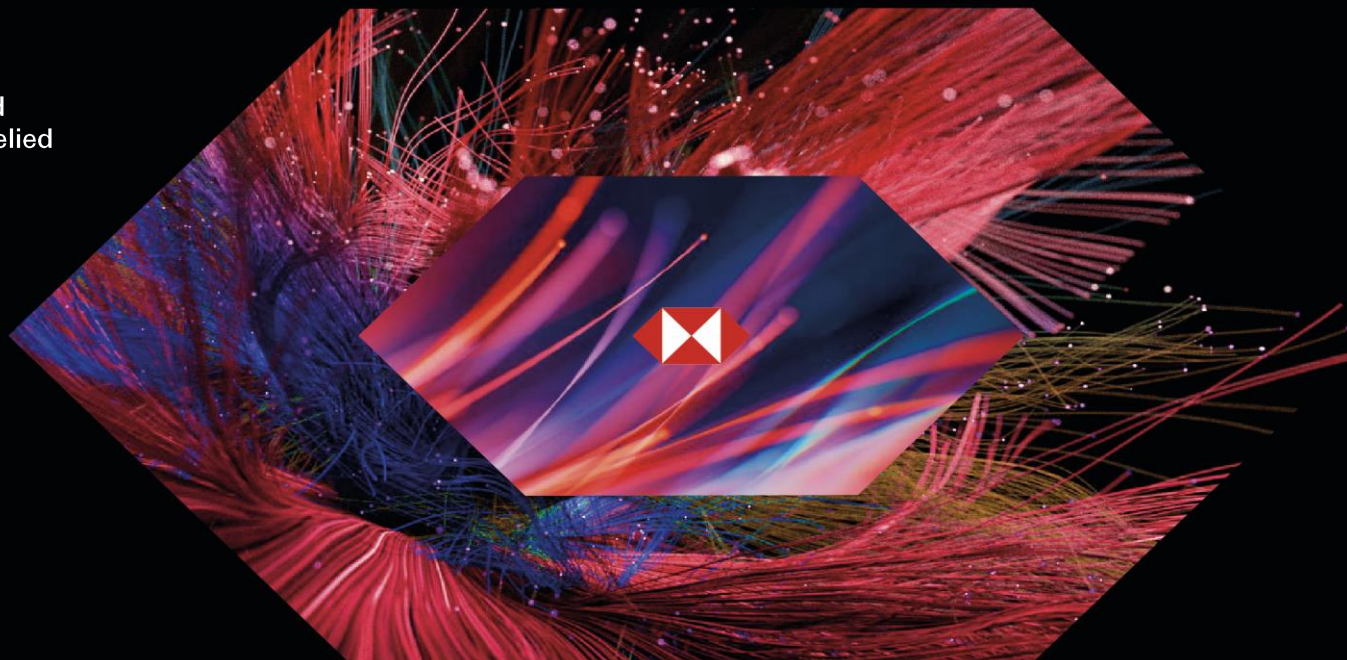


Investment Monthly

Uncertainties and opportunities

November / December 2024

For Professional Clients only and
should not be distributed to or relied
upon by Retail Clients.



Summary

Macro Outlook

- ◆ We expect **disinflation, resilient growth, and robust corporate profits** to persist in 2025, allowing the global rate cutting cycle to continue
- ◆ **Growth rates in advanced economies** are expected to converge. US growth is cooling but we see little risk of a near-term economic downturn
- ◆ The world's premium economic growth rates will be in **Asia and Frontier economies**. But The "multi-polar" world brings with it geopolitical tensions creating volatility in commodity prices
- ◆ For emerging markets, **the US dollar outlook is key**. It is hard to forecast a materially weaker dollar in 2025, but a stronger dollar isn't guaranteed

House View

- ◆ **Global conditions are supportive** of further market gains in 2025, but rising policy uncertainty is likely to translate to a more volatile market environment
- ◆ Converging global growth gives **neglected parts of global stock markets** outside the US an opportunity to catch up
- ◆ The fundamental case for EM remains underpinned by undemanding valuations. Better-than-expected news could be doubly good for performance. We prefer **Asia stocks and credits, and local-currency EM debt**
- ◆ **Diversification into alternatives** such as hedge funds, private credit, and defensive real assets can build portfolio resilience

Policy Outlook

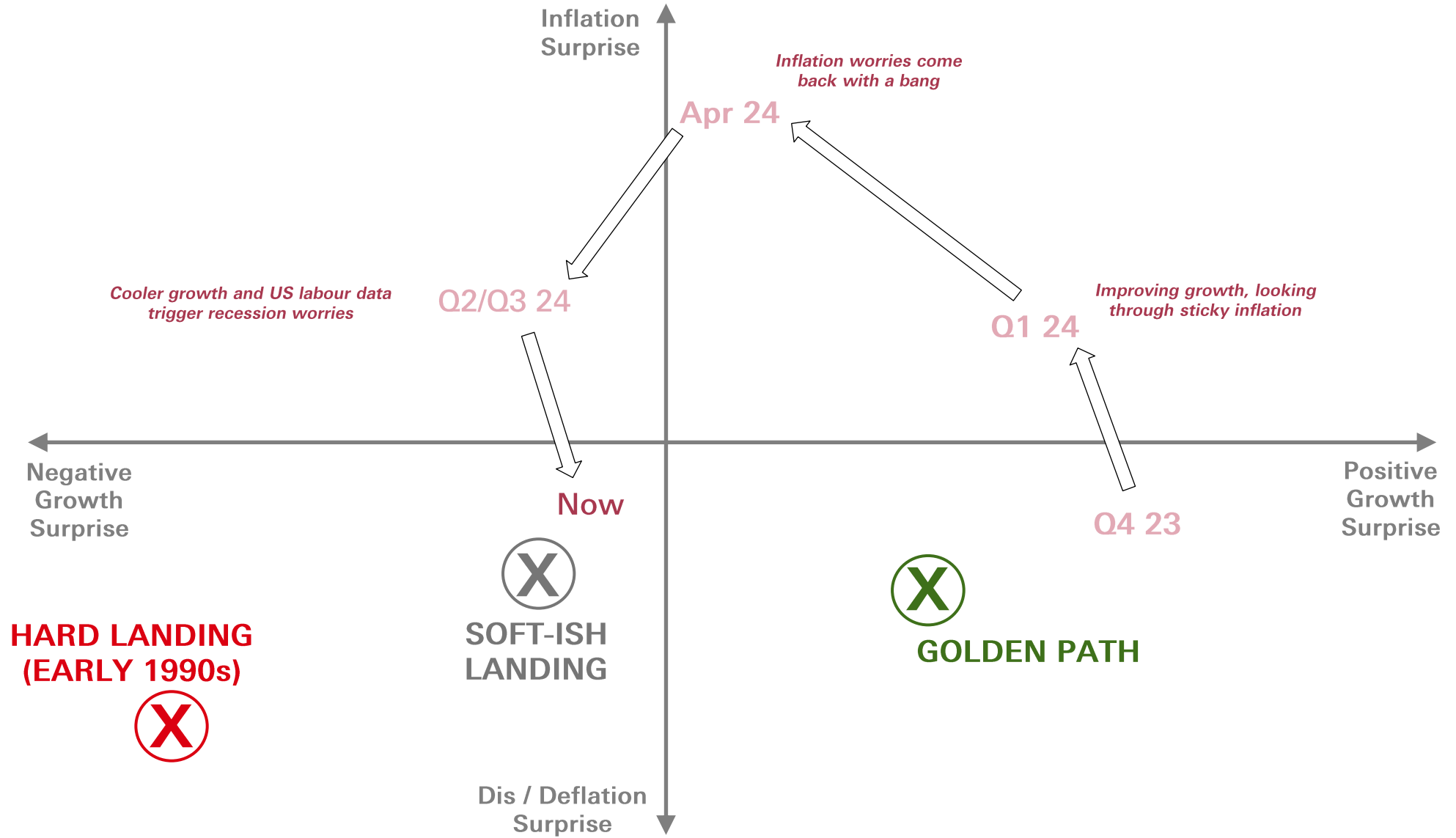
- ◆ The **outlook for global trade policies is unclear**, and US fiscal policy is set to become looser. Concerns about inflation are likely to linger for a bit longer
- ◆ **Interest rate cutting cycles are likely to be shallow in 2025**, with the Fed expected to cut the funds rate to a more neutral level of ~3.50% by end-2025
- ◆ **Chinese** policy support – including liquidity, fiscal/credit, structural measures – can boost the economy out of the deflation trap
- ◆ The UK Budget highlighted how countries with high debt and wide deficits are facing **market pressures to avoid fiscal largesse**













Scenarios

SOFTISH LANDING	Inflation stabilises around target. GDP growth is below trend. Profit growth broadens-out
HARD LANDING	Restrictive policy induces recession. Inflation is below 2%. Most assets sell off. Bonds perform
GOLDEN PATH	Productivity boosts GDP without inflation. Bull market continues. US leadership is extended

The value of investments and any income from them can go down as well as up and investors may not get back the amount originally invested. The views expressed above were held at the time of preparation and are subject to change without notice. Diversification does not ensure a profit or protect against loss. This information shouldn't be considered as a recommendation to invest in the country or sector shown.

Macro scenarios in 2024



		 HARD LANDING	 SOFTISH LANDING	 GOLDEN PATH
Macro	 Broad environment	Restrictive policy and depleted excess savings pushes global economy into recession	Cooling growth but recession averted amid resilient profits and falling inflation	AI, re-greening the economy, & immigration boosts growth and productivity
	 Inflation	Inflation falls below 2% but supply-side factors result in a bumpy path lower	Inflation stabilises at around target , but 2% becomes a floor rather than a ceiling	Supply-side expansion allows inflation to settle at around 2% with less volatility
	 Fed	Fed funds slashed by 400-500bp, similar to previous recessions	Fed funds rates falls to 3.00-3.50% by mid-2025 (neutral/mildly accommodative)	Policy pauses at around 4% , with limited damage to labour market
	 China	5% growth target is missed amid weakening exports. Policy stimulus ramped up	Policy action keeps 5% growth target for 2024 within reach. Consumer still fragile	China benefits from stronger global growth and domestic AI investments
	 Profits	Profit recession in 2025 , a significant delta versus current IBES consensus	Broadening profits growth across sectors & regions . 2024 US high single-digit EPS growth	Double-digit DM EPS growth in 2025 and 2026. Productivity boosts already high margins
Market	 Stocks	SPX revisits levels last seen in early 2023 (4000-4250). But lower rates provide support	A “great rotation” in markets – value, defensives, EM, small caps outperform. Volatility picks up	Bull market continues as EPS projections upgraded. But repricing of Fed is a headwind
	 Fixed income	Rates rally across the curve, curve steepens sharply. Credit spreads widen	Strong case for a “structural steepener” of the yield curve. Private credits remain attractive	Market pricing of rates too dovish. Bonds rangebound. Credit spreads tighten
	 EM	EM and Asia under pressure from weaker global growth and stronger USD	EMs should benefit from a weaker USD, growth resilience and undemanding valuations	EM performance supported by strong global growth but stronger USD/more hawkish Fed limits gains
	 Preferences	USD, USTs, gold, CHF, macro HFs, defensive equity, momentum, highest-quality IG credits	Value/defensives > growth/cyclicals. EM/Japan > western markets. Europe > US. IG > HY	Quality growth. US > EAFE. HY credits. Industrial metals. China. Crypto>gold.

Source: HSBC Asset Management, November 2024.

Any views expressed were held at the time of preparation and are subject to change without notice. While any forecast, projection or target where provided is indicative only and not guaranteed in any way. HSBC Global Asset Management (UK) Limited accepts no liability for any failure to meet such forecast, projection or target. This information shouldn't be considered as a recommendation to invest in a particular sector or country shown.

House view

We expect global GDP and profits growth to converge in 2025, supporting a **broadening out of performance to laggard areas of global stock markets**. Rising policy uncertainty could cause volatility, so investors need to be active in their views. Alternative assets like hedge funds and private credit can offer portfolio resilience

- ◆ **Equities** – Resilient global growth and ongoing policy easing are good for risk appetite and should encourage a broadening out of market leadership into laggard sectors and regions. We prefer emerging and frontier market stocks given their undemanding valuations
- ◆ **Government bonds** – An uncertain policy backdrop could see yields trade in a relatively wide range in the coming months. Markets now price a shallower rate cutting cycle, the risk of higher inflation, and looser fiscal policies. We expect a structural steepening of the yield curve as the Fed cuts rates
- ◆ **Corporate bonds** – Investment grade and high yield credit spreads still trade at close to historically tight levels despite cooling in the US economy. High ‘all in’ yields means corporate credit remains potentially attractive

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

▲ Positive
 ↔ Neutral
 ▼ Negative

View move:
 — No change
 ↑ Upgraded versus last month
 ↓ Downgraded versus last month

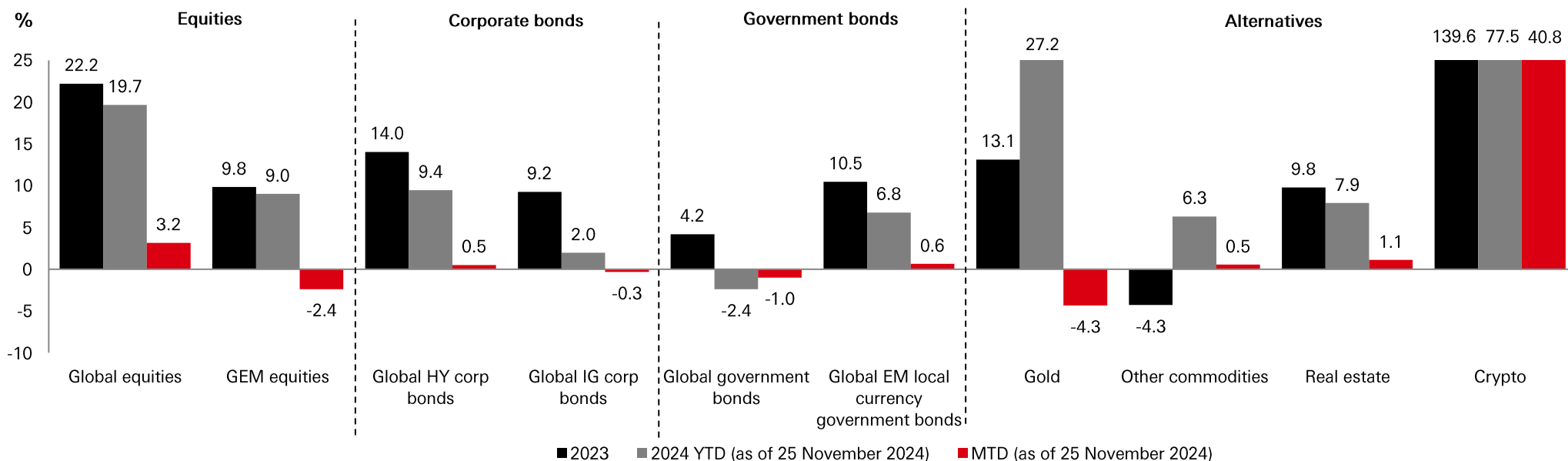
House view represents a >12-month investment view across major asset classes in our portfolios

Source: HSBC Asset Management as at November 2024. 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 not guaranteed in any way. 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.

Asset class performance at a glance

US stock markets rallied after the presidential election in November, but most developed and emerging market regions saw negative returns. Resilient US economic data, policy uncertainty and expectations of more accommodative fiscal policies lead to a further rise in Treasury yields and a rally in the US dollar

- ◆ **Government bonds** – After rising sharply in Q3, government bond yields drifted moderately higher in November as market expectations converged on expectations of a shallower rate cutting cycle and the risk of higher debt issuance to fund deficits. Japanese yields also rose, but eurozone yields fell
- ◆ **Equities** – US stocks rallied in November, but most developed and emerging market regions delivered negative returns. Emerging market stocks were laggards during the month, with China and South Africa among the weakest
- ◆ **Alternatives** – The rate-sensitive real estate sector underperformed through November. Industrial metals, including copper, also weakened, while gold eased after a strong Q3 performance. Oil prices were broadly flat



Past performance does not predict future returns. The level of yield is not guaranteed and may rise or fall in the future. This information shouldn't be considered as a recommendation to invest in the country or sector shown. The views expressed above were held at the time of preparation and are subject to change without notice.

Source: Bloomberg, all data above as at close of business 25 November 2024 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.

Monthly macroeconomic update

US	<ul style="list-style-type: none"> ◆ In the US, Fed Chair Powell stated the Fed was in “no hurry” to lower rates further due to the strong US economy and the “bumpy” path for inflation amid increased uncertainty ◆ GDP remained above trend in Q324, with real private domestic final sales rising at the fastest pace since Q123. Consumer spending remains strong but should slow on softer labour markets. Core inflation has edged higher recently but lower rents should feed through to official Owners’ Equivalent Rent. Wage growth should also moderate
Europe	<ul style="list-style-type: none"> ◆ In the eurozone, ECB members remain biased towards further gradual easing near-term. GDP picked up in Q324, boosted by an Olympics-led rise in France. Core inflation returned to the ECB’s 2% target in October. Service sector inflation remains sticky ◆ In the UK, growth slowed to a crawl in Q324, but consumer spending showed a solid rise. Headline inflation moved back above the BoE’s 2% target in October, driven by higher energy prices. The BoE upgraded its inflation forecast following the UK budget
Asia	<ul style="list-style-type: none"> ◆ In China, the latest data points to a sequential rebound in growth in Q424. Latest policy measures have supported retail sales and property sales. Disinflation pressures persist ◆ In India, the central bank moved from a “withdrawal of accommodation” to a neutral stance in October. Headline inflation surprised on the upside, driven by higher food prices. This suggests a rate cut is unlikely until early 2025 ◆ In Japan, GDP moderated in Q3, led by higher consumer spending. Net exports and business investment fell. BoJ governor Ueda reiterated his commitment to gradual rate hikes, dependent on “economic activity and prices” as well as “financial conditions”
Other EM	<ul style="list-style-type: none"> ◆ In Latin America, continued downside risks and the improving inflation outlook prompted Banxico, Mexico’s central bank, to lower rates 25bp in November. In contrast, Banco do Brasil has signalled further tightening to stabilise inflation expectations ◆ In EMEA, South Africa’s central bank delivered a 25bp cut, noting near-term inflation risks remain “contained”. Medium-term inflation was upgraded. In Hungary, inflation surprised on the downside in October, but FX weakness kept rates unchanged ◆ In MENA, lower oil prices and large investment-related imports has prompted GCC countries to diversify away from oil, led by Saudi Arabia and the UAE

Base case view and implications

<ul style="list-style-type: none"> ◆ US equities were strong in November as markets absorbed Q3 earnings and the post-election outlook. Parts of the market where valuations are stretched remain vulnerable to correction. If a soft landing is achieved, it could spur a rotation benefiting defensive sectors, small-caps, and ‘value’ ◆ We continue to prefer US Treasuries over equities amid a cooler growth outlook and policy uncertainty
<ul style="list-style-type: none"> ◆ European equities offer both value and cyclical exposure, although signs of economic weakness across the region could be a risk to earnings. Modest valuations versus global peers supports the case for selective stock picking ◆ European government bond yields should fall on further ECB policy easing and potential global trade tensions
<ul style="list-style-type: none"> ◆ There are still material valuation discounts in Chinese equities amid ongoing macro uncertainties. More fiscal support may lead to further re-ratings, with analysts optimistic on earnings growth ◆ Indian equity valuations remain relatively rich (especially mid-cap stocks). A stable earnings outlook, its macro resilience to external challenges and structural tailwinds are supportive ◆ Corporate reforms still offer a re-rating potential on Japanese equities, with support from the government stimulus package. Exporters/FX-sensitive sectors face rising trade uncertainties
<ul style="list-style-type: none"> ◆ Many EM equity markets have performed positively year-to-date, but there is divergence across regions – with Latam and Korea notable laggards. Reasonable valuations and a pick-up in the macro cycle/growth outlook are encouraging, especially in Asia. EM equities offer potential diversification benefits due to idiosyncratic trends, including structural growth and cyclical upside ◆ Local-currency EM government bonds face a more mixed outlook due to global policy uncertainty, the prospect of higher-for-longer US rates, and the risk of a stronger US dollar

Asset class positioning

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

▲ Positive
↔ Neutral
▼ Negative

View move:
– No change
↑ Upgraded versus last month
↓ Downgraded versus last month

Asset class	House view	View change	Comments	
Equities	Global	↔	↑	Markets face potential volatility amid policy uncertainty, a shallower than expected US policy easing cycle, and global trade tensions. On the upside, resilient global growth and ongoing rate cuts should encourage a 'broadening out' of market leadership into laggard sectors and regions
	US	↔	↑	Disinflation and resilient growth in both GDP and corporate profits in 2024 underpin above-average profit growth forecasts for 2025. Potentially looser fiscal policy, tax cuts, and de-regulation are supportive, but could be inflationary. Rich valuations make prices vulnerable to disappointment
	UK	↔	–	The UK market benefits from a wide valuation discount relative to other regions, as well as the highest dividend yield globally, but stocks are vulnerable to volatility driven by slowing global growth. Concerns over fiscal largesse following the autumn budget may have dampened sentiment
	Eurozone	↔	–	Eurozone stocks offer both value and cyclical exposure partially linked to China and could benefit as global market leadership broadens out. Profits growth expectations should be met in 2025, with potential for a re-rating if global trade tariffs have less of an impact than expected
	Japan	▲	↑	Corporate reforms still offer potential for re-ratings, with active share buybacks and government fiscal measures supporting market sentiment. Domestically orientated sectors look more favourable versus those sensitive to global trade and growth amid ongoing external uncertainties
	Emerging Markets (EM)	▲	–	The EM growth outlook is a relative bright spot in a global context, with disinflation, Chinese policy stimulus, and Fed rate cuts being supportive. Stock and currency market valuations remain undemanding. Idiosyncratic trends within EMs imply scope for portfolio diversification too
	CEE & Latam	▼	–	In Central and Eastern Europe, central banks retain a cautious policy stance amid still high inflation, while the region's growth recovery remains weak. In Latam, earnings could be impacted by slowing global growth, while the domestic backdrop also presents near-term headwinds
	Frontier Markets	▲	–	Frontier economies are spread across different geographies and have highly varied economic characteristics, which contributes to lower correlation of returns and less volatility versus EM and DM indices, boosting their appeal as a portfolio diversifier
Government bonds	Developed Markets (DM)	↔	–	Western economic growth remains broadly resilient to higher interest rates, keeping yields high. However, there signs of cooling in the US and in the event of a more significant deterioration in growth, government bonds may outperform and provide a hedge against equity market volatility
	US	↔	↓	We expect a limited decline in the 10yr Treasury yield in 2025 given expectations for a shallower rate cutting cycle, the risk of higher inflation, and the assumption that the market will likely require a higher term premium due to increased fiscal risks
	UK	▲	–	Gilt yields rose sharply following the UK budget in October, reflecting market unease and rising inflation expectations over a forecast increase in borrowing to fund extra public spending. However, we expect 10y Gilt yields fall gradually during 2025, aided by better UK inflation news
	Eurozone	▲	–	Further ECB policy easing, and concerns regarding the potential implementation of US trade tariffs, should mean yields fall gradually through 2025. The eurozone economy looks set for another year of lacklustre growth, with continuing progress on disinflation
	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 inflation rates have rebounded on stronger economic data, geopolitical concerns, and uncertainty about potentially inflationary US policies. ILB valuations remain low, and they could outperform nominal bonds in this environment
	EM local currency	▲	–	The pricing out of Fed policy easing and a stronger US dollar are headwinds to EM bonds and the outlook is more mixed now. But despite upward pressure on global rates, lower oil and commodity prices could keep the medium-term disinflation path unchanged, with EM local yields declining

Source: HSBC Asset Management as at November 2024. The level of yield is not guaranteed and may rise or fall in the future. Diversification does not ensure a profit or protect against loss. 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.

Asset class positioning

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

▲ Positive
↔ Neutral
▼ Negative

View move:
– No change
↑ Upgraded versus last month
↓ Downgraded versus last month

Asset class	House view	View change	Comments	
Corporate bonds	Global investment grade (IG)	↔	–	Despite credit spreads remaining tight, we see selective opportunities in global corporate bonds, particularly in global investment grade and securitised credits. With a stronger term premium in global bonds, we also prefer duration
	USD IG	↔	–	Valuations are rich, with spreads reaching 30-year tights and most non-financial sectors at or near historical tights. Financials, especially banks, remain relatively attractive. Technicals remain highly supportive and 'all in' yields continue to attract strong inflows
	EUR and GBP IG	↔	–	The risks for EU IG credit are finely balanced. Historically depressed spreads point to expensive valuations. Carry and rolldown are sufficient to compensate for the volatility that could result from an environment of heightened trade tensions and tariffs
	Asia IG	↔	–	Asia IG spreads are expected to remain within a tight range, with carry strategies a key contributor to alpha generation. Stable regional credit fundamentals and shorter duration compared to global credit markets are positives. 'All in' yields are attractive
	Global high-yield (HY)	↔	–	HY spreads remain historically tight despite cooling in the US economy. Nevertheless 'all in' yields are high. For now, still reasonable growth and moderating inflation mean that the fundamental backdrop is supportive
	US HY	▼	–	Valuations remain at historically expensive levels with spreads far below historical averages, but 'all in' yields remain attractive. Fundamentals are not a source of concern and growth is still reasonable, although policy uncertainty has become a concern
	Europe HY	▼	–	Current valuations are stretched given the unfavourable macro backdrop of barely-positive growth and high real interest rates. The market is relying on expected policy easing in the coming months to maintain the benign environment for risk assets
	Asia HY	↔	–	China HY spreads should continue to tighten amid an expectation of gradual delivery of stimulus, with investors also looking for dip buying opportunities on selective names. We keep our structural overweight bias despite pressures from potential trade headwinds
FX & Alternatives	Securitised credit	▲	–	Spreads remain in the middle 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 should perform well in the current environment. The additional impact of weaker currencies can help EM firms with dollar-derived revenues, particularly those that have deleveraged and cut their financing needs
	Gold	▲	–	Gold has traded at new highs during 2024. The outlook depends on the extent of Fed rate cuts and the course of the USD and US yields. Performance as a risk-off diversifier is unreliable, but geopolitical tensions and financial market volatility have been supportive
	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 estate	▲	–	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. Valuations are still supportive, but the sector is vulnerable to macro disappointment
	Infrastructure	▲	–	Infrastructure debt offers better expected returns than global credits, and lower spread volatility during economic slowdowns. It has defensive attributes, offers inflation-linked cash flows and benefits from thematic drivers such as the green transition
	Hedge funds	▲	–	Hedge funds can be good diversifiers while we remain in a high inflation environment and should there be 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	↔	–	With tighter financial conditions raising the cost of leverage, PE funds may face challenges in delivering consistently strong returns. But economic headwinds can create attractive entry points for longer-term investors. The investment case is about alpha, not beta
US dollar	↔	↑	The USD rallied following the US presidential election and could remain strong in anticipation of trade tariffs and other policies. Fed policy easing would normally cause the currency to weaken, but a shallower rate cutting cycle and rate differentials favour the USD	
Crypto	▼	–	Crypto prices have been accelerated to new highs during 2024, with new ETFs continuing to see strong inflows. But crypto performance has historically been highly volatile, and regulatory hurdles remain a key concern	

Source: HSBC Asset Management as at November 2024. 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.

Asset class positioning

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

▲ Positive
↔ Neutral
▼ Negative

View move:

– No change
↑ Upgraded versus last month
↓ Downgraded versus last month

Asset class	House view	View change	Comments	
Asian assets	Asia local bonds	▲	–	The macro backdrop and manageable inflation risk across the region are broadly supportive. We continue to expect a shallow monetary easing cycle given near-term FX volatility and financial stability concerns, and do not anticipate a major rise in yields in the region in the short run
	RMB bonds	↔	–	China is expected to maintain an accommodative monetary policy stance, with a focus on mitigating local government debt risks. A further pick-up in government bond supply could limit the upside in the medium term, but liquidity measures may help mitigate the impact
	Asia ex-Japan equities	↔	↓	Asian markets offer broad sector diversification and reasonable valuations. China policy measures and other structural stories in the region are also positives. Technology industries are still the profit engine, but markets with high external exposure are more vulnerable to external shocks
	China equities	▲	–	Any follow-up fiscal/pro-growth measures could fuel more re-ratings, with analysts optimistic on the earnings outlook. China's macro weakness (deflationary pressures, property market downturn, and soft consumer sentiment) is reflected in valuation discounts
	India equities	↔	–	Valuations are still rich (especially mid-cap stocks) versus regional peers. India's resilience to external headwinds and stable outlook are supportive, and its strong structural story is a long-term catalyst. The RBI is likely to proceed prudently with policy easing on inflation concerns
	ASEAN equities	↔	↓	The overall earnings outlook in ASEAN remains solid, with dispersion across regional markets. Valuations are fair but the region's exposure to global trade tensions and China headwinds warrants caution
	Hong Kong equities	▲	–	Investor confidence stabilised on China's stimulus and local rate cuts following Fed easing. Valuations are appealing (with their low P/B ratios and high dividend yields), but faltering domestic macro momentum, property market weakness, and prevailing geopolitical risks are concerns
	Asia FX	↔	↓	USD resilience and potential global trade disputes are near-term headwinds. However, historically low valuations in Asia FX should drive a gradual appreciation given improving fundamentals in the region and China stimulus. High-yielders with strong local macro backdrop are preferred

Market data

November 2024*

	Close	MTD Change (%)	3M Change (%)	1-year Change (%)	YTD Change (%)	52-week High	52-week Low	Fwd P/E (X)
Equity Indices								
World								
MSCI AC World Index (USD)	858	1.5	3.2	23.9	18.0	865	690	20.2
North America								
US Dow Jones Industrial Average	44,737	6.2	8.6	26.4	18.7	44,816	35,281	23.8
US S&P 500 Index	5,987	3.1	6.3	31.3	25.5	6,021	4,537	24.7
US NASDAQ Composite Index	19,055	2.9	6.6	33.7	26.9	19,366	14,059	35.1
Canada S&P/TSX Composite Index	25,410	3.9	9.1	26.4	21.2	25,543	19,918	17.2
Europe								
MSCI AC Europe (USD)	537	-5.1	-8.0	5.7	0.7	595	503	14.1
Euro STOXX 50 Index	4,800	-2.9	-2.2	9.8	6.2	5,122	4,328	14.0
UK FTSE 100 Index	8,292	0.5	-0.4	10.7	7.2	8,474	7,387	12.0
Germany DAX Index*	19,405	-0.3	4.1	21.1	15.8	19,675	15,915	14.7
France CAC-40 Index	7,257	-3.2	-4.2	-0.5	-3.8	8,259	7,030	14.1
Spain IBEX 35 Index	11,712	-0.9	3.8	17.8	15.9	12,038	9,799	11.0
Italy FTSE MIB	33,428	-3.9	-0.7	13.6	10.1	35,474	29,187	9.7
Asia Pacific								
MSCI AC Asia Pacific ex Japan (USD)	581	-3.2	1.0	15.3	9.8	632	490	14.7
Japan Nikkei-225 Stock Average	38,780	2.3	1.1	15.3	15.9	42,427	31,156	20.2
Australian Stock Exchange 200	8,418	2.5	4.9	19.6	10.9	8,462	6,986	19.2
Hong Kong Hang Seng Index	19,151	-7.0	8.7	9.1	12.3	23,242	14,794	9.1
Shanghai Stock Exchange Composite Index	3,264	-1.1	14.3	7.3	9.7	3,674	2,635	13.1
Hang Seng China Enterprises Index	6,862	-7.1	10.3	13.6	19.0	8,373	4,943	8.4
Taiwan TAIEX Index	22,948	-1.7	3.6	32.7	28.0	24,417	17,134	18.1
Korea KOSPI Index	2,534	-1.9	-6.2	1.5	-4.6	2,896	2,387	10.3
India SENSEX 30 Index	80,110	0.9	-1.2	21.4	10.9	85,978	65,907	22.8
Indonesia Jakarta Stock Price Index	7,314	-4.9	-3.1	4.3	0.6	7,911	6,699	13.3
Malaysia Kuala Lumpur Composite Index	1,597	-1.3	-2.3	9.9	9.8	1,685	1,440	15.0
Philippines Stock Exchange PSE Index	6,850	-6.3	-1.6	9.3	6.2	7,605	6,158	11.6
Singapore FTSE Straits Times Index	3,731	3.8	10.1	20.6	15.2	3,767	3,052	11.7
Thailand SET Index	1,443	-1.4	6.5	3.3	1.9	1,507	1,273	16.7
Latam								
Argentina Merval Index	2,218,551	18.5	38.1	141.8	138.6	2,268,989	766,620	9.1
Brazil Bovespa Index*	129,036	-0.7	-4.8	2.8	-3.8	137,469	118,685	8.6
Chile IPSA Index	6,549	-3.0	1.3	13.4	5.7	6,838	5,735	11.8
Colombia COLCAP Index	1,399	4.8	5.1	23.2	17.0	1,451	1,124	5.5
Mexico S&P/BMV IPC Index	50,207	-3.0	-6.1	-5.2	-12.5	59,021	49,486	11.7
EEMEA								
Saudi Arabia Tadawul All Share Index	11,788	-0.8	-3.9	6.4	-1.5	12,883	11,050	17.1
South Africa JSE Index	84,875	-2.5	0.6	12.1	10.4	87,884	71,635	12.3
Turkey index	9,395.4	8,908.5	9,668.1	7,960.0	7,470.2	11,252.1	7,202.9	6.0

Past performance does not predict future returns.

Sources: Bloomberg, HSBC Asset Management. *Data as at close of business 25 November 2024. (*) Indices expressed as total returns. All others are price returns.

Market data (continued)

November 2024*

Equity Indices - Total Return	3-month Change (%)	YTD Change (%)	1-year Change (%)	3-year Change (%)	5-year Change (%)	Dividend Yield (%)
Global equities	3.5	19.7	25.8	20.2	70.2	1.8
US equities	7.1	27.0	33.4	30.0	102.7	1.2
Europe equities	-7.7	3.3	8.6	8.2	33.9	3.4
Asia Pacific ex Japan equities	1.4	12.2	18.1	-2.5	24.1	2.8
Japan equities	-4.3	7.3	12.4	6.1	27.1	2.2
Latam equities	-8.6	-18.3	-10.9	20.7	2.1	5.3
Emerging Markets equities	-0.5	9.0	14.1	-5.8	17.0	2.6

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.

Bond indices - Total Return	Close	MTD Change (%)	3-month Change (%)	1-year Change (%)	YTD Change (%)
BarCap GlobalAgg (Hedged in USD)	582	0.4	0.1	8.0	3.6
JPM EMBI Global	906	0.4	0.6	13.2	6.8
BarCap US Corporate Index (USD)	3,337	0.6	-0.5	9.6	3.6
BarCap Euro Corporate Index (Eur)	258	0.5	1.9	8.7	4.6
BarCap Global High Yield (USD)	627	1.1	3.2	16.0	10.7
BarCap US High Yield (USD)	2690	0.9	2.3	13.6	8.5
BarCap pan-European High Yield (USD)	593	0.6	2.8	13.4	9.1
BarCap EM Debt Hard Currency	445	0.2	0.4	12.3	6.6
Markit iBoxx Asia ex-Japan Bond Index (USD)	226	0.1	0.3	9.2	5.7
Markit iBoxx Asia ex-Japan High-Yield Bond Index (USD)	261	-0.6	1.8	16.8	13.9

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 25 November 2024. Total return includes income from dividends and interest as well as appreciation or depreciation in the price of an asset over the given period.

Market data (continued)

November 2024*

Bonds	Close	End of last mth.	3-months Ago	1-year Ago	Year End 2023
US Treasury yields (%)					
3-Month	4.52	4.63	5.13	5.39	5.33
2-Year	4.27	4.10	3.92	4.95	4.25
5-Year	4.18	4.06	3.65	4.49	3.85
10-Year	4.27	4.24	3.80	4.47	3.88
30-Year	4.47	4.50	4.09	4.60	4.03
Developed market 10-year bond yields (%)					
Japan	1.07	0.95	0.89	0.77	0.61
UK	4.34	4.23	3.91	4.28	3.53
Germany	2.21	2.29	2.22	2.64	2.02
France	3.02	3.05	2.93	3.20	2.56
Italy	3.47	3.51	3.57	4.39	3.69
Spain	2.94	3.00	3.02	3.63	2.98

	Latest	MTD Change (%)	3-month Change (%)	1-year Change (%)	YTD Change (%)	52-week High	52-week Low
Commodities							
Gold	2,625	-4.5	4.5	31.2	27.2	2,790	1,973
Brent Oil	73.0	-4.0	-7.6	-9.4	-5.2	92	69
WTI Crude Oil	68.9	-4.0	-7.9	-8.7	-3.8	88	65
R/J CRB Futures Index	288	1.0	3.2	5.7	9.0	300	258
LME Copper	9,046	-5.8	-2.6	7.3	5.7	11,105	8,127

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 25 November 2024.

Market data (continued)

November 2024*

Currencies (vs USD)	Latest	End of last mth.	3-mths Ago	1-year Ago	Year End 2023	52-week High	52-week Low
Developed markets							
DXY index	106.82	104.26	100.72	103.40	101.33	108.07	100.16
EUR/USD	1.05	1.08	1.12	1.09	1.10	1.12	1.03
GBP/USD	1.26	1.30	1.32	1.26	1.27	1.34	1.23
CHF/USD	1.13	1.15	1.18	1.13	1.19	1.20	1.08
CAD	1.40	1.39	1.35	1.36	1.32	1.42	1.32
JPY	154.2	152.3	144.4	149.4	141.0	162.0	139.6
AUD	1.54	1.51	1.47	1.52	1.47	1.57	1.44
NZD	1.71	1.67	1.60	1.65	1.58	1.72	1.57
Asia							
HKD	7.78	7.77	7.80	7.79	7.81	7.84	7.76
CNY	7.25	7.12	7.12	7.15	7.10	7.28	7.00
INR	84.29	84.08	83.90	83.38	83.21	84.50	82.65
MYR	4.45	4.34	4.37	4.69	4.59	4.81	4.09
KRW	1,401	1,393	1,327	1,306	1,291	1,412	1,283
TWD	32.48	32.07	31.97	31.64	30.58	32.92	30.49
Latam							
BRL	5.81	5.71	5.49	4.90	4.85	5.88	4.80
COP	4,387	4,333	4,028	4,039	3,875	4,546	3,739
MXN	20.30	19.99	19.11	17.11	16.97	20.81	16.26
ARS	1,006.33	984.90	945.88	357.58	808.48	1,009.50	358.95
EEMEA							
RUB	103.91	97.25	91.50	89.12	89.47	106.42	82.65
ZAR	18.06	17.67	17.70	18.78	18.36	19.39	17.04

Past performance does not predict future returns.

Sources: Bloomberg, HSBC Asset Management. *Data as at close of business 25 November 2024.

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 **November 2024**, HSBC Asset Management's long-term expected return forecasts which were generated as at **31 October 2024**, 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 **31 October 2024**.
- ◆ 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 October 2024**.

Follow us on:

LinkedIn:
[**HSBC Asset Management**](#)

Website:
[**assetmanagement.hsbc.com**](https://assetmanagement.hsbc.com)

Important information

For Professional Clients and intermediaries within countries and territories set out below; and for Institutional Investors and Financial Advisors in the US. This document should not be distributed to or relied upon by Retail clients/investors.

The value of investments and the income from them can go down as well as up and investors may not get back the amount originally invested. The performance figures contained in this document relate to past performance, which should not be seen as an indication of future returns. Future returns will depend, inter alia, on market conditions, investment manager's skill, risk level and fees. Where overseas investments are held the rate of currency exchange may cause the value of such investments to go down as well as up. Investments in emerging markets are by their nature higher risk and potentially more volatile than those inherent in some established markets. Economies in Emerging Markets generally are heavily dependent upon international trade and, accordingly, have been and may continue to be affected adversely by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries and territories with which they trade. These economies also have been and may continue to be affected adversely by economic conditions in the countries and territories in which they trade.

The contents of this document may not be reproduced or further distributed to any person or entity, whether in whole or in part, for any purpose. All non-authorised reproduction or use of this document will be the responsibility of the user and may lead to legal proceedings. The material contained in this document is for general information purposes only and does not constitute advice or a recommendation to buy or sell investments. Some of the statements contained in this document may be considered forward looking statements which provide current expectations or forecasts of future events. Such forward looking statements are not guarantees of future performance or events and involve risks and uncertainties. Actual results may differ materially from those described in such forward-looking statements as a result of various factors. We do not undertake any obligation to update the forward-looking statements contained herein, or to update the reasons why actual results could differ from those projected in the forward-looking statements. This document has no contractual value and is not by any means intended as a solicitation, nor a recommendation for the purchase or sale of any financial instrument in any jurisdiction in which such an offer is not lawful. The views and opinions expressed herein are those of HSBC Asset Management at the time of preparation, and are subject to change at any time. These views may not necessarily indicate current portfolios' composition. Individual portfolios managed by HSBC Asset Management primarily reflect individual clients' objectives, risk preferences, time horizon, and market liquidity. Foreign and emerging markets. Investments in foreign markets involve risks such as currency rate fluctuations, potential differences in accounting and taxation policies, as well as possible political, economic, and market risks. These risks are heightened for investments in emerging markets which are also subject to greater illiquidity and volatility than developed foreign markets. This commentary is for information purposes only. This document provides a high level overview of the recent economic environment. It is a marketing communication and does not constitute investment advice or a recommendation to any reader of this content to buy or sell investments nor should it be regarded as investment research. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of its dissemination. This document is not contractually binding nor are we required to provide this to you by any legislative provision. You must not, therefore, rely on the content of this document when making any investment decisions.

All data from HSBC Asset Management unless otherwise specified. Any third party information has been obtained from sources we believe to be reliable, but which we have not independently verified.

HSBC Asset Management is the brand name for the asset management business of HSBC Group, which includes the investment activities that may be provided through our local regulated entities. HSBC Asset Management is a group of companies in many countries and territories throughout the world that are engaged in investment advisory and fund management activities, which are ultimately owned by HSBC Holdings Plc. (HSBC Group). The above communication is distributed by the following entities:

- In Argentina by HSBC Global Asset Management Argentina S.A., Sociedad Gerente de Fondos Comunes de Inversión, Agente de administración de productos de inversión colectiva de FCI N°1;
- In Australia, this document is issued by HSBC Bank Australia Limited ABN 48 006 434 162, AFSL 232595, for HSBC Global Asset Management (Hong Kong) Limited ARBN 132 834 149 and HSBC Global Asset Management (UK) Limited ARBN 633 929 718. This document is for institutional investors only, and is not available for distribution to retail clients (as defined under the Corporations Act). HSBC Global Asset Management (Hong Kong) Limited and HSBC Global Asset Management (UK) Limited are exempt from the requirement to hold an Australian financial services license under the Corporations Act in respect of the financial services they provide. HSBC Global Asset Management (Hong Kong) Limited is regulated by the Securities and Futures Commission of Hong Kong under the Hong Kong laws, which differ from Australian laws. HSBC Global Asset Management (UK) Limited is regulated by the Financial Conduct Authority of the United Kingdom and, for the avoidance of doubt, includes the Financial Services Authority of the United Kingdom as it was previously known before 1 April 2013, under the laws of the United Kingdom, which differ from Australian laws;
- in Bermuda by HSBC Global Asset Management (Bermuda) Limited, of 37 Front Street, Hamilton, Bermuda which is licensed to conduct investment business by the Bermuda Monetary Authority;
- in Chile: Operations by HSBC's headquarters or other offices of this bank located abroad are not subject to Chilean inspections or regulations and are not covered by warranty of the Chilean state. Further information may be obtained about the state guarantee to deposits at your bank or on www.sbif.cl;
- in Colombia: HSBC Bank USA NA has an authorized representative by the Superintendencia Financiera de Colombia (SFC) whereby its activities conform to the General Legal Financial System. SFC has not reviewed the information provided to the investor. This document is for the exclusive use of institutional investors in Colombia and is not for public distribution;
- in Finland, Norway, Denmark and Sweden by HSBC Global Asset Management (France), a Portfolio Management Company authorised by the French regulatory authority AMF (no. GP99026) and through the Stockholm branch of HSBC Global Asset Management (France), regulated by the Swedish Financial Supervisory Authority (Finansinspektionen);
- in France, Belgium, Netherlands, Luxembourg, Portugal, Greece by HSBC Global Asset Management (France), a Portfolio Management Company authorised by the French regulatory authority AMF (no. GP99026);
- in Germany by HSBC Global Asset Management (Deutschland) GmbH which is regulated by BaFin (German clients) respectively by the Austrian Financial Market Supervision FMA (Austrian clients);

Follow us on:

LinkedIn:
[HSBC Asset Management](#)

Website:
[assetmanagement.hsbc.com](#)

- in Hong Kong by HSBC Global Asset Management (Hong Kong) Limited, which is regulated by the Securities and Futures Commission. This video/content has not be reviewed by the Securities and Futures Commission;
- in India by HSBC Asset Management (India) Pvt Ltd. which is regulated by the Securities and Exchange Board of India;
- in Italy and Spain by HSBC Global Asset Management (France), a Portfolio Management Company authorised by the French regulatory authority AMF (no. GP99026) and through the Italian and Spanish branches of HSBC Global Asset Management (France), regulated respectively by Banca d'Italia and Commissione Nazionale per le Società e la Borsa (Consob) in Italy, and the Comisión Nacional del Mercado de Valores (CNMV) in Spain;
- in Malta by HSBC Global Asset Management (Malta) Limited which is regulated and licensed to conduct Investment Services by the Malta Financial Services Authority under the Investment Services Act;
- in Mexico by HSBC Global Asset Management (Mexico), SA de CV, Sociedad Operadora de Fondos de Inversión, Grupo Financiero HSBC which is regulated by Comisión Nacional Bancaria y de Valores;
- in the United Arab Emirates, Qatar, Bahrain & Kuwait by HSBC Global Asset Management MENA, a unit within HSBC Bank Middle East Limited, U.A.E Branch, PO Box 66 Dubai, UAE, regulated by the Central Bank of the U.A.E. and the Securities and Commodities Authority in the UAE under SCA license number 602004 for the purpose of this promotion and lead regulated by the Dubai Financial Services Authority. HSBC Bank Middle East Limited is a member of the HSBC Group and HSBC Global Asset Management MENA are marketing the relevant product only in a sub-distributing capacity on a principal-to-principal basis. HSBC Global Asset Management MENA may not be licensed under the laws of the recipient's country of residence and therefore may not be subject to supervision of the local regulator in the recipient's country of residence. One of more of the products and services of the manufacturer may not have been approved by or registered with the local regulator and the assets may be booked outside of the recipient's country of residence.
- in Peru: HSBC Bank USA NA has an authorized representative by the Superintendencia de Banca y Seguros in Perú whereby its activities conform to the General Legal Financial System - Law No. 26702. Funds have not been registered before the Superintendencia del Mercado de Valores (SMV) and are being placed by means of a private offer. SMV has not reviewed the information provided to the investor. This document is for the exclusive use of institutional investors in Perú and is not for public distribution;
- in Singapore by HSBC Global Asset Management (Singapore) Limited, which is regulated by the Monetary Authority of Singapore. The content in the document/video has not been reviewed by the Monetary Authority of Singapore;
- in Switzerland by HSBC Global Asset Management (Switzerland) AG. This document is intended for professional investor use only. For opting in and opting out according to FinSA, please refer to our website; if you wish to change your client categorization, please inform us. HSBC Global Asset Management (Switzerland) AG having its registered office at Gartenstrasse 26, PO Box, CH-8002 Zurich has a licence as an asset manager of collective investment schemes and as a representative of foreign collective investment schemes. Disputes regarding legal claims between the Client and HSBC Global Asset Management (Switzerland) AG can be settled by an ombudsman in mediation proceedings. HSBC Global Asset Management (Switzerland) AG is affiliated to the ombudsman FINOS having its registered address at Talstrasse 20, 8001 Zurich. There are general risks associated with financial instruments, please refer to the Swiss Banking Association ("SBA") Brochure "Risks Involved in Trading in Financial Instruments";
- in Taiwan by HSBC Global Asset Management (Taiwan) Limited which is regulated by the Financial Supervisory Commission R.O.C. (Taiwan);
- in the UK by HSBC Global Asset Management (UK) Limited, which is authorised and regulated by the Financial Conduct Authority;
- in the US by HSBC Global Asset Management (USA) Inc. which is an investment adviser registered with the US Securities and Exchange Commission.
- in Uruguay, operations by HSBC's headquarters or other offices of this bank located abroad are not subject to Uruguayan inspections or regulations and are not covered by warranty of the Uruguayan state. Further information may be obtained about the state guarantee to deposits at your bank or on www.bcu.gub.uy.

NOT FDIC INSURED ♦ NO BANK GUARANTEE ♦ MAY LOSE VALUE

Copyright © HSBC Global Asset Management Limited 2024. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, on any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of HSBC Global Asset Management Limited.

Content ID: D037199_V1.0; Expiry Date: 30.11.2025

Follow us on:

LinkedIn:
[**HSBC Asset Management**](#)

Website:
[**assetmanagement.hsbc.com**](http://assetmanagement.hsbc.com)

