

Investment Monthly

The new uncertainty trade

April 2025

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Macro Outlook

- ◆ **Our baseline macro scenario** is for growth convergence in major economies, moderately above target inflation, and gradual rate cuts
- ◆ However, policy **uncertainty** has risen to extreme levels, creating the risk of materially weaker growth
- ◆ In **China**, policy support measures for households, signs of stabilisation in the property market, and expansionary fiscal policy should help mitigate rising external risks
- ◆ Rising trade concerns are likely to have diverging effects on **Asian economies** while macro policies should be supportive for growth

House View

- ◆ **Increased policy uncertainty has boosted market volatility**, which is consistent with our view of markets ‘spinning around’ in 2025
- ◆ We think market leadership can continue to shift to **previously lagging sectors and regions**, but performance could be ‘stop-start’
- ◆ **The US dollar is vulnerable** to further signs of a weaker US economy. This bodes well for EM local currency stocks and bonds
- ◆ **Diversification is a key theme**. Alternatives, such as private credit, hedge funds and defensive real assets can build resilience into portfolios. Gold has been a good hedge against uncertainty

Policy Outlook

- ◆ **The Fed is in “wait and see” mode**. We expect gradual easing as the FOMC attempts to balance below trend growth and above target inflation
- ◆ **A sizeable shift in fiscal policy in Germany** should boost growth in 2026. The ECB is expected to cut rates twice more this year
- ◆ **Rising global trade uncertainty** may have an uneven impact across Asia. The RBI should ease, while a weak currency constrains Bank Indonesia
- ◆ **Chinese policymakers** announced a new 30-point plan to boost household consumption, including measures to stabilise the equity market. This should lessen downside growth risks, and ease deflation concerns

Scenarios

SPINNING AROUND	Our central scenario. Stop-start tariff escalation and moderate US spending cuts. Extreme uncertainty. Stock market leadership broadens out. EMs are resilient
TOPPLING OVER	Full blown global trade war and major US spending cuts. Sharp slowdown in growth, hitting EMs. US stocks enter a bear market. Rates rally across the curve
TAKING OFF	Tariff risk dissipates. Animal spirits boost global growth. Europe catches up with resilient US. Stocks perform well. EMs rally as global growth projections upgraded

Against a backdrop of policy uncertainty, global growth should converge, with central banks still on course to cut rates. We think this scenario is consistent with a **broadening out of performance** to laggard sectors and regions. In emerging markets, a weaker US dollar and further Chinese policy stimulus support the outlook

- ◆ **Equities** – In the US, growth concerns, and recent reversals in expensive large-cap technology stocks have driven a pick-up in market volatility. A broadening out of performance has benefited more attractively valued markets in Europe and Asia. We prefer the growth outlook in emerging and frontier markets
- ◆ **Government bonds** – A cautious Fed, inflation risks stemming from uncertain trade policy, and fiscal concerns should keep yields above 4% for most of 2025. But volatility spikes and a wide trading range are likely
- ◆ **Corporate bonds** – Recent volatility has moved spreads wider. Investment Grade fundamentals remain solid, but High Yield spreads could be affected by the impact of policy uncertainty and a consumer slowdown on corporate profits

Equities		Government bonds		Corporate bonds		FX & Alternatives		Asian assets	
Asset Class	House view	Asset Class	House view	Asset Class	House view	Asset Class	House view	Asset Class	House view
Global	↔▲	Developed Market (DM)	↔▲	Global investment grade (IG)	↔▲	Gold	▲	Asia local bonds	▲
US	↔	US 10-year	↔▲	USD IG	↔	Other commodities	↔	RMB bonds	↔
UK	↔	UK 10-year	▲	EUR & GBP IG	↔	Real assets	▲▲	Asia ex-Japan equities	↔▲
Eurozone	↔▲	Germany 10-year	↔	Asia IG	↔▲	Hedge funds	▲▲	China	▲
Japan	↔▲	Japan	▼	Global high-yield	↔▼	Private credit	▲▲	India	▲
Emerging Markets (EM)	▲	Inflation-linked bonds	↔▲	US high-yield	▼	Private equity	↔	ASEAN	↔▲
CEE & Latam	▼	EM (local currency)	▲	Europe high-yield	▼	US dollar (DXY)	↔▼	Hong Kong	▲
Frontier	▲			Asia high-yield	↔▲	Crypto assets	▼▼	Asia FX (ADXY)	↔
				Securitised credit	▲				
				EM aggregate bond (USD)	▲				

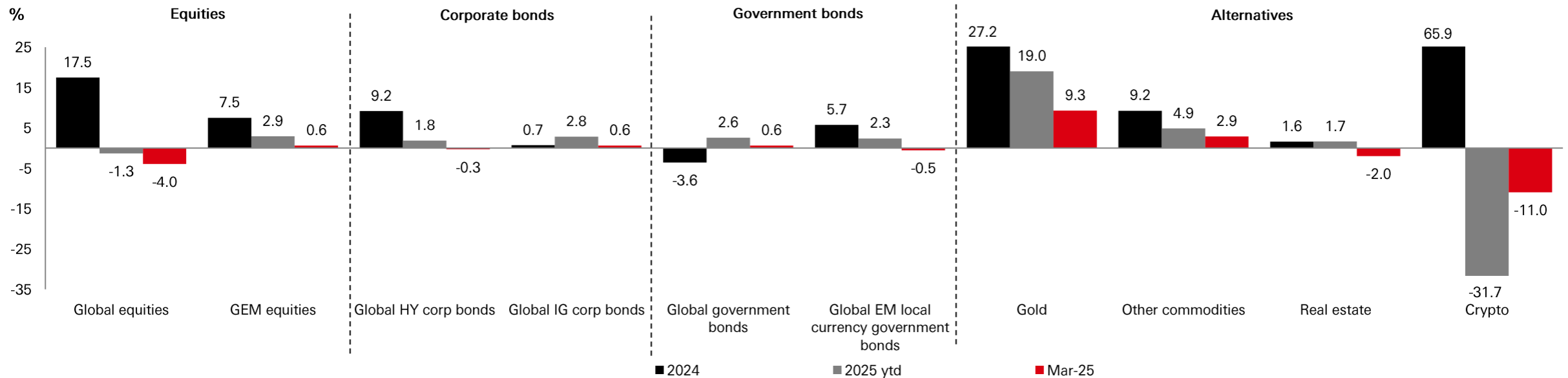
▲▲▲	Max Positive	↔▼	Neutral/Negative bias
▲▲	Positive	▼	Negative Bias
▲	Positive Bias	▼▼	Negative
↔▲	Neutral/Positive bias	▼▼▼	Max Negative
↔	Neutral		

House view represents a >12-month investment view across major asset classes in our portfolios

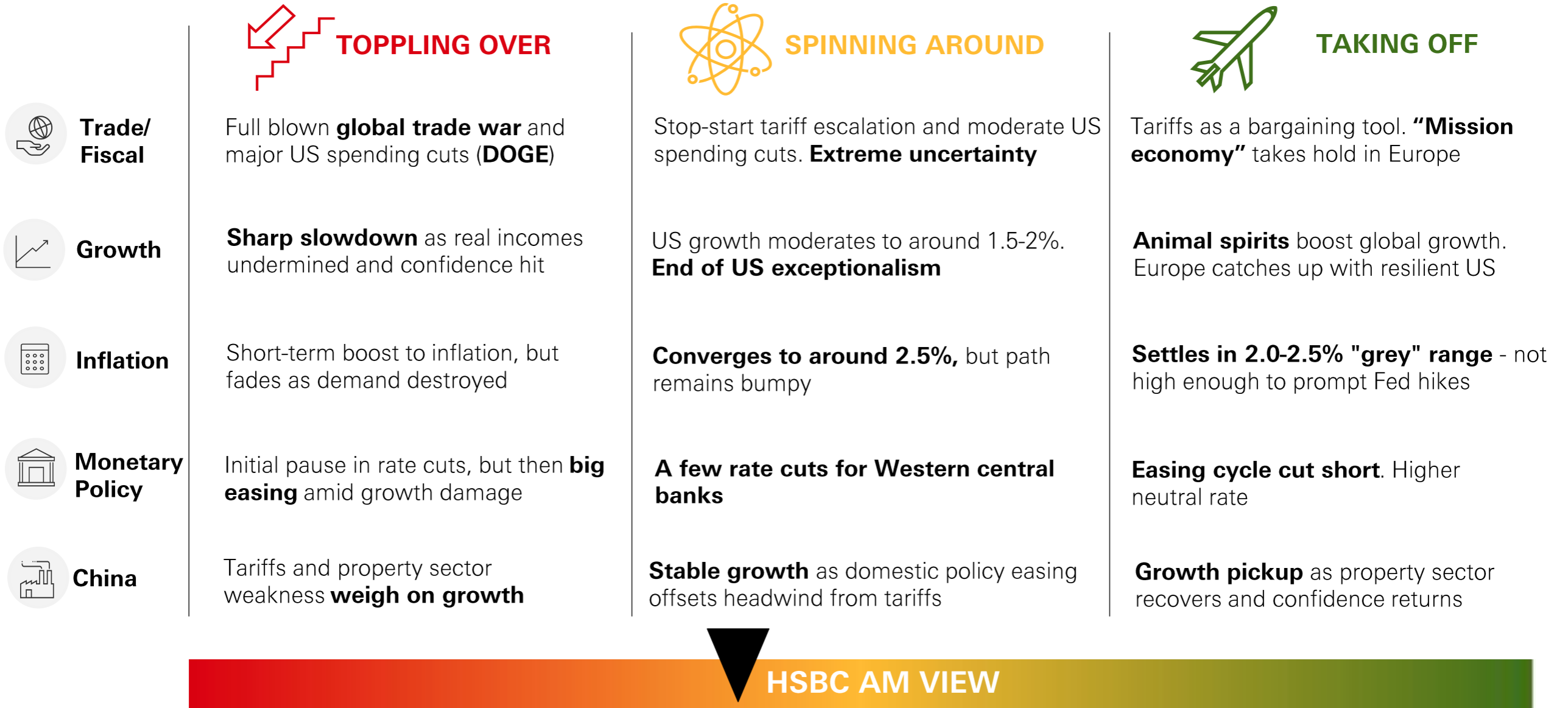
Source: HSBC Asset Management as at April 2025. The level of yield is not guaranteed and may rise or fall in the future. Any forecast, projection or target where provided is indicative only and is not guaranteed in any way. HSBC Asset Management accepts no liability for any failure to meet such forecast, projection or target. The views expressed above were held at the time of preparation and are subject to change without notice. This information shouldn't be considered as a recommendation to invest in the country or sector shown.

Global equity returns continued to ‘spin around’ in March, with US stocks volatile, and European and emerging market indexes advancing. US Treasury yields were range-bound as markets played wait-and-see on policy direction. The US dollar fell sharply, while gold hit new highs

- ◆ **Government bonds** – US 10-year Treasury yields edged slightly higher through the month as markets weighed uncertainty over the economic outlook and trade policy. German Bund yields rose sharply on major public spending commitments
- ◆ **Equities** – In developed markets, the US stocks were volatile and trended lower, with large-cap technology firms leading the overall decline. By contrast, European stocks rallied. In emerging markets, India saw a sharp recovery, and there were broad gains across Latam, emerging Europe, and China
- ◆ **Alternatives** – Real asset indices were mixed in March. Infrastructure equity and hedge funds saw positive returns, but there was some weakness in real estate. Elsewhere, the oil price was range-bound and gold broke above USD3,000












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 Source: Bloomberg, all data above as at close of business 31 March 2025 in USD, total return, month-to-date terms. Note: Asset class performance is represented by different indices. **Global Equities:** MSCI ACWI Net Total Return USD Index. **Global Emerging Market Equities:** MSCI Emerging Market Net Total Return USD Index. **Corporate Bonds:** Bloomberg Barclays Global HY Total Return Index value unhedged. Bloomberg Barclays Global IG Total Return Index unhedged. **Government bonds:** Bloomberg Barclays Global Aggregate Treasuries Total Return Index. JP Morgan EMBI Global Total Return local currency. **Commodities and real estate:** Gold Spot \$/OZ, Other commodities: S&P GSCI Total Return CME. **Real Estate:** FTSE EPRA/NAREIT Global Index TR USD. **Crypto:** Bloomberg Galaxy Crypto Index.



Source: HSBC Asset Management, April 2025.






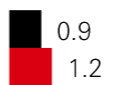









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	 TOPPLING OVER	 SPINNING AROUND	 TAKING OFF
 Stocks	<p>SPX enters bear market. US tech vulnerable given valuations. VIX spike</p>	<p>Broadening out of market leadership to laggard sectors, regions. VIX picks up</p>	<p>Global stocks perform well. High-beta markets shine</p>
 Fixed income	<p>Rates rally across the curve, curve steepens. Credit spreads widen</p>	<p>Range-bound yields, some upside risk to credit spreads. Focus on income flows</p>	<p>Some upside risk to yields as growth remains strong. Credit spreads still tight</p>
 EM	<p>EMs hit amid weaker global growth and trade challenges</p>	<p>Does well amid growth resilience, Fed cuts, China stimulus and good valuations</p>	<p>EM rallies as global growth projections upgraded, better trade news discounted</p>
 USD	<p>USD boosted by safe-haven status, but weaker in Trump 2.0?</p>	<p>Tug of war between US inflation pressures vs end of US exceptionalism</p>	<p>Upside to USD limited by global growth expansion. EUR rallies</p>
 Top bets	<p>USTs, gold, CHF, macro HFs, best IG, defensives, quality, momentum</p>	<p>Value, quality, mid-caps. EM/Europe/Japan > western markets. IG > HY</p>	<p>Europe/China > US. HY credits. Industrial metals. China. Crypto>gold.</p>
 NOW			

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Narrowing US growth differential versus DM, China policy boost

		Consensus		Policy 	
		Growth 	Inflation 	End-25 policy rate (HSBC AM)	2025 Fiscal impulse
		■ 2025 ■ 2026	■ 2025 ■ 2026		
US	Survey measures, like consumer confidence, are weakening. Hard data, including for the labour market and corporate profits, remain resilient. Fed Chair Powell has signalled a “wait and see” stance, highlighting the uncertain economic outlook, but the FOMC still signals further gradual easing	 1.9 1.9	 2.5 2.4	3.50-4.00%	Mild drag
Eurozone	Germany unveiled a sizeable EUR500 bn infrastructure investment fund (to be disbursed over 10 years) and has committed to additional defence spending. This should provide a boost for medium-term growth but, near-term, rising trade uncertainty is a headwind	 0.9 1.2	 2.2 2.0	1.75-2.25%	Neutral
UK	The BoE is faced with sticky wages and inflation but low growth. On balance, this points to gradual easing, given policy is still restrictive. The BoE attributes weak UK growth to supply and demand factors. Higher-for-longer interest rates limit the scope for fiscal support	 1.0 1.4	 3.1 2.4	3.50-4.00%	Mild boost
Japan	The BoJ is gradually normalising monetary policy. BoJ governor Ueda warned of “heightened uncertainty” in US trade policy. The FY25 shunto pay round was “at the higher end of expectations” which should support household consumption and push service sector inflation towards 2%	 1.2 0.9	 2.6 1.9	0.75-1.00%	Drag
China	China’s State Council issued a 30-point action plan to boost domestic consumption, including measures to stabilise the stock market, crucial for consumer confidence. Investment, production and retail sales saw broad-based gains in January-February, but the real estate sector remains a drag on activity	 4.5 4.2	 0.6 1.2	1.00-1.40%*	Boost
India	Growth has been moderating since mid-23 amid weaker private sector investment. But the structural growth story remains intact, supported by favourable demographics and rising incomes. Headline inflation dropped below the RBI’s 4% target in February, paving the way for further gradual easing	 6.5 6.5	 4.2 4.4	6.00-6.50%	Neutral

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Source: HSBC Asset Management, consensus numbers from Bloomberg, April 2025.

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Asset class positioning

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Max Positive
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Asset class	House view	Comments
Equities	Global	↔▲ Markets face potential volatility amid slowing global growth and geopolitical risks, although falling rates should be supportive. We expect more broadening out for asset returns beyond the US technology sector and mega-cap growth into other regions, sectors, and styles
	US	↔ Earnings growth expectations have weakened but remain above global peers. Risks to the growth outlook include threats to tech sector dominance, weaker consumer confidence, and trade policy uncertainty. Looser fiscal policy, tax cuts and deregulation could be supportive. Rich valuations make prices vulnerable to disappointment
	UK	↔ UK stocks trade at record valuation discounts relative to other regions and offer an attractive combined dividend and buyback yield. Weak domestic growth is a risk, but ongoing policy easing should be beneficial. Firms remain vulnerable to volatility driven by signs of slowing global growth and policy uncertainty
	Eurozone	↔▲ Eurozone stocks offer both value and cyclical exposure partially linked to China and could benefit as global market leadership broadens out. Profits expectations for 2025 should be met, but the growth outlook for countries across the bloc is diverse, meaning selectivity in stocks is key. Fiscal spending commitments in Germany should support long-run growth
	Japan	↔▲ Corporate reform tailwinds remain intact, with the local macro backdrop supportive and corporate earnings outlook resilient, despite potential upward pressure on bond yields amid the BoJ's policy normalisation. Domestically orientated sectors look more favourable versus those sensitive to the global outlook given ongoing uncertainties
	Emerging Markets (EM)	▲ EM growth premiums (vs DM) are expected to widen, with overall valuations favorable and the USD playing a key role in their performance. They remain unloved, as reflected in low P/E multiples. However, EMs should not be treated as a single bloc given their idiosyncrasies. It's crucial to remain selective amid ongoing trade policy and geopolitical uncertainty
	CEE & Latam	▼ In Central and Eastern Europe, economies face mixed challenges complicated by global trade tensions and geopolitical developments. Latam equity valuations remain undemanding, but political risks, a mixed commodity outlook, and the domestic macro backdrop present near-term headwinds, along with the potential impact of trade policy on regional economies
	Frontier Markets	▲ A key attraction of frontier markets is exposure to smaller, rapidly-growing, domestically-driven economies that benefit from local idiosyncrasies. There tends to be low intra-country correlation between them, and they benefit from comparatively low volatility, potentially attractive valuations, and relatively strong earnings growth
Government bonds	Developed Markets (DM)	↔▲ A combination of global policy uncertainty and the re-emergence of growth concerns in early 2025 has driven US Treasuries to outperform (yields have fallen), providing a hedge against equity market volatility. But the potential for a sustained decline in yields appears limited if the US economy does not fall into recession
	US 10-year	↔▲ Yields have retraced recently on softer-than-expected macro data and increased concerns over downside risks. A cautious Fed, inflation risks stemming from trade policy uncertainty, and fiscal concerns should keep yields above 4% for most of the year. USTs still provide an attractive yield and scope for capital gains if the economy weakens markedly
	UK 10-year	▲ Gilts have experienced gyrations in both directions from global yield moves and this is set to continue. However, rising UK fiscal concerns have also widened the spread between 10-year Gilt and UST yields amid signs of weaker US growth. We expect 10-year Gilt yields to fall gradually during 2025, aided by an improving UK inflation outlook
	Germany 10-year	↔ German yields have risen sharply on expectations of higher growth and bond issuance following new commitments on fiscal spending. Further ECB policy easing and US tariffs should limit any further increases during the remainder of 2025. We expect the spread to 10-year UST yields to narrow modestly as US yields drift lower and Bund yields drift higher
	Japan	▼ The BoJ has raised interest rates as part of a gradual normalisation of policy, although conditions will likely remain accommodative. With minimal bond risk premia, we remain underweight Japanese government bonds
	Inflation-linked bonds	↔▲ Market-implied breakeven inflation expectations have narrowed on US growth concerns, lower oil prices, and trade policy uncertainty. European breakevens have also benefited from German commitments on fiscal spending. US ILBs should outperform nominal bonds given the headwinds of policy uncertainty
	EM local currency	▲ Inflation does not appear to be an issue in EM, with most central banks continuing to cut rates despite the Fed pause, catalysing a growth cycle in many regions. Broad US dollar weakness helped by softer US growth and a re-rating of international growth expectations is a tailwind, but will need to be monitored closely in 2025

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Asset class	House view	Comments
Corporate bonds	Global investment grade (IG)	↔▲ IG credit spreads remain tight, and while recent volatility has moved spreads wider, the move has been contained and still reflects seemingly full valuations. Global policy remains a potential headwind, particularly if it leads to a widespread loss of confidence
	USD IG	↔ US IG credit remains at spreads meaningfully below historical averages with most non-financial sectors at or near cyclical tight. Technicals have been highly supportive on high all-in yields and solid fundamentals. The main risk would be a stagflation scenario where Treasury yields back-up and spreads widen as inflation stays sticky even if growth weakens
	EUR and GBP IG	↔ The risks for European IG credit are finely balanced and we expect the market to trade in a range. Fundamentals are reasonably strong for IG issuers, especially European banks. With the ongoing back-up in German bond yields, we would expect the attraction of higher all-in yields to attract more buyers. The main risk for European IG is a global risk-off event
	Asia IG	↔▲ Asia IG spreads are expected to remain within a tight range, with carry strategies a key contributor to alpha generation. Asia IG's shorter duration, strong quality bias, and solid demand are positives, with support from Chinese fiscal stimulus and AI/tech advancements. All-in yields are attractive. We emphasise credit selection with an idiosyncratic focus
	Global high-yield (HY)	↔▼ The risk to spreads may be to the upside given global trade policy uncertainty and signs of cooling consumer confidence, which is starting to filter through to the latest corporate earnings and guidance for 2025. We maintain a more defensive stance with a preference for higher quality
	US HY	▼ Investor sentiment has weakened on policy uncertainty. There is a risk that prospective tariffs become a headwind to consumer demand and result in lower profit margins – both forces that will work against HY spreads. Our bias is to maintain a more defensive stance in credit beta with a preference for higher quality names within HY
	Europe HY	▼ Current valuations are stretched, with spreads at their tightest since June 2007. Single-B valuations look particularly expensive. These issuers are sensitive to growth risks and average borrowing rates. We like banks and insurers where credit fundamentals are strong, but we are underweight autos where structural challenges compound cyclical weakness
	Asia HY	↔▲ Asia HY performance is anticipated to be mixed, with near-term spread widening pressure amid US policy uncertainty and idiosyncratic concerns for credit selection. China's cyclical macro outlook is cushioned by a clear pro-growth/market policy put, while fundamentals and technicals for ASEAN and Indian credits remain largely solid. HY carry is still attractive
	Securitised credit	▲ Spreads remain wider than the tightness of the range since 2009 so there is long-term value in securitised credit despite recent tightening. As long as rates remain high, floating securitised credit can generate high income as base rates feed directly into the income paid
	EM aggregate bond (USD)	▲ Both EM corporate and sovereign credit spreads have experienced modest widening on the shock from trade policy uncertainty, stock market weakness, and US government spending cuts. Corporates benefit from superior technicals and fundamentals
FX & Alternatives	Gold	▲ Gold has rallied to new highs in 2025, with central banks continuing to be major buyers. Investor demand has also been strong, driven by a flight to safe-haven assets as a result of rising geopolitical tensions, global policy uncertainty, and financial market volatility
	Other commodities	↔ Geopolitical tensions have emerged as a heightened risk factor. China's economic story will be a critical driver, with a meaningful recovery likely to provide a boost to prices. OPEC+ market management is also a key influence on oil prices
	Real assets	▲▲ Real estate values are bottoming, although office values are still falling. Investment activity could remain subdued given uncertainty over global growth and the repricing of rate cuts. Meanwhile, infrastructure debt offers better expected returns than global credits, and lower spread volatility during economic slowdowns.
	Hedge funds	▲▲ Hedge funds can be good diversifiers in an environment of elevated inflation and market phases where there are sharp upticks in volatility. Macro and CTA strategies can be particularly attractive alternatives to bonds when there are positive stock-bond correlations
	Private credit	▲▲ As interest rates normalise, private credit continues to offer attractive all-in yields, and an illiquidity premium that suits long-term investors. It can also serve as a useful portfolio diversifier. Default rates remain consistently low
	Private equity	↔ Reduced borrowing costs and positive momentum across the broader capital markets spectrum is expected to drive a normalisation of PE transaction flow over the coming quarters. PE firms have experienced a tough period for exits and fundraising – with the majority of firms with the largest amount of dry powder globally being US-based
	US dollar (DXY)	↔▼ The USD shows signs of losing its shine as US exceptionalism is increasingly challenged, and with trade and policy uncertainty weighing more on US growth sentiment. Shrinking yield differentials for the dollar has been the main fundamental basis for recent weakness, and we expect further weakness over 2025
Crypto	▼▼ Crypto prices accelerated to new highs in early 2025, with new ETFs continuing to see strong inflows. However, prices have experienced a marked pick-up in volatility. More regulatory certainty could provide upside, but high sensitivity to sentiment and thin liquidity could deter mainstream institutional investors	

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Asset class	House view	Comments
Asian assets	Asia local bonds	▲ Macro-stability indicators are largely sound with an overall benign inflation outlook. We expect most EM Asian central banks to ease policy opportunistically given growth concerns from US policy/global trade uncertainty, while staying vigilant on FX volatility/financial stability concerns. We focus on capturing the divergent performance across regional curves
	RMB bonds	↔ Improved investor sentiment toward China’s cyclical growth outlook and risky assets may limit the upside, but low inflation and an accommodative monetary policy space remain supportive. A further pick-up in government bond supply will exert upward pressures on yields, but the central bank’s liquidity management will help mitigate the impact
	Asia ex-Japan equities	↗▲ Asian markets offer broad sector diversification and fair valuations, with China’s growth-supportive policy and other structural stories serving as positives. The tech sector remains the regional profit engine, with rising optimism over China’s AI and tech developments. However, export-oriented markets may remain more vulnerable to external shocks
	China equities	▲ Growing adoption of AI technology, together with the government’s pro-growth policy tone have bolstered market confidence. Meanwhile, domestic challenges and geopolitical risks (such as trade frictions) are still reflected in valuation discounts. Relatively low exposure to overseas markets may partially shield firms from external uncertainties
	India equities	▲ Valuations remain rich compared to other Asian peers, especially for mid-cap stocks. That said, we have seen signs of a gradual, albeit uneven, growth recovery recently, with macro policies having turned more supportive. India’s resilience to external headwinds and a strong structural story serve as positive catalysts for performance in the medium term
	ASEAN equities	↗▲ Valuations are fair in ASEAN, buoyed by modest monetary easing and some structural drivers. The earnings outlook remains stable despite noticeable dispersion across markets. Nevertheless, exposure to global trade tensions, currency volatility, and idiosyncratic risks such as domestic political and policy uncertainty in a few economies warrants caution
	Hong Kong equities	▲ Market sentiment has improved on a tech-led rally in Chinese equities and Chinese stimulus hopes. Valuations are appealing, with P/Bs hovering at par, P/Es well below the long-term average, and relatively high dividend yields. But domestic macro challenges, including a slow recovery in the property market, and prevailing geopolitical risks remain concerns
	Asia FX (ADXY)	↔ US/global policy and macro uncertainties are near-term headwinds, but low valuations, overall solid fundamentals and China’s policy put are supportive. Central banks may allow greater FX flexibility as an external shock absorber but will likely stay vigilant on financial stability risks from volatile capital flows with macro-prudential measures in place

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EQUITY INDICES	Close	MTD Change (%)	3M Change (%)	1-year Change (%)	YTD Change (%)	52-week High	52-week Low	Fwd P/E (X)
World								
MSCI AC World Index (USD)	827	-4.1	-1.7	5.6	-1.7	888	742	17.9
North America								
US Dow Jones Industrial Average	42,002	-4.2	-1.3	5.5	-1.3	45,074	37,612	20.2
US S&P 500 Index	5,612	-5.8	-4.6	6.8	-4.6	6,147	4,954	20.8
US NASDAQ Composite Index	17,299	-8.2	-10.4	5.6	-10.4	20,205	15,223	25.6
Canada S&P/TSX Composite Index	24,918	-1.9	0.8	12.4	0.8	25,876	21,467	15.3
Europe								
MSCI AC Europe (USD)	582	-0.6	10.0	4.2	10.0	614	519	14.5
Euro STOXX 50 Index	5,248	-3.9	7.2	3.2	7.2	5,568	4,474	14.6
UK FTSE 100 Index	8,583	-2.6	5.0	7.9	5.0	8,909	7,794	12.3
Germany DAX Index*	22,163	-1.7	11.3	19.9	11.3	23,476	17,025	15.2
France CAC-40 Index	7,791	-4.0	5.6	-5.1	5.6	8,259	7,030	14.7
Spain IBEX 35 Index	13,135	-1.6	13.3	18.6	13.3	13,515	10,299	12.0
Italy FTSE MIB	38,052	-1.6	11.3	9.5	11.3	39,826	30,653	11.1
Asia Pacific								
MSCI AC Asia Pacific ex Japan (USD)	573	-0.7	0.6	6.6	0.6	632	510	13.8
Japan Nikkei-225 Stock Average	35,618	-4.1	-10.7	-11.8	-10.7	42,427	31,156	18.2
Australian Stock Exchange 200	7,843	-4.0	-3.9	-0.7	-3.9	8,615	7,493	17.1
Hong Kong Hang Seng Index	23,120	0.8	15.3	39.8	15.3	24,874	16,044	10.4
Shanghai Stock Exchange Composite Index	3,336	0.4	-0.5	9.7	-0.5	3,674	2,690	13.8
Hang Seng China Enterprises Index	8,517	1.2	16.8	46.6	16.8	9,211	5,678	9.8
Taiwan TAIEX Index	20,696	-10.2	-10.2	2.0	-10.2	24,417	19,292	14.6
Korea KOSPI Index	2,481	-2.0	3.4	-9.7	3.4	2,896	2,360	8.9
India SENSEX 30 Index	77,415	5.8	-0.9	5.1	-0.9	85,978	70,234	20.3
Indonesia Jakarta Stock Price Index	6,511	3.8	-8.0	-10.7	-8.0	7,911	5,967	10.9
Malaysia Kuala Lumpur Composite Index	1,514	-3.9	-7.8	-1.5	-7.8	1,685	1,479	13.5
Philippines Stock Exchange PSE Index	6,181	3.0	-5.3	-10.5	-5.3	7,605	5,863	9.8
Singapore FTSE Straits Times Index	3,972	2.0	4.9	23.2	4.9	4,005	3,136	12.1
Thailand SET Index	1,158	-3.8	-17.3	-16.0	-17.3	1,507	1,155	12.3
Latam								
Argentina Merval Index	2,338,761	6.0	-7.7	92.7	-7.7	2,867,775	1,167,717	9.2
Brazil Bovespa Index*	130,260	6.1	8.3	1.7	8.3	137,469	118,223	7.5
Chile IPSA Index	7,649	4.3	14.0	15.1	14.0	7,695	6,082	11.4
Colombia COLCAP Index	1,603	-0.3	16.2	20.3	16.2	1,655	1,272	7.6
Mexico S&P/BMV IPC Index	52,484	0.3	6.0	-8.5	6.0	58,299	48,770	11.0
EEMEA								
Saudi Arabia Tadawul All Share Index	12,025	-0.7	-0.1	-3.0	-0.1	12,812	11,318	15.4
South Africa JSE Index	88,637	3.1	5.4	18.9	5.4	90,464	72,535	13.2
Turkey index	9,299.4	0.0	-1.7	5.7	-1.7	11,252.1	8,566.6	4.5

Past performance does not predict future returns. The level of yield is not guaranteed and may rise or fall in the future.

Sources: Bloomberg, HSBC Asset Management. Data as at close of business 31 March 2025. (*) Indices expressed as total returns. All others are price returns.

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EQUITY INDICES - TOTAL RETURN	3-month Change (%)	YTD Change (%)	1-year Change (%)	3-year Change (%)	5-year Change (%)	Dividend Yield (%)
Global equities	-1.3	-1.3	7.2	22.2	102.7	1.9
US equities	-4.6	-4.6	7.8	27.2	129.3	1.3
Europe equities	10.5	10.5	6.9	23.6	85.5	3.2
Asia Pacific ex Japan equities	1.1	1.1	9.1	4.6	48.0	2.9
Japan equities	0.3	0.3	-2.1	16.7	52.5	2.4
Latam equities	12.7	12.7	-13.6	-5.8	74.7	5.8
Emerging Markets equities	2.9	2.9	8.1	4.4	46.6	2.8

All total returns quoted in USD terms.

Data sourced from MSCI AC World Total Return Index, MSCI USA Total Return Index, MSCI AC Europe Total Return Index, MSCI AC Asia Pacific ex Japan Total Return Index, MSCI Japan Total Return Index, MSCI Latam Total Return Index and MSCI Emerging Markets Total Return Index.

BONDS	Close	End of last month	3-months Ago	1-year Ago	Year End 2024
US Treasury yields (%)					
3-Month	4.29	4.29	4.31	5.36	4.31
2-Year	3.88	3.99	4.24	4.62	4.24
5-Year	3.95	4.02	4.38	4.21	4.38
10-Year	4.21	4.21	4.57	4.20	4.57
30-Year	4.57	4.49	4.78	4.34	4.78
Developed market 10-year bond yields (%)					
Japan	1.49	1.37	1.09	0.72	1.09
UK	4.67	4.48	4.56	3.93	4.56
Germany	2.74	2.41	2.36	2.30	2.36
France	3.45	3.14	3.19	2.81	3.19
Italy	3.87	3.54	3.52	3.68	3.52
Spain	3.37	3.04	3.06	3.16	3.06

BOND INDICES - TOTAL RETURN	Close	MTD Change (%)	3-month Change (%)	1-year Change (%)	YTD Change (%)
BarCap GlobalAqq (Hedged in USD)	587	-0.4	1.2	4.6	1.2
JPM EMBI Global	918	-0.5	2.3	6.7	2.3
BarCap US Corporate Index (USD)	3,365	-0.3	2.3	4.9	2.3
BarCap Euro Corporate Index (Eur)	258	-1.0	0.0	4.2	0.0
BarCap Global High Yield (USD)	634	-0.9	1.2	9.2	1.2
BarCap US High Yield (USD)	2710	-1.0	1.0	7.7	1.0
BarCap pan-European High Yield (USD)	604	-0.9	1.0	9.0	1.0
BarCap EM Debt Hard Currency	453	0.0	2.6	7.1	2.6
Markit iBoxx Asia ex-Japan Bond Index (USD)	230	0.1	2.2	6.4	2.2
Markit iBoxx Asia ex-Japan High-Yield Bond Index (USD)	268	0.4	2.8	10.2	2.8

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Sources: Bloomberg, HSBC Asset Management. Data as at close of business 31 March 2025. Total return includes income from dividends and interest as well as appreciation or depreciation in the price of an asset over the given period. This information shouldn't be considered as a recommendation to invest in the country or sector shown.

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CURRENCIES (VS USD)	Latest	End of last month	3-months Ago	1-year Ago	Year End 2024	52-week High	52-week Low
Developed markets							
DXY index	104.21	107.61	108.49	104.49	108.49	110.18	100.16
EUR/USD	1.08	1.04	1.04	1.08	1.04	1.12	1.01
GBP/USD	1.29	1.26	1.25	1.26	1.25	1.34	1.21
CHF/USD	1.13	1.11	1.10	1.11	1.10	1.19	1.08
CAD	1.44	1.45	1.44	1.35	1.44	1.48	1.34
JPY	150.0	150.6	157.2	151.4	157.2	162.0	139.6
AUD	1.60	1.61	1.62	1.53	1.62	1.64	1.44
NZD	1.76	1.79	1.79	1.67	1.79	1.81	1.57
Asia							
HKD	7.78	7.78	7.77	7.82	7.77	7.84	7.76
CNY	7.26	7.28	7.30	7.22	7.30	7.33	7.00
INR	85.47	87.51	85.61	83.41	85.61	87.95	82.96
MYR	4.43	4.46	4.47	4.73	4.47	4.80	4.09
KRW	1,474	1,459	1,479	1,347	1,479	1,487	1,303
TWD	33.20	32.91	32.79	31.98	32.79	33.27	31.53
Latam							
BRL	5.71	5.88	6.17	5.01	6.17	6.32	5.00
COP	4,184	4,154	4,406	3,859	4,406	4,546	3,739
MXN	20.47	20.55	20.83	16.56	20.83	21.29	16.26
ARS	1,073.10	1,063.69	1,030.99	857.67	1,030.99	1,073.31	857.39
EEMEA							
RUB	83.16	89.46	113.52	92.46	113.52	115.07	80.97
ZAR	18.32	18.69	18.84	18.88	18.84	19.39	17.04
COMMODITIES							
	Latest	MTD Change (%)	3-month Change (%)	1-year Change (%)	YTD Change (%)	52-week High	52-week Low
Gold	3,124	9.3	19.0	40.1	19.0	3,149	2,229
Brent Oil	74.7	2.1	0.1	-14.6	0.1	92	68
WTI Crude Oil	71.5	2.5	-0.3	-14.1	-0.3	88	65
R/J CRB Futures Index	309	2.5	4.2	6.5	4.2	317	265
LME Copper	9,710	3.8	10.7	9.5	10.7	11,105	8,714

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Sources: Bloomberg, HSBC Asset Management. Data as at close of business 31 March 2025.

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Important information

Basis of Views and Definitions of 'Asset class positioning' tables

- ◆ Views are based on regional HSBC Asset Management Asset Allocation meetings held throughout **March 2025**, HSBC Asset Management's long-term expected return forecasts which were generated as at **28 February 2025**, our portfolio optimisation process and actual portfolio positions.
- ◆ **Icons:** ↑ View on this asset class has been upgraded – No change ↓ View on this asset class has been downgraded.
- ◆ Underweight, overweight and neutral classifications are the high-level asset allocations tilts applied in diversified, typically multi-asset portfolios, which reflect a combination of our long-term valuation signals, our shorter-term cyclical views and actual positioning in portfolios. The views are expressed with reference to global portfolios. However, individual portfolio positions may vary according to mandate, benchmark, risk profile and the availability and riskiness of individual asset classes in different regions.
- ◆ *"Overweight"* implies that, within the context of a well-diversified typically multi-asset portfolio, and relative to relevant internal or external benchmarks, HSBC Global Asset Management has (or would have) a positive tilt towards the asset class.
- ◆ *"Underweight"* implies that, within the context of a well-diversified typically multi-asset portfolio, and relative to relevant internal or external benchmarks, HSBC Global Asset Management has (or would) have a negative tilt towards the asset class.
- ◆ *"Neutral"* implies that, within the context of a well-diversified typically multi-asset portfolio, and relative to relevant internal or external benchmarks HSBC Global Asset Management has (or would have) neither a particularly negative or positive tilt towards the asset class.
- ◆ For global investment-grade corporate bonds, the underweight, overweight and neutral categories for the asset class at the aggregate level are also based on high-level asset allocation considerations applied in diversified, typically multi-asset portfolios. However, USD investment-grade corporate bonds and EUR and GBP investment-grade corporate bonds are determined relative to the global investment-grade corporate bond universe.
- ◆ For Asia ex Japan equities, the underweight, overweight and neutral categories for the region at the aggregate level are also based on high-level asset allocation considerations applied in diversified, typically multi-asset portfolios. However, individual country views are determined relative to the Asia ex Japan equities universe as of **28 February 2025**.
- ◆ Similarly, for EM government bonds, the underweight, overweight and neutral categories for the asset class at the aggregate level are also based on high-level asset allocation considerations applied in diversified, typically multi-asset portfolios. However, EM Asian Fixed income views are determined relative to the EM government bonds (hard currency) universe as of **31 March 2025**.

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