FIS

MACRO REPORT

29 Sep 2026

info@freightinvestor.com | freightinvestorservices.com | fis-live.com
London (+44) 20 7090 1120 | Dubai (+971) 4 4493900 | Singapore (+65) 6535 5189 | Shanghai (+86) 21 6335 4002

	Last	Previous	Changes %
US Dollar Index (DXY)	101.21	100.60	**+0.61%**
USD/CNY	6.7078	6.6988	**+0.13%**
US FOMC Upper Interest Rate	4.00	3.75	**+6.67%**
China Repo 7 day	1.42	1.46	**-2.74%**
Caixin China Manufacturing PMI	51.50	50.90	**+1.18%**
Markit US Manufacturing PMI	53.10	53.70	**-1.12%**

Commentary:

Global Macro Markets:
Global asset repricing following the rate hike briefly pushed commodity prices higher, but after the rejection of the Hormuz “seven-day plan”, oil shifted into range-bound trading at elevated levels. An additional Fed hike this year is now almost fully priced in, with the timing brought forward to October. As the 10-year US Treasury yield briefly broke above 5.13%, the highest since 2007, global risk-free rates rose sharply, risk appetite came under significant pressure, and commodities and Asian equities sold off sharply once again.

China and the US held the eighth round of economic and trade consultations in New York and Washington, reaching consensus on a reciprocal tariff-reduction framework covering around $30bn of imports in each direction, under which tariffs on about 90% of products on both sides will be lowered to MFN levels. Bloomberg reported yesterday that China is preparing to waive tariffs on US agricultural imports except soybeans. Markets anticipate further multi-sector and multi-level dialogues to deepen bilateral cooperation.

In his UN General Assembly speech, Trump renamed AI as “Super Intelligence”, explicitly supporting development of the sector. This eased market concerns over a slowdown in AI investment and may continue to support non-ferrous metals demand over the longer term.

FFA:
The Capesize market posted a modest rebound this week, with regional divergence—the Atlantic outperforming the Pacific. Brazilian iron ore and West African bauxite shipments continued to ramp up, locking in more long-haul tonnage. Simandou iron ore shipment expectations were revised up in tandem, while major Australian miners also saw a notable increase in shipments, with long-haul demand supporting rates. However, the number of ballasting vessels increased globally, including across Australia, the South Atlantic and North Atlantic, easing the previously tighter tonnage environment. On the demand side, thin margins at Chinese steel mills may cap upside for iron ore and coking coal prices.

Panamax rates surged, with owners’ chartering preference concentrated in the Atlantic. India’s August coal imports hit a 15-month high, power plant inventories remained low, and restocking demand provided support. Reduced Panama Canal transits forced dry bulk vessels to reroute, boosting tonne-mile demand. Following US-China trade talks, the market maintained firm expectations for continued soybean trade. However, tonnage oversupply in the Pacific and ample ballasting tonnage capped rate gains. After temperatures cooled in China, daily coal consumption at coastal power plants declined, also dampening near-term demand momentum.

The Supramax market remained resilient on regional cargo support, with limited room in either direction. Pacific earnings held firm, with growth in Indonesian coal routes and backhaul trade driving weekly gains on the S8 and S10 routes. Steel export cargoes from North China continued to increase, providing core support to rates.

Source: Bloomberg, FIS

	Last	Previous	Changes %
Shanghai & Shenzhen 300 Index	4439.14	4460.16	**-0.47%**
Dow Jones Industrial Average	51481.51	52048.83	**-1.09%**
FTSE 100 Index	10684.88	10739.01	**-0.50%**
Nikkei 225 Index	65877.62	63923.00	**+3.06%**
BVAL US 10-year Note Yield	5.2538	4.9688	**+5.74%**
BVAL China 10-year Note Yield	1.6511	1.6533	**-0.13%**

In addition, Philippine nickel ore shipments are at their seasonal peak, while river transport disruptions are boosting small-vessel demand, further reinforcing the near-term rate floor.

Oil:
Crude oil pulled back from recent highs this week. The Brent/WTI spread widened further to $12/bbl, while the Brent physical/futures spread also widened from $1/bbl in August to $7/bbl, reflecting persistent physical tightness in the international crude market, with uncertainty around the timing and extent of any de-escalation still elevated. The IEA's September monthly report revised its forecast for the 2026 decline in global demand to 2.5 mb/d, the largest annual decline since 2020, and for the first time explicitly pushed the expected normalisation of Gulf supply back to 2027. No substantive progress has been made in US-Iran talks, Middle East conflicts persist, and oil prices remain elevated. On the other hand, easing tariff risks following US-China talks, recovering Hormuz transit volumes and faster-than-expected Saudi pipeline repairs may cap sharp tail-risk-driven price spikes.

Metals:
Copper: Copper prices briefly touched their second-highest level on record last week, with profit-taking pressure at elevated levels and intensifying physical shortages locked in a tug-of-war. LME available inventories fell to 133,700 tonnes, with cancelled warrants accounting for nearly half. The cash/3-month spread rapidly flipped from contango to backwardation, cash premiums widened again, and the tight prompt supply dynamic once more took control of the market. Mine-side constraints deepened further, with TC falling to a record low of -$226.2/dmt. CSPT rejected setting TC/RC guidance for the seventh consecutive quarter and called on smelters to cut output. China's social inventories plunged to 79,300 tonnes, with Shanghai at just 43,900 tonnes, the lowest since 2023. Overall, the copper market is caught between "persistently intensifying physical shortages" and "profit-taking pressure at elevated levels", while the pre-National Day restocking window is providing a final near-term tailwind to prices.

Lithium: Pre-holiday restocking demand and high LFP production schedules constitute a "strong physical reality": LFP output in September was approximately 610,000 tonnes, with leading producers maintaining full capacity utilisation. Ternary cathode output was 90,000 tonnes, down 1.7% MoM. However, supply-side recovery signals are increasing—Zimbabwe mine restarts, Huayou's $210mn acquisition of a Ghana lithium mine and the restart of the Jianxiawo environmental assessment—which, combined with an overall loosening at the mine end and inventory measurement distortions, collectively form a "weak expectations" overhang. Near-term prices are supported by restocking demand, but a rebound in medium-term supply elasticity may cap upside.

Cobalt: Trading in the cobalt salt market has nearly stalled, MHP cobalt payables continue to decline, and cost support has weakened further. Smelters mostly plan to resume production after the China holiday, and strong sales of new consumer electronics models have not yet fed through upstream. Both China and the US classify cobalt as a critical mineral, and the market expects possible strategic stockpiling at a later stage, providing potential medium- to long-term demand support, though near-term fundamentals lack clear drivers.

Source: Bloomberg, FIS

	Last	Previous	Changes %
LME Copper 3 Month Rolling	14413.00	14661.00	**-1.69%**
LME Aluminium 3 Month Rolling	3251.50	3267.00	**-0.47%**
WTI Cushing Crude Oil	98.10	98.75	**-0.66%**
Platts Iron Ore Fe61%	94.00	96.70	**-2.79%**
US Gold Physical	4123.50	4360.72	**-5.44%**
BDI	3268.00	3370.00	**-3.03%**

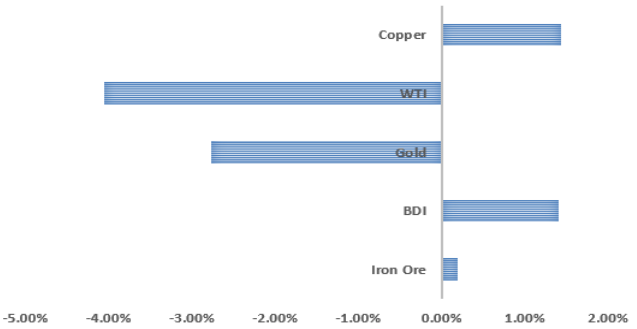
Ferrous:

Iron Ore: Iron ore is currently caught in a bind, with limited room in either direction. Upside is capped by a triple constraint of steel mill losses, high inventories and the tail end of restocking: global shipments remain elevated, with Brazil and non-mainstream miners slowing somewhat but Australian majors and Guinea still increasing volumes. On the Chinese demand side, the discount has narrowed, around 93% of steel mills are loss-making, and purchasing appetite is weak. Port inventories are 20% higher YoY, with inventory pressure significant. The downside, meanwhile, is supported by elevated freight rates, leaving near-term valuations still resilient. Caution is warranted, however: once freight rates retreat, iron ore may reopen room to the downside.

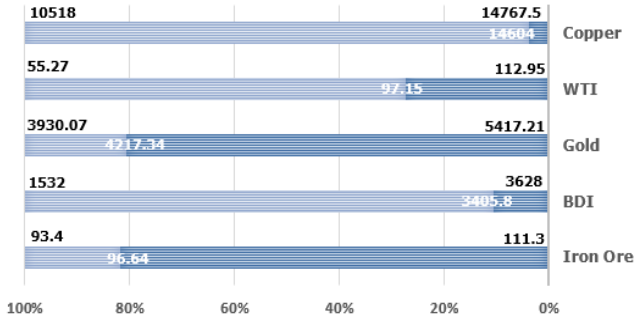
Coking Coal: Shanxi Province convened a meeting on coal safety, stable production and stable supply, requiring coal mines to resume and reach designed capacity in an orderly manner, producing mines to achieve full capacity as soon as possible, and approved incremental advanced capacity to be released in compliance with laws and regulations. Following US-China trade talks, reciprocal reductions in coal tariffs may significantly increase China's total coal imports from the US and Canada, raising the medium-term supply ceiling. In the near term, however, Mongolian coal customs clearance has again fallen to its lowest level in H2 and, combined with tight Australian coking coal supply, premium coking coal remains supply-deficient, with a pronounced near-term strong, forward weak profile.

Source: Bloomberg, FIS

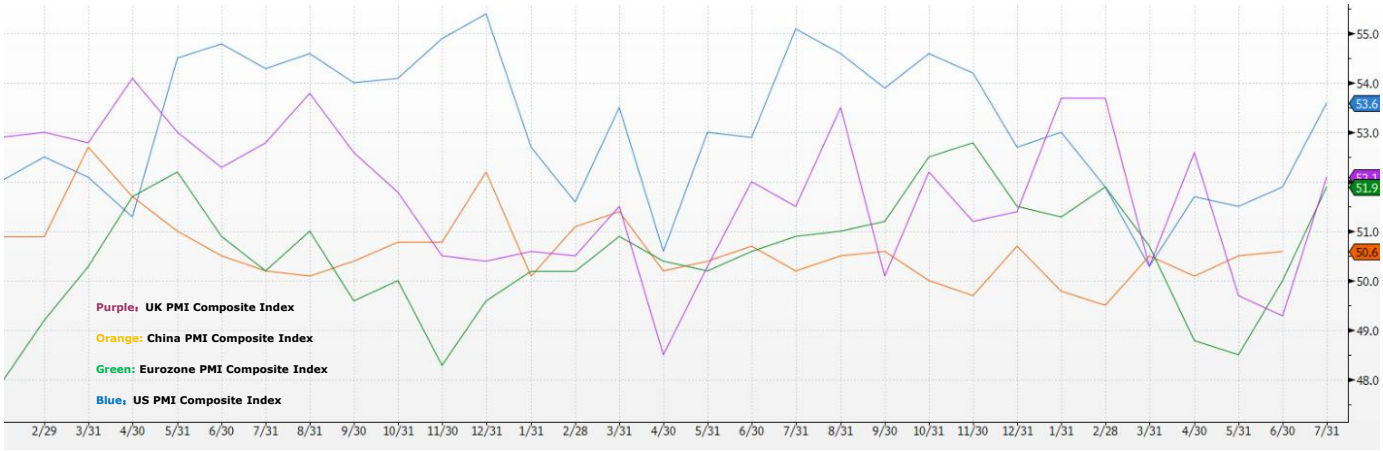
Commodity Relative Price Range
(Past 52 Weeks)



5 Day Moving Average Change
On Commodities

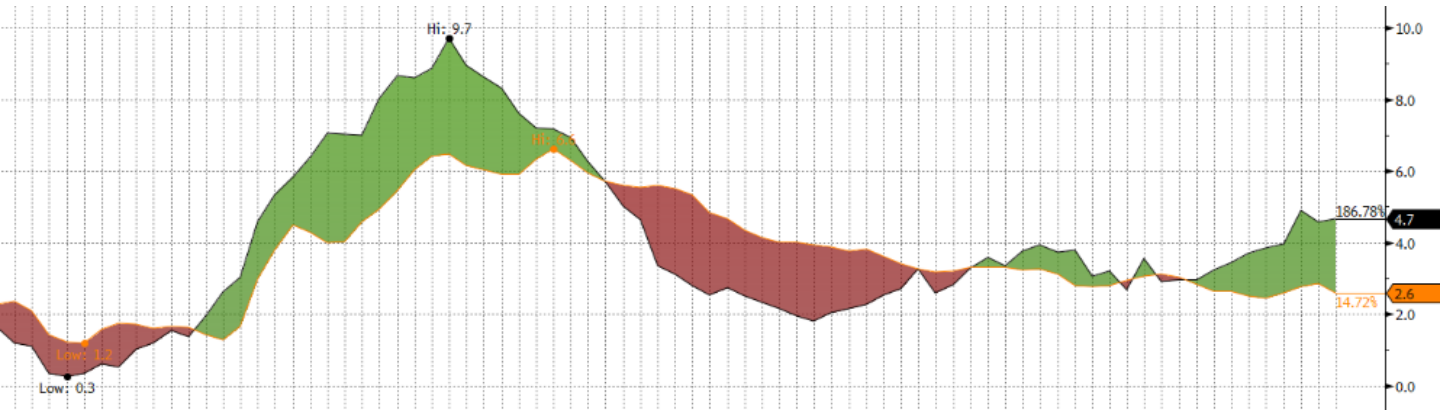


Past 3-year PMI Index

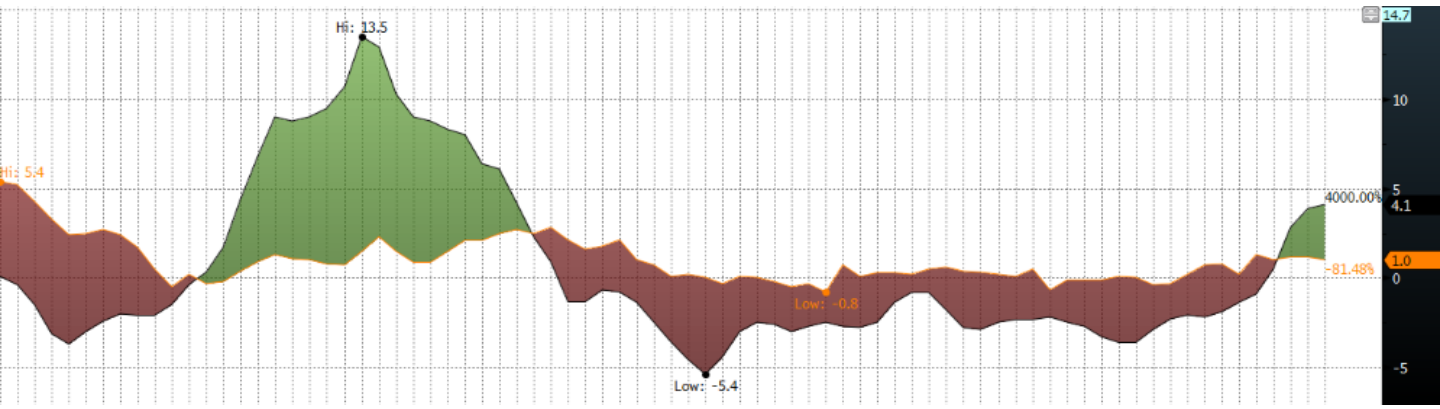


Source: Bloomberg, FIS

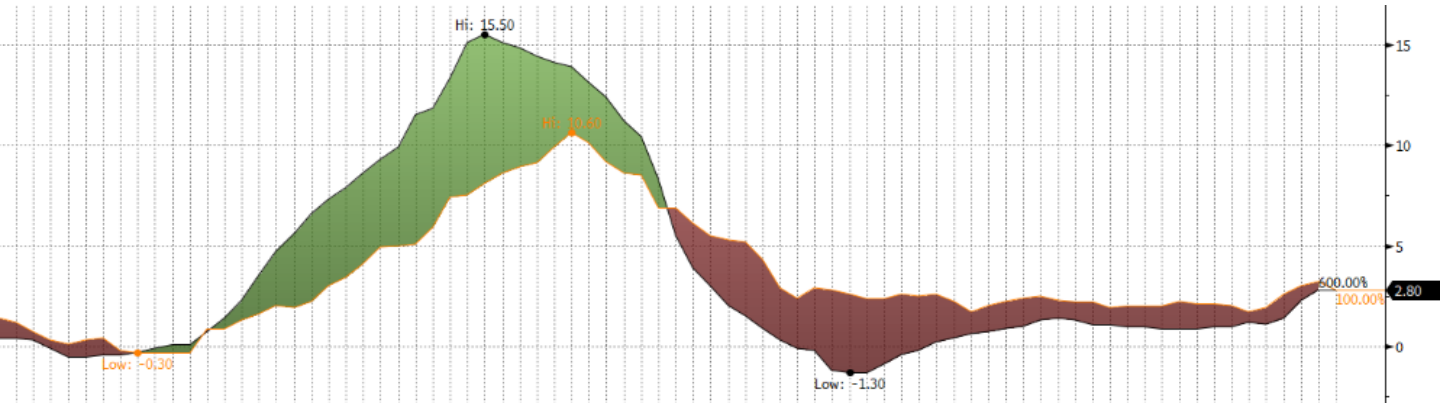
Past 5-year US PPI—CPI (Excl. Food and Energy)



Past 5-year China PPI—CPI



Past 5-year EU PPI—CPI



Source: Bloomberg, FIS

Fact Sheet

EMH: The Efficient Market Hypothesis was proposed by economist Eugene Fama in 1970. Fama was awarded the Nobel Prize in Economic Sciences in 2013. The EMH holds that, in a stock market with sound laws, efficient functions, high transparency and full competition, all valuable information should be reflected promptly, accurately and fully in share prices. Unless there is market manipulation, investors cannot consistently obtain returns above the market average.

Eurostat: Eurostat is the highest administrative body for EU statistics and is based in Luxembourg. The statistical system consists of Eurostat, the statistical institutions and central banks of EU Member States, Iceland, Norway and Liechtenstein.

FedWatch: CME Group's FedWatch tool allows investors to gauge market expectations of potential changes to the federal funds target rate quickly and efficiently.

Lagging Economic Indicators: Lagging economic indicators are indicators whose movements lag behind the economic cycle. For example, if the peak or trough of an indicator occurs several months after the peak or trough of the broader economic cycle, it is considered a lagging indicator. Common examples include the unemployment rate, material inventories and the volume of outstanding loans.

Leading Economic Indicators: Leading economic indicators are used to forecast economic trends. Common examples include unemployment insurance claims, the money supply, average weekly working hours, new housing construction and stock market trends.

US Rate-Hiking Cycle: The US rate-hiking cycle refers to a period during which the Federal Reserve raises the federal funds rate through decisions taken at its policy meetings.

Stagflation: Stagflation is an economic situation characterised by high inflation, with prices rising continuously, but little or no growth in employment or business activity.

Written by **Hao Pei**,
FIS Senior Research Analyst
haop@freightinvestor.com

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions FZCO ('FIS FZCO') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com