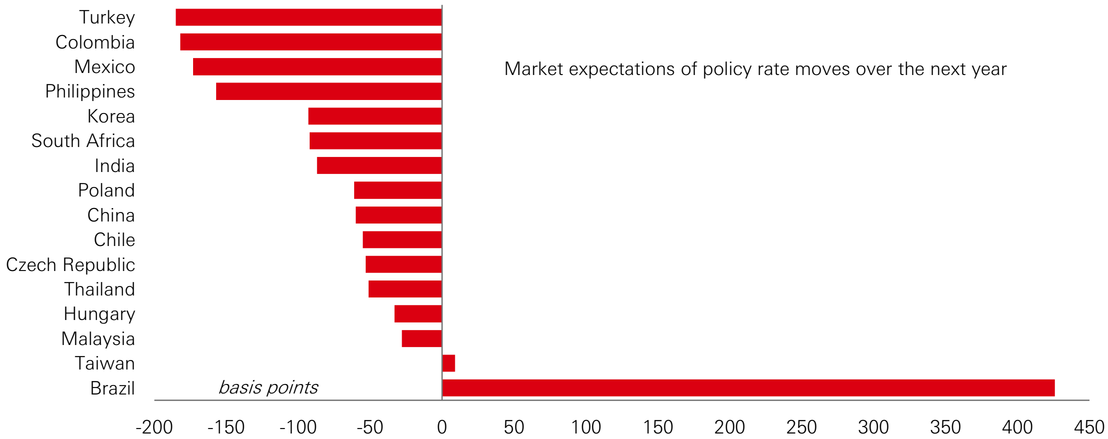
Investment Weekly

13 December 2024
For Professional Clients only.

Chart of the week – EM policy divergence in 2025



The stars aligned for a broad range of EM asset classes to perform well in 2024, propelled by the prospect of Fed rate cuts, Chinese policy stimulus, and a backdrop of big valuation discounts. While this could continue in 2025, the outlook for EMs has recently become less certain, meaning investors need to be selective.

In terms of risks, active fiscal policy, global trade uncertainty, and geopolitical tensions can stoke market volatility, and mean concerns over inflation are likely to persist for a bit longer in 2025. **This unsettled backdrop is already creating policy divergence across major EM economies**.

China, for instance, has maintained a gradual approach to policy easing this year, with authorities this week formally shifting the monetary policy stance from "prudent" to "moderately loose", helping to buoy stocks. It comes as policymakers debate the economic agenda for 2025 at the annual Central Economic Work Conference, paving the way for further easing. By contrast, India faces a more complicated trade-off between growth and inflation amid a cyclical slowdown and volatile inflation driven by food prices. While growth is expected to recover, and inflation normalise, policymakers currently remain cautious, with a "neutral" policy stance. And at the other end of the spectrum, Brazil's central bank was forced to make a higher-than-expected 100bp rate hike this week in its efforts to stabilise inflation.

Put together, we think this divergent policy backdrop – with regions performing differently and facing different sets of challenges – means **investors need to do their homework when deciding EM allocations**.

Market Spotlight

Saints and sinners

An interesting divergence in fiscal policy has emerged between a number of frontier and mainstream emerging markets – with previous fiscal "saints" and "sinners" switching roles. Some formerly fragile frontier economies have been embracing reforms, and boosting their sustainability metrics, just as several EMs have seen a deterioration.

Frontier markets like Argentina, Ecuador, Ethiopia, Kenya, Nigeria, Pakistan, Sri Lanka, and Turkey have adopted reforms (often supported by IMF programs) aimed at mitigating vulnerabilities. Policies have included ending FX market distortions, reining in public debt by targeting primary surpluses, and accumulating foreign exchange reserves.

Meanwhile, some mainstream EMs usually associated with stronger macroeconomic fundamentals and better institutional credibility have been pursuing looser fiscal policies – leading to a widening of budget deficits. Prominent examples include Brazil, Hungary, Indonesia, Mexico, Poland, and Thailand.

In many cases, these looser policies have been deployed to stimulate domestic growth, **reinforcing our view that active fiscal policy will be a key feature of the global macro environment in 2025. For investors, it's a further reminder that selectivity will be important in finding opportunities in EM and FM markets**.

European Policy →

Rate cuts and the case for European fixed income

Small-Cap Stocks →

Explaining discounted valuations in US small-caps

Global Trade →

How potential trade tariffs could impact EMs

Read our latest views: Investment Outlook 2025

Source: HSBC Asset Management. Macrobond, Bloomberg. Data as at 7.30am UK time 13 December 2024.

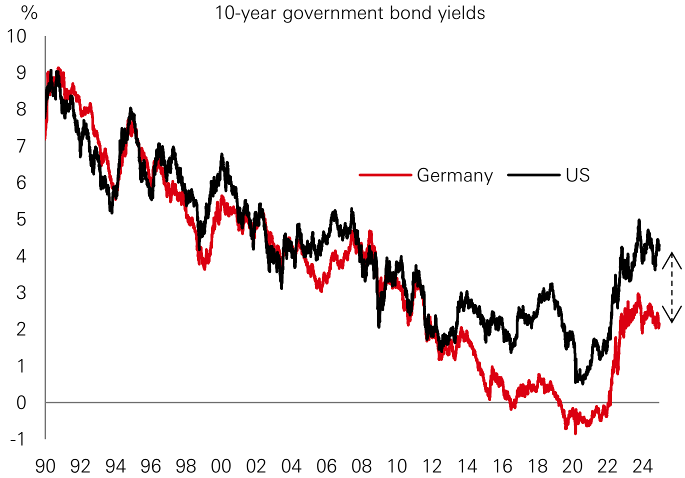
Lens on...

ECB cuts again

Following the recent political drama in Europe, the ECB did its best not to add to the volatility and delivered the expected 25bp rate cut, shunning any pressure to follow the Bank of Canada and Swiss National Bank which delivered 50bp moves.

With Chair Powell having said recently that the Fed could afford to be "a little more cautious" in delivering rate cuts, it was unlikely that the ECB would throw caution to the wind. While recent eurozone survey data have shown renewed signs of weakness, they have not been the best guide to growth in the past few years. And although the latest CPI data suggest previously sticky service sector inflation may now be softening, more progress on this front would have been needed to prompt an aggressive move by the ECB.

However, further easing is coming – we expect back-to-back 25bp moves through H1 2025. With an uncertain political landscape and the potential for the US to impose trade tariffs, downside risks to growth mean the cutting cycle could either extend into H2 or happen faster. This supports the outlook for Bunds, even if a narrowing of the yield gap versus Treasuries would likely be required for a big rally to take hold.

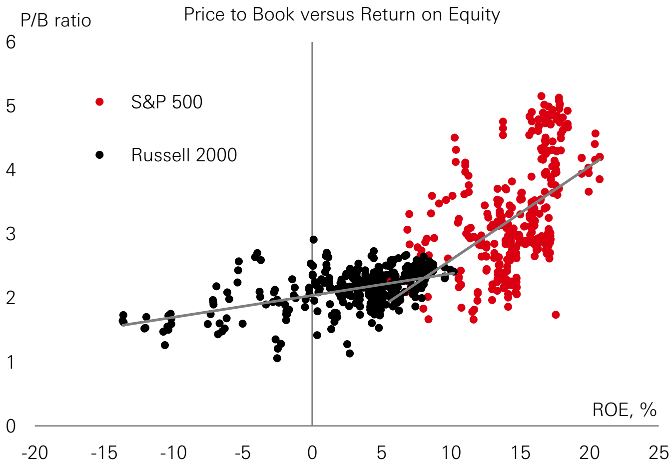


Selectivity in small-caps

Small-cap stocks are traditionally popular with investors looking for rapid earnings growth and superior returns. But at the index level, US small-caps have underperformed large-caps since 2008. Today, valuation divergence between them has reached historic extremes, with average price-to-book valuations of 5.0 and 2.0 respectively.

One factor driving this is company profitability. Research by our Multi Asset investment team shows that, at more than 15%, the spread of Return on Equity (a measure of profitability) has opened up between them in recent years. Large caps have become more profitable, which is reflected in higher valuations, whereas small-caps have deteriorated.

For investors, it's a reminder that small-cap investing demands nuance (something we explore in our Investment Outlook 2025) – but it can still offer upside to multi-asset portfolios. Looking globally to regions like Europe and China, smaller-cap stocks are more closely tied to macro-economic cycles and activity. That can make them volatile, but it also offers potentially attractive exposure to economic recoveries – **which is why we think small-caps could be worth watching in 2025**.

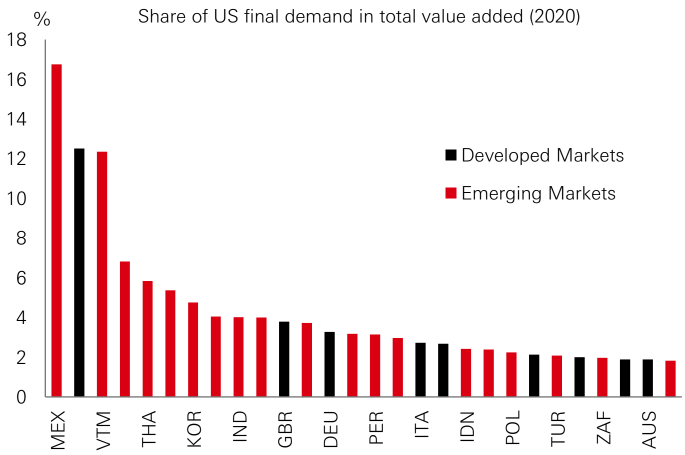


Tariffs in perspective

Trade tariffs are back on the table post-US election – but depending on the details, not all economies will feel the impact equally. In emerging markets, major exporters to the US like Mexico and Vietnam could face some of the greatest risks. But across Asia, the picture is mixed. Technology and electronics centres like Korea, Taiwan, Malaysia, and Thailand don't have the same US exposure as Vietnam, but they are more reliant on US trade than India and Indonesia.

Perhaps surprisingly, **the share of China's value-added accounted for by US domestic demand is lower than India's. Although the threatened tariffs on China are larger**. Perversely, the potential for China-related US tariffs could help other Asian economies. First, they could benefit from trade diversion. Second, Chinese policy easing in the face of increased tariffs could have modest positive spillovers regionally.

Combined with reasonable valuations in much of Asia, the fact that tariffs are not a given and, even if they are delivered, could take some time, means **Asian equities can still deliver a positive performance in 2025**.



 Source: JP Morgan, HSBC Asset Management. Macrobond, Bloomberg, Datastream. Data as at 7.30am UK time 13 December 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. A stronger US dollar is a risk
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		The pricing out of Fed policy easing and a stronger US dollar are headwinds to EM bonds and the outlook is more mixed now. But despite upward pressure on global rates, lower oil and commodity prices could keep the medium-term disinflation path unchanged, with EM local yields declining
	Asia Local		The macro backdrop and manageable inflation risk across the region are broadly supportive. We continue to expect a shallow monetary easing cycle given near-term FX volatility and financial stability concerns, and do not anticipate a major rise in yields in the region in the short run
Credits	Global Credit		Valuations are rich, with spreads reaching 30-year tights and most non-financial sectors at or near historical tights. Financials, especially banks, remain relatively attractive. Technicals remain highly supportive and 'all in' yields continue to attract strong inflows
	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 IG spreads are expected to remain within a tight range, with carry strategies a key contributor to alpha generation. Stable regional credit fundamentals and shorter duration compared to global credit markets are positives. 'All in' yields are attractive
	EMD Hard Currency Bonds		Both EM corporate and sovereign credit spreads should perform well in the current environment. The additional impact of weaker currencies can help EM firms with dollar-derived revenues, particularly those that have deleveraged and cut their financing needs
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		Asian markets offer broad sector diversification and reasonable valuations. China policy measures and other structural stories in the region are also positives. Technology industries are still the profit engine, but markets with high external exposure are more vulnerable to external shocks
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 values are bottoming, although office values are still falling. Investment activity could remain subdued given uncertainty over global growth and the repricing of rate cuts. 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

Past performance does not predict future returns. The level of yield is not guaranteed and may rise or fall in the future. Diversification does not ensure a profit or protect against loss. Investments in emerging markets are by their nature higher risk and potentially more volatile than those inherent in some established markets. 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. preparation and are subject to change without notice. HSBC Global Asset Management (UK) Limited accepts no liability for any failure to meet such forecast, projection, or target. Source: HSBC Asset Management. Data as at 7.30am UK time 13 December 2024.

Key Events and Data Releases

This week

Date	Country	Indicator	Data as of	Actual	Prior	Comment
Mon. 09 December	CN	CPI (yoy)	Nov	0.2%	0.3%	Soft CPI data suggest muted price pressures from consumer goods amid ongoing demand/supply imbalances
Tue. 10 December	US	NFIB Index of Small Business Optimism	Nov	101.7	93.7	The NFIB posted its largest monthly gain on record amid expectations for corporate tax rate cuts and a deregulation push
	AU	RBA Cash Target Rate	Dec	4.35%	4.35%	The RBA signalled higher confidence on disinflation. Markets are now pricing in the first easing by spring 2025
	CN	Trade Balance (USD)	Nov	97.4bn	95.7bn	Sizeable trade surplus reflects a resilient external demand and still-subdued domestic demand
Wed. 11 December	CN	Central Economic Work Conference				China begins its annual meeting to map out policies for 2025, with top leaders hinting at more forceful stimulus amid tariff threats
	US	CPI (yoy)	Nov	2.7%	2.6%	The much-anticipated CPI data was in line with market expectations, paving the way for a 25bp cut by the Fed next week
	BR	Banco de Brazil SELIC Target Rate	Dec	12.25%	11.25%	Brazil's central bank hiked by 1% in December, citing asymmetric upside inflation risks amid ongoing fiscal concerns
	CA	BoC Policy Rate	Dec	3.25%	3.75%	The Bank of Canada has delivered back-to-back 50bp rate cuts. Governor Macklem suggested further easing will be gradual
Thu. 12 December	US	PPI (mom)	Nov	0.4%	0.2%	The PPI rose by more than anticipated, although the core measure was more subdued, suggesting limited underlying price pressures
	EZ	ECB Deposit Rate	Dec	3.00%	3.25%	The ECB lowered rates 25bp in December, dropping the reference to monetary policy remaining "sufficiently restrictive"
	IN	Industrial Production (yoy)	Oct	3.5%	3.1%	A pick-up in mining, construction goods and garment manufacturing lifted industrial production after a soft Q3
	IN	CPI (yoy)	Nov	5.5%	6.2%	India's CPI inflation fell back to the RBI's target range as soaring vegetable prices moderated, boosting expectations on a Q1 rate cut

CN - China, US - United States, AU - Australia, BR - Brazil, CA - Canada, EZ - Eurozone, JP - Japan, IN - India

The week ahead

Date	Country	Indicator	Data as of	Survey	Prior	Comment
Mon. 16 December	US	S&P Global Composite PMI (Flash)	Dec	-	54.9	The US composite PMI has been range-bound since May 2024, remaining comfortably in expansion territory
	EZ	S&P Global Composite PMI (Flash)	Dec	-	48.3	The Eurozone composite index dipped back into negative territory in November. Spain has fared better than core countries
	CN	Retail Sales (yoy)	Nov	5.0%	4.8%	Retail sales may show further signs of stabilisation, supported by the trade-in scheme and solid online sales
	IN	S&P Global Composite PMI (Flash)	Dec	-	58.6	India's composite PMI has moderated in recent months but remains consistent with robust growth
Tue. 17 December	US	Retail Sales (mom)	Nov	0.5%	0.4%	Another solid print in US retail sales is envisaged in November, signalling resilient consumer spending in Q424
Wed. 18 December	US	Fed Funds Rate (upper bound)	Dec	4.50%	4.75%	Latest Fed comments point to a 25bp rate cut in December. Fed Chair Powell looks likely to signal a pause in early 2025
	ID	Bank Indonesia Rate	Dec	5.75%	6.00%	Economists forecast the BI to cut rates in December on contained inflation pressures, despite currency stability remaining a priority
	UK	CPI (yoy)	Nov	2.6%	2.3%	Headline inflation is expected to remain above 2% in the near-term but moderate in 2025 as wage growth slows
Thu. 19 December	JP	BoJ Policy Rate	Dec	0.25%	0.25%	BoJ governor Ueda stated a rate hike is "nearing". December is a "live" meeting, the stable yen could delay a move to January 2025
	MX	Banxico de Mexico, Overnight Lending Rate	Dec	10.00%	10.25%	Banxico should maintain its gradual easing path in December amid an improving inflation outlook
	UK	BoE MPC Base Rate	Dec	4.75%	4.75%	No rate change is expected in December. BoE governor Bailey suggested four 25bp cuts in 2025 is the "main scenario"
Fri. 20 December	US	PCE Price Index (yoy)	Nov	2.4%	2.3%	PCE prices are likely to show another 0.3% mom increase in Nov, with the core measure moderating to 0.2% mom from 0.3%

US - United States, EZ - Eurozone, CN - China, IN - India, ID - Indonesia, UK - United Kingdom, JP - Japan, MX - Mexico

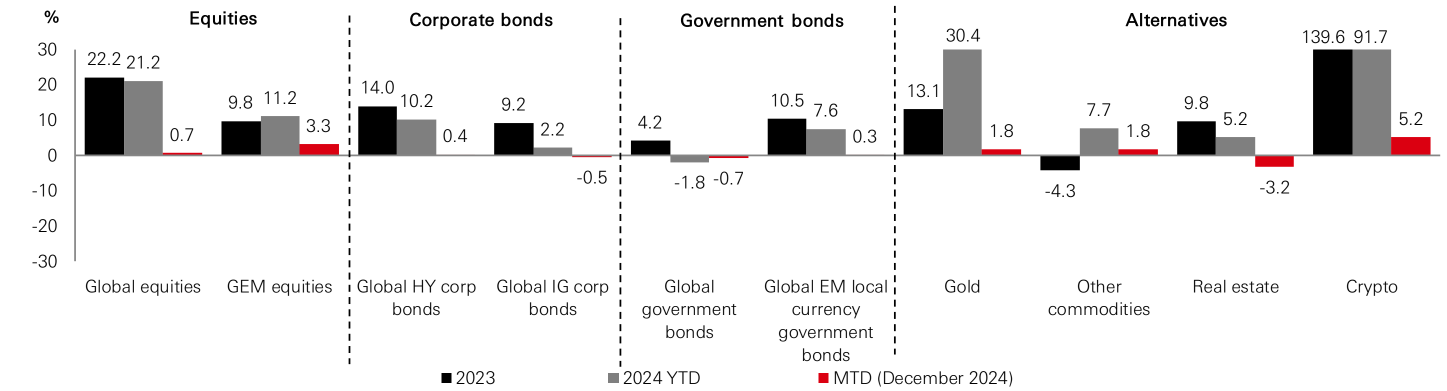
Source: HSBC Asset Management. Data as at 7.30am UK time 13 December 2024. For informational purposes only and should not be construed as a recommendation to invest in the specific country, product, strategy, sector or security. Any views expressed were held at the time of preparation and are subject to change without notice.

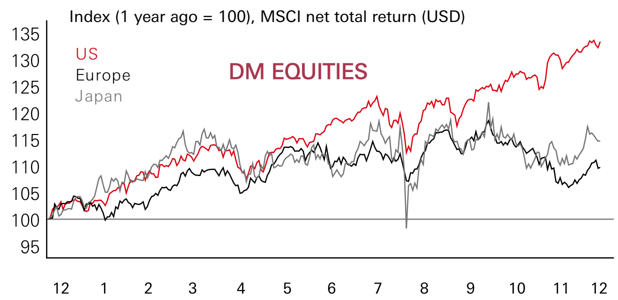
Market review

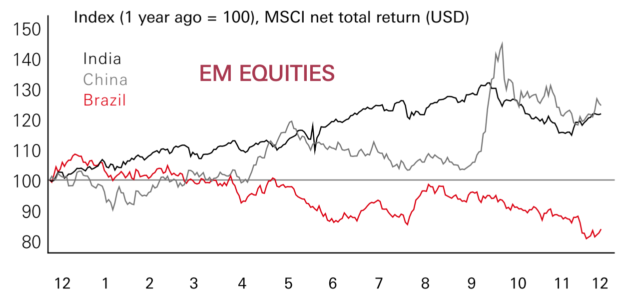
This week

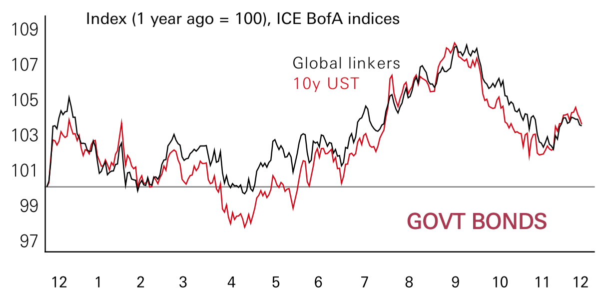
Risk markets lacked clear direction, with the US DXY dollar index strengthening on continued "US exceptionalism". US Treasuries lagged eurozone government bonds on rising inflation jitters. The ECB lowered rates 25bp, dropping their reference to "sufficiently restrictive" monetary policy. US equities retreated from their highs, with the tech-driven Nasdaq outperforming. The Euro Stoxx 50 edged down, as the Nikkei climbed on a weaker Japanese yen, with technology stocks leading. China's Shanghai Composite reversed early gains in the week as investors digested the policy signals from the key meetings, while Hong Kong's Hang Seng closed higher. Korea's Kospi index rebounded, whereas India's Sensex declined. In Latin America, the Bovespa ended almost flat as Brazil's central bank hiked rates 1%. In commodities, oil prices and gold rallied, but copper edged lower.

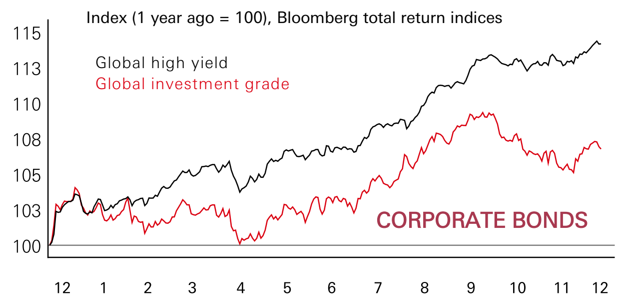
Selected asset performance

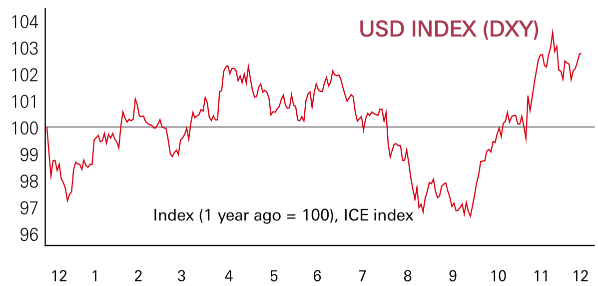


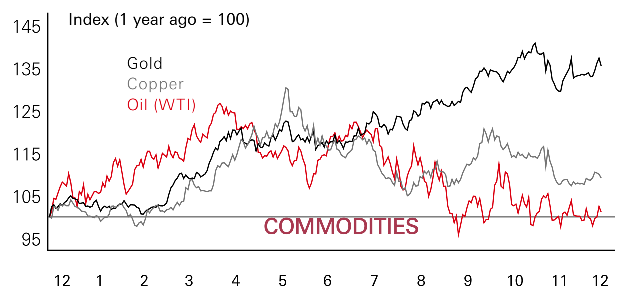












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Source: HSBC Asset Management. Macrobond, Bloomberg. Data as at 7.30am am UK time 13 December 2024. Note: Asset class performance is represented by different indices. Global Equities: MSCI ACWI Net Total Return USD Index. Gem Equities: MSCI Emerging 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)	868	-0.6	1.6	5.0	22.4	19.5	875	702	20.5
North America									
US Dow Jones Industrial Average	43,914	-1.6	-0.1	6.1	18.4	16.5	45,074	36,524	23.4
US S&P 500 Index	6,051	-0.6	1.1	7.6	28.6	26.9	6,100	4,643	25.0
US NASDAQ Composite Index	19,903	0.2	3.5	12.5	35.1	32.6	20,056	14,478	36.5
Canada S&P/TSX Composite Index	25,411	-1.1	1.7	7.8	23.2	21.2	25,843	20,125	17.2
Europe									
MSCI AC Europe (USD)	547	-1.1	2.4	-5.0	6.3	2.6	595	510	14.4
Euro STOXX 50 Index	4,966	-0.2	4.8	2.5	9.6	9.8	5,122	4,381	14.6
UK FTSE 100 Index	8,312	0.0	3.5	0.5	10.1	7.5	8,474	7,404	12.2
Germany DAX Index*	20,426	0.2	7.5	9.2	21.8	21.9	20,462	16,345	15.5
France CAC-40 Index	7,421	-0.1	2.8	-0.6	-1.5	-1.6	8,259	7,030	14.5
Spain IBEX 35 Index	11,765	-2.5	3.4	1.9	16.5	16.5	12,154	9,799	11.2
Italy FTSE MIB Index	34,857	0.3	3.4	3.8	15.1	14.8	35,474	29,926	10.2
Asia Pacific									
MSCI AC Asia Pacific ex Japan (USD)	589	0.4	1.8	3.6	17.7	11.4	632	490	15.0
Japan Nikkei-225 Stock Average	39,470	1.0	1.9	7.9	19.9	17.9	42,427	31,156	20.8
Australian Stock Exchange 200	8,296	-1.5	1.3	2.4	14.3	9.3	8,515	7,234	19.0
Hong Kong Hang Seng Index	20,041	0.9	1.1	15.4	23.5	17.6	23,242	14,794	9.7
Shanghai Stock Exchange Composite Index	3,400	-0.1	-1.1	25.7	14.5	14.3	3,674	2,635	13.8
Hang Seng China Enterprises Index	7,216	1.1	1.2	18.8	30.0	25.1	8,373	4,943	8.9
Taiwan TAIEX Index	23,020	-0.7	0.7	5.8	31.8	28.4	24,417	17,152	18.7
Korea KOSPI Index	2,494	2.7	3.2	-3.1	-0.6	-6.1	2,896	2,360	10.1
India SENSEX 30 Index	81,234	-0.6	4.6	-2.0	16.7	12.4	85,978	69,101	23.2
Indonesia Jakarta Stock Price Index	7,367	-0.2	0.8	-5.7	4.1	1.3	7,911	6,699	12.4
Malaysia Kuala Lumpur Composite Index	1,609	-0.3	-0.2	-2.6	11.1	10.6	1,685	1,444	14.8
Philippines Stock Exchange PSE Index	6,617	-1.7	-1.5	-5.8	5.8	2.6	7,605	6,158	11.3
Singapore FTSE Straits Times Index	3,816	0.5	2.6	7.1	22.9	17.8	3,843	3,086	12.0
Thailand SET Index	1,435	-1.1	-1.1	0.8	5.7	1.4	1,507	1,273	16.7
Latam									
Argentina Merval Index	2,304,090	4.6	12.8	26.8	129.6	147.8	2,331,767	864,522	9.7
Brazil Bovespa Index*	126,042	0.1	-1.3	-6.6	-2.6	-6.1	137,469	118,685	8.4
Chile IPSA Index	6,781	2.0	3.4	6.8	12.6	9.4	6,838	5,823	12.1
Colombia COLCAP Index	1,385	0.6	3.5	5.6	18.8	15.9	1,451	1,148	5.5
Mexico S&P/BMV IPC Index	51,284	-0.1	1.1	-1.4	-7.0	-10.6	59,021	49,459	11.9
EEMEA									
Saudi Arabia Tadawul Index	12,099	1.4	1.4	2.2	6.1	1.1	12,883	11,318	N/A
South Africa JSE Index	86,965	0.0	3.8	6.1	19.7	13.1	87,884	71,635	12.3
Turkey ISE 100 Index*	10,059	-0.2	8.2	3.9	33.6	34.7	11,252	7,203	5.9

*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	-0.6	1.7	5.3	21.2	24.3	23.4	69.7
US equities	-0.7	1.4	8.4	28.4	30.2	32.8	102.7
Europe equities	-1.1	2.6	-4.6	5.4	9.2	9.0	30.1
Asia Pacific ex Japan equities	0.5	1.9	3.7	13.9	20.6	1.1	22.5
Japan equities	0.2	4.5	1.0	11.2	15.1	11.0	29.2
Latam equities	1.0	-3.3	-9.8	-20.8	-15.5	16.9	-6.4
Emerging Markets equities	0.8	1.9	3.0	11.2	17.1	-2.2	15.6

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)	584	-0.5	1.2	-0.5	5.5	4.1
JPM EMBI Global	913.2	-0.4	1.3	0.3	10.5	7.6
BarCap US Corporate Index (USD)	3337.2	-1.0	1.1	-1.8	5.1	3.6
BarCap Euro Corporate Index (Eur)	259.5	0.0	1.2	2.1	6.8	5.4
BarCap Global High Yield (Hedged in USD)	631.6	0.0	1.2	3.0	14.0	11.5
Markit iBoxx Asia ex-Japan Bond Index (USD)	226.5	-0.3	0.5	-0.3	7.2	5.9
Markit iBoxx Asia ex-Japan High-Yield Bond Index (USD)	263	0.5	0.4	2.8	16.3	14.8

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

Currencies (vs USD)	Latest	1-week Ago	1-month Ago	3-months Ago	1-year Ago	Year End 2023	52-week High	52-week Low	1-week Change (%)
Developed markets									
EUR/USD	1.05	1.06	1.06	1.11	1.09	1.10	1.12	1.03	-1.0
GBP/USD	1.27	1.27	1.27	1.31	1.26	1.27	1.34	1.23	-0.6
CHF/USD	1.12	1.14	1.13	1.18	1.15	1.19	1.20	1.08	-1.6
CAD	1.42	1.42	1.40	1.36	1.35	1.32	1.42	1.32	-0.5
JPY	153	150	155	141	143	141	162	140	-1.8
AUD/USD	0.64	0.64	0.65	0.67	0.67	0.68	0.69	0.63	-0.4
NZD/USD	0.58	0.58	0.59	0.62	0.62	0.63	0.64	0.58	-1.1
Asia									
HKD	7.77	7.78	7.78	7.80	7.81	7.81	7.84	7.76	0.1
CNY	7.28	7.27	7.23	7.10	7.17	7.10	7.30	7.01	-0.1
INR	84.8	84.7	84.4	83.9	83.4	83.2	84.9	82.6	-0.2
MYR	4.45	4.42	4.45	4.30	4.71	4.59	4.81	4.09	-0.8
KRW	1433	1423	1404	1334	1320	1288	1445	1286	-0.7
TWD	32.5	32.4	32.5	32.0	31.5	30.7	32.9	30.6	-0.4
Latam									
BRL	6.00	6.09	5.80	5.56	4.92	4.86	6.12	4.80	1.5
COP	4347	4408	4479	4185	3999	3855	4566	3738	1.4
MXN	20.2	20.2	20.5	19.2	17.2	17.0	20.8	16.3	-0.1
ARS	1018	1013	998	959	800	808	1018	801	-0.5
EEMEA									
RUB	105.0	100.3	98.6	90.1	90.2	89.5	114.7	82.7	-4.7
ZAR	17.8	18.0	18.2	17.7	18.7	18.4	19.4	17.0	1.4
TRY	34.9	34.8	34.4	33.9	29.0	29.5	35.0	28.9	-0.5

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	4.31	4.39	4.50	4.88	5.36	5.33	-7
2-Year	4.19	4.10	4.29	3.58	4.43	4.25	8
5-Year	4.18	4.04	4.31	3.43	3.97	3.85	14
10-Year	4.32	4.15	4.45	3.65	4.02	3.88	17
30-Year	4.54	4.34	4.64	3.98	4.18	4.03	20
10-year bond yields (%)							
Japan	1.04	1.05	1.04	0.84	0.69	0.61	-1
UK	4.36	4.27	4.52	3.77	3.83	3.53	9
Germany	2.20	2.11	2.39	2.15	2.17	2.02	10
France	2.99	2.88	3.14	2.84	2.71	2.56	11
Italy	3.35	3.19	3.63	3.51	3.93	3.69	16
Spain	2.87	2.76	3.11	2.94	3.17	2.98	12
China	1.77	1.95	2.07	2.07	2.65	2.56	-18
Australia	4.29	4.22	4.67	3.82	4.29	3.96	7
Canada	3.14	2.98	3.32	2.90	3.25	3.11	16

*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	2,690	2.2	4.6	4.4	32.7	30.4	2,790	1,973
Brent Oil	73.4	3.2	2.0	4.2	-0.7	-1.3	85	68
WTI Crude Oil	70.1	4.3	2.6	5.1	0.5	0.2	81	64
R/J CRB Futures Index	293.3	2.4	4.6	7.1	13.2	11.2	300	259
LME Copper	9,092	-0.3	0.5	-2.3	9.1	6.2	11,105	8,127

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Source: HSBC Asset Management. Bloomberg. Data as at 7.30am UK time 13 December 2024.

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Content ID: D037907_V1.0; Expiry Date: 13.06.2025