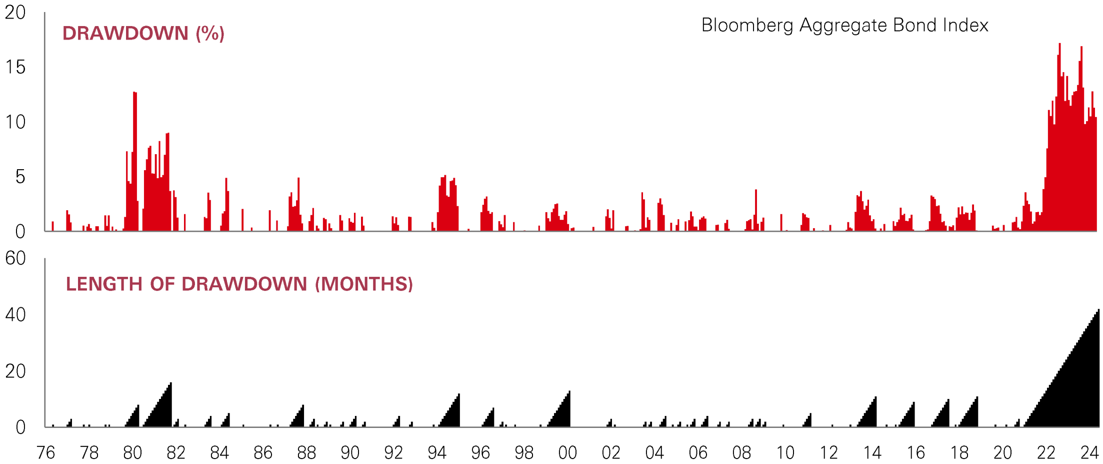
HSBC Asset Management

Investment Weekly

12 July 2024
For Professional Clients only.

Chart of the week – A tough H1 for bonds, but a better H2 outlook



Coming into 2024, investors were convinced that central banks were poised to slash rates. Yet, resilient growth and sticky inflation have, so far, put paid to that. And for core bond markets, the spectre of 'higher for longer' policy has delivered a poor performance. **But as we explain in our Mid-Year Outlook, we think that could change in H2**.

Four years of rising yields on 10-year US Treasuries reflect what has arguably been the worst bond bear market ever. The Bloomberg Aggregate Index – a barometer of the broader bond universe – is in its deepest, longest drawdown since its inception in 1976. But now, we think a starting point of high yields provides scope for significant capital growth.

That's because signs of cooling in the US economy could finally prompt the Fed to pivot policy in the near-term. This week's June CPI inflation print came in below expectations, with key components such as shelter and autos inflation softening. Meanwhile, the unemployment rate rose for the third month in a row in June, hinting that wage growth – an important driver of services inflation – is likely to decline further. Other data suggests weakness in rate-sensitive sectors like housing. And retail sales softened in Q2, amid rising delinquency rates for lower income households.

There are risks, of course, including a potentially bumpy path for disinflation and geopolitical and election headwinds. Even so, **we see an opportunity to 'play the yield'.** And with inflation heading back to target, there is the possibility that bonds return to their traditional role as defensive portfolio diversifiers.

Market Spotlight

US growth stocks vulnerable?

Surging price momentum in the technology sector has driven growth stocks to new highs this year. And over the past five years, the US Growth factor has outperformed Value by around 95 percentage points.

But it's worth remembering that markets can quickly blow the froth off prices when earnings disappoint. In late 2021, the price-earnings (PE) ratio of the S&P 500's seven largest tech stocks hit a high of 36x. By January 2022, that valuation had collapsed by 15% as the market levelled out and cheaper stocks rebounded. By June, their combined PE had fallen to 24x. And with that in mind, the current PE valuations of the Magnificent Seven stocks are the most stretched they've been since December 2021 – at 34x versus the rest of the S&P on 18x. **Excessive valuations create a vulnerability to anything short of exceptionally good news, so we view this with some caution**.

As for Value, unloved sectors like utilities and staples, as well as small-caps generally, have lagged the market of late. But if earnings begin to disappoint elsewhere, they could offer a more defensive option for portfolios, and should be well-placed to attract market interest once the Fed begins to cut rates.

Fixed Income →

Exploring the appeal of emerging market bonds

Earnings Outlook →

Profit forecasts converge for US and Chinese stocks

Artificial Intelligence →

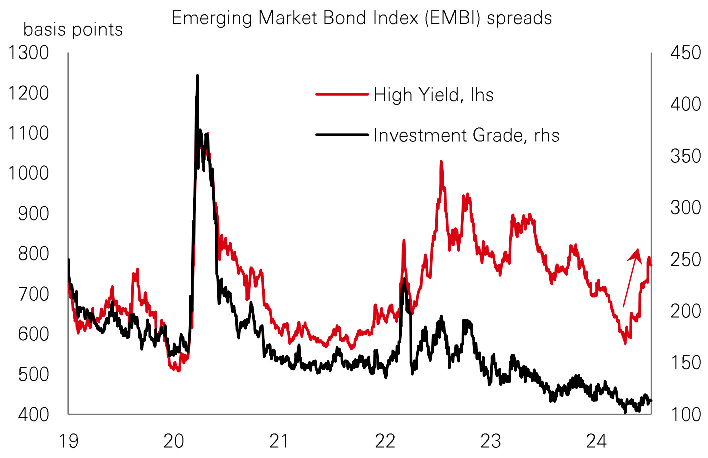
Measuring country readiness for the impact of AI

EM and the Fed

Like many fixed income asset classes, the year-to-date performance of emerging market (EM) bonds has been hamstrung by delays to the Fed easing cycle. For the benchmark EMBI (index of US dollar-denominated bond issued by EM sovereigns and state-owned firms), there has been a particularly sharp increase in the spreads in the high-yield (HY) component.

For our EM investment specialists, this creates some compelling opportunities. **They believe there is a good chance HY spreads will tighten again once the Fed starts cutting rates**. They also see room for credit rating upgrades amid solid and improving fundamentals. The Dominican Republic for example (BB- rating) has solid external buffers and fiscal policy anchors which could support lower levels of debt to GDP.

Meanwhile, the investment-grade component, while less attractive on a stand-alone spread basis, still benefits from elevated "all-in yields" and high credit quality. In particular, Mexico (BBB rating) can perform well as budget discussions later this year most likely signal fiscal consolidation remains a priority for the new government.

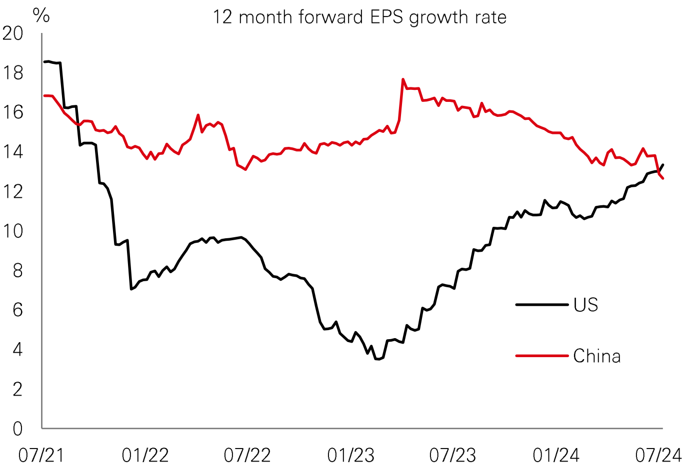


Converging forecasts

Profit growth estimates for Chinese and US stocks had an intriguing coming together last week – with analysts forecasting growth of 13% in both markets over the next 12 months.

The last time we saw this kind of convergence was in September 2021 – just as analysts were slashing forecasts for US stocks on rising inflation. Since then, sentiment across the two markets has diverged. For US stocks, growth forecasts continued to drop until a profits recovery took hold in early 2023. But in China, average profit growth expectations have stayed in the mid-teens throughout.

While Chinese profit growth has been resilient, the local equity market has underperformed. In part this has been down to macro concerns like weak consumer demand and a faltering property sector. But recent policy support for priority sectors and positive corporate reforms have helped – and there are hopes that next week's third plenum meetings will go further. As it stands the valuation of Chinese equities remains below its longer-term average, and materially below DM and EM peers. **But with improving news on the macro and earnings outlook, a re-rating is possible**.

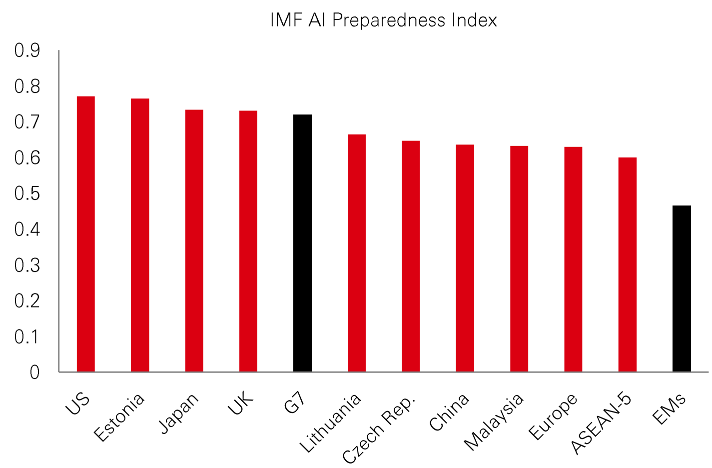


Ready for AI?

When OpenAI launched its ChatGPT chatbot in 2022 it sparked huge interest in how artificial intelligence might transform productivity. Tech firms are estimated to be spending more than USD 1 trillion on AI services in the coming years. But there are questions over what it means for economies, and the trade-off between higher growth and the potential for millions of lost jobs.

To find an answer, IMF researchers have studied AI preparedness across 174 economies based on factors like digital infrastructure, employment markets and policies, innovation, and regulation. Predictably, they found wealthier economies tend to be best equipped for AI adoption.

Interestingly, emerging and frontier markets in eastern Europe including Estonia, Lithuania and the Czech Republic, place relatively high up the list. And across the broader EM universe, **China, Malaysia, and ASEAN nations also rate well**. Good news then for these countries' longer-term productivity and growth prospects.



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.

Source: HSBC Asset Management. Macrobond, Bloomberg, IMF. Data as at 11.00am UK time 12 July 2024.

Asset class views

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

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

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

Past performance does not predict future returns. The level of yield is not guaranteed and may rise or fall in the future

Source: HSBC Asset Management. Data as at 11.00am UK time 12 July 2024.

Key Events and Data Releases

This week

Date	Country	Indicator	Data as of	Actual	Prior	Comment
Sun. 7 July	FR	Second round of lower house elections	Jul			The second round of French lower house elections resulted in a hung parliament, with the NPF the largest party but short of a majority
Tue. 9 July	MX	CPI (yoy)	Jun	5.0%	4.7%	Headline inflation surprised on the upside in June but the core rate slowed, aided by renewed disinflation in the services sector
	US	Fed Chair Powell testifies to the Senate Banking Committee	Jul			Fed Chair Powell acknowledged the US labour market has "cooled considerably", and further good inflation data "would boost confidence" that inflation is moving sustainably towards 2%
	US	NFIB Business Confidence Index	Jun	91.5	90.5	Small firms' business sentiment increased further in June, but remains below its long-term average
Wed. 10 July	NZ	RBNZ Interest Rate Decision	Jul	5.50%	5.50%	The RBNZ left policy unchanged, acknowledging restrictive policy has "significantly" reduced inflation, paving the way for easing by end-24
	CN	CPI (yoy)	Jun	0.2%	0.3%	Headline inflation surprised on the downside in June, core CPI was also low amid continued weak domestic demand
	BR	IPCA Inflation Index (yoy)	Jun	4.2%	3.9%	June's CPI was lower than expected. Core CPI also eased as core services inflation softened
Thu. 11 July	KO	Bank of Korea Central Bank Interest Rate Decision	Jul	3.50%	3.50%	At its July meeting the BoK signalled an early rate cut amid rising signs of disinflation and concerns about the domestic economy
	US	CPI (yoy)	Jun	3.0%	3.3%	Shelter inflation, a key driver of service sector CPI, softened in June, hinting at renewed disinflation. Owners' equivalent rent posted its smallest mom increases in June since April 2021
Fri. 12 July	CN	Trade Balance ($ bns)	Jun	85.0	82.6	Resilient exports and weak imports widened the Chinese trade surplus in June
	IN	CPI (yoy)	Jun	-	4.7%	The disinflation process in India remains gradual and bumpy
	IN	Industrial Production (yoy)	May	-	5.0%	Indian industrial production should remain resilient in May, supported by consumer durables and construction goods
	US	PPI Final Demand (mom)	Jun	-	-0.2%	US PPI final demand may rebound in June as one-off factors unwind
	US	University of Michigan Consumer Confidence Index	Jul (P)	-	68.2	Consumer confidence index has fallen steadily since March amid increasing concerns over personal finances and business conditions

P – Preliminary, Q – Quarter **FR – France, MX – Mexico, US – United States, NZ – New Zealand, CN – China, BR – Brazil, KO – South Korea, IN – India**

The week ahead

Date	Country	Indicator	Data as of	Survey	Prior	Comment
Mon. 15 July	US	Q2 Corporate Earnings	Q2			Expected US EPS growth remains in double digits in both 2024 and 2025. Large US banks start the ball rolling in the next few weeks
	CN	GDP (qoq)	Q3	1.1%	1.6%	GDP is expected to moderate in Q2 though exports and capital investment should be strong
	CN	Retail Sales (yoy)	Jun	3.3%	3.7%	May's improvement in retail sales is expected to be short-lived amid low consumer sentiment
	CN	Industrial Production (yoy)	Jun	5.0%	5.6%	Industrial production should remain resilient in June, underpinned by high-end manufacturing and solid export demand
	EZ	Eurozone Industrial Production (mom)	May	-1.0%	-0.1%	Eurozone industrial production should fall further in May following disappointing German data
	US	Retail Sales (mom)	Jun	0.0%	0.1%	Retail sales have moderated recently, with higher interest rates weighing on low-income consumers
Wed. 17 July	UK	CPI (yoy)	Jun	-	2.0%	Service sector inflation remains sticky amid elevated wage growth
	EZ	Eurozone CPI (yoy)	Jun (F)	2.50%	2.5% (P)	Final June CPI data should confirm moderating service sector inflation on a mom basis, goods disinflation persists
	ID	Indonesia Central Bank Interest Rate Decision	Jul	-	6.25%	The Bank of Indonesia is expected to maintain a restrictive stance in July to support the IDR amid rising fiscal concerns
	US	Housing Starts (mom)	Jun	-	-5.5%	US housing starts have fallen recently as elevated mortgage rates weigh on demand
	US	Industrial Production (mom)	Jun	0.3%	0.7%	US industrial production may slow in May after a sharp rise in June
Thu. 18 July	UK	Unemployment Rate (3mths)	Jun	-	4.4%	Labour market conditions are cooling but wage growth is elevated
	EZ	ECB Interest Rate Decision	Jul	3.8%	3.75%	ECB president Lagarde has signalled little urgency to ease, reiterating rate cuts are data dependent
Fri. 19 July	JP	Nationwide Core CPI excluding fresh food & energy (yoy)	Jun	-	2.1%	Service sector inflation may rise in June as one-off factors unwind, with the trajectory of wages the key driver over the medium-term

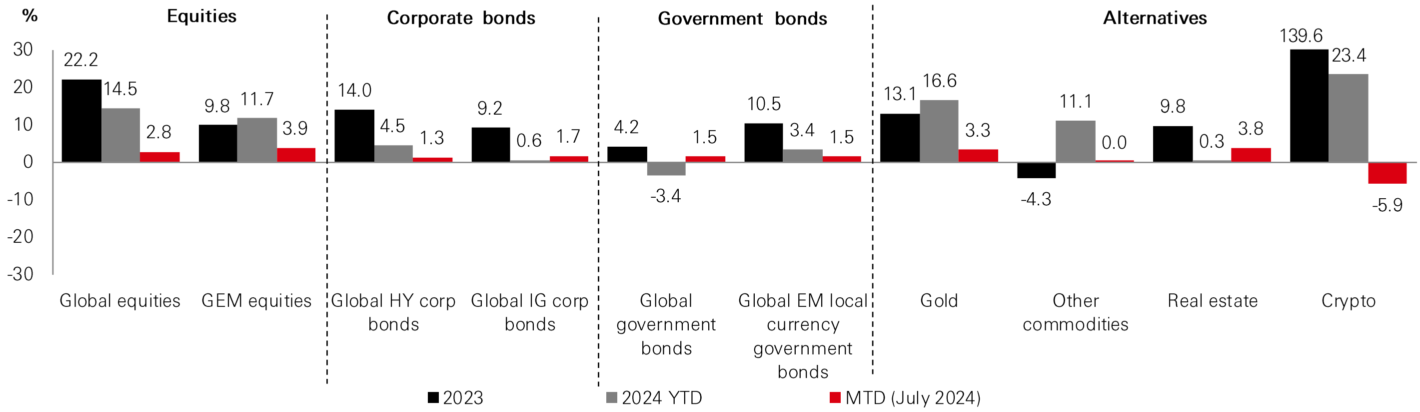
P – Preliminary, Q – Quarter, F – Final **US – United States, CN – China, EZ – Eurozone, UK – United Kingdom, ID – Indonesia, JP – Japan**

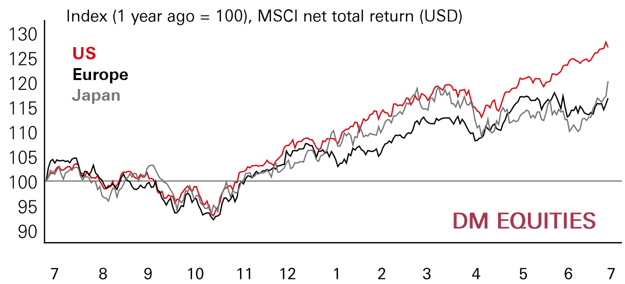
Source: HSBC Asset Management. Data as at 11.00am UK time 12 July 2024.

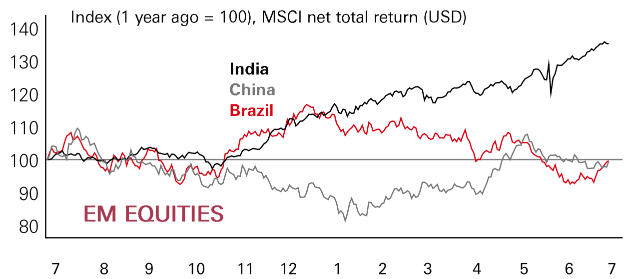
This week

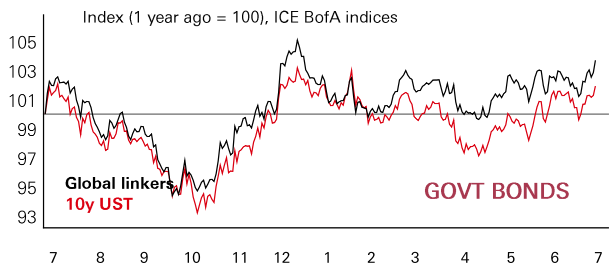
A downside surprise in US inflation supported risk assets this week. Core government bonds rallied as dovish comments from Fed Chair Powell at his semi-annual testimony reinforced market expectations of a 25bp rate cut in September. The US DXY index weakened. US equities were mixed, with the interest rate sensitive Russell 2000 outperforming the S&P500 and Nasdaq. The Euro Stoxx 50 index drifted sideways in volatile trading amid political uncertainty in France. The Nikkei 225 rose to a new historic high as Japanese officials attempted to stabilise the weak yen. In EM, China's Shanghai Composite index rebounded ahead of the third plenum. India's Sensex moved modestly higher, led by rising tech stocks. In Latin America, Brazil's Bovespa also rose. In commodities, oil prices lost ground as the IEA left its 2024 global oil demand projection unchanged. Gold and copper consolidated.

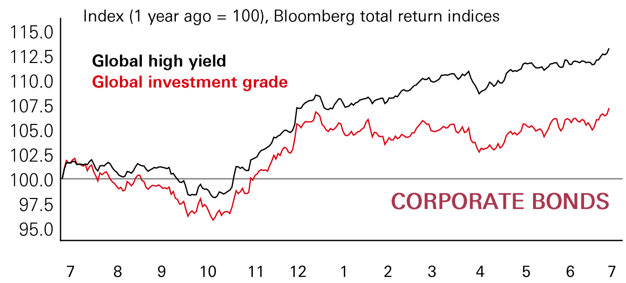
Selected asset performance

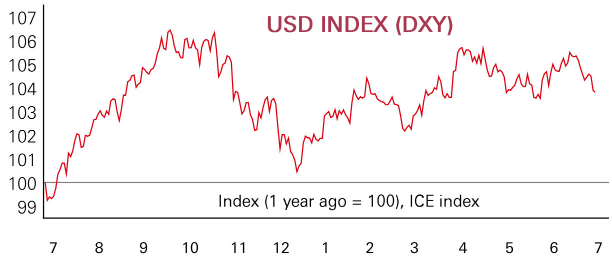


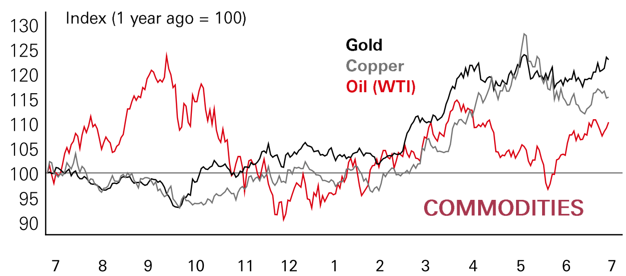












Past performance does not predict future returns

Source: HSBC Asset Management. Macrobond, Bloomberg. Data as at 11.00am UK time 12 July 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)	824	0.8	2.8	7.7	19.8	13.4	830	628	19.2
North America									
US Dow Jones Industrial Average	39,754	1.0	2.7	4.7	15.7	5.5	40,077	32,327	19.7
US S&P 500 Index	5,585	0.3	3.0	9.0	24.9	17.1	5,642	4,104	22.9
US NASDAQ Composite Index	18,283	-0.4	3.8	13.0	31.4	21.8	18,671	12,544	35.4
Canada S&P/TSX Composite Index	22,544	2.2	2.7	2.9	12.3	7.6	22,575	18,692	15.4
Europe									
MSCI AC Europe (USD)	570	1.0	-0.4	5.2	10.9	7.0	578	459	14.2
Euro STOXX 50 Index	4,995	0.3	-0.8	0.8	14.6	10.5	5,122	3,993	13.9
UK FTSE 100 Index	8,238	0.4	0.3	3.0	11.1	6.5	8,474	7,216	11.9
Germany DAX Index*	18,572	0.5	-0.3	3.6	15.9	10.9	18,893	14,630	13.3
France CAC-40 Index	7,671	-0.1	-2.5	-4.2	4.6	1.7	8,259	6,774	13.6
Spain IBEX 35 Index	11,210	1.7	-0.3	4.9	18.6	11.0	11,470	8,879	10.9
Italy FTSE MIB Index	34,421	1.3	0.2	1.9	20.6	13.4	35,474	27,078	9.4
Asia Pacific									
MSCI AC Asia Pacific ex Japan (USD)	586	1.7	4.7	9.7	12.8	10.9	588	469	14.7
Japan Nikkei-225 Stock Average	41,191	0.7	6.0	4.2	28.9	23.1	42,427	30,488	24.0
Australian Stock Exchange 200	7,959	1.8	3.2	2.2	11.5	4.9	7,969	6,751	17.8
Hong Kong Hang Seng Index	18,293	2.8	2.0	9.4	-3.0	7.3	20,361	14,794	8.7
Shanghai Stock Exchange Composite Index	2,971	0.7	-2.2	-1.6	-7.0	-0.1	3,322	2,635	11.4
Hang Seng China Enterprises Index	6,533	2.4	2.7	11.1	2.4	13.2	7,024	4,943	8.3
Taiwan TAIEX Index	23,917	1.5	8.5	15.3	41.0	33.4	24,417	15,976	21.4
Korea KOSPI Index	2,857	-0.2	4.7	6.5	11.0	7.6	2,896	2,274	11.3
India SENSEX 30 Index	80,507	0.6	5.1	8.4	23.1	11.4	80,894	63,093	22.0
Indonesia Jakarta Stock Price Index	7,328	1.0	7.0	0.6	7.6	0.8	7,454	6,640	13.6
Malaysia Kuala Lumpur Composite Index	1,619	0.5	0.6	4.4	15.8	11.3	1,633	1,390	14.8
Philippines Stock Exchange PSE Index	6,648	2.4	3.7	-0.2	2.8	3.1	7,071	5,920	11.2
Singapore FTSE Straits Times Index	3,498	2.5	5.8	8.7	10.2	7.9	3,505	3,042	11.1
Thailand SET Index	1,332	1.5	1.2	-4.6	-10.7	-5.9	1,579	1,282	14.5
Latam									
Argentina Merval Index	1,705,677	4.7	8.8	37.1	295.2	83.5	1,723,015	422,811	8.8
Brazil Bovespa Index*	128,294	1.6	7.0	1.9	9.0	-4.4	134,392	111,599	8.0
Chile IPSA Index	6,545	0.9	0.1	-0.3	7.7	5.6	6,838	5,363	11.2
Colombia COLCAP Index	1,376	-0.5	-0.3	-1.0	18.4	15.2	1,451	1,045	0.7
Mexico S&P/BMV IPC Index	54,423	4.0	2.7	-3.8	0.9	-5.2	59,021	47,765	12.5
EEMEA									
Russia MOEX Index	3,123	0.0	-1.5	-9.6	7.8	0.8	3,522	2,741	N/A
South Africa JSE Index	81,428	0.8	5.7	8.1	6.4	5.9	81,542	69,128	11.0
Turkey ISE 100 Index*	11,038	1.7	8.6	12.5	74.0	47.8	11,088	6,287	5.6

*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	0.8	3.0	8.2	14.5	21.7	19.2	69.0
US equities	0.3	3.1	9.0	17.3	26.2	28.7	95.6
Europe equities	1.0	-0.3	6.6	9.1	14.0	11.0	42.6
Asia Pacific ex Japan equities	1.8	5.2	10.8	12.6	15.6	-6.6	26.2
Japan equities	3.3	5.3	3.6	13.2	19.2	12.6	44.9
Latam equities	3.8	7.4	-4.2	-10.5	-0.9	11.9	3.3
Emerging Markets equities	1.9	5.8	9.1	11.7	14.7	-8.1	21.1

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.

Past performance does not predict future returns.
Source: HSBC Asset Management. Bloomberg. Data as at 11.00am UK time 12 July 2024.

Market data

Bond indices - Total Return	Close	1-week Change (%)	1-month Change (%)	3-month Change (%)	1-year Change (%)	YTD Change (%)
BarCap GlobalAgg (Hedged in USD)	567	0.5	0.9	2.0	5.4	1.0
JPM EMBI Global	877.2	0.9	1.3	3.3	9.8	3.4
BarCap US Corporate Index (USD)	3253.9	0.5	1.1	3.3	6.2	1.0
BarCap Euro Corporate Index (Eur)	249.7	0.4	1.0	0.9	7.2	1.4
BarCap Global High Yield (Hedged in USD)	594.2	0.7	1.0	3.0	12.9	4.9
Markit iBoxx Asia ex-Japan Bond Index (USD)	220.8	0.4	0.9	2.9	7.1	3.3
Markit iBoxx Asia ex-Japan High-Yield Bond Index (USD)	254	0.4	1.4	4.4	14.3	10.6

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	1.08	1.08	1.06	1.11	1.10	1.13	1.04	0.4
GBP/USD	1.29	1.28	1.28	1.25	1.30	1.27	1.31	1.20	1.0
CHF/USD	1.12	1.12	1.12	1.09	1.15	1.19	1.20	1.08	-0.1
CAD	1.36	1.36	1.37	1.38	1.32	1.32	1.39	1.31	0.2
JPY	159	161	157	153	139	141	162	137	1.0
AUD/USD	0.68	0.67	0.67	0.65	0.68	0.68	0.69	0.63	0.4
NZD/USD	0.61	0.61	0.62	0.59	0.63	0.63	0.64	0.58	-0.6
Asia									
HKD	7.81	7.81	7.81	7.84	7.83	7.81	7.85	7.79	0.1
CNY	7.25	7.27	7.24	7.24	7.17	7.10	7.35	7.09	0.2
INR	83.5	83.5	83.5	83.4	82.2	83.2	83.7	81.7	-0.1
MYR	4.67	4.71	4.72	4.77	4.65	4.59	4.81	4.50	0.8
KRW	1377	1380	1376	1375	1289	1291	1400	1257	0.3
TWD	32.5	32.5	32.4	32.3	31.2	30.6	32.8	30.5	-0.2
Latam									
BRL	5.44	5.46	5.41	5.12	4.82	4.85	5.70	4.70	0.4
COP	3981	4084	4028	3856	4139	3875	4427	3739	2.5
MXN	17.7	18.1	18.7	16.6	16.9	17.0	19.0	16.3	2.0
ARS	919	916	902	867	264	808	920	264	-0.4
EEMEA									
RUB	87.7	87.9	89.0	93.3	90.5	89.5	102.4	82.7	0.2
ZAR	18.0	18.2	18.4	18.9	18.1	18.4	19.6	17.4	1.1
TRY	33.0	32.6	32.3	32.4	26.1	29.5	33.0	25.3	-1.2

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	5.33	5.37	5.38	5.38	5.38	5.33	-4
2-Year	4.52	4.60	4.75	4.90	4.75	4.25	-8
5-Year	4.15	4.23	4.32	4.56	4.07	3.85	-7
10-Year	4.23	4.28	4.32	4.52	3.86	3.88	-5
30-Year	4.44	4.48	4.48	4.63	3.95	4.03	-4
10-year bond yields (%)							
Japan	1.06	1.07	0.98	0.85	0.47	0.61	-1
UK	4.15	4.12	4.13	4.14	4.51	3.53	2
Germany	2.51	2.55	2.53	2.36	2.57	2.02	-4
France	3.17	3.21	3.14	2.86	3.09	2.56	-4
Italy	3.83	3.93	3.92	3.76	4.26	3.69	-11
Spain	3.28	3.34	3.31	3.18	3.59	2.98	-6
China	2.26	2.27	2.31	2.28	2.64	2.56	-1
Australia	4.32	4.40	4.28	4.27	4.13	3.96	-8
Canada	3.43	3.50	3.39	3.65	3.42	3.11	-6

*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	2,405	0.5	3.4	2.6	22.9	16.6	2,450	1,811
Brent Oil	86.2	-0.4	4.9	-1.9	13.6	13.6	89	73
WTI Crude Oil	83.6	0.5	6.9	-0.1	16.8	16.6	85	69
R/J CRB Futures Index	290.4	-1.0	-1.6	-2.5	8.2	10.1	300	258
LME Copper	9,799	-1.5	-1.5	3.6	15.3	14.5	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 12 July 2024.

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