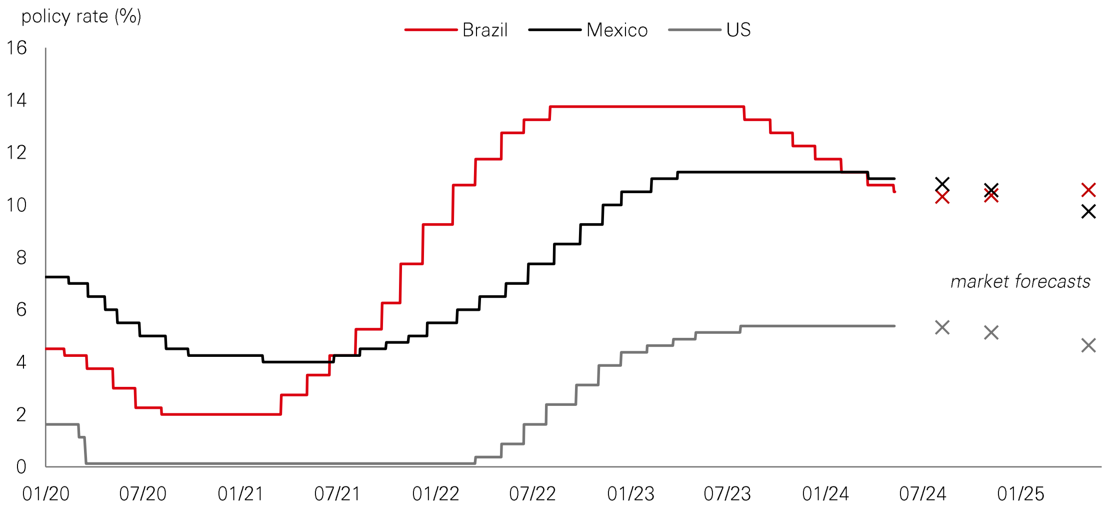
HSBC Asset Management

Investment Weekly

10 May 2024
For Professional Clients only.

Chart of the week – Fed to EM spillovers



EM central banks were ahead of the curve in the global fight against inflation, and many have already started to cut rates. But this week's central bank meetings in Mexico and Brazil highlighted a more cautious approach. Although Banco Central do Brasil cut rates for the seventh consecutive meeting, the 25bp reduction was lower than the usual 50bp. Meanwhile, Banco de Mexico kept rates on hold following a 25bp cut in March, its first in the easing cycle.

Growing hesitancy to ease may reflect domestic factors. This includes strong labour markets which are keeping wage growth elevated. **But the recent shift in Fed rate expectations is also having an impact**. Front of mind have been concerns over currency weakness and the implications for imported inflation. The Brazilian real is down 4% year-to-date and concerns about capital outflows are likely to have been an issue.

Markets now expect little further easing in Brazil and Mexico over the next year, while the schedule for monetary easing in emerging Asia has been pushed back. This weighs on the outlook for EM growth, and near-term EM asset class performance too. Brazil's earnings momentum has been slipping. But the good news is many EM economies are better insulated against tight external financial conditions than in the past. EM asset class valuations remain relatively cheap, providing a margin of safety for investors. Bond traders will benefit from higher-for-a-bit-longer interest rates too. And **once the Fed does ease, the investor narrative and the EM policy stance can change quickly**.

Chinese Equities →
Exploring China's recent stock market rebound

US Dollar Outlook →
Understanding the bearish signals for the US dollar

Sell in May? →
Why investors may need to be cautious going forward

Market Spotlight

Stock markets and social unrest

For many countries around the world, the annual May Day holiday is a traditional celebration of workers' rights dating back to the 1900s. Over time – and particularly in periods of economic stress – it has been the focal point for strikes, demonstrations, rallies, and riots.

From an investment perspective, serious social unrest – driven by politics or socio-economics – can upset confidence, hurt growth, and damage stock prices. To understand this better, IMF research has explored the consequences for both economies and markets. One study found that countries experiencing unrest saw GDP remain on average 0.2 percentage points below the pre-shock baseline after 18 months.

Another study examined 156 events and found that while trading volumes often spike, the impact on stock markets was negligible in countries with open and democratic institutions. But for those with more authoritarian regimes, it was damaging, with returns falling on average by 2% within three days, and by about 4% over the following month. Overall, the research supports the view that social unrest can disrupt economies, but markets in countries with more open institutions are better at looking past them.

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.

Source: HSBC Asset Management. Macrobond, Bloomberg. Data as at 11.00am UK time 10 May 2024.

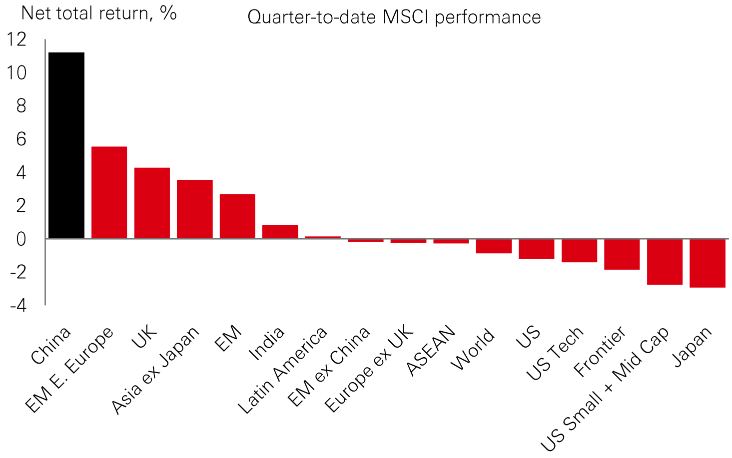
Lens on...

China's stock rebound

In recent weeks there's been a reversal of fortune for Chinese stocks, outperforming indices across both developed and emerging markets. Crucially, **policy measures have shored up confidence**, with the Politburo signalling ongoing assistance on both the monetary and fiscal fronts.

Targeted measures have also been ramped up. Plans for "high quality" development of capital markets promise better protections for investors. Authorities are looking to reinforce Hong Kong's position as a financial hub, and support technology firms and the troubled real estate sector. And there have been efforts to encourage firms to boost share buybacks and dividend payouts.

Despite the turnaround, challenges remain, primarily property sector weakness and soft domestic demand. Deflationary pressures weigh on the profit outlook. But valuations remain very attractive, so there is still a good chance that piecemeal policy action continues to boost investor sentiment. In terms of earnings prospects, high-tech firms and high-quality state-owned enterprises look to be the bright spots.

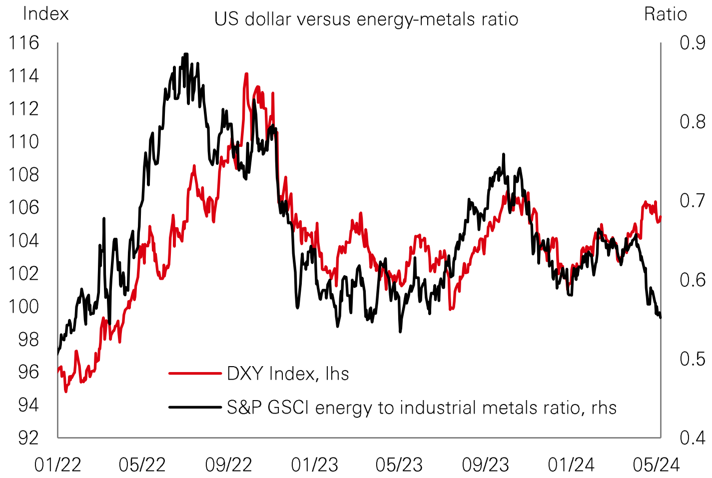


Commodities and the dollar

As one would expect, the repricing of US rate expectations has boosted the US dollar. The DXY index is up about 4% year-to-date. But could we be entering a period of weaker dollar performance?

Asian and European trade and survey data suggest a turnaround in the global manufacturing cycle, which benefits export powerhouses Europe and Japan. This may translate to a more hawkish-than-expected policy trajectory for the ECB and BoJ over the coming quarters. A Fed cut in September could shift the narrative away from higher-for-longer US rates.

Commodity markets also point to a possible shift in the relative fortunes of the dollar. Since early April, the ratio of energy to industrial metals prices has fallen, which should result in a weaker dollar. This is because a lower ratio – which this time around reflects a combination of falling energy prices and rising metals prices – is disproportionately better news for Europe and Japan which are big energy importers and more sensitive to improvements in the global cycle (which higher metals prices potentially signal).

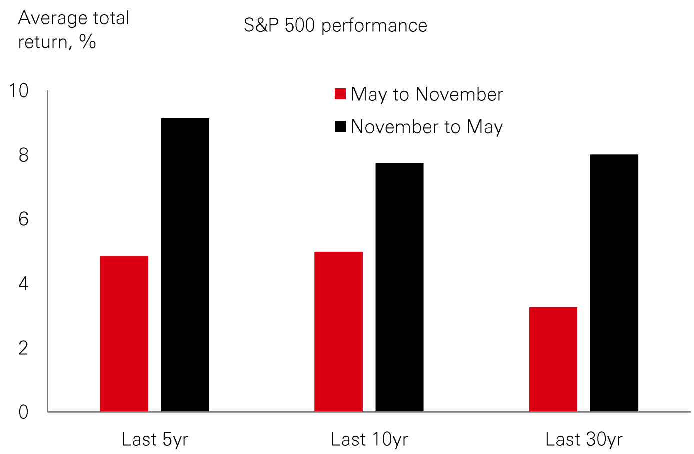


Sell in May and go away?

With the S&P 500 up around 25% since end-October, and markets recently regaining momentum following April's drawdown, the stock market wisecrack "sell in May and go away" may hold special significance this year. Over the past 5, 10 and 30 years, index total returns are significantly lower in the six-month period May to November, and there are plenty of challenges facing investors in the current environment.

Valuations in many parts of the DM risk asset universe look increasingly stretched. The DM growth outlook is hobbled by restrictive monetary policy settings. Tighter-for-longer policy at the Fed could have meaningful effects on global financial stability. And lower inflation is usually linked to weaker corporate pricing power.

For now, resilient economic activity and corporate earnings are bulwarks against big risk asset drawdowns. And Fed cuts – once they come – can help. But elevated macro and geopolitical uncertainty makes it crucial to protect portfolios against adverse scenarios. ***Hedge in May and go away*, perhaps**?



Past performance does not predict future returns.
Source: HSBC Asset Management. Macrobond, Bloomberg. Data as at 11.00am UK time 10 May 2024.

Asset class views

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

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

	Asset Class	- View +	Comments
Macro Factors	Global growth	□□□□■□□□□	A defensive positioning in investment portfolios remains appropriate given optimistic market expectations versus a lingering risk of macro disappointment or weakness. We prefer to access the growth factor in laggard regions, such as Asia and emerging markets
	Duration	□□□□□□■□□	Robust growth and inflation data have put upward pressure on yields so far in H1. Carry remains appealing and, in adverse economic outcomes, there is scope for strong returns in global duration. We favour the US and UK curves
	Emerging Markets	□□□□□□■□□	The outlook for EMs is bolstered by China policy support feeding through to the real economy, eventual Fed easing, and a growth premium versus the West. Disinflation is an ongoing process, especially in Latam and Europe, allowing EM central banks to lead the cutting cycle
Bonds	10yr US Treasuries	□□□□□□■□□	Yields have ground higher over the course of H1, driven by resilient growth and inflation data. However, growth could disappoint expectations in H2, meaning investors price in more cuts. We anticipate yield curve steepening by the end of the year
	EMD Local	□□□□□□□■□	EM local-currency bonds have performed well. Proactive central banks in Latam and Europe are leading the global cutting cycle, although some hesitancy has crept in given uncertainty over future Fed cuts. We remain overweight Brazil, Indonesia, Mexico, Peru and South Africa
	Asia Local	□□□□□□■□□	The medium-term outlook is stable, supported by a solid macro backdrop in the region, with some markets, such as Indonesia, India and Korea, benefiting from high carry. A potential delay in monetary policy easing amid fading optimism over US rate cuts could cause short-term volatility
Credits	Global Credit	□□□□□■□□□	Global credit is expensive with most non-financial spreads at near-cyclical tights. Financials, particularly banks, look attractive but less so than they were at the start of 2024. All-in yields continue to support inflows, helping long duration corporate credit
	Global High-Yield	□□■□□□□□□	Valuations are expensive with spreads falling sharply in recent months. The market prices a global soft landing. But the tight spreads in HY are offset by a high 'all-in' yield. And corporate fundamentals are not a source of concern
	Asia Credit	□□□□□■□□□	Valuations are expensive as spreads approach historic tights. The rising chance of a US soft landing mitigates the risk of material spread widening. Economic resilience within Asia, plus China policy action, support the regional credit market outlook
	EMD Hard Currency Bonds	□□□□■□□□□	EM credit spreads could benefit as the Fed moves towards cutting rates, but this prospect has already driven a re-rating of the asset class. Spreads are at historic tights and it is difficult to see further compression, although we remain cyclically-constructive
Equities	DM Equities	□□□■□□□□□	Investor sentiment is buoyed by confidence in the soft landing, and leadership from quality growth. But as investor perceptions shift, the market is discounting a lot of good news. Risks of an adverse surprise are rising, even if an imminent growth collapse looks unlikely
	EM Equities	□□□□□□■□□	The EM growth outlook is a relative bright spot in a global context, with disinflation and the prospect of 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	□□□□□□■□□	Asia is a strong performer year-to-date. Chinese policy activism is rebuilding investor confidence in the market. India fundamentals are supportive, with strong EPS growth, despite elevated valuations. Korea and Taiwan continue to benefit from the upswing in the semiconductor cycle
Alternatives	Global Private Equity	□□□□■□□□□	With tighter financial conditions raising the cost of leverage, PE funds may face challenges in delivering consistently strong returns. However, increasing economic headwinds can create attractive entry points for longer-term investors. The investment case is about alpha, not beta
	Global Real Estate	□□□□□□□■□	In a more benign macro environment, real estate sub-sectors with a more secure income profile and lower leverage should outperform. Following recent price corrections driven by higher interest rates, there may be opportunities for value-add or opportunistic strategies to acquire at a low base
	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

Source: HSBC Asset Management. Data as at 11.00am UK time 10 May 2024.

Key Events and Data Releases

This week

Date	Country	Indicator	Data as of	Actual	Prior	Comment
Mon. 6 May	CN	Caixin Services PMI	Apr	52.5	52.7	The Caixin services PMI was little changed in April, remaining around the level seen since the start of 2024 and consistent with expansion
	IN	HSBC Services PMI	Apr (F)	60.8	61.7 (P)	The services PMI edged down in April but remains firmly in positive territory as orders continue to rise strongly
	BR	S&P Global Services PMI	Apr (P)	53.7	54.8	Services sentiment eased in April but business activity and new orders remain above their long-run average. Cost pressures persist
Tue. 7 May	GE	Factory Orders (mom)	Mar	-0.4%	-0.8%	Factory orders surprised on the downside in March, with February's data also revised lower amid continued weak demand
Wed. 8 May	AU	RBA Interest Rate Decision	May	4.35%	4.35%	The RBA upgraded its near-term inflation forecast, but remains confident inflation will reach its 2-3% target band by end-2025
	SW	Riksbank Interest Rate Decision	May	3.75%	4.00%	The Riksbank cut rates 25bp, citing lower than expected inflation and signalled further modest easing "if the outlook for inflation still holds"
	BR	Banco Central do Brasil Interest Rate Decision	May	10.50%	10.75%	COPOM cut the Selic rate by 25bp, although four of the nine committee members voted for a 50bp move
Thu. 9 May	CN	Trade Balance (USD bn)	Apr	72.4	58.6	China's exports continued to recover in April amid improving regional trade flows
	UK	BoE Interest Rate Decision	May	5.25%	5.25%	The BoE left policy on hold, with Ramsden joining Dhinghra in favour of a 25bp rate cut. BoE governor Bailey stated a June rate cut "was neither ruled out nor a fait accompli", dependent on upcoming data
	MX	Banco de Mexico Interest Rate Decision	May	11.00%	11.00%	Banxico unanimously decided to keep rates on hold, revising up its inflation forecast, but kept the door open for further easing near-term
	MX	CPI (yoy)	Apr	4.7%	4.4%	Headline inflation has stabilised in recent months above the central bank's 3% target, reflecting sticky service sector inflation
Fri. 10 May	UK	GDP (qoq)	Q1	0.6%	-0.3%	UK GDP surprised on the upside in early 2024, signalling an exit from recession. Consumer spending remains sluggish
	IN	Industrial Production (yoy)	Mar	5.2%	5.7%	

P – Preliminary, F – Final, Q – Quarter **CN – China, IN – India, MX – Mexico, AU – Australia, SW – Sweden, BR – Brazil, GE – Germany**

The week ahead

Date	Country	Indicator	Data as of	Survey	Prior	Comment
Sat. 11 May	CN	CPI (yoy)	Apr	0.2%	0.1%	Easing deflationary pressures in food should lift headline inflation in April, although subdued goods demand remains a constraint
Mon. 13 May	EZ	Q1 Earnings				So far, 2/3 of Q1 European earnings have been reported. The largest beats have been financials and staples, with real estate and industrials seeing the biggest misses. 2024 cons. EPS ~4.7% vs 4% (March)
	IN	CPI (yoy)	Apr	4.8%	4.9%	Headline and core inflation should ease further in April, but the RBI remains cautious amid potential upside risks to food prices
Tue. 14 May	US	NFIB Business Confidence Survey	Apr	88.1	88.5	High interest rates have depressed small business confidence with hiring intentions also falling in recent months
Wed. 15 May	EZ	GDP (qoq)	Q1 (P)	0.3%	0.3%	The PMI surveys suggest the service sector drove the Q1 pick up in eurozone growth
	US	CPI (yoy)	Apr	3.4%	3.5%	Disinflation persists in the goods sector, but service sector inflation remains sticky due to housing costs and vehicle-related service prices
	US	Retail Sales (mom)	Apr	0.4%	0.7%	Retail sales growth should soften in early Q2 given the savings rate is already at an unusually low level and wage growth is moderating
Thu. 16 May	US	Housing Starts (mom)	Apr	9.0%	-14.7%	Starts have been unusually volatile of late with no clear trend
	US	Industrial Production (mom)	Apr	0.2%	0.4%	Industrial production was weak in early 2024 but fading global headwinds should be supportive in coming months
	JP	GDP (qoq)	Q1 (P)	-0.4%	0.1%	GDP looks set to remain weak in Q1 2024 amid continued sluggish consumer spending
Fri. 17 May	CN	Retail Sales (yoy)	Apr	3.8%	3.1%	Recent demand-side stimulus should help stabilise near-term consumer spending but weak sentiment may lessen the policy impact
	CN	Industrial Production (yoy)	Apr	5.4%	4.5%	Industrial production should remain resilient in early Q2, aided by improving trade in the region and continued policy support

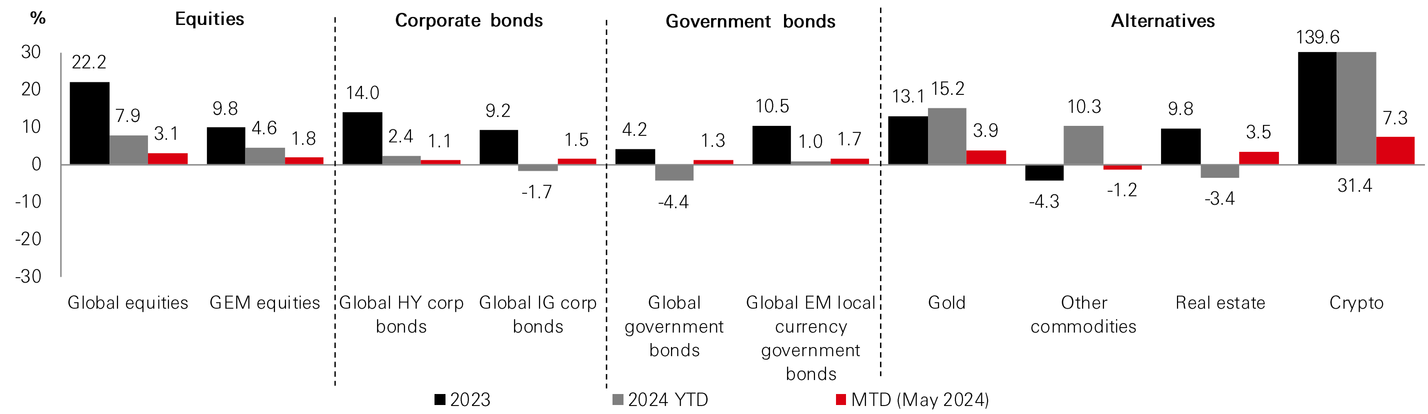
P – Preliminary, Q – Quarter **CN – China, EZ – Eurozone, IN – India, JP – Japan**

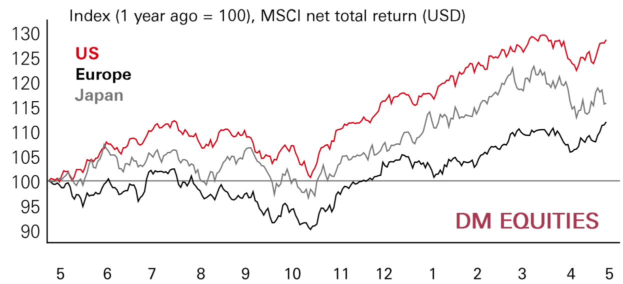
Source: HSBC Asset Management. Data as at 11.00am UK time 10 May 2024.

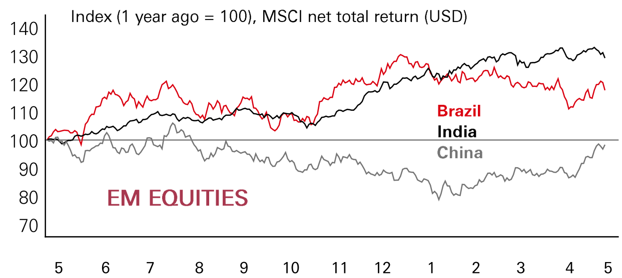
This week

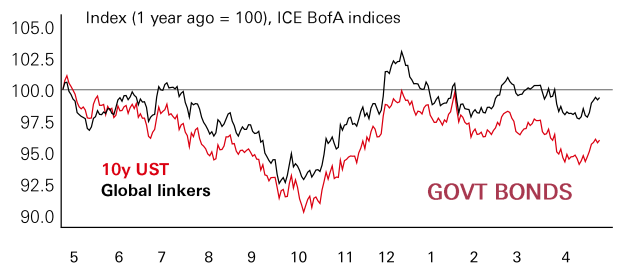
Positive sentiment prevailed in risk markets this week, aided by a pickup in US rate cut expectations ahead of key US CPI data. Core government bonds consolidated with 10yr Treasuries hovering around 4.5%. Sweden's central bank, the Riksbank, cut rates by 25bp, highlighting diverging central bank stances. In the US, the S&P 500 posted decent gains, continuing its rebound from a weak performance in April, but it lagged Europe, with the Euro Stoxx 50 pushing higher on positive Q1 earnings news. Japan's Nikkei 225 edged lower amid hawkish BoJ comments hinting at faster than expected interest rate hikes. In EM, the Shanghai Composite continued to see positive momentum amid improving investor confidence, while India's Sensex index weakened on rising political jitters. In commodities, oil prices traded sideways while gold rallied on lower US real yields.

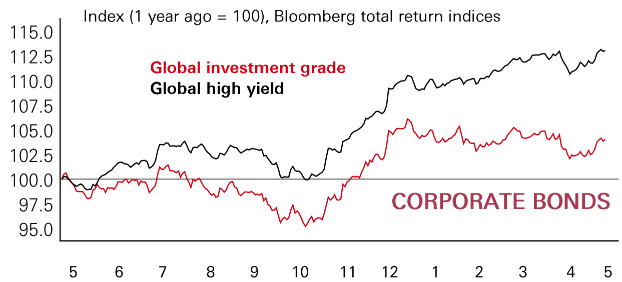
Selected asset performance

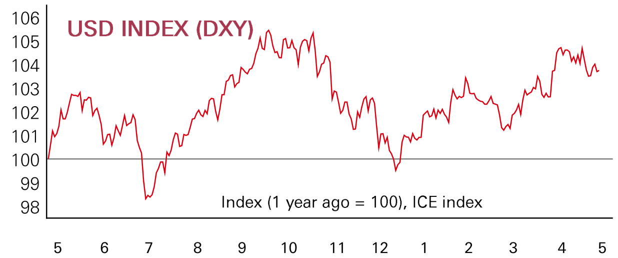


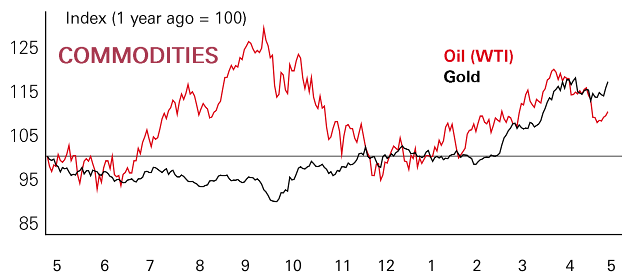












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Market data

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)
World									
MSCI AC World Index (USD)	780	1.3	0.9	4.2	19.5	7.2	786	628	18.2
North America									
US Dow Jones Industrial Average	39,388	1.8	2.4	1.9	17.5	4.5	39,889	32,327	19.3
US S&P 500 Index	5,214	1.7	1.0	3.7	26.0	9.3	5,265	4,099	21.3
US NASDAQ Composite Index	16,346	1.2	1.1	2.2	32.8	8.9	16,539	12,181	28.9
Canada S&P/TSX Composite Index	22,376	2.0	0.8	6.5	9.2	6.8	22,427	18,692	15.2
Europe									
MSCI AC Europe (USD)	562	2.3	2.3	6.4	9.5	5.4	563	459	14.2
Euro STOXX 50 Index	5,094	3.5	1.9	8.0	18.3	12.7	5,122	3,993	14.1
UK FTSE 100 Index	8,448	2.9	6.1	11.6	9.1	9.2	8,456	7,216	12.1
Germany DAX Index*	18,805	4.5	3.9	11.1	18.3	12.3	18,846	14,630	13.4
France CAC-40 Index	8,254	3.7	2.6	7.9	12.1	9.4	8,259	6,774	14.4
Spain IBEX 35 Index	11,128	2.5	3.3	12.4	21.4	10.2	11,228	8,879	10.9
Italy FTSE MIB Index	34,709	3.2	2.0	11.4	27.3	14.4	34,908	26,000	9.4
Asia Pacific									
MSCI AC Asia Pacific ex Japan (USD)	549	0.3	1.1	7.3	6.5	3.9	554	469	14.2
Japan Nikkei-225 Stock Average	38,229	0.0	-3.4	3.6	31.3	14.2	41,088	29,029	22.1
Australian Stock Exchange 200	7,749	1.6	-1.3	1.4	6.8	2.1	7,911	6,751	17.1
Hong Kong Hang Seng Index	18,964	2.6	10.6	20.4	-4.0	11.2	20,361	14,794	9.2
Shanghai Stock Exchange Composite Index	3,155	1.6	4.2	10.1	-5.0	6.0	3,350	2,635	11.5
Hang Seng China Enterprises Index	6,719	2.6	11.7	26.6	0.5	16.5	7,024	4,943	8.6
Taiwan TAIEX Index	20,709	1.9	-0.3	14.4	32.4	15.5	20,884	15,424	18.5
Korea KOSPI Index	2,728	1.9	0.8	4.1	9.3	2.7	2,779	2,274	10.7
India SENSEX 30 Index	72,664	-1.6	-3.2	1.5	17.3	0.6	75,124	61,252	20.5
Indonesia Jakarta Stock Price Index	7,089	-0.6	-2.7	-2.0	4.1	-2.5	7,454	6,563	13.1
Malaysia Kuala Lumpur Composite Index	1,601	0.7	3.0	5.8	12.3	10.0	1,610	1,369	14.1
Philippines Stock Exchange PSE Index	6,512	-1.6	-3.4	-4.9	-2.2	1.0	7,071	5,920	11.1
Singapore FTSE Straits Times Index	3,291	-0.1	1.6	4.9	1.5	1.6	3,393	3,042	10.5
Thailand SET Index	1,372	0.1	-2.6	-1.2	-12.6	-3.1	1,579	1,330	14.8
Latam									
Argentina Merval Index	1,434,922	-1.2	16.3	27.2	362.1	54.3	1,505,718	304,569	8.4
Brazil Bovespa Index*	128,188	-0.2	0.1	0.1	19.3	-4.5	134,392	106,419	8.0
Chile IPSA Index	6,630	1.1	-0.9	9.9	19.0	7.0	6,731	5,363	10.9
Colombia COLCAP Index	1,387	0.1	-0.8	11.1	19.6	16.1	1,426	1,045	7.3
Mexico S&P/BMV IPC Index	57,846	1.2	2.1	0.9	4.2	0.8	59,021	47,765	13.3
EEMEA									
Russia MOEX Index	3,451	0.3	0.3	6.4	35.4	11.3	3,488	2,484	N/A
South Africa JSE Index	78,719	3.0	4.2	7.2	1.2	2.4	79,212	69,128	10.6
Turkey ISE 100 Index*	10,353	0.7	5.5	14.4	130.3	38.6	10,383	4,404	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	1.4	1.1	4.8	7.9	21.5	16.1	66.1
US equities	1.7	1.0	3.9	9.5	27.9	26.8	91.6
Europe equities	2.5	3.1	7.8	6.9	12.6	10.4	44.7
Asia Pacific ex Japan equities	0.3	1.2	8.0	4.6	9.3	-14.7	20.0
Japan equities	-2.6	-3.2	2.3	5.3	15.8	4.0	39.6
Latam equities	-0.1	-0.6	0.0	-4.8	14.6	21.0	22.2
Emerging Markets equities	0.2	0.7	7.6	4.6	11.5	-14.6	16.6

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)	558	0.3	0.5	0.5	2.9	-0.6
JPM EMBI Global	857.2	0.6	0.4	2.4	8.7	1.0
BarCap US Corporate Index (USD)	3177.1	0.3	0.9	0.1	3.3	-1.4
BarCap Euro Corporate Index (Eur)	246.8	0.1	0.0	1.2	5.7	0.2
BarCap Global High Yield (Hedged in USD)	583.3	0.3	0.7	2.7	13.5	3.0
Markit iBoxx Asia ex-Japan Bond Index (USD)	216.2	0.3	0.8	1.1	4.3	1.1
Markit iBoxx Asia ex-Japan High-Yield Bond Index (USD)	245	0.3	0.6	3.7	10.1	6.9

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

Currencies (vs USD)	Latest	1-week Ago	1-month Ago	3-months Ago	1-year Ago	Year End 2023	52-week High	52-week Low	1-week Change (%)
Developed markets									
EUR/USD	1.08	1.08	1.07	1.08	1.10	1.10	1.13	1.04	0.2
GBP/USD	1.25	1.25	1.25	1.26	1.26	1.27	1.31	1.20	-0.1
CHF/USD	1.10	1.10	1.10	1.14	1.12	1.19	1.20	1.08	-0.1
CAD	1.37	1.37	1.37	1.35	1.34	1.32	1.39	1.31	0.0
JPY	156	153	153	149	134	141	160	134	-1.8
AUD/USD	0.66	0.66	0.65	0.65	0.68	0.68	0.69	0.63	0.0
NZD/USD	0.60	0.60	0.60	0.62	0.64	0.63	0.64	0.58	0.1
Asia									
HKD	7.81	7.81	7.84	7.82	7.83	7.81	7.85	7.79	0.0
CNY	7.22	7.24	7.23	7.19	6.93	7.10	7.35	6.94	0.2
INR	83.5	83.4	83.2	83.0	82.0	83.2	83.6	81.7	-0.1
MYR	4.74	4.74	4.75	4.77	4.46	4.59	4.81	4.47	0.0
KRW	1368	1363	1349	1333	1325	1291	1400	1257	-0.4
TWD	32.4	32.4	32.0	31.4	30.7	30.6	32.7	30.5	-0.2
Latam									
BRL	5.14	5.07	5.07	4.96	4.94	4.85	5.29	4.70	-1.4
COP	3897	3913	3810	3921	4553	3875	4601	3739	0.4
MXN	16.8	17.0	16.4	17.1	17.6	17.0	18.5	16.3	1.3
ARS	882	879	865	831	229	808	882	229	-0.4
EEMEA									
RUB	92.5	91.5	93.3	91.2	76.2	89.5	102.4	76.4	-1.2
ZAR	18.4	18.5	18.8	19.0	18.9	18.4	19.9	17.4	0.7
TRY	32.3	32.3	32.3	30.7	19.5	29.5	32.8	19.5	0.2

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	5.39	5.39	5.40	5.37	5.20	5.33	0
2-Year	4.82	4.82	4.97	4.48	3.91	4.25	0
5-Year	4.47	4.50	4.60	4.14	3.38	3.85	-3
10-Year	4.46	4.51	4.54	4.18	3.44	3.88	-5
30-Year	4.60	4.66	4.62	4.37	3.80	4.03	-6
10-year bond yields (%)							
Japan	0.91	0.90	0.79	0.72	0.41	0.61	1
UK	4.11	4.22	4.15	4.08	3.80	3.53	-11
Germany	2.48	2.49	2.43	2.38	2.29	2.02	-2
France	2.96	2.97	2.92	2.89	2.87	2.56	-1
Italy	3.80	3.81	3.80	3.96	4.20	3.69	-1
Spain	3.26	3.26	3.24	3.37	3.37	2.98	0
China	2.32	2.31	2.30	2.44	2.72	2.56	1
Australia	4.32	4.42	4.12	4.13	3.45	3.96	-10
Canada	3.63	3.65	3.70	3.54	2.90	3.11	-2

*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	2,375	3.2	1.7	17.3	17.0	15.1	2,432	1,811
Brent Oil	84.5	1.8	-5.6	4.7	15.4	10.5	91	69
WTI Crude Oil	79.9	2.3	-6.5	4.7	15.7	10.8	87	65
R/J CRB Futures Index	290.0	1.2	-2.6	5.7	10.6	9.9	298	254
LME Copper	10,050	1.4	7.2	23.0	18.6	17.4	10,208	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 10 May 2024.

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