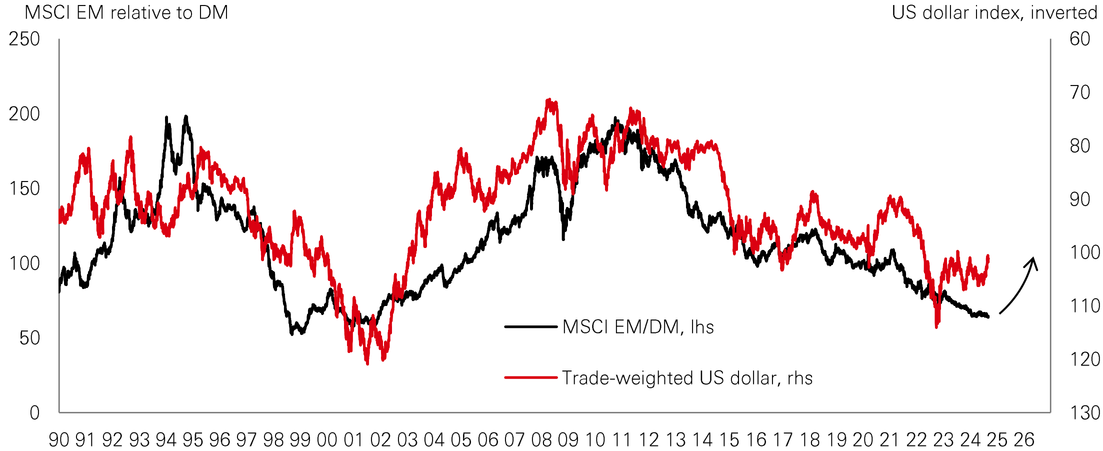
HSBC Asset Management

Investment Weekly

6 September 2024
For Professional Clients only.

Chart of the week – Emerging rotations



Risk assets have broadly recovered from August's sharp sell-off, but not all market moves have unwound. On evidence of cooling US economic activity and lower inflation, traders now expect 125 basis points of Fed rate cuts by the end of 2024 – up from the one to two cuts expected in early summer – and **that is putting pressure on the US dollar**.

Dollar weakness opens the door for other central banks to ease policy, to support their domestic economies. Our AM House View is that these moves will drive a pick-up in emerging market performance, also aided by EM FX gains.

So far, ASEAN has been the region to watch. A weaker dollar, the region's high sensitivity to Fed policy, and ongoing disinflation, have set the scene for cuts. The Philippines central bank went first in August (reducing rates by 25bp), and our Asia specialists think Bank Indonesia could soon follow. While there is divergence across the region, ASEAN countries like Indonesia benefit from a resilient macro backdrop, reasonable asset valuations and structural tailwinds like favourable demographics and supportive industrial policy. They've also been shielded from the volatility in global technology stocks, and resisted the impact of strong moves in the Japanese yen.

Investors are reacting to this. **ASEAN saw one of the strongest performances in global equities in August, and quarter-to-date** – led by the Philippines, Indonesia, and Malaysia. But other EM regions are in the mix, too. Emerging Europe and Frontier regions have also done well. And while not all EMs have yet benefited, a 'great rotation' in performance could continue to see a pick-up for the laggards.

Market Spotlight

Tech stocks boost the Hang Seng

Hong Kong's Hang Seng index (HSI) delivered a solid performance in August, rising by around 4%. With earnings season ongoing, the index's technology stocks (which include HK-listed Chinese firms) have mostly beaten consensus. They are benefiting from resilient demand for tech services, overseas expansion which has boosted revenues, and recent Chinese policy support for the sector – given its status as a national growth priority.

Excluding Chinese tech stocks, Hong Kong's domestic firms also performed well in August. The MSCI HK index – a close gauge of the country's domestic stocks – rose 5.3%. Those firms are now seeing a pick-up in earnings estimates, helped by the prospect of imminent US rate cuts, and an improving outlook for non-cyclical sectors like utilities and consumer staples. That said, the downtrend in earnings for domestic stocks since mid-2022 has not yet reversed, with macro challenges still weighing on sectors like financials and real estate. With China's largely domestic onshore stock market losing more ground in August, **our Asia analysts think the HSI could continue to outperform this year given its appealing valuation and superior growth outlook**.

Yield Curve →

What a dis-inverting yield curve means for economies

Private Equity →

Signs of a pick-up in deal-making activity

Global Power →

Shifting dynamics of the global economic landscape

Read our latest views: China Insights – economy in transition

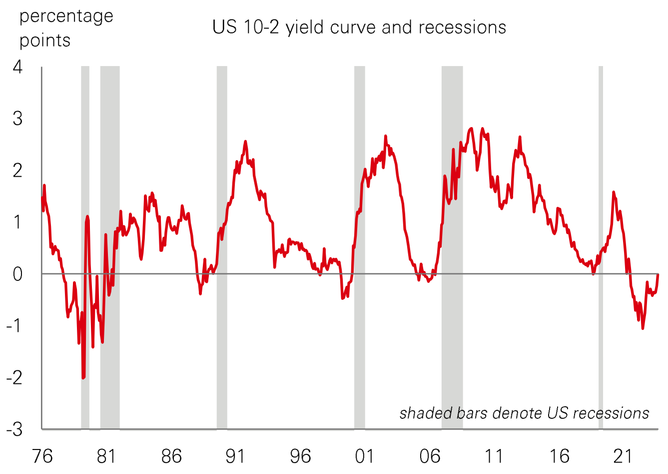
Source: HSBC Asset Management. Macrobond, Bloomberg. Data as at 11.00am UK time 06 September 2024.

Back in black

What do rock legends AC/DC know about the US bond market? …they know the yield curve is 'Back in Black'.

The US yield curve – which plots the relationship between two- and 10-year Treasury yields – has been inverted since March 2022. This week's dis-inversion – with the curve moving back into the black – shouldn't really surprise us. After all, short term bond yields have fallen quickly over the summer, as expectations for Fed cuts have grown.

But what's concerning is that a dis-inverting yield curve, driven by 'bull steepening' (when the short end of the curve falls faster than the long end) is a robust leading indicator of recession. Even if the yield curve is just a 'mirror', reflecting the bond market's best guess about future interest rates, it looks like an important cyclical change is underway as growth and labour market data cool quickly. That should put investors on alert. The most important thing to watch now is how far – and how fast – the curve steepens. **A gradual steepening toward a normal, say +50bp slope, would be fully consistent with a soft landing, and a broadening out pattern in stock markets**.

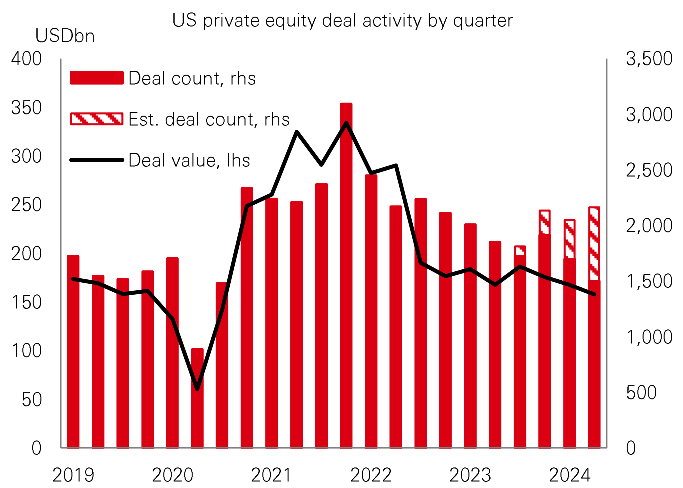


Private equity's green shoots

Private equity activity has been sluggish since mid-2022 – demanding caution on the part of investors. But green shoots of recovery and a pick-up in investment deal-making could signal a turning point.

On a like-for-like basis with other asset classes, we measure private equity expected returns in the low teens today. That reflects a sizeable equity and illiquidity premium. For an easy frame of reference, it converts to an internal rate of return (IRR) – a measure of investment profitability – of around 20%. These returns look attractive and, with valuations now lower after 2021-22 inflation burst and rapid policy tightening, we may be seeing the start of an interesting entry point for longer-term investors.

Some headwinds remain for the asset class, however. Exit markets (where investments are sold) remain mixed; data suggests that exit values are improving, but it is difficult to see a strong bounce back in sentiment or activity levels. During the last quarter, exits were just 36% of investments and suggests that the market has still not found its equilibrium. **However, we are encouraged by a recovery in activity**.

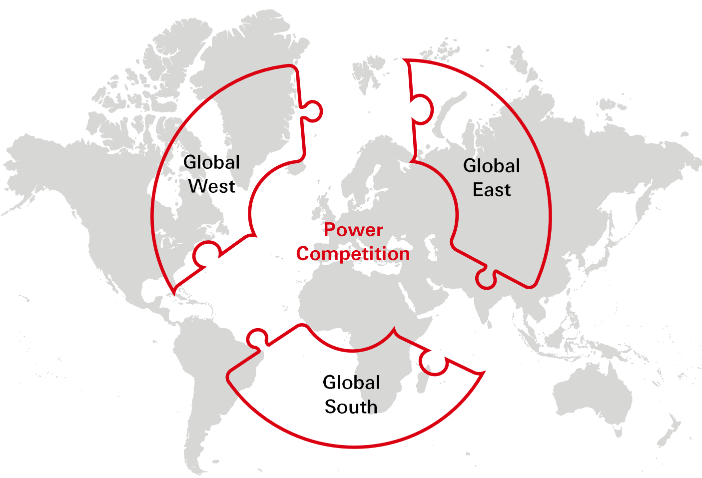


Power competition and its opportunities

The world is undergoing profound change as globalisation decelerates. It's useful to examine this shift through three power clusters: the global West, the global East, and the global South. In simple terms, the West wants to preserve the current world order, the East aims to take the lead by presenting an alternative to the West's hegemonic order, and the South operates as a collective system or 'swing cluster' capable of 'swinging' to the West or East depending on its interests.

Amid this power competition, new opportunities arise for investors in frontier and emerging markets. Moves by the West and East to reduce their economic interdependence implies a realignment of supply chains via 'friendshoring' and 'nearshoring'. **This benefits many economies in the South, such as Mexico, India, and Southeast Asia**.

And by sector, capital equipment, semiconductors and electric vehicle batteries are well positioned to grow rapidly as East-West tensions persist. India's nascent semiconductor industry – with a total of USD15bn of investment in chipmaking plants announced earlier this year – is a good example. So as these shifting dynamics continue to reshape the global economic landscape, it'll be key for investors to stay attuned.



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 buy or sell specific sector/stocks mentioned. Any views expressed were held at the time of preparation and are subject to change without notice. HSBC Global Asset Management (UK) Limited accepts no liability for any failure to meet such forecast, projection, or target. Source: HSBC Asset Management. Macrobond, Bloomberg, Datastream. Data as at 11.00am UK time 06 September 2024.

Asset class views

Our baseline macro scenario is for a soft-ish landing, characterised by growth falling below trend and inflation returning to target. 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 continuing risk of macro disappointment or weakness. We prefer to access the growth factor in laggard regions, such as Asia and emerging markets
	Duration		Improving inflation data and increasing concern regarding downside risks to growth have pulled yields lower. Nonetheless, carry remains appealing and, if adverse economic outcomes prevail, there is scope for strong returns in global duration. We favour the US and UK curves
	Emerging Markets		The EM growth outlook is a relative bright spot in a global context. Falling inflation and imminent Fed policy easing should pave the way for more countries to cut rates. Supportive policy in China has buoyed confidence but all eyes are on more pro-growth measures
Bonds	10yr US Treasuries		Yields have reversed the rise seen earlier in the year, as inflation and labour data have started to surprise to the downside. The market is now pricing in meaningful Federal Reserve rate cuts, but USTs still provide an attractive yield and scope for capital gains if the economy weakens markedly
	EMD Local		Real yields remain high in many EM local markets and long-term valuations are attractive. Fed easing is likely to maintain downward pressure on the USD and allow EM FX appreciation that would provide an important tailwind to returns for international investors
	Asia Local		There is scope for rate cuts among regional central banks later this year, depending on the Fed, as inflation risk across the region has been broadly manageable. 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		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
	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		Markets face potential volatility amid slowing global growth and political uncertainty. On the upside, global corporate profits look significantly less concentrated and lopsided for FY2024 and into 2025, which could support a broadening out of performance
	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 earnings outlook is being supported by a pick-up in the semiconductor cycle, continuing Chinese policy support and other regional cyclical and structural growth stories. Valuations remain undemanding but there are risks from global growth uncertainty and geopolitical developments
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

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Key Events and Data Releases

This week

Date	Country	Indicator	Data as of	Actual	Prior	Comment
Mon. 02 September	BR	S&P Global Manufacturing PMI	Aug	50.4	54.0	Rising cost pressures and fading demand triggered a contraction in output, with the PMI at its lowest level this year
	MX	S&P Global Manufacturing PMI	Aug	48.5	49.6	The PMI slipped to a two-year low with new orders falling sharply since June
	ID	CPI (yoy)	Aug	2.1%	2.1%	Inflation remained within the central bank target range in August
	CN	Caixin Manufacturing PMI	Aug	50.4	49.8	The Caixin manufacturing PMI edged back into expansion territory, but data overall still point to lacklustre domestic demand
Tue. 03 September	KO	CPI (yoy)	Aug	2.0%	2.6%	South Korean inflation slowed to its lowest since early 2021, supporting expectations for policy easing as early as next month
	US	ISM Manufacturing Index	Aug	47.2	46.8	US manufacturing contracted at a moderate pace in August, driven by declines in new orders and output
	BR	GDP (qoq)	Q2	1.4%	1.0%	Brazilian GDP growth exceeded expectations on solid consumer spending and strong fixed investment gains
	CH	Banco Central de Chile Policy Rate	Sep	5.50%	5.75%	Chile's central bank cut rates by 25bp, maintaining a dovish bias amid rising confidence of reaching its 3% inflation target
Wed. 04 September	US	JOLTS Job Openings	Jul	7.67mn	7.91mn	Job openings fell by more than expected to their lowest level since April 2021, highlighting the cooling in the labour market
	CN	Caixin Services PMI	Aug	51.6	52.1	The Caixin services PMI fell as incoming new business moderated and the employment index dropped into contraction territory
	CA	BoC Policy Rate	Sep	4.25%	4.50%	The Bank of Canada delivered a third consecutive 25bp rate cut as its focus shifts to downside growth and inflation risks
Thu. 05 September	US	ISM Services Index	Aug	51.5	51.4	US services sector activity was steady in August, but employment gains slowed, consistent with a cooling labour market
Fri. 06 September	US	Change in Non-Farm Payrolls	Aug	-	114.0k	A broad range of data suggest the labour market is on a cooling trend, which should extend through the remainder of the year

Q – Quarter **BR – Brazil, MX – Mexico, ID – Indonesia, CN – China, KO – South Korea, US – United States, CH – Chile, CA – Canada**

The week ahead

Date	Country	Indicator	Data as of	Survey	Prior	Comment
Mon. 09 September	MX	CPI (yoy)	Aug	5.1%	5.6%	Disinflation pressures are building in the service sector, pointing to scope for further gradual near-term policy easing
	CN	CPI (yoy)	Aug	0.7%	0.5%	A halt in food deflation may push headline CPI higher, but softening core inflation indicates ongoing deflationary pressures
Tue. 10 September	US	Presidential debate	Sep			Latest opinion polls show a 'toss up' in the seven key 'swing' US states
	US	NFIB Index of Small Business Optimism	Aug	93.6	93.7	Small business optimism has increased for four consecutive months, but inflation worries linger
	BR	CPI (yoy)	Aug	-	4.5%	Core inflation has risen since early 2024, driven by higher goods inflation associated with recent currency weakness
	UK	Unemployment Rate, ILO	Jul	-	4.2%	The labour market shows signs of rebalancing, but wage growth remains relatively high
	CN	Trade Balance (USD)	Aug	81.5bn	84.7bn	China's exports should stay healthy, aided by its competitiveness in green-tech products
Wed. 11 September	US	CPI (yoy)	Aug	2.6%	2.9%	Core inflation has returned to an improving trend in recent months, which is likely to continue amid a cooling labour market
Thu. 12 September	EZ	ECB Deposit Rate	Sep	3.50%	3.75%	Recent ECB comments point to a September rate cut against a backdrop of softer activity data and gradually improving inflation
	IN	CPI (yoy)	Aug	3.7%	3.5%	Headline inflation may remain below 4% yoy, potentially due to lower food price inflation
	IN	Industrial Production (yoy)	Jul	4.4%	4.2%	India's industrial production has been growing in a solid 4-6% yoy range throughout 2024, consistent with robust PMI readings
Sat. 14 September	CN	Industrial Production (yoy)	Aug	4.7%	5.1%	Growth in production may decelerate further, despite a continuing pick-up in high-end manufacturing activities and export resilience
	CN	Retail Sales (yoy)	Aug	2.5%	2.7%	A slowdown in retail sales growth should resume, suggesting still-soft domestic demand and weak consumer confidence

MX – Mexico, CN – China, US – United States, BR – Brazil, UK – United Kingdom, EZ – Eurozone, IN – India

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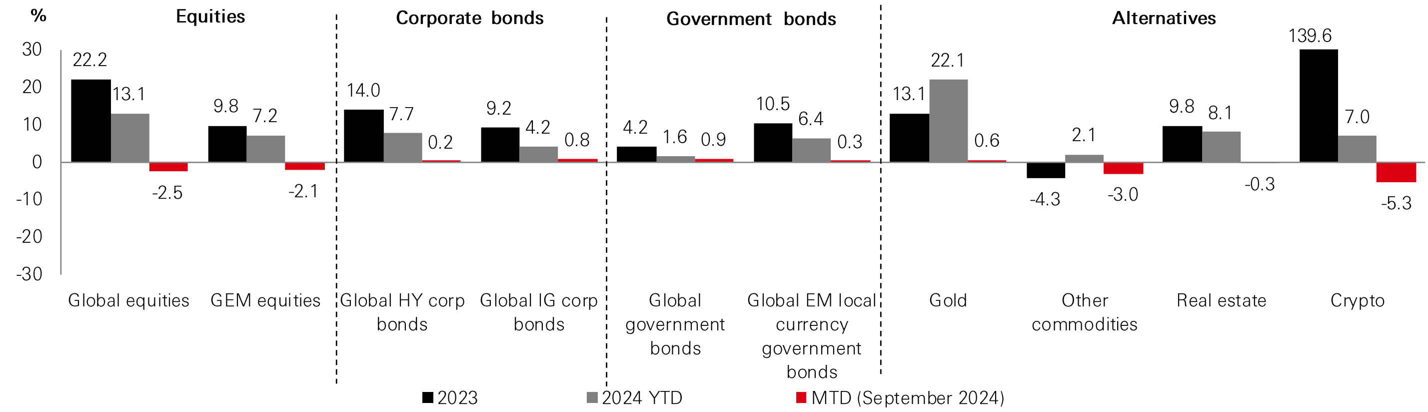
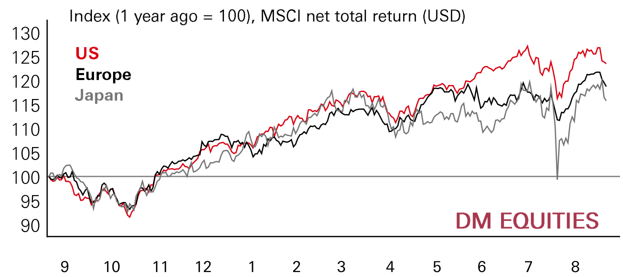
Market review

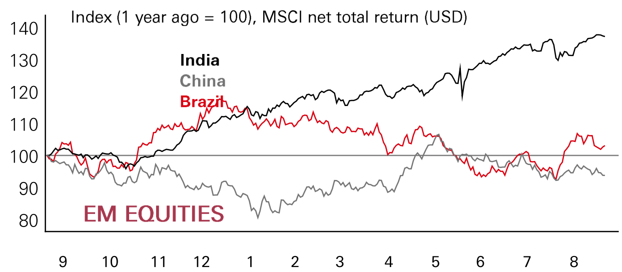
This week

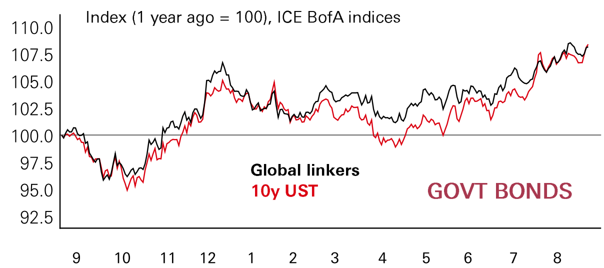
Mounting fears of a possible US hard landing cast a pall over risk markets. Core government bonds rallied, with the US yield curve dis-inverting for the first time since 2022 amid a re-pricing of US rate expectations. The Bank of Canada cut rates by 25bp for the third consecutive meeting, with attention now turning to the European Central Bank's Council meeting next week. Elsewhere, the US DXY dollar index resumed its downward trend, and there was continued weakness in US technology sector equities, with cautious sentiment spilling into European and Japanese stock markets. EM equities largely weakened, led by Korea's tech-dominant Kospi index. China's Shanghai composite index fell amid continued macro concerns, while Thailand's SE index rallied. In commodities, demand worries drove oil prices to 2024 lows, and copper also weakened. Gold consolidated after recent gains.

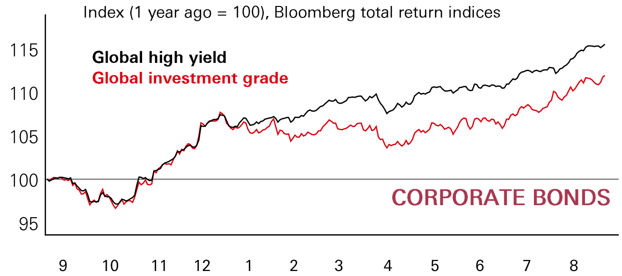
Selected asset performance

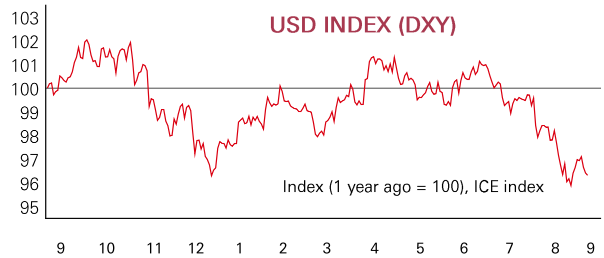


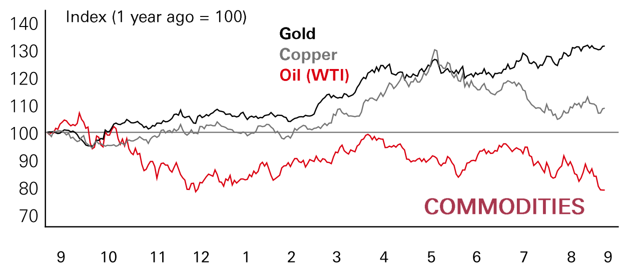












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Source: HSBC Asset Management. Macrobond, Bloomberg. Data as at 11.00am UK time 06 September 2024. Note: Asset class performance is represented by different indices. Global Equities: MSCI ACWI Net Total Return USD Index. Gem Equities: MSCI Emerging 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)	813	-2.5	5.4	2.0	19.5	11.8	834	628	18.8
North America									
US Dow Jones Industrial Average	40,756	-1.9	4.5	4.8	18.3	8.1	41,585	32,327	20.4
US S&P 500 Index	5,503	-2.6	5.0	2.8	23.2	15.4	5,670	4,104	22.6
US NASDAQ Composite Index	17,128	-3.3	4.6	-0.3	23.5	14.1	18,671	12,544	31.3
Canada S&P/TSX Composite Index	22,988	-1.5	4.6	3.4	13.7	9.7	23,414	18,692	15.6
Europe									
MSCI AC Europe (USD)	571	-2.4	6.1	-0.8	16.3	7.1	588	459	14.3
Euro STOXX 50 Index	4,796	-3.3	4.8	-5.4	13.2	6.1	5,122	3,993	13.6
UK FTSE 100 Index	8,214	-1.9	2.3	-0.9	10.6	6.2	8,474	7,280	12.2
Germany DAX Index*	18,494	-2.2	6.6	-0.9	17.5	10.4	18,991	14,630	13.6
France CAC-40 Index	7,416	-2.8	4.0	-7.8	3.1	-1.7	8,259	6,774	13.6
Spain IBEX 35 Index	11,238	-1.4	8.2	-1.8	20.7	11.2	11,470	8,879	10.8
Italy FTSE MIB Index	33,589	-2.3	8.0	-3.6	19.1	10.7	35,474	27,078	9.3
Asia Pacific									
MSCI AC Asia Pacific ex Japan (USD)	564	-2.4	5.0	0.3	11.0	6.6	588	469	14.0
Japan Nikkei-225 Stock Average	36,391	-5.8	4.9	-6.0	9.5	8.7	42,427	30,488	20.5
Australian Stock Exchange 200	8,013	-1.0	4.3	2.4	10.4	5.6	8,149	6,751	18.2
Hong Kong Hang Seng Index	17,444	-3.0	4.8	-5.6	-5.5	2.3	19,706	14,794	8.4
Shanghai Stock Exchange Composite Index	2,766	-2.7	-3.5	-9.3	-12.4	-7.0	3,174	2,635	11.1
Hang Seng China Enterprises Index	6,106	-3.6	4.3	-6.9	-4.7	5.8	6,986	4,943	7.6
Taiwan TAIEX Index	21,435	-3.7	4.6	-2.1	28.1	19.5	24,417	15,976	17.3
Korea KOSPI Index	2,544	-4.9	0.9	-5.4	-0.7	-4.2	2,896	2,274	9.8
India SENSEX 30 Index	81,184	-1.4	3.3	8.1	23.2	12.4	82,725	63,093	23.3
Indonesia Jakarta Stock Price Index	7,722	0.7	8.3	10.7	10.4	6.2	7,754	6,640	14.6
Malaysia Kuala Lumpur Composite Index	1,653	-1.5	5.0	2.4	13.2	13.6	1,685	1,412	17.9
Philippines Stock Exchange PSE Index	6,936	0.6	7.8	6.5	11.1	7.5	7,071	5,920	11.8
Singapore FTSE Straits Times Index	3,454	0.3	8.0	3.7	7.2	6.6	3,509	3,042	11.1
Thailand SET Index	1,428	5.0	12.1	7.5	-7.8	0.8	1,557	1,273	15.7
Latam									
Argentina Merval Index	1,765,465	2.8	21.1	17.4	202.3	89.9	1,830,229	508,068	8.7
Brazil Bovespa Index*	136,502	0.4	8.1	11.1	17.7	1.7	137,469	111,599	9.0
Chile IPSA Index	6,362	-1.5	3.0	-4.9	7.7	2.6	6,838	5,363	10.7
Colombia COLCAP Index	1,342	-1.5	3.5	-4.9	28.2	12.3	1,451	1,045	6.5
Mexico S&P/BMV IPC Index	51,661	-0.6	-1.4	-5.2	-2.5	-10.0	59,021	47,765	11.9
EEMEA									
Saudi Arabia Tadawul Index	12,099	-0.4	3.6	4.7	7.1	1.1	12,883	10,262	N/A
South Africa JSE Index	81,809	-2.3	3.0	6.1	9.9	6.4	84,801	69,128	11.7
Turkey ISE 100 Index*	9,947	1.2	0.7	-3.2	21.6	33.2	11,252	7,203	4.8

*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	-2.5	5.6	2.4	13.1	21.4	14.2	69.5
US equities	-2.6	5.2	3.0	15.7	24.4	22.4	95.0
Europe equities	-2.4	6.3	-0.4	9.6	19.4	8.1	45.3
Asia Pacific ex Japan equities	-2.3	5.4	1.4	8.7	13.9	-9.7	25.6
Japan equities	-2.8	7.7	2.2	9.8	14.9	4.1	41.7
Latam equities	-0.6	4.8	-2.4	-13.1	1.4	11.1	9.4
Emerging Markets equities	-2.1	4.6	1.3	7.2	12.5	-11.9	20.7

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 06 September 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)	583	0.7	1.1	3.7	9.2	4.0
JPM EMBI Global	903.2	0.3	2.6	4.6	14.2	6.4
BarCap US Corporate Index (USD)	3372.6	1.2	2.3	4.7	12.0	4.7
BarCap Euro Corporate Index (Eur)	253.4	0.3	0.6	2.6	8.4	2.9
BarCap Global High Yield (Hedged in USD)	610.5	0.2	2.5	4.1	15.3	7.8
Markit iBoxx Asia ex-Japan Bond Index (USD)	226.1	0.5	1.3	3.4	10.9	5.8
Markit iBoxx Asia ex-Japan High-Yield Bond Index (USD)	257	-0.5	0.7	2.7	17.9	11.8

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	1.11	1.10	1.09	1.09	1.07	1.10	1.12	1.04	0.6
GBP/USD	1.32	1.31	1.27	1.28	1.25	1.27	1.33	1.20	0.4
CHF/USD	1.19	1.18	1.17	1.12	1.12	1.19	1.20	1.08	0.9
CAD	1.35	1.35	1.38	1.37	1.36	1.32	1.39	1.32	0.0
JPY	143	146	144	156	148	141	162	140	2.3
AUD/USD	0.67	0.68	0.65	0.67	0.64	0.68	0.69	0.63	-0.4
NZD/USD	0.62	0.62	0.60	0.62	0.59	0.63	0.64	0.58	-0.3
Asia									
HKD	7.79	7.80	7.80	7.81	7.84	7.81	7.84	7.77	0.1
CNY	7.08	7.09	7.16	7.25	7.32	7.10	7.35	7.08	0.1
INR	83.9	83.9	84.0	83.5	83.1	83.2	84.0	82.6	-0.1
MYR	4.33	4.32	4.47	4.70	4.67	4.59	4.81	4.31	-0.2
KRW	1328	1338	1378	1366	1331	1291	1400	1283	0.7
TWD	31.9	32.0	32.7	32.3	32.0	30.6	32.9	30.5	0.1
Latam									
BRL	5.57	5.61	5.66	5.25	4.98	4.85	5.86	4.80	0.6
COP	4160	4178	4138	3936	4073	3875	4427	3739	0.4
MXN	19.9	19.7	19.6	18.0	17.6	17.0	20.2	16.3	-0.9
ARS	954	951	935	899	350	808	954	350	-0.3
EEMEA									
RUB	89.9	90.5	85.7	89.1	98.1	89.5	102.4	82.7	0.6
ZAR	17.7	17.8	18.5	19.0	19.2	18.4	19.6	17.6	0.5
TRY	34.0	34.1	33.6	32.2	26.8	29.5	34.5	26.8	0.3

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	5.04	5.11	5.20	5.39	5.45	5.33	-7
2-Year	3.71	3.92	3.98	4.72	5.02	4.25	-21
5-Year	3.50	3.70	3.73	4.30	4.42	3.85	-20
10-Year	3.69	3.90	3.89	4.29	4.28	3.88	-21
30-Year	3.99	4.20	4.18	4.44	4.35	4.03	-21
10-year bond yields (%)							
Japan	0.85	0.89	0.89	0.96	0.65	0.61	-4
UK	3.87	4.01	3.92	4.17	4.53	3.53	-15
Germany	2.16	2.30	2.20	2.55	2.65	2.02	-14
France	2.86	3.02	2.96	3.03	3.18	2.56	-17
Italy	3.59	3.70	3.65	3.87	4.40	3.69	-11
Spain	2.97	3.13	3.07	3.28	3.70	2.98	-16
China	2.14	2.18	2.15	2.31	2.67	2.56	-4
Australia	3.88	3.97	4.02	4.23	4.13	3.96	-9
Canada	2.97	3.16	3.12	3.39	3.69	3.11	-19

*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	2,519	0.6	5.4	6.0	31.4	22.1	2,532	1,811
Brent Oil	72.8	-5.3	-4.2	-7.3	-12.3	-3.2	88	72
WTI Crude Oil	69.3	-5.8	-4.2	-6.8	-12.4	-2.4	83	69
R/J CRB Futures Index	271.3	-2.1	0.4	-7.2	-4.7	2.8	300	258
LME Copper	9,103	-1.4	2.0	-10.3	8.7	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.

Source: HSBC Asset Management. Bloomberg. Data as at 11.00am UK time 06 September 2024.

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