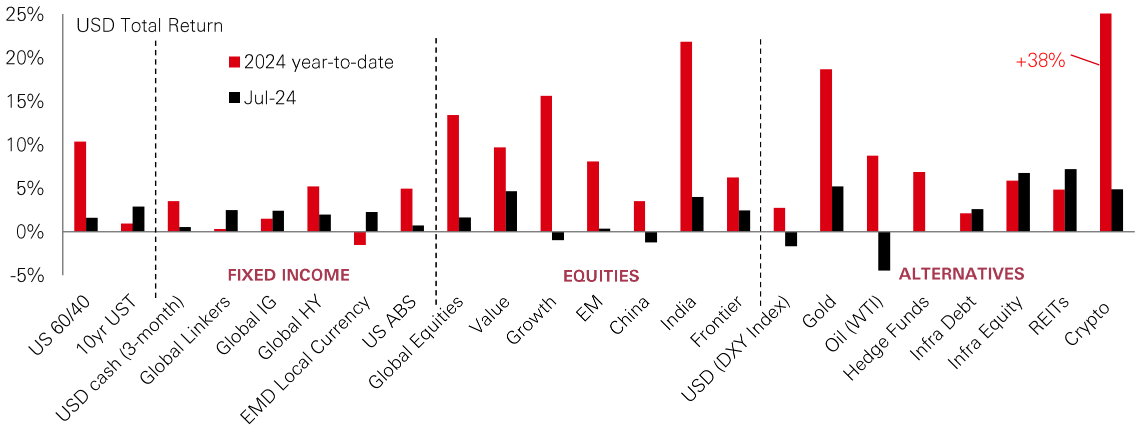
HSBC Asset Management

Investment Weekly

2 August 2024
For Professional Clients only.

Chart of the week – July in review



From the aeroplane window, the ground below can look flat, at least until you start the descent. So it goes in investment markets in July – global stocks are little changed for the month. But, when you get closer, there has been a lot going on.

First, has been the material correction in the US tech sector. The Philadelphia Semiconductor Index plunged -11% from its peak during the month, with the sell-off extending into August. And the closely-watched Magnificent Seven (Mag7) stocks slipped, with stretched valuations, uncertain profits guidance, and geopolitical tensions all bothering investors. That had consequences for tech-sensitive markets in Asia, too, with prices falling in Japan, Taiwan, and South Korea.

Second, while most momentum trades faltered (except India and gold), unloved value and small-cap stocks rallied. Other defensive sectors, like infrastructure and real estate, also benefited. This rotation – a broadening of market performance – is a healthy development for the stock market. But it will need to keep going to cover lost Mag7 index points.

Third, encouraging news on disinflation, a renewed prospect of interest rate cuts in H2, and the soft landing coming into view, suggests the sector rotation story can continue. Equally, the rally in US government bonds helps bolster equity risk premia across the board. And while tech valuations are stretched, they are not historically-extreme.

A number of developments are set to create a more volatile ride in markets during H2. Nominal growth is slowing, and could slow faster – something that has weighed on China's stocks in July. Geopolitical stresses and US elections will matter too. **'Playing the yield', as we wrote about in our** Mid-Year Outlook**, still looks like the right mantra.**

Central Banks →

The timetable for Fed rates cuts and a soft landing

Currencies →

What the latest policy moves mean for the Japanese yen

Equities →

Exploring market reaction to Q2 earnings season

Market Spotlight

Securitised credit outperforming in 2024

Securitised credit has been one of the best performing areas of the fixed income universe over the past two years – and that's expected to continue through 2024. Pivotal to its outperformance is that it's a floating rate asset class. That means income returns have been bolstered by higher central bank policy rates. Resilient economic conditions have played a part too, with falling spreads driven by robust credit fundamentals proving ideal conditions for capital growth.

Despite expectations of near-term US rate cuts – and our view is that Fed easing could start from September – securitised credit should still hold appeal. **Our investment specialists expect US policy to gradually shift towards a terminal rate of around 3.5%, a level where income from the asset class would remain high**. Plus, there are added advantages for portfolios. Over the long term, securitised credit offers low correlation and low volatility versus other fixed income sub-asset classes. It also has a lower correlation to US equities than corporate bonds, making it an attractive diversifier for multi-asset investors.

Source: HSBC Asset Management. Macrobond, Bloomberg. See page 8 for details of asset class indices. Data as at 11.00am UK time 02 August 2024.

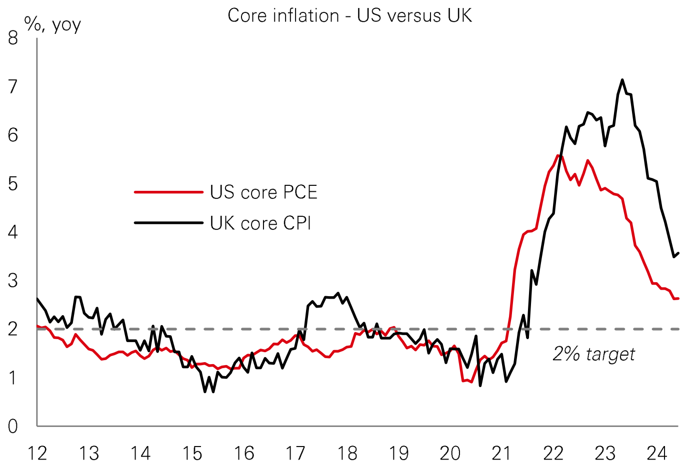
Lens on…

No time to waste

While both the Fed and the Bank of England (BoE) did what we, and markets, expected at their latest policy meetings – the Fed standing pat and the BoE cutting by 25bp – we can't help thinking the roles should have been reversed.

Core inflation is much closer to target in the US than the UK and wage growth is more clearly moderating, consistent with a wide range of indicators showing the US labour market is cooling. Moreover, the Fed has a dual mandate – inflation at target and full employment – whereas the BoE targets only inflation.

Looking ahead, **we believe the Fed should avoid further delaying rate cuts if it wants to secure the much talked of 'soft-landing'**. Gradual US slowdowns – such as that seen at present – can morph into sharper slowdowns with little warning and by that time it is too late for policy makers to rescue the situation. The BoE, however, needs to stick to its guidance that it "will not cut rates too much or too quickly" given inflation is proving stickier in the UK than elsewhere.

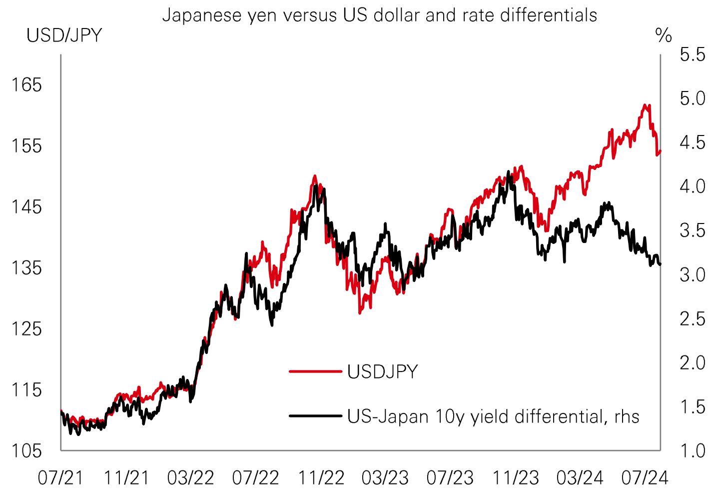


Yen spillover

The recent sharp recovery in the Japanese yen is a big development for markets. The yen has been a major funding currency for carry strategies in recent years (where traders borrow in yen to invest in higher-yielding currencies). But a strengthening yen – amid intervention by Japanese authorities – undermines the profitability of these trades, thus seeing them unwind. These carry trades may have also funded positions in other risk assets, **possibly exacerbating the recent global tech sell-off**. And a stronger yen potentially weakens domestic corporate profits, **which is one reason why Japanese stocks sold off sharply this week**.

While the pace of the yen rally looks unsustainable, there are good reasons to expect further recovery in the coming months.

The Bank of Japan's gradual policy normalisation is important. But the more meaningful propulsion for the yen is likely to come from continued global disinflation. This could see interest rate differentials falling further in favour of the yen, which remains by far the cheapest currency on our valuation metrics. **2024 promised to a be good year for the yen – but maybe it'll just be the second half?**

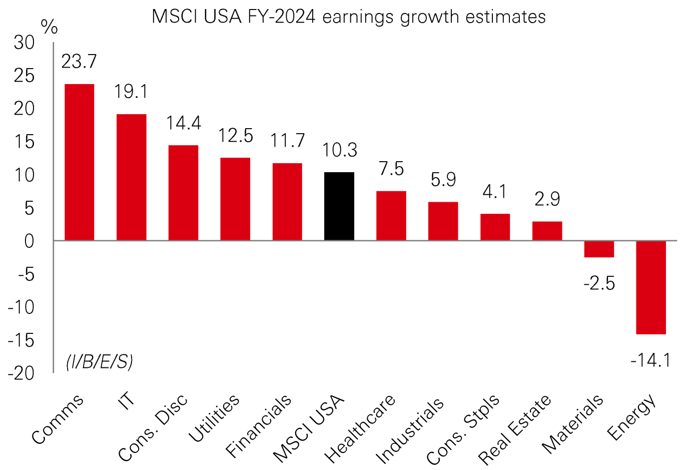


Q2 earnings – great expectations

Q2 earnings season continues in the US, and the broad picture so far is positive. Profits across the largest stocks are on course to grow at annual rate of 10% this quarter. Further out, the consensus view is that we'll see similar growth for the year as a whole. Those sectors reporting the strongest growth last quarter include communication services, IT, financials, and healthcare.

But there have been some disappointments. 'Big tech' sectors are set to drive the bulk of profits growth this year. Yet, stocks on high valuations – like many in the tech sector – have been battered on any hint that blistering profits growth is at risk. That's extended to some Magnificent Seven stocks – which have wobbled at times.

More broadly, restrictive rates and signs of economic stress – particularly in the consumer – are causing pain in places. Consumer staples has been lacklustre in Q2, and when you adjust-out the influence of Mag7 stocks, the same goes for consumer discretionary, too. **That tallies with our view that cooling growth and weary consumers could pose a risk to profits in places near-term**.



Past performance does not predict future returns. The views expressed above were held at the time of preparation and are subject to change without notice.

Source: HSBC Asset Management. Macrobond, Bloomberg, Datastream. Data as at 11.00am UK time 02 August 2024.

Asset class views

Our baseline macro scenario is for a soft-ish landing, involving a slowdown in growth and further disinflation. But the data flow is likely to remain bumpy and the outlook remains uncertain. Risk asset valuations are stretched in many areas. That means that any deterioration in corporate fundamentals could create market volatility. A defensive positioning in portfolios remains appropriate, which includes selective exposures to fixed income, risk assets, and private markets.

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

	Asset Class	- View +	Comments
Macro Factors	Global growth		A defensive positioning in investment portfolios remains appropriate given optimistic market expectations versus a lingering risk of macro disappointment or weakness. We prefer to access the growth factor in laggard regions, such as Asia and emerging markets
	Duration		Robust growth and inflation data put upward pressure on yields in H1. Carry remains appealing and, in adverse economic outcomes, there is scope for strong returns in global duration. We favour the US and UK curves
	Emerging Markets		The outlook for EMs is bolstered by China policy support feeding through to the real economy, eventual Fed easing, and a growth premium versus the West. Disinflation is an ongoing process, especially in Latam and Europe, allowing EM central banks to lead the cutting cycle
Bonds	10yr US Treasuries		Yields ground higher over the course of H1, driven by resilient growth and inflation data. However, growth could disappoint expectations in H2, meaning investors price in more cuts. We anticipate yield curve steepening by the end of the year
	EMD Local		Real yields remain high in many EM local markets, but the chief risk is sticky inflation that delays rate cuts and keeps the US dollar strong. Long term valuations are attractive and global investor positioning is likely to be lighter after the recent sell-off in parts of EM
	Asia Local		Regional central banks are expected to keep policy on hold near term, with gradual easing only expected after the Fed begins to cut rates. The macro backdrop is supportive, with countries including India, Indonesia and Thailand having a more favourable rates outlook
Credits	Global Credit		Global credit is expensive with most non-financial spreads at near-cyclical tights. Financials, particularly banks, look attractive but less so than they were at the start of 2024. All-in yields continue to support inflows, helping long duration corporate credit
	Global High-Yield		Valuations are expensive with spreads well below historical averages. The market prices a global soft landing. Despite tight spreads, 'all in' yields are high. Reasonable growth and moderating inflation mean that the fundamental backdrop is supportive
	Asia Credit		Asia IG provides opportunities for carry strategies with shorter duration and a better supply outlook versus global peers. Asia HY may still have room for modest spread-tightening given a solid macro backdrop and policy support in China, despite rich valuations in non-China markets
	EMD Hard Currency Bonds		EM credit spreads could benefit from Fed rate cuts, but this prospect has already driven a re-rating of the asset class. Spreads are at historic tights and it is difficult to see further compression, although we remain cyclically-constructive
Equities	DM Equities		Investor sentiment is buoyed by confidence in the soft landing, and leadership from quality growth. But as investor perceptions shift, the market is discounting a lot of good news. Risks of an adverse surprise are rising, even if an imminent growth collapse looks unlikely
	EM Equities		The EM growth outlook is a relative bright spot in a global context, with disinflation and anticipation of future Fed rate cuts being supportive. Stock and currency market valuations remain undemanding. Idiosyncratic trends within EMs imply scope for portfolio diversification too
	Asia ex Japan		The overall growth outlook is solid, with valuations remaining fair. Chinese policy support is helping to stabilise investor confidence. India's earnings outlook is supportive despite stretched valuations. Korea and Taiwan continue to benefit from the upswing in the semiconductor cycle
Alternatives	Global Private Equity		With tighter financial conditions raising the cost of leverage, PE funds may face challenges in delivering consistently strong returns. However, increasing economic headwinds can create attractive entry points for longer-term investors. The investment case is about alpha, not beta
	Global Real Estate		Capital values are expected to bottom in 2024, although office space may take longer. Yield spreads with US Treasuries are expected to widen once rates eventually fall. Investment volumes should start to increase from H2 from the lowest levels since 2011. We prefer a focus on quality and prime property with high occupancy and inflation protected leases
	Infrastructure Debt		Infrastructure debt currently offers stronger expected returns than global credits, and experiences lower spread volatility during economic slowdowns. It has strong defensive attributes, offers inflation-linked cash flows and benefits from thematic drivers such as the green transition

Past performance does not predict future returns.
Source: HSBC Asset Management. Data as at 11.00am UK time 02 August 2024.

Key Events and Data Releases

This week

Date	Country	Indicator	Data as of	Actual	Prior	Comment
Tue. 30 July	US	Consumer Confidence Index, Conference Board	Jul	100.3	97.8	US consumer confidence rose in July from a downwardly-revised June reading despite a perceived further cooling of the labour market
	EZ	GDP, Prelim (qoq)	Q2	0.3%	0.3%	Growth in France and Spain offset German weakness leaving the eurozone to grow at the same pace as seen in Q1
	MX	GDP, Flash (qoq)	Q2	0.2%	0.3%	Mexican GDP missed forecasts as high interest rates weigh on demand
Wed. 31 July	US	Fed Funds Rate (upper bound)	Jul	5.50%	5.50%	The Fed held rate steady but Chair Powell noted the Fed is attentive to both sides of its dual mandate (inflation and employment) and opened the door to a September rate cut
	JP	BoJ Policy Rate	Jul	0.25%	0.10%	The BoJ unexpectedly raised interest rates and signalled further tightening while detailing its plan to taper bond purchases
	BR	Banco de Brazil SELIC Target Rate	Jul	10.50%	10.50%	Brazil held policy stable for a second consecutive month, highlighting emerging upside risks to the consumer price outlook
	EZ	HICP, Flash (yoy)	Jul	2.6	2.5	While headline inflation was stronger than expected, service sector inflation has shown tentative signs of improvement recently
	CN	NBS Composite PMI	Jul	50.2	50.5	The July PMIs pointed to subdued momentum heading into Q3
Thu. 01 August	US	ISM Manufacturing Index	Jul	46.8	48.5	The manufacturing ISM fell more than expected displaying broad-based weakness, with a particularly sharp decline in employment
	MX	S&P Global Manufacturing PMI	Jul	49.6	51.1	Mexico's PMI dropped below 50 for the first time since September 2023
	KO	CPI (yoy)	Jul	2.6%	2.4%	The rise in headline Inflation reflected higher food prices and stable core measure, but an overall gradual path of disinflation continued
	KO	S&P Global Manufacturing PMI	Jul	51.4	52.0	An above-50 reading still indicates solid manufacturing activity momentum thanks to robust exports (led by AI/tech demand)
	UK	BoE MPC Bank Rate	Aug	5.00%	5.25%	The MPC voted 5-4 to cut the policy rate by 25bp from a 16-year high but noted it "will not cut rates too much or too quickly"
	EZ	Unemployment Rate	Jun	6.5%	6.4%	The unemployment rate rose unexpectedly in June, the first increase since September 2023

Q – Quarter **US – United States, EZ – Eurozone, MX – Mexico, JP – Japan, BR – Brazil, CN – China, KO – South Korea, UK – United Kingdom**

The week ahead

Date	Country	Indicator	Data as of	Survey	Prior	Comment
Mon. 05 August	US	Earnings Update	Q2			More than half of the S&P 500 have reported Q2 results, with total earnings up +9.8% from the same period last year on +4.8% higher revenues, with 80.7% and 59.6% beating EPS and revenue estimates respectively
	US	ISM Services Index	Jul	51.0	48.8	The services ISM is expected to stage a partial recovery from June's unexpectedly sharp decline in new orders and business activity
Tue. 06 August	AU	RBA Cash Target Rate	Aug	4.35%	4.35%	Australian core inflation is trending down but remains too high for the RBA's liking. Markets do not expect the first cut until late 2024 or early 2025
Wed. 07 August	GE	Industrial Production (mom)	Jun	1.0%	-2.5%	Manufacturing surveys and new orders remain weak suggesting production will struggle in the coming months
	CN	Trade Balance (USD bn)	Jul	98.0	99.1	The trade surplus is expected to narrow slightly on a pick-up in import growth while export growth remains solid
Thu. 08 August	MX	Headline Inflation (yoy)	Jul	-	5.0%	Headline inflation has risen through much of 2024 but core inflation has continued to trend lower
	MX	Banxico de Mexico, Overnight Lending Rate	Aug	-	11.00%	While core inflation is gradually moderating, peso depreciation and rising headline inflation mean the Banxico decision is likely to be a close call
	IN	RBI Repo Rate	Aug	6.50%	6.50%	Resilient economic growth should allow the RBI to focus on its price stability mandate
Fri. 09 August	BR	CPI (yoy)	Jul	-	4.2%	Brazil's inflation rate has stabilised around 4.0% while longer-term expectations are running above the inflation target of 3.0%
	MX	Industrial Production (mom)	Jun	-	0.7%	Mexican production has, on average, risen in recent months but the pace of growth has moderated

Q – Quarter **US – United States, AU – Australia, GE – Germany, CN – China, MX – Mexico, IN – India, BR – Brazil**

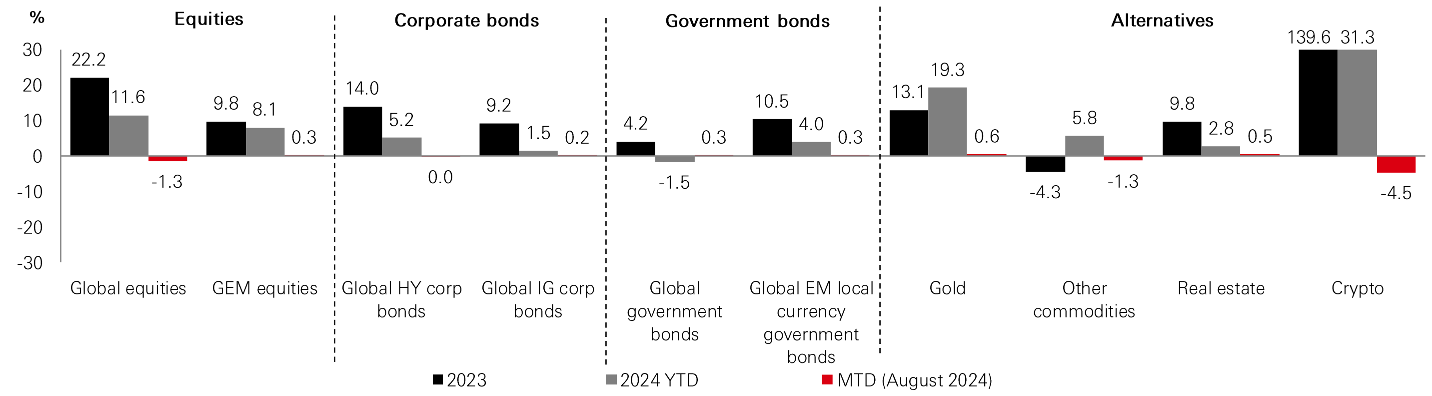
Source: HSBC Asset Management. Data as at 11.00am UK time 02 August 2024.

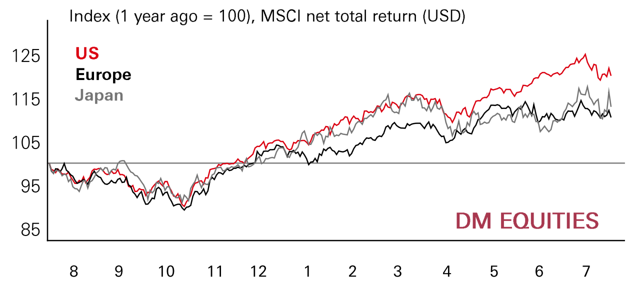
Market review

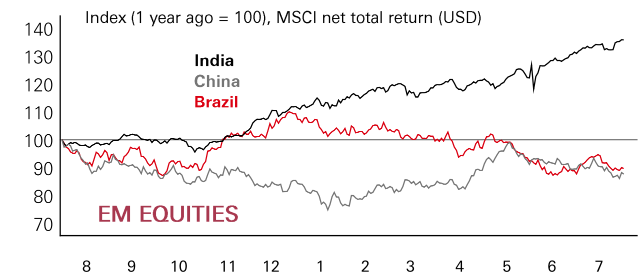
This week

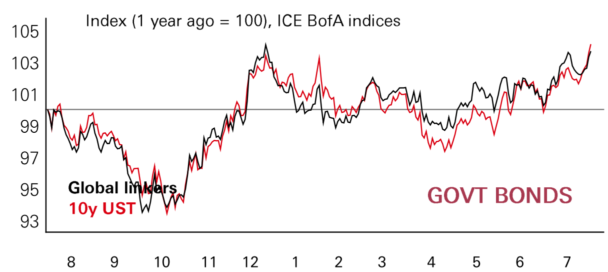
Global equities endured a sharp sell-off late in the week as markets digested disappointing economic data on US employment and manufacturing. It came after the Fed held rates steady ahead of expected policy easing from September, which triggered a fall in 10-year US Treasury yields. Mixed earnings news also played a part in the market-wide volatility, with 'big tech' stocks under pressure. Globally, the spillover was worst felt in Japan where the Nikkei 225 suffered a sharp reversal from recent all-time highs. Earlier in the week, the Bank of Japan raised its policy rate to 0.25%. Elsewhere in Asia, India's Sensex fell for the week, but China's Shanghai Composite managed a modest gain. In commodities, the oil price was on course for its fourth consecutive weekly fall on signs of weak demand. Gold prices rebounded back towards record highs.

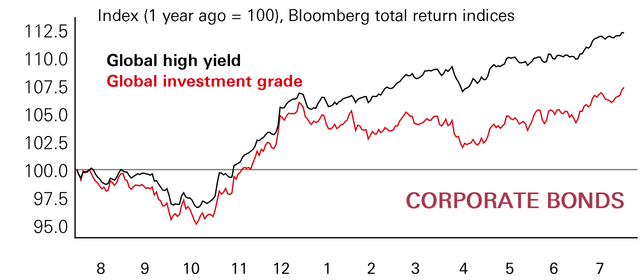
Selected asset performance

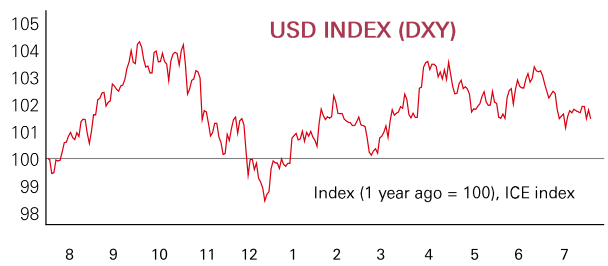


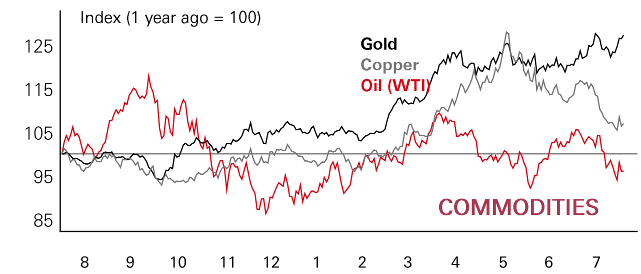












Past performance does not predict future returns

Source: HSBC Asset Management. Macrobond, Bloomberg. Data as at 11.00am UK time 02 August 2024. Note: Asset class performance is represented by different indices. Global Equities: MSCI ACWI Net Total Return USD Index. Gem Equities: MSCI Emerging Net Total Return USD Index. Corporate Bonds: Bloomberg Barclays Global HY Total Return Index value unhedged. Bloomberg Barclays Global IG Total Retrun 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. All the data above is in in USD, total return, month-to-date terms.

Market data

Equity Indices	Close	1-week Change (%)	1-month Change (%)	3-month Change (%)	1-year Change (%)	YTD Change (%)	52-week High	52-week Low	Fwd P/E (X)
World									
MSCI AC World Index (USD)	803	0.0	-0.4	5.6	16.1	10.5	832	628	19.0
North America									
US Dow Jones Industrial Average	40,348	-0.6	2.6	5.6	14.4	7.1	41,376	32,327	20.1
US S&P 500 Index	5,447	-0.2	-1.1	7.6	20.7	14.2	5,670	4,104	22.3
US NASDAQ Composite Index	17,194	-0.9	-4.6	8.5	23.0	14.5	18,671	12,544	33.6
Canada S&P/TSX Composite Index	22,723	-0.4	3.5	4.1	12.4	8.4	23,210	18,692	15.4
Europe									
MSCI AC Europe (USD)	557	-0.8	0.4	2.6	9.7	4.4	578	459	14.2
Euro STOXX 50 Index	4,687	-3.6	-4.5	-4.2	8.1	3.7	5,122	3,993	13.3
UK FTSE 100 Index	8,252	-0.4	1.6	1.0	9.1	6.7	8,474	7,216	12.1
Germany DAX Index*	17,795	-3.4	-2.0	-0.6	11.1	6.2	18,893	14,630	13.2
France CAC-40 Index	7,312	-2.7	-3.0	-7.6	0.0	-3.1	8,259	6,774	13.4
Spain IBEX 35 Index	10,791	-3.4	-1.1	-0.7	15.7	6.8	11,470	8,879	10.5
Italy FTSE MIB Index	32,323	-4.4	-3.5	-4.2	11.6	6.5	35,474	27,078	9.0
Asia Pacific									
MSCI AC Asia Pacific ex Japan (USD)	568	1.7	0.7	4.7	7.7	7.4	588	469	14.4
Japan Nikkei-225 Stock Average	35,910	-4.7	-10.4	-6.1	9.8	7.3	42,427	30,488	21.3
Australian Stock Exchange 200	7,943	0.3	2.9	4.7	8.0	4.6	8,149	6,751	18.3
Hong Kong Hang Seng Index	16,946	-0.4	-4.6	-6.9	-13.2	-0.6	19,857	14,794	8.5
Shanghai Stock Exchange Composite Index	2,905	0.5	-3.1	-6.4	-10.9	-2.3	3,315	2,635	11.3
Hang Seng China Enterprises Index	5,975	-0.6	-6.3	-7.2	-10.4	3.6	6,986	4,943	7.9
Taiwan TAIEX Index	21,638	-2.2	-5.4	7.0	28.1	20.7	24,417	15,976	19.2
Korea KOSPI Index	2,676	-2.0	-3.8	-0.3	2.3	0.8	2,896	2,274	10.7
India SENSEX 30 Index	80,982	-0.4	1.9	8.5	23.1	12.1	82,129	63,093	23.1
Indonesia Jakarta Stock Price Index	7,308	0.3	2.6	2.7	6.6	0.5	7,454	6,640	13.8
Malaysia Kuala Lumpur Composite Index	1,611	-0.1	0.8	1.9	11.5	10.8	1,638	1,412	14.9
Philippines Stock Exchange PSE Index	6,605	-1.8	3.9	-0.6	1.9	2.4	7,071	5,920	11.3
Singapore FTSE Straits Times Index	3,381	-1.3	0.4	2.6	1.7	4.4	3,509	3,042	10.9
Thailand SET Index	1,313	0.4	1.9	-3.7	-15.3	-7.3	1,579	1,282	14.5
Latam									
Argentina Merval Index	1,500,217	-2.7	-8.2	9.5	237.0	61.4	1,723,015	438,925	7.7
Brazil Bovespa Index*	127,395	-0.1	2.1	0.2	5.4	-5.1	134,392	111,599	8.0
Chile IPSA Index	6,418	-0.2	0.5	-1.2	1.4	3.6	6,838	5,363	11.0
Colombia COLCAP Index	1,342	-0.3	-3.0	-2.7	15.6	12.3	1,451	1,045	6.3
Mexico S&P/BMV IPC Index	52,417	-0.8	0.9	-7.5	-1.6	-8.7	59,021	47,765	12.0
EEMEA									
Saudi Arabia Tadawul Index	12,046	0.2	3.8	-2.5	4.9	0.7	12,883	10,262	N/A
South Africa JSE Index	81,034	-0.1	2.0	6.6	6.0	5.4	82,881	69,128	10.7
Turkey ISE 100 Index*	10,601	-2.7	1.5	3.8	46.1	41.9	11,252	7,175	5.4

*Indices expressed as total returns. All others are price returns.

Equity Indices - Total Return	1-week Change (%)	1-month Change (%)	3-month Change (%)	YTD Change (%)	1-year Change (%)	3-year Change (%)	5-year Change (%)
Global equities	0.0	-0.3	6.1	11.6	18.0	16.3	69.8
US equities	-0.3	-1.1	7.5	14.4	21.9	25.2	96.0
Europe equities	-0.7	0.5	3.5	6.6	12.7	7.6	44.5
Asia Pacific ex Japan equities	1.7	1.0	5.8	9.1	10.4	-7.2	27.3
Japan equities	2.5	1.1	1.7	9.1	14.9	8.6	41.2
Latam equities	-0.5	1.3	-9.9	-15.3	-7.0	7.1	4.0
Emerging Markets equities	1.5	1.1	4.4	8.1	9.4	-8.8	22.5

All total returns quoted in USD terms and subject to one-day lag.
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 Emerging Latin America Total Return Index, and MSCI Emerging Markets Total Return Index
Total return includes income from dividends and interest as well as appreciation or depreciation in the price of an asset over the given period.

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Source: HSBC Asset Management. Bloomberg. Data as at 11.00am UK time 02 August 2024.

Market data

Bond indices - Total Return	Close	1-week Change (%)	1-month Change (%)	3-month Change (%)	1-year Change (%)	YTD Change (%)
BarCap GlobalAgg (Hedged in USD)	575	1.0	2.5	3.7	7.1	2.4
JPM EMBI Global	882.4	0.7	2.7	4.3	10.2	4.0
BarCap US Corporate Index (USD)	3290.6	1.1	2.8	4.5	8.3	2.2
BarCap Euro Corporate Index (Eur)	252.5	0.7	2.1	2.8	7.5	2.5
BarCap Global High Yield (Hedged in USD)	599.0	0.4	2.0	3.4	13.3	5.8
Markit iBoxx Asia ex-Japan Bond Index (USD)	223.2	0.8	2.1	3.8	8.6	4.4
Markit iBoxx Asia ex-Japan High-Yield Bond Index (USD)	257	0.6	2.0	5.1	17.0	11.9

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

Currencies (vs USD)	Latest	1-week Ago	1-month Ago	3-months Ago	1-year Ago	Year End 2023	52-week High	52-week Low	1-week Change (%)
Developed markets									
EUR/USD	1.08	1.09	1.07	1.07	1.09	1.10	1.11	1.04	-0.2
GBP/USD	1.27	1.29	1.27	1.25	1.27	1.27	1.30	1.20	-1.0
CHF/USD	1.15	1.13	1.11	1.10	1.14	1.19	1.20	1.08	1.4
CAD	1.39	1.38	1.37	1.37	1.34	1.32	1.39	1.32	-0.3
JPY	149	154	161	154	143	141	162	140	3.1
AUD/USD	0.65	0.65	0.67	0.66	0.65	0.68	0.69	0.63	-0.5
NZD/USD	0.60	0.59	0.61	0.60	0.61	0.63	0.64	0.58	1.1
Asia									
HKD	7.81	7.81	7.81	7.81	7.80	7.81	7.85	7.79	0.0
CNY	7.21	7.25	7.27	7.24	7.19	7.10	7.35	7.09	0.6
INR	83.8	83.7	83.5	83.5	82.6	83.2	83.8	82.4	0.0
MYR	4.50	4.66	4.72	4.75	4.54	4.59	4.81	4.49	3.5
KRW	1367	1384	1387	1376	1298	1291	1400	1283	1.2
TWD	32.8	32.8	32.6	32.5	31.6	30.6	32.9	30.5	0.1
Latam									
BRL	5.75	5.66	5.68	5.11	4.81	4.85	5.75	4.80	-1.6
COP	4086	4022	4121	3903	4055	3875	4427	3739	-1.6
MXN	18.9	18.5	18.3	17.0	17.0	17.0	19.0	16.3	-2.6
ARS	932	929	914	878	277	808	933	278	-0.3
EEMEA									
RUB	85.8	86.1	87.8	93.2	94.0	89.5	102.4	82.7	0.3
ZAR	18.2	18.3	18.6	18.5	18.5	18.4	19.6	17.9	0.4
TRY	33.2	32.9	32.6	32.4	27.0	29.5	33.5	25.3	-0.7

Bonds	Close	1-week Ago	1-month Ago	3-months Ago	1-year Ago	Year End 2023	1-week basis point change*
US Treasury yields (%)							
3-Month	5.25	5.29	5.37	5.40	5.38	5.33	-4
2-Year	4.12	4.38	4.74	4.87	4.88	4.25	-26
5-Year	3.80	4.07	4.39	4.57	4.24	3.85	-27
10-Year	3.94	4.19	4.43	4.58	4.08	3.88	-26
30-Year	4.24	4.45	4.61	4.73	4.17	4.03	-22
10-year bond yields (%)							
Japan	0.94	1.06	1.08	0.90	0.62	0.61	-12
UK	3.86	4.10	4.25	4.29	4.40	3.53	-24
Germany	2.20	2.41	2.60	2.54	2.53	2.02	-20
France	2.98	3.12	3.32	3.02	3.07	2.56	-14
Italy	3.64	3.76	4.05	3.86	4.18	3.69	-12
Spain	3.07	3.23	3.44	3.31	3.57	2.98	-16
China	2.12	2.19	2.24	2.31	2.66	2.56	-6
Australia	4.05	4.31	4.41	4.45	4.02	3.96	-26
Canada	3.06	3.32	3.61	3.74	3.62	3.11	-26

*Numbers may not add up due to rounding.

Commodities		1-week Change (%)	1-month Change (%)	3-month Change (%)	1-year Change (%)	YTD Change (%)	52-week High	52-week Low
Gold	2,460	3.1	5.6	6.8	27.2	19.3	2,484	1,811
Brent Oil	79.7	-0.8	-6.8	-2.6	1.4	5.4	88	73
WTI Crude Oil	76.5	-0.9	-6.7	-1.2	2.7	7.2	84	69
R/J CRB Futures Index	273.6	-1.4	-6.4	-3.9	-1.1	3.7	300	258
LME Copper	9,109	0.0	-5.8	-6.7	7.0	6.4	11,105	7,856

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 particular sectors shown. Source: HSBC Asset Management. Bloomberg. Data as at 11.00am UK time 02 August 2024.

Note: Asset class performance on Page 1 is represented by the following indices:
US 60/40: Bloomberg EQ:FI 60:40 Index, Cash: JP Morgan Cash Index (3month), 10yr UST: ICE BofA 10yr US Treasury Index, Global Linkers: ICE BofAGlobal Inflation-Linked Government Index, Global IG: Bloomberg Barclays Global IG Total Return Index unhedged. Global High Yield Index: ICE BoFaUS High Yield Index, EMD Hard currency: US ABS: Bloomberg US ABS Floating Rate Total Return index; Bloomberg Barclays Global Aggregate Treasuries Total Return Index. EMD local currency JP Morgan EMBI Global Total Return local currency. Global Equities: MSCI ACWI Net Total Return USD Index. Value: MSCI Value Index, Growth: MSCI Growth Index, Global Emerging Market Equities: MSCI Emerging Market Net Total Return USD Index. China: MSCI China Index, India: MSCI India Index. Frontier: MSCI Frontier Markets Total Return Index, Alternatives: USD: DXY Index, Gold Spot $/OZ, Oil: WTI crude oil, Hedge funds: Credit Suisse Hedge Fund Index, Leverage Loans: JP Morgan liquid Loan Index, Infra Debt: iBoxx USD Infrastructure Total Return Index, Infra Equity: Dow Jones Brookfields Global Infrastructure Total Return Index, REITS Real Estate: FTSE EPRA/NAREIT Global Index TR USD. *Crypto: Bloomberg Galaxy Crypto Index.