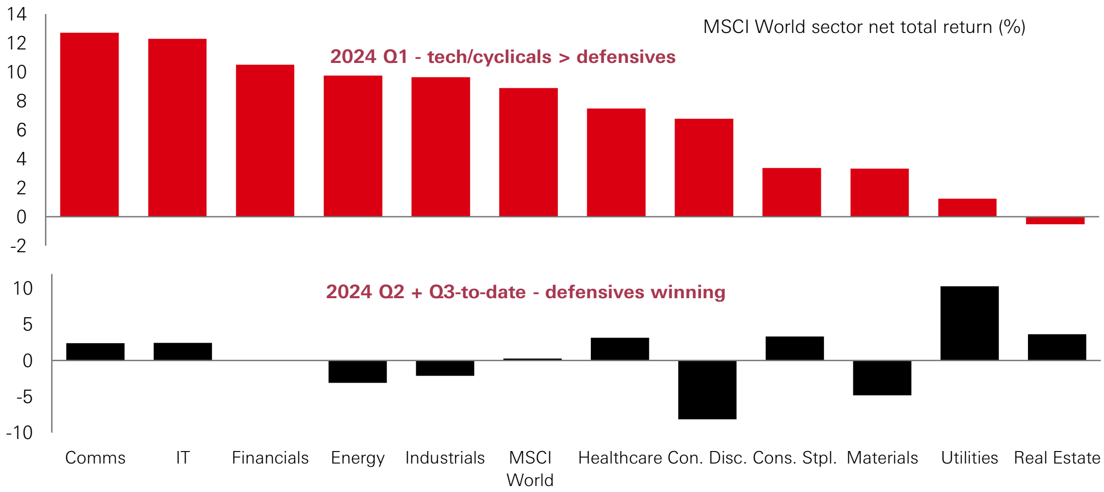
Investment Weekly

9 August 2024
For Professional Clients only.

Chart of the week – Regime change in markets



This is the last IW before we take a summer break. The next IW will be published on 30 August 2024

What a week in markets! It started with rapid drawdowns in many global equity indices, and some historic daily moves in Japan – both down and up. The VIX spiked to above 60 on Monday, a level last seen in the Covid market crisis of March 2020. And while markets regained their composure later in the week – the VIX fell back below 30 and the S&P 500 stabilised – **there is still major uncertainty** on how developments might pan out in the coming weeks.

What we do know is **recession risks are now clearly higher than anticipated only a few weeks ago** (see article "The three doctors" on page 2). We need to consider the potential for "negative feedback loops" stemming from recent market action, which can dampen business and consumer confidence. With valuations in pockets of the risk asset universe still looking stretched (mega-cap tech, global high-yield credits) we think it makes sense to be cautious.

Meanwhile, defensive parts of the stock market (consumer staples, healthcare, and utilities) are safe harbours. And real estate – although cyclically sensitive – is helped by falling rate expectations. With uncertainty still high, defensives remain in focus. But **our central scenario remains for a soft-ish landing**; we don't think it makes sense to give up on the 'great rotation' trade. With global profits still broadening out, **value and small caps stocks and under-loved regions, like Europe and Frontier, are all still in play**.

Market Spotlight

Mixed experience for Asian markets

This week's sell-off in global risk assets had a mixed impact on emerging markets across Asia. Much of the **pain was felt in trade-dependent economies like Taiwan and South Korea**, where in-demand sectors like semiconductors are sensitive to a slowdown in US growth. The region's chipmakers have surprised to the upside on earnings this reporting season, suggesting still-solid demand for chips. Yet July's US tech sell-off had already had a chilling effect on stock prices. From year-highs in mid-July, Korea's Kospi index was down as much as 16% amid the volatility.

Chinese stocks have been under pressure all summer but held up better than most this week. In part that was because its stocks have relatively low overseas exposure versus global peers. There are also signs that analysts are feeling more optimistic about them, with 12-month forecast earnings picking up since early Q2. And in India, stocks experienced only mild drawdowns, outperforming regional peers despite relatively rich valuations. That was helped by recent earnings trends that have been broadly in line with expectations. **Recent market action reinforces our positive view on the diversification benefits of EM Asia stocks, as well as still attractive valuations**.

Source: HSBC Asset Management. Macrobond, Bloomberg. Data as at 11.00am UK time 09 August 2024.

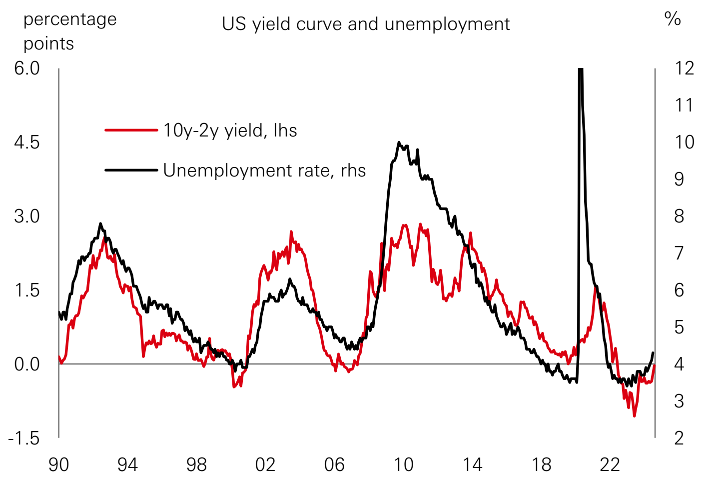
Lens on…

The three doctors

Markets have had a health scare – call the doctor! Or better, call three of them (Dr Yield-Curve, Dr Credit-Spread and Dr Sahm) who are often used to diagnose recessions.

What do these doctors say? First, the yield curve is dis-inverting via a 'bull steepening' (i.e. short-term interest are rates falling faster than long rates), a historically-reliable recession indicator. Second, credit spreads are now rising, although not quite yet to historically concerning levels. Finally, on the real-economy side, the Sahm rule, which tracks the change in the unemployment rate, has breached a key threshold after July's bad labour market data. While several special factors – including Hurricane Beryl – could have temporarily boosted unemployment, a wide range of labour indicators highlight the jobs market is cooling, potentially faster than the Fed desires.

Our base case has been that the US economy would disappoint overly-optimistic market expectations from mid-2024, with growth dropping below trend – a 'soft-ish' landing. This now seems to be happening but, as 'the three doctors' indicate, it brings with it a material rise in recession risk, which requires close monitoring.



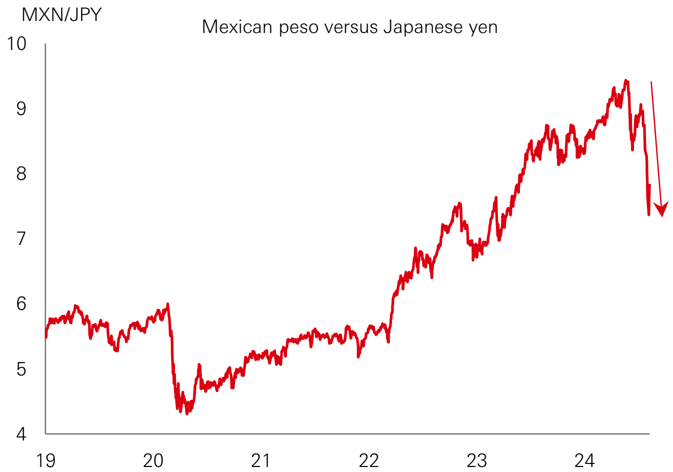
Amplification mechanisms

Economists have tended to focus on fundamental triggers for the market tantrum. But technical forces – especially the unwinding of carry and dispersion trades – have amplified the bad macro news, creating a major volatility (VIX) shock in markets.

Carry trades need a cheap funding currency to sell (e.g. yen) and high-yielding currencies to own (e.g. Mexico). While volatility stays low, you can pocket the rate differential. Dispersion trades sell volatility on an index (e.g. S&P 500) and buy volatility on index constituents. While correlations are low, profits follow.

But crisis dynamics weed out leveraged players. Bad macro news and rising volatility began an unwinding of these trades, and soon enough it was a cascade, amplifying volatility. In the last week, we had a vicious cycle as the risk averse are forced sellers.

What breaks the cycle? Some market stability helps. Evidence shows that most of the yen 'excess shorts' are now unwound. And this week's BoJ-speak has been dovish. Meanwhile, lower numbers on the VIX and VVIX indices are welcome news. But, ultimately, global markets will remain sensitive to the US economic data-flow.

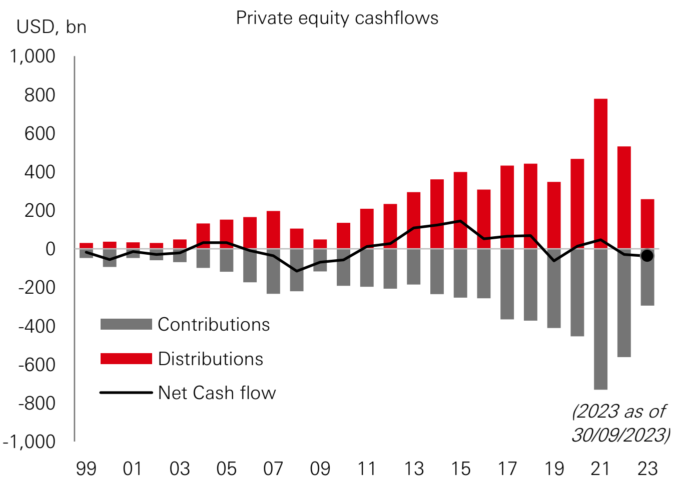


Silver lining for private equity

A backdrop of elevated rates and economic uncertainty has been challenging for the private equity asset class in recent years. Higher borrowing costs and a difficult environment to sell investments has meant that PE investors have put more in (via capital calls by funds) and got back less (in distributions) – resulting in negative cash flows since 2023.

It's a marked change from 2021, when cashflows were positive. Back then, cash calls grew on a boom in post-Covid dealmaking, and distributions back to investors surged to a high watermark of almost USD 750bn – up from USD 462bn in 2020.

Our investment specialists think that following that surge in activity, a period of relative quiet was inevitable. Consequently, industry data suggests PE firms are sitting on more than USD 2tn of 'dry powder' - committed but unallocated capital. But there is optimism, as central banks face pressure to reduce rates. **The prospect of a lower rate environment could help PE dealmaking to bounce back**.



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. Source: HSBC Asset Management. Macrobond, Bloomberg, Datastream. Data as at 11.00am UK time 09 August 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, 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		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 have widened on growing risks of rapid cooling in the US economy. Spreads remain fairly tight, even if '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		Investor confidence has been shaken by the prospect of faster-than-expected cooling in the US. 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. 05 August	US	ISM Services Index	Jul	51.4	48.8	The increase in the ISM services index contrasted with weakness in the manufacturing sector and recent labour market data
Tue. 06 August	AU	RBA Cash Target Rate	Aug	4.35%	4.35%	The RBA held rates steady, noting inflation would decline more slowly than thought. It also pushed back against market pricing for rate cuts
Wed. 07 August	GE	Industrial Production (mom)	Jun	1.4%	-3.1%	While industrial production exceeded expectations, only half of May's downturn was reversed
	CN	Trade Balance ($bn)	Jul	84.7	99.1	The trade surplus narrowed as strong imports offset solid export growth. However, slowing global demand presents a risk going forward
Thu. 08 August	MX	Headline Inflation (yoy)	Jul	5.6%	5.0%	Mexico's headline inflation continued to rise in July, reaching a one-year peak. However, core inflation edged down marginally
	MX	Banxico de Mexico, Overnight Lending Rate	Aug	10.75%	11.00%	Banxico lowered its benchmark rate in a split vote, despite upgrading its headline inflation forecasts. However, core inflation is expected to fall
	IN	RBI Repo Rate	Aug	6.50%	6.50%	The RBI kept rates on hold, and maintained its focus on bringing stickier inflation components down to target
Fri. 09 August	CN	CPI (yoy)	Jul	0.5%	0.2%	Consumer prices rose in July partly from weather disruptions to food supplies, but core inflation returned to the low end of its recent range
	MX	Industrial Production (mom)	Jun	-	0.7%	Industrial production has, on average, risen in recent months but the pace of growth has moderated, and this is expected to continue
	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%

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

Upcoming weeks

Date	Country	Indicator	Data as of	Survey	Prior	Comment
Mon. 12 August	IN	CPI (yoy)	Jul	3.7%	5.1%	Headline CPI inflation is expected to slow markedly in July on strong food price base effects
Wed. 14 August	US	CPI (yoy)	Jul	2.9%	3.0%	A moderation in US core CPI would mark the third straight month of benign inflation readings, bolstering the case for the Fed to cut rates
	JP	GDP (qoq)	Q2	0.5%	-0.7%	GDP is expected to return to growth reflecting a potential rebound in private consumption and business spending during the quarter
	UK	CPI (yoy)	Jul	2.3%	2.0%	Headline inflation is expected to remain around its 2% target, the market is focused on core inflation, which was running at 3.5% in June
	NZ	RBNZ Official Cash Rate	Aug	5.50%	5.50%	A small majority of economists expect the RBNZ to leave policy unchanged despite weakening economic momentum
Thu. 15 August	UK	GDP, Prelim (qoq)	Jun	0.6%	0.7%	As inflation continues to fall, real household income should benefit, supporting consumer spending and the wider growth outlook
Tue. 20 August	SW	Riksbank Rate	Aug	-	3.75%	With inflation close to target and Sweden exposed to building global headwinds, the market is pricing in an August Riksbank rate cut
	TU	CBT Weekly Repo Rate	Aug	-	50.00%	Inflation has started to moderate but remains over 60%. The Turkish central bank has therefore emphasised its attentiveness to inflation risks
Thu. 22 August	KO	Bank of Korea Base Rate	Aug	-	3.50%	The BoK may cut rates by end-2024 as its confidence in disinflation has grown despite slightly-higher-than-expected July CPI figures
	EZ	HCOB Composite PMI, Flash	Aug	-	50.2	The composite PMI has declined lately. Further moderation is possible given residual data seasonality and global growth concerns
Fri. 23 August	JP	CPI (yoy)	Jul	-	2.8%	Headline inflation is running notably above the BoJ's 2% target, but core measures are much closer and have been trending lower in 2024
Fri. 30 August	EZ	HICP, Flash (yoy)	Aug	-	2.6%	After a hotter than expected inflation print in July, the ECB will keep a close eye on August's figure ahead of September's policy decision
	IN	GDP (yoy)	Q2	-	7.8%	Base effect likely weighs on yoy growth but underlying demand remains strong, which may give the RBI room to keep policy restrictive
	US	PCE Price Index (yoy)	Jul	-	2.5%	Headline and core PCE inflation rates have returned to an improving trend in recent months and should converge to 2.0% in 2025

Q – Quarter **IN – India, US – United States, JP – Japan, UK – United Kingdom, NZ – New Zealand, SW – Sweden, TU – Turkey, KO – Korea, EZ – Eurozone**

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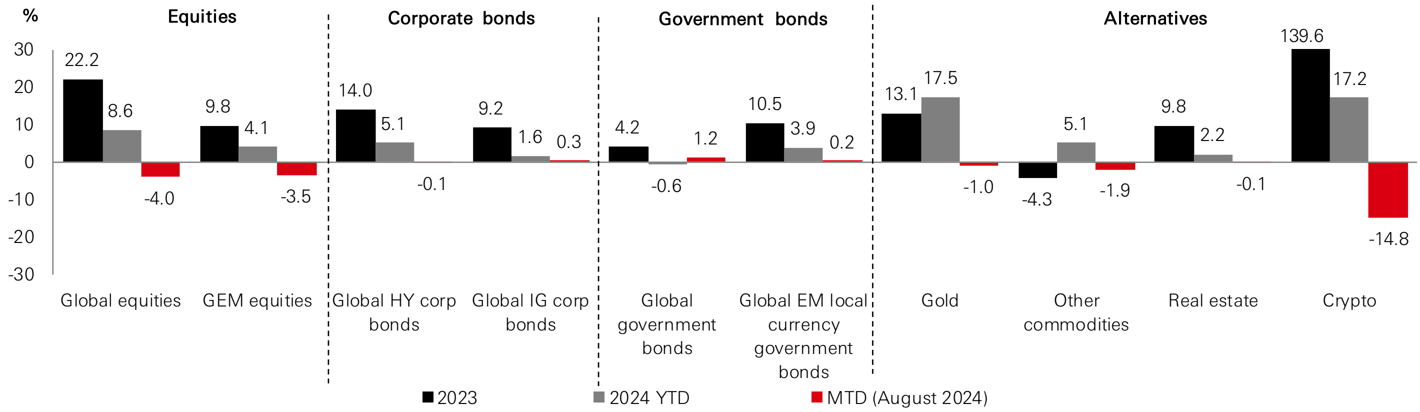
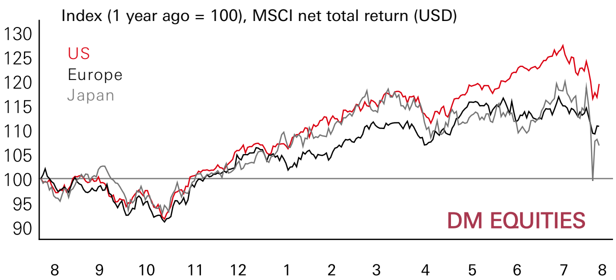
Market review

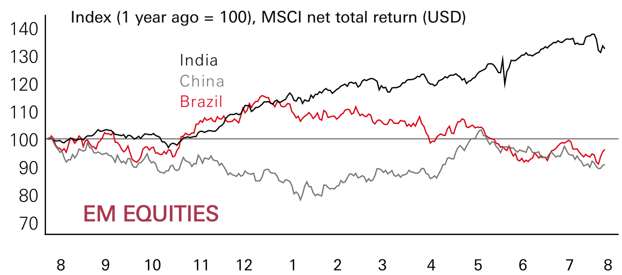
This week

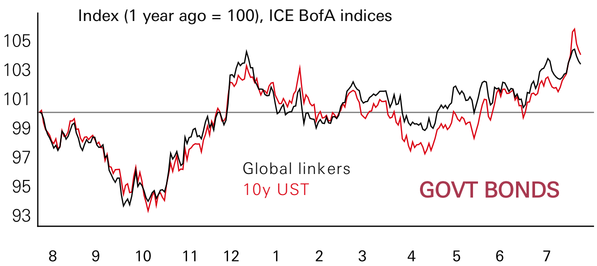
Global risk assets continued to sell off sharply early in the week as July's correction in US tech stocks evolved into a broader market rout driven by signs of faster than expected cooling in the US economy. An unwinding of yen-funded carry trades – triggered by the previous week's surprise rate hike by the Bank of Japan – added to the volatility. The worst of the impact was felt in equities, but the S&P 500 and small-cap Russell 2000 both regained composure later in the week. Major EM indices were more resilient, with China's Shanghai Composite index finishing slightly lower, India's Sensex flat, and Brazil's Ibovespa staging a strong relief rally. In core bonds, US Treasury yields arrested recent falls to finish higher. In commodities, oil prices rose on growing supply concerns in the Middle East. Gold recovered from a mild correction early in the week to finish with a modest decline.

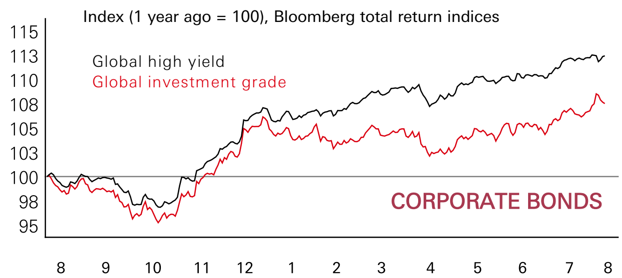
Selected asset performance

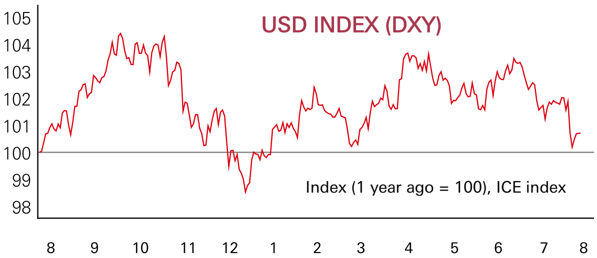


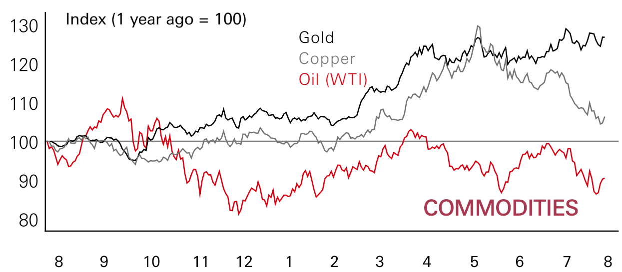












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Source: HSBC Asset Management. Macrobond, Bloomberg. Data as at 11.00am UK time 09 August 2024. Note: Asset class performance is represented by different indices. Global Equities: MSCI ACWI Net Total Return USD Index. Gem Equities: MSCI Emerging Net 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)	782	-0.7	-4.4	0.3	13.9	7.5	832	628	17.9
North America									
US Dow Jones Industrial Average	39,446	-0.7	0.4	0.1	12.3	4.7	41,376	32,327	19.7
US S&P 500 Index	5,319	-0.5	-4.6	2.0	19.1	11.5	5,670	4,104	21.8
US NASDAQ Composite Index	16,660	-0.7	-9.6	1.9	21.6	11.0	18,671	12,544	32.7
Canada S&P/TSX Composite Index	22,226	0.0	0.8	-0.7	9.6	6.0	23,210	18,692	15.1
Europe									
MSCI AC Europe (USD)	546	-0.4	-2.3	-2.8	7.0	2.4	578	459	13.8
Euro STOXX 50 Index	4,687	1.0	-4.4	-7.3	8.6	3.7	5,122	3,993	13.1
UK FTSE 100 Index	8,185	0.1	0.5	-2.3	7.9	5.8	8,474	7,216	11.8
Germany DAX Index*	17,745	0.5	-2.7	-5.0	11.9	5.9	18,893	14,630	12.9
France CAC-40 Index	7,289	0.5	-2.9	-11.0	-0.4	-3.4	8,259	6,774	13.2
Spain IBEX 35 Index	10,653	-0.2	-2.3	-3.6	13.9	5.5	11,470	8,879	10.2
Italy FTSE MIB Index	31,952	-0.2	-5.6	-7.0	12.9	5.3	35,474	27,078	8.7
Asia Pacific									
MSCI AC Asia Pacific ex Japan (USD)	544	-1.7	-6.0	-0.9	4.3	2.9	588	469	13.8
Japan Nikkei-225 Stock Average	35,025	-2.5	-15.8	-8.0	8.8	4.7	42,427	30,488	19.4
Australian Stock Exchange 200	7,778	-2.1	-0.7	0.7	6.0	2.5	8,149	6,751	17.3
Hong Kong Hang Seng Index	17,090	0.9	-2.5	-7.8	-11.2	0.3	19,706	14,794	8.3
Shanghai Stock Exchange Composite Index	2,862	-1.5	-3.3	-9.3	-11.8	-3.8	3,257	2,635	11.1
Hang Seng China Enterprises Index	6,018	0.7	-4.1	-8.3	-9.0	4.3	6,986	4,943	7.6
Taiwan TAIEX Index	21,469	-0.8	-10.2	4.4	27.3	19.7	24,417	15,976	17.6
Korea KOSPI Index	2,588	-3.3	-9.7	-4.6	-0.6	-2.5	2,896	2,274	9.9
India SENSEX 30 Index	79,706	-1.6	-0.8	10.1	20.8	10.3	82,129	63,093	22.5
Indonesia Jakarta Stock Price Index	7,257	-0.7	-0.2	2.4	5.6	-0.2	7,454	6,640	13.6
Malaysia Kuala Lumpur Composite Index	1,596	-0.9	-1.1	-0.3	9.2	9.7	1,638	1,412	14.6
Philippines Stock Exchange PSE Index	6,648	0.6	1.4	1.6	1.8	3.1	7,071	5,920	11.2
Singapore FTSE Straits Times Index	3,262	-3.5	-4.8	-0.1	-1.6	0.7	3,509	3,042	10.5
Thailand SET Index	1,297	-1.2	-1.7	-5.3	-15.1	-8.4	1,579	1,273	14.3
Latam									
Argentina Merval Index	1,530,366	6.8	-6.9	6.7	231.8	64.6	1,723,015	460,335	7.5
Brazil Bovespa Index*	128,661	2.2	1.2	0.4	8.7	-4.1	134,392	111,599	8.1
Chile IPSA Index	6,294	-0.3	-2.7	-5.1	-0.8	1.5	6,838	5,363	10.5
Colombia COLCAP Index	1,299	-1.3	-5.4	-6.3	11.4	8.7	1,451	1,045	6.1
Mexico S&P/BMV IPC Index	52,877	1.2	-0.9	-8.6	-2.5	-7.9	59,021	47,765	12.0
EEMEA									
Saudi Arabia Tadawul Index	11,667	-3.1	-1.0	-5.0	3.4	-2.5	12,883	10,262	N/A
South Africa JSE Index	80,739	0.2	0.1	4.1	5.1	5.0	82,881	69,128	11.2
Turkey ISE 100 Index*	9,959	-4.9	-7.8	-3.0	31.0	33.3	11,252	7,203	5.1

*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	-0.7	-4.3	0.7	8.6	15.8	12.5	66.6
US equities	-0.5	-4.6	2.0	11.7	20.3	21.0	92.2
Europe equities	-0.4	-2.2	-2.1	4.6	10.0	5.3	42.8
Asia Pacific ex Japan equities	-1.7	-5.8	0.0	4.6	6.9	-11.3	25.4
Japan equities	-3.4	-7.9	-4.0	1.1	7.8	1.9	32.4
Latam equities	3.3	-3.2	-10.7	-14.9	-4.9	9.9	4.2
Emerging Markets equities	-1.4	-5.7	-0.6	4.1	6.4	-12.3	20.6

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

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	-0.6	2.0	3.1	6.8	2.5
JPM EMBI Global	881.6	-0.4	1.3	2.9	9.8	3.9
BarCap US Corporate Index (USD)	3283.1	-1.1	1.5	3.3	7.6	1.9
BarCap Euro Corporate Index (Eur)	251.7	-0.4	1.3	2.0	7.0	2.2
BarCap Global High Yield (Hedged in USD)	597.7	0.0	1.1	2.5	12.7	5.5
Markit iBoxx Asia ex-Japan Bond Index (USD)	223.0	-0.6	1.4	3.2	8.3	4.3
Markit iBoxx Asia ex-Japan High-Yield Bond Index (USD)	255	-0.3	0.7	4.0	16.9	11.3

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	1.09	1.09	1.08	1.08	1.10	1.10	1.11	1.04	0.1
GBP/USD	1.28	1.28	1.28	1.25	1.27	1.27	1.30	1.20	-0.4
CHF/USD	1.16	1.16	1.11	1.10	1.14	1.19	1.20	1.08	-0.7
CAD	1.37	1.39	1.36	1.37	1.34	1.32	1.39	1.32	1.0
JPY	147	147	161	155	144	141	162	140	-0.5
AUD/USD	0.66	0.65	0.67	0.66	0.65	0.68	0.69	0.63	1.0
NZD/USD	0.60	0.60	0.61	0.60	0.61	0.63	0.64	0.58	0.9
Asia									
HKD	7.80	7.81	7.81	7.81	7.82	7.81	7.85	7.77	0.1
CNY	7.17	7.17	7.27	7.22	7.21	7.10	7.35	7.09	0.0
INR	84.0	83.8	83.5	83.5	82.8	83.2	84.0	82.4	-0.2
MYR	4.42	4.50	4.71	4.74	4.57	4.59	4.81	4.39	1.6
KRW	1366	1360	1384	1370	1316	1291	1400	1283	-0.4
TWD	32.4	32.8	32.6	32.4	31.7	30.6	32.9	30.5	1.2
Latam									
BRL	5.55	5.73	5.42	5.14	4.90	4.85	5.86	4.80	3.2
COP	4066	4136	4016	3897	4018	3875	4427	3739	1.7
MXN	18.8	19.2	17.9	16.8	17.1	17.0	20.2	16.3	2.0
ARS	936	933	917	882	285	808	937	286	-0.3
EEMEA									
RUB	88.2	85.3	87.9	92.6	96.9	89.5	102.4	82.7	-3.4
ZAR	18.3	18.3	18.1	18.5	19.0	18.4	19.6	17.9	-0.3
TRY	33.6	33.2	32.9	32.3	27.0	29.5	34.0	25.3	-1.1

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	5.21	5.17	5.35	5.39	5.43	5.33	4
2-Year	4.03	3.88	4.63	4.82	4.81	4.25	15
5-Year	3.80	3.62	4.24	4.47	4.14	3.85	18
10-Year	3.96	3.79	4.30	4.45	4.01	3.88	17
30-Year	4.24	4.11	4.49	4.61	4.17	4.03	13
10-year bond yields (%)							
Japan	0.84	0.94	1.08	0.91	0.58	0.61	-10
UK	3.95	3.83	4.16	4.14	4.36	3.53	12
Germany	2.24	2.17	2.58	2.49	2.50	2.02	6
France	2.97	2.97	3.24	2.98	3.03	2.56	1
Italy	3.65	3.63	3.94	3.83	4.14	3.69	2
Spain	3.09	3.06	3.36	3.28	3.52	2.98	3
China	2.20	2.12	2.28	2.32	2.66	2.56	7
Australia	4.06	4.05	4.34	4.35	4.00	3.96	1
Canada	3.18	3.00	3.49	3.63	3.52	3.11	18

*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	2,423	-0.8	2.5	3.3	26.6	17.5	2,484	1,811
Brent Oil	79.2	3.1	-5.6	-3.6	-3.3	4.8	88	73
WTI Crude Oil	76.3	3.8	-5.3	-1.9	-2.0	6.9	84	69
R/J CRB Futures Index	274.0	1.4	-5.5	-5.5	-2.9	3.9	300	258
LME Copper	8,941	-1.3	-9.4	-9.7	6.5	4.5	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 09 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.

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