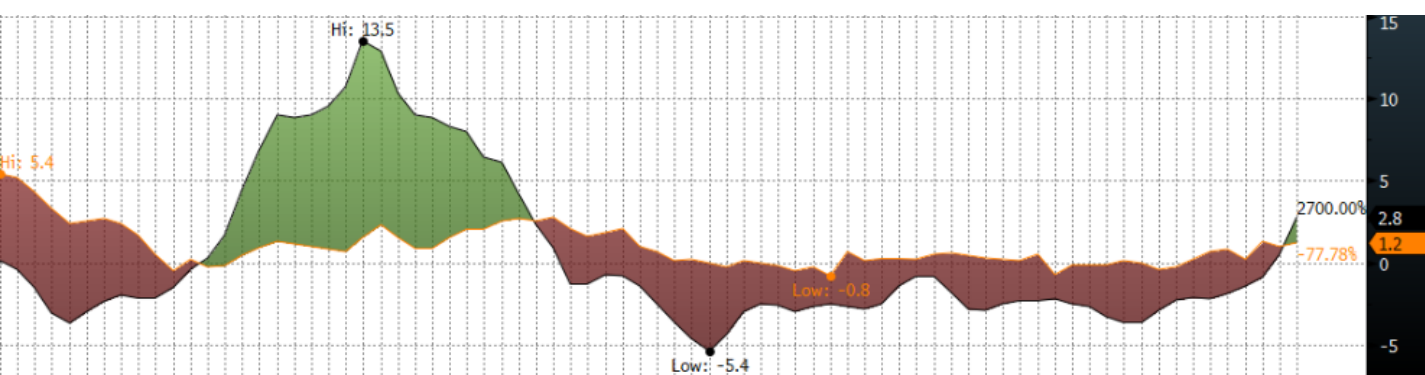


Source: Bloomberg, FIS

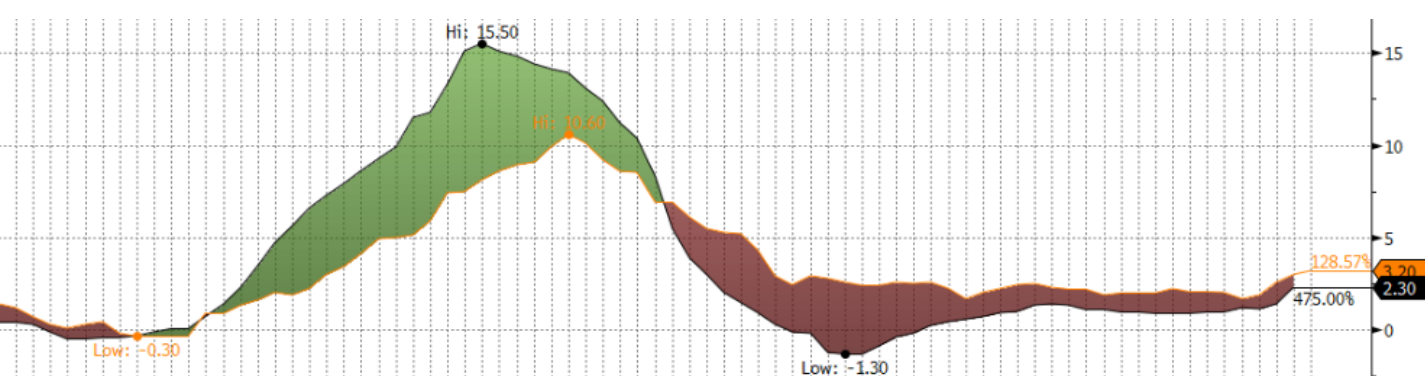
Past 5-year US PPI—CPI (Excl. Food and Energy)



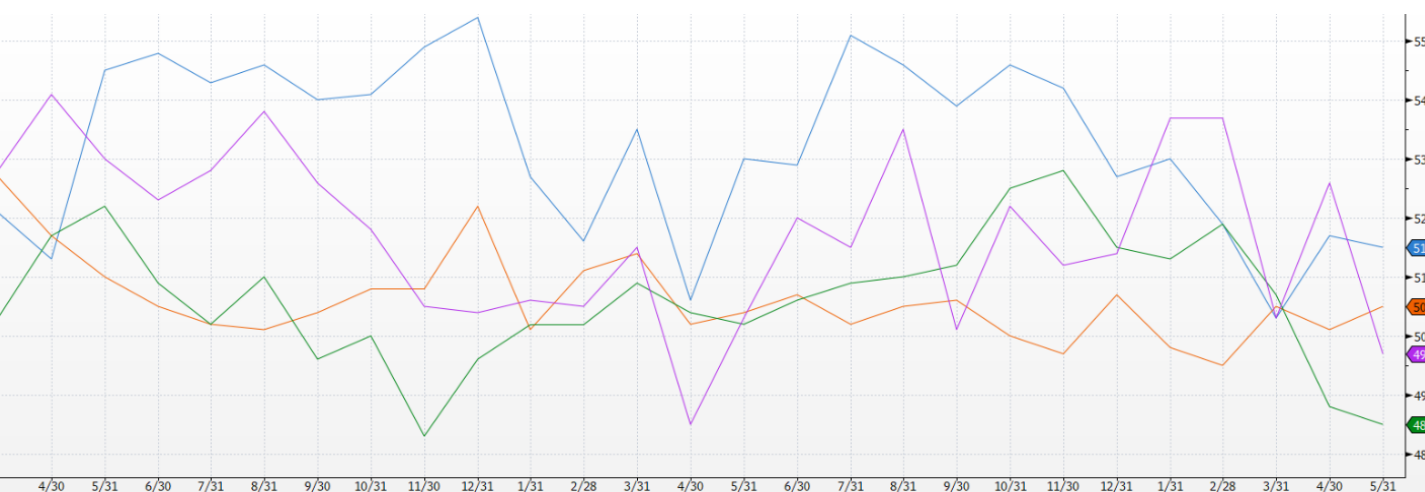
Past 5-year China PPI—CPI



Past 5-year EU PPI—CPI



Past 2-year PMI Index



## 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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