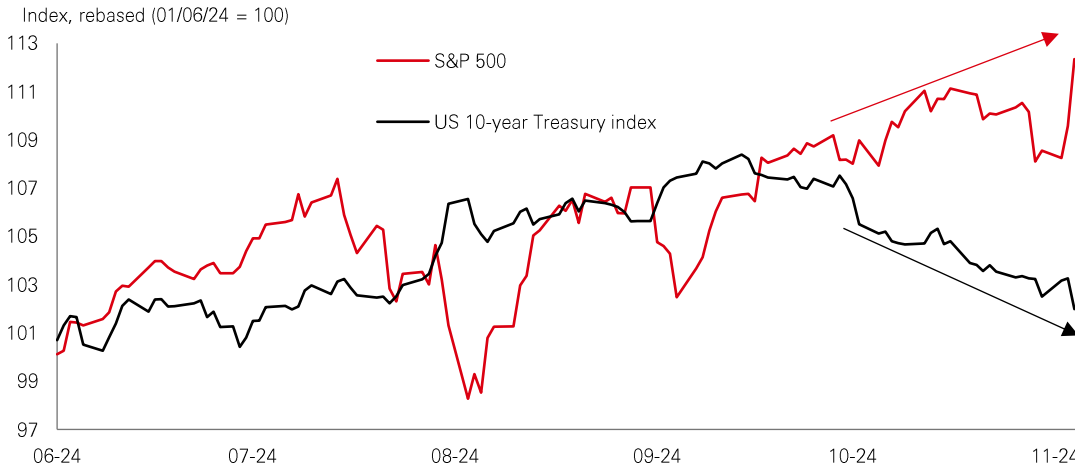


# Investment Weekly

8 November 2024  
For Professional Clients only.

## Chart of the week – US stocks and bonds decouple.



The S&P 500 hit fresh all-time highs this week with the decisive outcome of the US presidential election removing one form of uncertainty for investment markets. US stocks also found a fresh catalyst via the potential for lower corporate tax rates and deregulation, boosting the profits outlook.

The recent good run in US stocks has coincided with a period of rising US Treasury yields. Investors are grappling with a likely combination of ongoing fiscal activism, global economic fragmentation, renewed inflationary pressures, and a shallower Fed rate cutting cycle.

So far, the stock market has shrugged off the pick-up in yields. But there is no guarantee that higher-for-longer rates won't damage risk appetite. Investment markets have been "hypersensitive" to economic news this year. The addition of **policy uncertainty could intensify market volatility**. Investors should prepare for a bumpier journey ahead.

US stock valuations look stretched and profits expectations are elevated. This leaves the most expensive US stocks vulnerable to volatility. Faster European and Asian growth in 2025 suggests there is still room for markets outside of the US to relatively outperform. But **for emerging markets, the dollar outlook is key. As will be the next set of policy support measures from China.**

### Market Spotlight

#### Step by step

The Fed looked through the noise of the US elections and delivered a 25bp cut, which it had been expected to do for several weeks. The rationale for the move was that the funds rate is at restrictive levels while inflation is moderating, and the labour market is back in better balance.

Looking forward, the Fed is faced with a more uncertain outlook, given potentially large changes in fiscal and trade policy. Medium term upside inflation risks have likely increased while the growth outlook has become more ambiguous – depending on the ultimate mix of fiscal and trade policies, growth could exceed or disappoint current expectations.

Given the more unpredictable outlook, Chair Powell may want to recall the words of former ECB President Mario Draghi, "In a dark room you move with tiny steps". In other words, the best course of action is likely to be gradually taking the policy rate back towards a more neutral level unless data and events push you strongly to do something else. **A shallow rate cutting cycle leaving the funds rate at around 3.50% by-end 2025 is our base case.**

**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. Past performance does not predict future returns. Investments in emerging markets are by their nature higher risk and potentially more volatile than those inherent in some established markets. The level of yield is not guaranteed and may rise or fall in the future.** For informational purposes only and should not be construed as a recommendation to invest in the specific country, product, strategy, sector or security. Any views expressed were held at the time of preparation and are subject to change without notice. Any forecast, projection or target where provided is indicative only and not guaranteed in any way. Diversification does not ensure a profit or protect against loss.

Source: HSBC Asset Management. Macrobond, Bloomberg. Data as at 7.30am UK time 08 November 2024.

#### China Markets →

What policy support might mean for Chinese stocks

#### Emerging Market FX →

Why some EM currencies are under pressure

#### Frontier Economies →

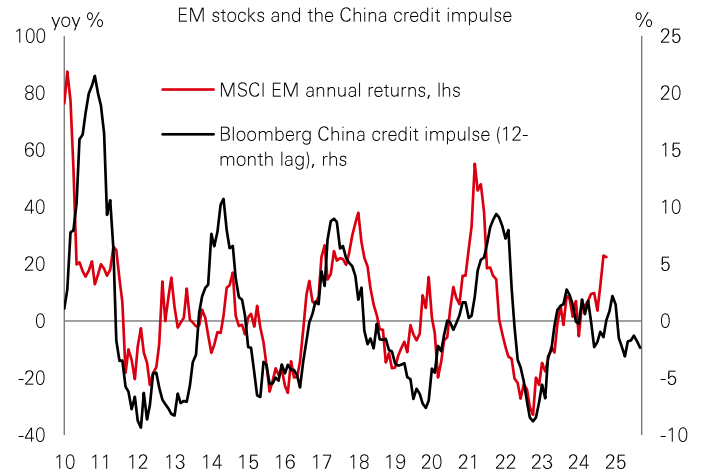
How frontier markets could resist possible trade tensions

**Read our latest views:**  
**Capital Market Assumptions**

## Chinese momentum

Chinese stocks rallied in September on news of further policy support, and they've largely held those gains. Momentum picked up in early November, and the Shanghai Composite is still up 20%+ since the new measures were announced. This week's NPC Standing Committee is expected to approve a fiscal package with CNY trillions of extra bond issuance to tackle risks related to local government off-balance-sheet debt. That could include a multi-year debt swap plan, a recapitalisation of major banks, purchases of unsold homes and idle land, and targeted financial support for specific groups. More details on the fiscal plans are expected at a briefing scheduled for late Friday in Beijing.

For stocks, the prospect of further policy support could mean strong potential for growth and recovery. **Our Asia specialists see Chinese stocks continuing to trade at a wide discount to peers and still lightly-owned by international investors.** They favour both quality growth companies and high dividend-paying stocks. That said, Chinese firms remain vulnerable to potential risks, including geopolitical tensions and any weakness in global economic conditions.

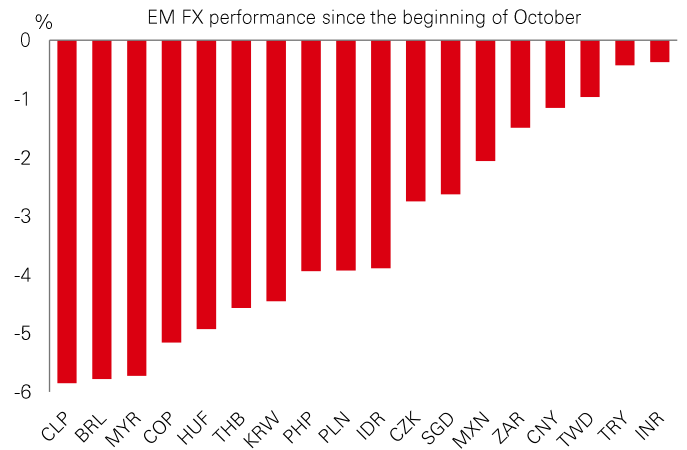


## Emerging FX pressures

President-elect Trump's victory in the US election, together with a strengthening dollar, has reinforced negative sentiment towards emerging market (EM) currencies and local-currency assets. Investors have been nervous about the potential impact of higher US tariffs on global trade, as well as potentially higher bond issuance and a widening of the US fiscal deficit. A repricing of US rate expectations hasn't helped EM assets either.

Weaker EM currencies risk stoking inflation and could prompt a re-assessment of the EM policy outlook. Brazil's central bank hiked rates 50bp in October to quell rising inflation, providing relief for the currency. The Brazilian real has weakened nearly 14% this year – hitting a record low following the US election – maintaining the pressure for further tightening amid rising concerns about the sustainability of fiscal policy.

**While this is a near-term risk for many EM economies, a number of currencies have long-term valuation buffers.** The Fed-driven global easing cycle, albeit possibly slower and shallower, should limit downside risks, as should policy-stimulus driven cyclical recovery in China.

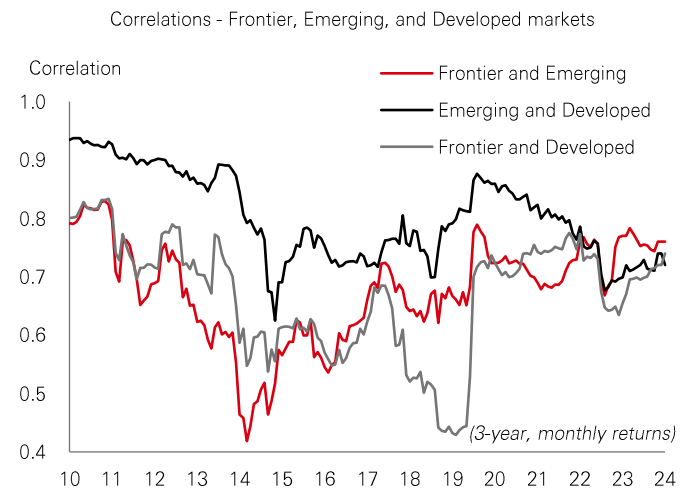


## Frontier resilience

A concern for investors ahead of the US election was the potential impact on global trade from aggressive US tariffs. One area which could prove resilient to greater trade frictions is frontier markets, where countries have learnt to steer a path between competing third parties.

Key to this is that frontiers are a relatively low correlation, low volatility asset class in the equity space, with domestically-driven economies. That can shelter them from global macro events. The shift towards a more multi-polar world has tested this, but frontiers are tending to prioritise neutrality. We have seen this on the sidelines of conflicts in Ukraine/Russia and the Middle East, and trade wars between China and the US.

In Gulf Cooperation Countries, for example, Saudi Arabia has opted to play a mediator role in regional tensions, preferring instead to focus on its domestic economy, social reforms, and diversifying from oil into sectors like tourism and leisure. Another example is Vietnam, which has managed to benefit from 'nearshoring' but still maintains a positive trade partnership with both China and the US. **All in, frontier markets could offer a route through potential tariff tensions.**



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Source: HSBC Asset Management. Macrobond, Bloomberg, Datastream. Data as at 7.30am UK time 08 November 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                | ■ | ■    | ■ | The US Treasury yield curve, which has steepened significantly over the past year, could experience a further “bear steepening”, with investors demanding greater compensation for longer-term inflation and interest rate uncertainty. Nonetheless, carry remains appealing and, if adverse economic outcomes prevail, there is scope for strong returns in global duration |
|               | Emerging Markets        | ■ | ■    | ■ | The EM growth outlook is a relative bright spot in a global context. Falling inflation and 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         | US 10yr Treasuries      | ■ | ■    | ■ | Yields have risen recently on resilient economic data, a repricing of rate expectations, and uncertainty about how the US policy agenda might impact fiscal deficits and inflation trends. 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              | ■ | ■    | ■ | With Fed policy easing under way, there is scope for rate cuts among regional central banks, with inflation risk across the region broadly manageable. The macro backdrop is supportive, with India, Indonesia, Korea, and the Philippines having a more favourable rates outlook  |
| Credits       | Global Credit           | ■ | ■    | ■ | Global credit is expensive with most non-financial spreads at near-cyclical tightness. 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, with spreads way below historical averages. Nevertheless ‘all in’ yields are high. For now, still reasonable growth and moderating inflation mean that the fundamental backdrop is supportive  |
|               | Asia Credit             | ■ | ■    | ■ | Asia credit spreads (both IG and HY) are likely to narrow in response to a sustained US easing cycle in the medium term. Attractive ‘all in’ yields and solid fundamentals are supportive but tight spreads and the potential for a re-rating of global risks could add near-term pressure   |
|               | EMD Hard Currency Bonds | ■ | ■    | ■ | EM sovereigns should benefit from Fed rate cuts. They have underperformed competitor asset classes like global HY recently, which is at odds with fundamental improvements and ratings upgrades. Also, it is a high-duration asset class and more exposed to moves in core yields  |
| Equities      | DM Equities             | ■ | ■    | ■ | Markets face potential volatility amid slowing global growth and geopolitical risks, although falling rates should be supportive. We expect more broadening out for asset returns beyond the US technology sector and mega-cap growth into other regions, sectors, and styles  |
|               | EM Equities             | ■ | ■    | ■ | The EM growth outlook is a relative bright spot in a global context, with disinflation and ongoing Fed rate cuts expected to be supportive. Stock and currency market valuations remain undemanding. Idiosyncratic trends within EMs imply scope for portfolio diversification too   |
|               | Asia ex Japan           | ■ | ■    | ■ | While solid demand for tech-related products is a profit engine, Asian markets offer broad sector diversification, and overall valuations remain undemanding. China policy support, room for monetary easing, and other structural stories in the region are positives   |
| 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      | ■ | ■    | ■ | Real estate is suited to a backdrop of falling rates and a soft landing and remains cheap versus its longer run averages in the US, but not as cheap in DM. Lower rates should support capital values. Valuations are still supportive, but the sector is vulnerable to macro disappointment   |
|               | Infrastructure Debt     | ■ | ■    | ■ | Infrastructure debt is currently expected to offer stronger 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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Source: HSBC Asset Management. Data as at 7.30am UK time 08 November 2024.



## Key Events and Data Releases

### This week

| Date             | Country          | Indicator   | Data as of | Actual | Prior  | Comment  |   |
|------------------|------------------|---|------------|--------|--------|--|---|
| Mon. 04 November | CN               | Start of the 5-day NPC Standing Committee meeting | Nov        |        |        | Market participants will focus on any announcement of fiscal stimulus by the NPC Standing Committee                            |   |
| Tue. 05 November | US               | ISM Services Index                                | Oct        | 56.0   | 54.9   | The ISM services index rose, driven by better employment readings, contrasting with the weak payroll print for October         |   |
|                  | AU               | RBA Cash Target Rate                              | Nov        | 4.35%  | 4.35%  | The RBA left policy on hold, remaining alert to high underlying inflation, and reiterating its data-dependent approach         |   |
|                  | US               | 2024 Presidential Election                        |            |        |        | Donald Trump was elected as the next US president; the Republican party took control of the Senate                             |   |
| Wed. 06 November | BR               | Banco de Brazil SELIC Target Rate                 | Nov        | 11.25% | 10.75% | Brazil's central bank accelerated the pace of tightening, hiking rates 50bp. Inflation forecasts were upgraded on a weaker BRL |   |
| Thu. 07 November | US               | Fed Funds Rate (upper band)                       | Nov        | 4.75%  | 5.00%  | The Fed delivered an anticipated 25bp cut. The uncertain outlook argues for a gradual pace of policy easing going forward      |   |
|                  | MX               | Headline Inflation (yoy)                          | Oct        | 4.8%   | 4.6%   | Services inflation remains stickier, pushing CPI higher, but core inflation continues its deceleration trend since early-2023  |   |
|                  | UK               | BoE MPC Base Rate                                 | Nov        | 4.75%  | 5.00%  | The BoE delivered a 25bp rate cut. It upgraded its 2025 and 2026 GDP and CPI forecasts modestly following the latest Budget    |   |
|                  | NW               | Norges Bank Sight Deposit Rate                    | Nov        | 4.50%  | 4.50%  | Norges Bank maintained current interest rates but reiterated policy easing is possible in Q125 amid moderating inflation       |   |
|                  | SW               | Riksbank Policy Rate                              | Nov        | 2.75%  | 3.25%  | The Swedish Riksbank cut rates 50bp, signalling further easing near-term. Inflation is below the 2% target, Q3 GDP contracted  |   |
|                  | CN               | Trade Balance (USD)                               | Oct        | 95.7bn | 81.7bn | A catch up in outbound shipments after typhoon disruptions lifted exports while imports fell yoy, boosting the trade surplus   |   |
|                  | Fri. 08 November | BR  | CPI (yoy)  | Oct    | -      | 4.4%   | Core inflation has remained stubbornly high recently amid rising price pressures in both goods and services         |
|                  | Sat. 09 November | CN  | CPI (yoy)  | Oct    | -      | 0.4%   | CPI likely stayed soft, reflecting ongoing disinflation pressures from non-food items amid demand/supply imbalances |

CN - China, US - United States, AU - Australia, BR - Brazil, MX - Mexico, UK - United Kingdom, NW - Norway, SW - Sweden

### The week ahead

| Date             | Country | Indicator                                 | Data as of | Survey | Prior  | Comment  |
|------------------|---------|---|------------|--------|--------|--|
| Mon. 11 November | US      | Q3 earnings                               | Q3         |        |        | 80%+ of the S&P500 have reported: Comms, Financials and Staples performed well. Materials, Industrials and Energy disappointed |
| Tue. 12 November | US      | NFIB Index of Small Business Optimism     | Oct        | 91.8   | 91.5   | The NFIB small business confidence measure has increased recently but companies are cautious about capital spending            |
|                  | IN      | Industrial Production (yoy)               | Sep        | 2.4%   | -0.1%  | Growth in industrial production should resume its downward trend, reflecting softer infrastructure and durable goods output    |
|                  | UK      | Unemployment Rate, ILO                    | Sep        | -      | 4.0%   | UK labour markets are softening, evident from falling vacancies. Wage growth is moderating                                     |
| Wed. 13 November | IN      | CPI (yoy)                                 | Oct        | 5.9%   | 5.5%   | Inflation may accelerate further on an unwinding of favourable base effects. Higher food prices pose upside inflation risks    |
|                  | US      | CPI (yoy)                                 | Oct        | 2.6%   | 2.4%   | Headline inflation should pick up on energy prices in October, but core inflation should trend lower in the coming months      |
| Thu. 14 November | JP      | GDP (qoq)                                 | Q3         | 0.2%   | 0.7%   | Japanese growth rebounded in Q224 but remains sluggish amid lacklustre consumer spending. Investment remains weak              |
|                  | MX      | Banxico de Mexico, Overnight Lending Rate | Nov        | 10.25% | 10.50% | Easing price pressures point to scope for further gradual easing near-term although renewed MXN volatility could delay cuts    |
| Fri. 15 November | US      | Retail Sales (mom)                        | Oct        | 0.3%   | 0.4%   | Positive wealth effects have supported consumer spending during 2024 but slowing wage growth may soften consumption            |
|                  | CN      | Retail Sales (yoy)                        | Oct        | 3.8%   | 3.2%   | The trade-in scheme for consumer goods may support retail sales, with strong policy signals lifting household confidence       |
|                  | US      | Industrial Production (mom)               | Oct        | -0.4%  | -0.3%  | US industrial production has been stagnant since early 2022, with manufacturing output struggling to make headway              |

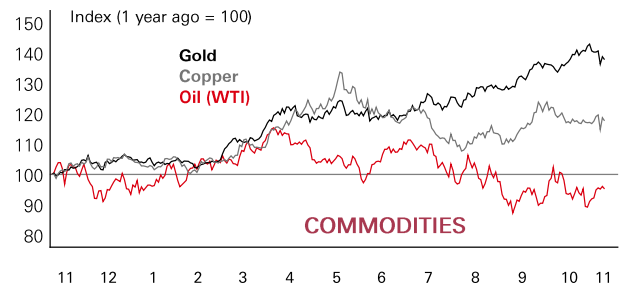
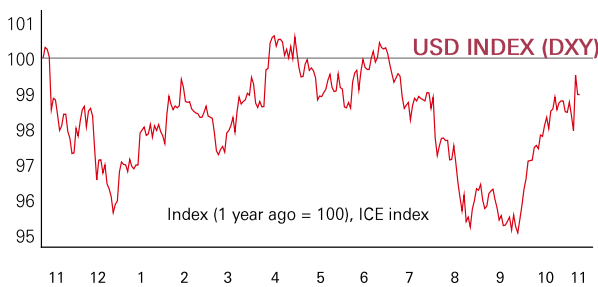
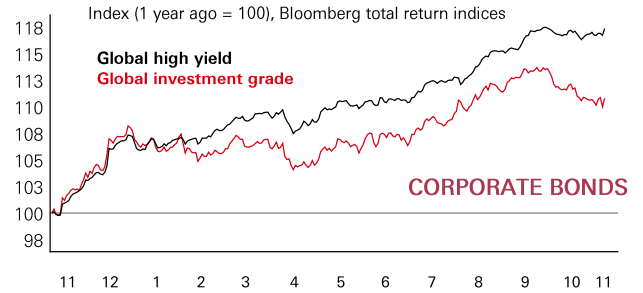
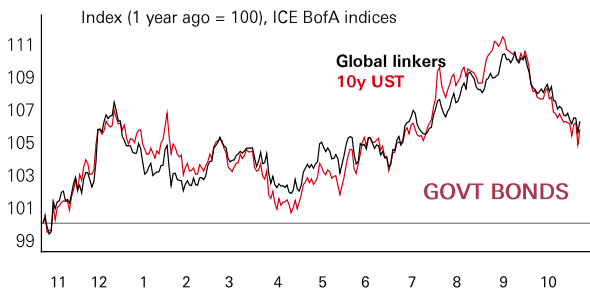
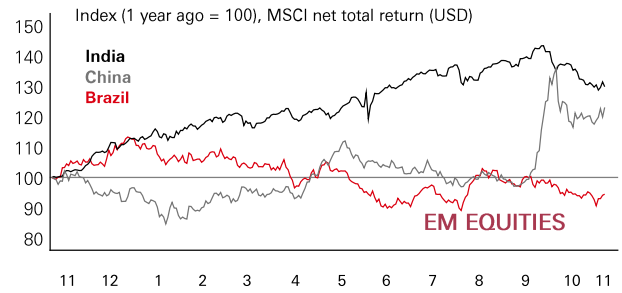
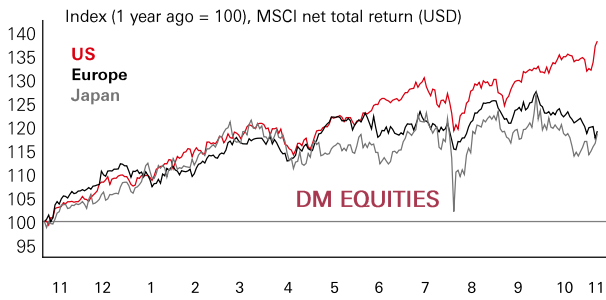
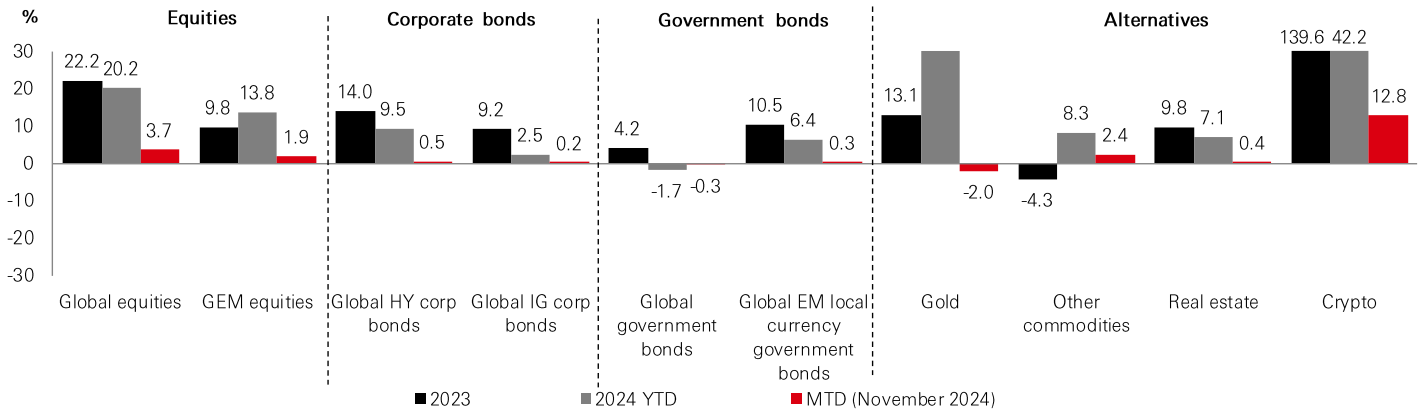
US - United States, IN - India, UK - United Kingdom, JP - Japan, MX - Mexico, CN - China

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## This week

Risk appetite rose following the presidential election in the US, with the US dollar strengthening on expectations of continued “US exceptionalism” and looser fiscal policy. Core government bonds weakened, with rising US fiscal concerns lifting US Treasury yields, led by the 10yr. The Fed lowered rates 25bp, hinting at a more cautious view on inflation, and the BoE lowered rates 25bp. In the US, equities saw broad-based gains, with the S&P500 reaching an all-time high. European stocks weakened, led by lower autos. The Nikkei 225 advanced, as the Japanese yen hovered around its 3-month low. In EM, China’s Shanghai composite rallied on encouraging business surveys amid optimism over further fiscal stimulus. Hong Kong’s Hang Seng index and Korea’s Kospi moved higher. In commodities, OPEC+’s decision to delay production cuts supported oil prices. Gold fell, while copper edged higher.

## Selected asset performance



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## 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) |
|---|-----------|-------------------|--------------------|--------------------|-------------------|----------------|--------------|-------------|-------------|
| <b>World</b>                            |           |                   |                    |                    |                   |                |              |             |             |
| MSCI AC World Index (USD)               | 863       | 3.3               | 2.1                | 10.3               | 29.8              | 18.7           | 864          | 660         | 20.0        |
| <b>North America</b>                    |           |                   |                    |                    |                   |                |              |             |             |
| US Dow Jones Industrial Average         | 43,729    | 4.0               | 3.9                | 10.9               | 28.2              | 16.0           | 43,823       | 33,860      | 22.7        |
| US S&P 500 Index                        | 5,973     | 4.3               | 3.9                | 12.3               | 36.3              | 25.2           | 5,984        | 4,344       | 24.7        |
| US NASDAQ Composite Index               | 19,269    | 5.6               | 6.0                | 15.7               | 41.2              | 28.4           | 19,302       | 13,506      | 35.5        |
| Canada S&P/TSX Composite Index          | 24,846    | 2.4               | 3.2                | 11.8               | 27.2              | 18.5           | 24,923       | 19,479      | 17.1        |
| <b>Europe</b>                           |           |                   |                    |                    |                   |                |              |             |             |
| MSCI AC Europe (USD)                    | 554       | -0.6              | -2.9               | 1.5                | 15.3              | 3.9            | 595          | 476         | 14.1        |
| Euro STOXX 50 Index                     | 4,852     | -0.5              | -2.0               | 3.9                | 16.1              | 7.3            | 5,122        | 4,133       | 14.2        |
| UK FTSE 100 Index                       | 8,141     | -0.4              | -0.6               | -0.1               | 10.0              | 5.3            | 8,474        | 7,320       | 12.1        |
| Germany DAX Index*                      | 19,363    | 0.6               | 1.6                | 9.5                | 27.1              | 15.6           | 19,675       | 15,086      | 14.7        |
| France CAC-40 Index                     | 7,426     | 0.2               | -1.3               | 2.5                | 5.6               | -1.6           | 8,259        | 6,951       | 14.5        |
| Spain IBEX 35 Index                     | 11,570    | -2.3              | -1.4               | 9.6                | 24.6              | 14.5           | 12,038       | 9,200       | 11.0        |
| Italy FTSE MIB Index                    | 33,981    | -2.0              | 0.7                | 7.1                | 19.5              | 12.0           | 35,474       | 28,192      | 10.1        |
| <b>Asia Pacific</b>                     |           |                   |                    |                    |                   |                |              |             |             |
| MSCI AC Asia Pacific ex Japan (USD)     | 603       | 1.8               | -1.3               | 10.8               | 22.5              | 14.0           | 632          | 486         | 15.0        |
| Japan Nikkei-225 Stock Average          | 39,500    | 3.8               | 1.4                | 13.4               | 22.8              | 18.0           | 42,427       | 31,156      | 22.0        |
| Australian Stock Exchange 200           | 8,295     | 2.2               | 1.4                | 8.0                | 18.6              | 9.3            | 8,385        | 6,949       | 19.0        |
| Hong Kong Hang Seng Index               | 20,824    | 1.5               | -0.5               | 23.3               | 18.5              | 22.2           | 23,242       | 14,794      | 9.9         |
| Shanghai Stock Exchange Composite Index | 3,454     | 5.6               | -1.0               | 20.4               | 13.2              | 16.1           | 3,674        | 2,635       | 13.7        |
| Hang Seng China Enterprises Index       | 7,500     | 2.1               | 0.2                | 26.2               | 24.2              | 30.0           | 8,373        | 4,943       | 9.2         |
| Taiwan TAIEX Index                      | 23,554    | 3.4               | 4.2                | 12.9               | 40.7              | 31.4           | 24,417       | 16,651      | 18.8        |
| Korea KOSPI Index                       | 2,561     | 0.7               | -1.3               | 0.2                | 5.8               | -3.5           | 2,896        | 2,387       | 10.4        |
| India SENSEX 30 Index                   | 79,360    | -0.5              | -2.8               | 0.6                | 22.1              | 9.9            | 85,978       | 64,581      | 22.6        |
| Indonesia Jakarta Stock Price Index     | 7,312     | -2.6              | -3.2               | 1.6                | 7.5               | 0.5            | 7,911        | 6,699       | 13.6        |
| Malaysia Kuala Lumpur Composite Index   | 1,625     | 1.3               | -0.6               | 2.2                | 11.5              | 11.7           | 1,685        | 1,425       | 15.0        |
| Philippines Stock Exchange PSE Index    | 6,965     | -2.5              | -7.6               | 6.4                | 13.2              | 8.0            | 7,605        | 6,079       | 11.8        |
| Singapore FTSE Straits Times Index      | 3,737     | 5.1               | 4.5                | 14.6               | 19.4              | 15.3           | 3,743        | 3,052       | 11.6        |
| Thailand SET Index                      | 1,460     | -0.3              | 0.5                | 12.6               | 3.4               | 3.1            | 1,507        | 1,273       | 16.9        |
| <b>Latam</b>                            |           |                   |                    |                    |                   |                |              |             |             |
| Argentina Merval Index                  | 2,015,558 | 7.2               | 16.4               | 31.7               | 244.6             | 116.8          | 2,030,329    | 578,412     | 7.9         |
| Brazil Bovespa Index*                   | 129,682   | 1.2               | -1.4               | 0.8                | 8.8               | -3.4           | 137,469      | 118,446     | 8.8         |
| Chile IPSA Index                        | 6,562     | 0.2               | 1.1                | 4.3                | 16.2              | 5.9            | 6,838        | 5,608       | 11.7        |
| Colombia COLCAP Index                   | 1,359     | 0.5               | 4.5                | 4.6                | 23.7              | 13.7           | 1,451        | 1,094       | 6.4         |
| Mexico S&P/BMV IPC Index                | 52,311    | 3.3               | 1.1                | -1.1               | 2.5               | -8.8           | 59,021       | 49,486      | 12.2        |
| <b>EEMEA</b>                            |           |                   |                    |                    |                   |                |              |             |             |
| Saudi Arabia Tadawul Index              | 12,131    | 0.9               | 0.9                | 4.0                | 11.0              | 1.4            | 12,883       | 10,758      | N/A         |
| South Africa JSE Index                  | 85,998    | -0.2              | 0.6                | 6.5                | 18.7              | 11.8           | 87,884       | 71,002      | 12.4        |
| Turkey ISE 100 Index*                   | 8,946     | 0.7               | -1.1               | -11.4              | 13.8              | 19.8           | 11,252       | 7,203       | 5.5         |

\*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                | 3.3               | 2.2                | 10.7               | 20.2           | 31.9              | 19.6              | 72.4              |
| US equities                    | 4.4               | 4.2                | 13.0               | 26.2           | 38.1              | 28.9              | 104.6             |
| Europe equities                | -0.5              | -2.7               | 1.9                | 6.6            | 18.5              | 5.0               | 34.9              |
| Asia Pacific ex Japan equities | 1.8               | -1.3               | 11.3               | 16.4           | 25.4              | 0.6               | 27.2              |
| Japan equities                 | 3.9               | -1.2               | 8.3                | 9.5            | 20.1              | 6.4               | 29.7              |
| Latam equities                 | 3.9               | -1.7               | -0.1               | -15.0          | -2.5              | 23.0              | 4.3               |
| Emerging Markets equities      | 1.6               | -1.4               | 9.3                | 13.8           | 22.0              | -2.8              | 20.9              |

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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## Market data

|  | Close  | 1-week Change (%) | 1-month Change (%) | 3-month Change (%) | 1-year Change (%) | YTD Change (%) |
|--|--------|-------------------|--------------------|--------------------|-------------------|----------------|
| <b>Bond indices - Total Return</b>                     |        |                   |                    |                    |                   |                |
| BarCap GlobalAgg (Hedged in USD)                       | 578    | 0.3               | -0.5               | 0.5                | 8.0               | 3.0            |
| JPM EMBI Global  | 903.0  | 0.6               | -0.6               | 2.4                | 15.0              | 6.4            |
| BarCap US Corporate Index (USD)                        | 3323.8 | 0.9               | -0.9               | 1.2                | 10.7              | 3.2            |
| BarCap Euro Corporate Index (Eur)                      | 255.8  | 0.3               | 0.3                | 1.6                | 8.3               | 3.8            |
| BarCap Global High Yield (Hedged in USD)               | 623.6  | 0.6               | 0.8                | 4.3                | 17.3              | 10.1           |
| Markit iBoxx Asia ex-Japan Bond Index (USD)            | 225.8  | 0.3               | -0.3               | 1.2                | 10.3              | 5.6            |
| Markit iBoxx Asia ex-Japan High-Yield Bond Index (USD) | 262    | 0.2               | 0.5                | 2.8                | 20.6              | 14.4           |

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 (%) |
|--------------------------|--------|------------|-------------|--------------|------------|---------------|--------------|-------------|-------------------|
| <b>Developed markets</b> |        |            |             |              |            |               |              |             |                   |
| EUR/USD                  | 1.08   | 1.08       | 1.10        | 1.09         | 1.07       | 1.10          | 1.12         | 1.06        | -0.5              |
| GBP/USD                  | 1.30   | 1.29       | 1.31        | 1.27         | 1.23       | 1.27          | 1.34         | 1.22        | 0.4               |
| CHF/USD                  | 1.15   | 1.15       | 1.17        | 1.15         | 1.11       | 1.19          | 1.20         | 1.08        | -0.3              |
| CAD                      | 1.39   | 1.39       | 1.36        | 1.37         | 1.38       | 1.32          | 1.40         | 1.32        | 0.5               |
| JPY                      | 153    | 153        | 148         | 147          | 151        | 141           | 162          | 140         | 0.2               |
| AUD/USD                  | 0.67   | 0.66       | 0.67        | 0.66         | 0.64       | 0.68          | 0.69         | 0.63        | 1.4               |
| NZD/USD                  | 0.60   | 0.60       | 0.61        | 0.60         | 0.59       | 0.63          | 0.64         | 0.59        | 0.8               |
| <b>Asia</b>              |        |            |             |              |            |               |              |             |                   |
| HKD                      | 7.77   | 7.78       | 7.78        | 7.79         | 7.82       | 7.81          | 7.84         | 7.76        | 0.1               |
| CNY                      | 7.15   | 7.13       | 7.06        | 7.18         | 7.28       | 7.10          | 7.30         | 7.00        | -0.3              |
| INR                      | 84.4   | 84.1       | 84.0        | 84.0         | 83.3       | 83.2          | 84.4         | 82.6        | -0.3              |
| MYR                      | 4.39   | 4.38       | 4.29        | 4.47         | 4.68       | 4.59          | 4.81         | 4.09        | -0.1              |
| KRW                      | 1386   | 1378       | 1346        | 1377         | 1310       | 1291          | 1405         | 1283        | -0.6              |
| TWD                      | 32.1   | 31.9       | 32.2        | 32.4         | 32.3       | 30.6          | 32.9         | 30.5        | -0.5              |
| <b>Latam</b>             |        |            |             |              |            |               |              |             |                   |
| BRL                      | 5.69   | 5.87       | 5.53        | 5.55         | 4.91       | 4.85          | 5.88         | 4.80        | 3.0               |
| COP                      | 4313   | 4436       | 4228        | 4066         | 4088       | 3875          | 4471         | 3739        | 2.8               |
| MXN                      | 19.8   | 20.3       | 19.4        | 18.9         | 17.5       | 17.0          | 20.8         | 16.3        | 2.2               |
| ARS                      | 994    | 990        | 974         | 936          | 350        | 808           | 994          | 350         | -0.4              |
| <b>EEMEA</b>             |        |            |             |              |            |               |              |             |                   |
| RUB                      | 97.9   | 98.0       | 96.8        | 86.8         | 91.9       | 89.5          | 100.4        | 82.7        | 0.1               |
| ZAR                      | 17.4   | 17.7       | 17.6        | 18.4         | 18.5       | 18.4          | 19.4         | 17.0        | 1.7               |
| TRY                      | 34.4   | 34.3       | 34.3        | 33.5         | 28.5       | 29.5          | 34.5         | 28.5        | -0.1              |

| Bonds                          | Close | 1-week Ago | 1-month Ago | 3-months Ago | 1-year Ago | Year End 2023 | 1-week basis point change* |
|--------------------------------|-------|------------|-------------|--------------|------------|---------------|----------------------------|
| <b>US Treasury yields (%)</b>  |       |            |             |              |            |               |                            |
| 3-Month                        | 4.52  | 4.50       | 4.63        | 5.21         | 5.42       | 5.33          | 2                          |
| 2-Year                         | 4.19  | 4.21       | 3.96        | 4.04         | 4.93       | 4.25          | -2                         |
| 5-Year                         | 4.17  | 4.22       | 3.85        | 3.83         | 4.50       | 3.85          | -5                         |
| 10-Year                        | 4.33  | 4.38       | 4.01        | 3.99         | 4.49       | 3.88          | -5                         |
| 30-Year                        | 4.53  | 4.58       | 4.29        | 4.28         | 4.61       | 4.03          | -5                         |
| <b>10-year bond yields (%)</b> |       |            |             |              |            |               |                            |
| Japan                          | 1.00  | 0.94       | 0.92        | 0.84         | 0.85       | 0.61          | 6                          |
| UK                             | 4.50  | 4.44       | 4.18        | 3.98         | 4.24       | 3.53          | 5                          |
| Germany                        | 2.44  | 2.40       | 2.24        | 2.27         | 2.62       | 2.02          | 4                          |
| France                         | 3.20  | 3.16       | 3.01        | 3.02         | 3.20       | 2.56          | 4                          |
| Italy                          | 3.73  | 3.68       | 3.54        | 3.70         | 4.48       | 3.69          | 5                          |
| Spain                          | 3.18  | 3.12       | 2.99        | 3.13         | 3.66       | 2.98          | 6                          |
| China                          | 2.10  | 2.14       | 2.21        | 2.17         | 2.65       | 2.56          | -4                         |
| Australia                      | 4.58  | 4.54       | 4.17        | 4.07         | 4.58       | 3.96          | 4                          |
| Canada                         | 3.22  | 3.29       | 3.24        | 3.18         | 3.70       | 3.11          | -7                         |

\*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                  | 2,689 | -1.8              | 2.5                | 10.8               | 37.9              | 30.3           | 2,790        | 1,932       |
| Brent Oil             | 75.1  | 2.7               | -2.2               | -3.1               | -1.7              | 0.5            | 86           | 68          |
| WTI Crude Oil         | 71.7  | 3.2               | -1.7               | -2.6               | -0.7              | 2.0            | 82           | 64          |
| R/J CRB Futures Index | 286.2 | 2.4               | -0.4               | 4.5                | 4.7               | 8.5            | 300          | 258         |
| LME Copper            | 9,594 | 0.2               | -1.5               | 9.1                | 17.8              | 12.1           | 11,105       | 8,020       |

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