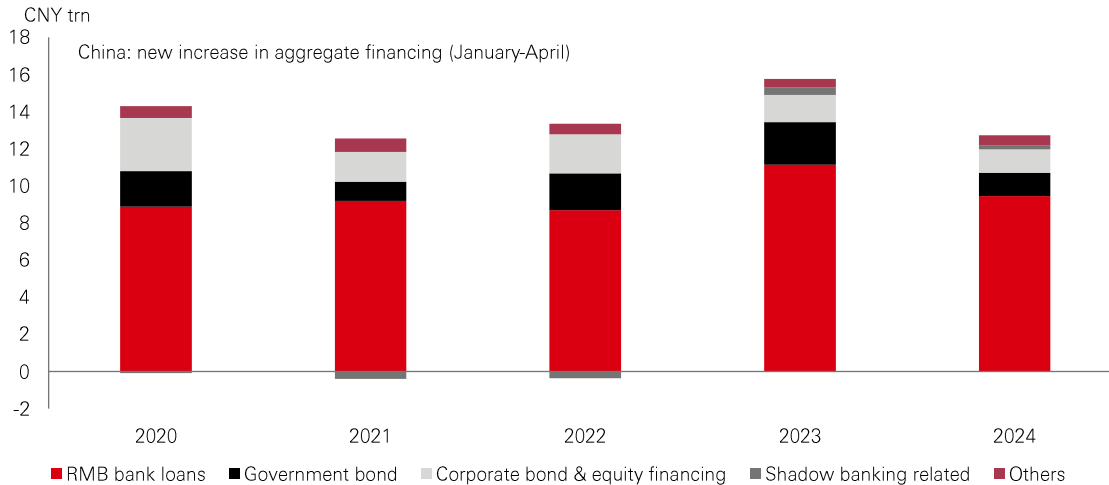


Investment Weekly

17 May 2024
For Professional Clients only.



Chart of the week – China’s ultra-long bond boost



Policy support from Chinese authorities to boost economic momentum has been building for months. This week saw the latest, and potentially most potent of those moves, with confirmation of a new CNY1 trillion (USD140 billion) ultra-long government bond issuance.

Starting 17 May, and running to mid-November, the sale includes tenors of 20, 30 and 50-year bonds. Assuming auctions are a success, early details suggest the central government will allocate CNY500bn to itself and another CNY500bn to local governments to ease financial constraints and deleveraging pressures at the local level. After a slow start for bond issuance this year (see chart), the move could be a stabilising force for credit growth for the rest of 2024.

While not quite the policy ‘bazooka’ unleashed in the 2008 financial crisis, it’s nonetheless a significant effort to ensure the government’s 5% GDP growth target is met. While the precise usage is unknown, investments are expected to target longer-term projects in areas like technology, regional development, and agriculture and energy security.

Overall, it marks a notably different approach to European policymakers, who in the past have resolutely resisted leveraging low rates to issue ultra-long bonds as a source of fiscal expansion. **And the measures may help maintain China’s year-to-date stock market outperformance.** That said, ongoing deflationary pressures and unbalanced growth are likely to mean that even more support will be needed in the coming months.

European Equities →

How rate cuts could affect stock market momentum

Corporate Bonds →

Why a brighter outlook could boost European IG

Real Assets →

Exploring the opportunity in listed infrastructure

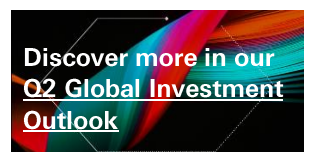
Market Spotlight

Full circle in markets

April was a bad month for US equities and bonds with hot growth and inflation data leading markets to price in a greater probability of a ‘no landing’ scenario and more hawkish Fed policy. However, mid-way through May and we’ve come full circle with the 10-year US Treasury yield heading lower while the S&P 500 has hit a new high.

Jerome Powell triggered the turnaround at his May press conference when he pushed back against the idea that the next move in fed funds could be up. This was followed by a softer than expected April payrolls print and the lowest core CPI print of the year.

While July remains a stretch for the first Fed rate cut, the cooler inflation and labour market data keeps September on the table. Indeed, with a wider selection of US activity and survey data now surprising on the downside – the April retail sales print was a case in point – a softening of activity may be the next story to emerge.



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.

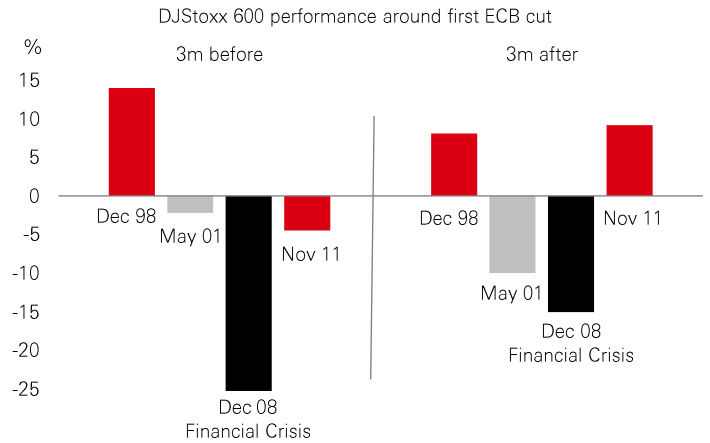
Source: HSBC Asset Management. Macrobond, Bloomberg. Data as at 11.00am UK time 17 May 2024.

What eurozone rate cuts might mean for stocks

For investors in European stocks, the old adage that ‘it’s better to travel than arrive’ could ring true this year. An improving economic backdrop, broadening market momentum and expectations of an ECB rate cut as soon as June, have driven eurozone equities higher. But could a rate cut affect the rally?

In the months before and after previous first cuts by the ECB – notably the 2001 tech bubble and 2008 financial crisis – eurozone stocks performed poorly. But in both cases, valuations and leverage were excessive, triggering recessions. By contrast, equities were strong either side of the ECB’s 1998 rate cut to defend against a global slowdown in what was otherwise, a non-recessionary, mid-cycle backdrop. And it’s there that we see similarities to today.

Despite evidence of earnings growth and strong recent momentum, European stocks continue to look unloved. The DJ Stoxx 600 has lagged US and DM equities for the past five years and still trades near record lows versus the US (on a 12m forward price-earnings ratio). With rate cuts on the horizon, some tactical selling could be expected, but the case for selective stock picking in Europe remains.



Putting cash to work in European IG credit

Signs that the global growth outlook is broadening out could bode well for risk assets outside the US. In particular, European investment grade credit, which has been trading at a discount to US credit for some time, could begin to close the valuation gap.

The impetus has been a steady recovery in economic surveys, including in Germany where the continent’s manufacturing slump has been keenly felt. Positive March PMI data and a 0.3% quarter-on-quarter rise in GDP in Q1 2024, suggest the eurozone’s slump is over. And despite still-high policy rates, sentiment has lifted on growing expectations of a June rate cut from the ECB, given the relatively benign inflation outlook for the eurozone.

For credit, it means a reduced risk of spread widening despite spreads being close to historic lows. With all-in yields at historic highs and the near-term prospect of policy easing a further tailwind into an improving growth outlook, **it could be an opportune time to consider putting cash to work in European IG credit.**

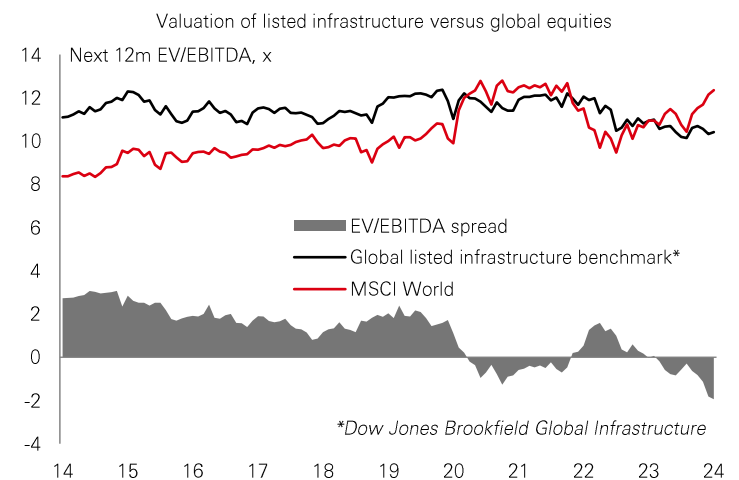


Infrastructure opportunity

Global listed infrastructure is popular in portfolios for its defensive traits and dependable cashflows. But over the past two years, elevated real rates have dragged on valuation multiples and left it underperforming global equities. Yet with rate cuts on the horizon, that could now present an opportunity.

Listed infrastructure covers stocks exposed to everything from power networks and airports to communication towers and utilities. While the sector’s performance correlates negatively to rate movements, its underlying fundamentals have been solid, with profit growth and income both resilient over the past decade. That’s being helped by secular tailwinds, with rapid investment spending in areas like urbanisation, digitisation, and the energy transition.

With the asset class trading at an unusually wide discount to global stocks (based on the valuation of forward enterprise value to EBITDA), the sector could be good value. It also has a notably higher dividend yield, which could become more attractive when rates begin to fall. Overall, it’s an asset class that aligns with our preference for ‘defensive growth’ and liquid diversifiers in portfolios.



Past performance does not predict future returns.

Source: HSBC Asset Management. Macrobond, Bloomberg. Data as at 11.00am UK time 17 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



Key Events and Data Releases

This week

Date	Country	Indicator	Data as of	Actual	Prior	Comment
Sat. 11 May	CN	CPI (yoy)	Apr	0.3%	0.1%	Headline inflation edged higher in April, driven by higher energy prices. Services inflation remains low, reflecting subdued demand
Mon. 13 May	IN	CPI (yoy)	Apr	4.8%	4.9%	Inflation decelerated to an eleven-month low in April, driven by fuel prices. Food inflation, closely watched by the RBI, increased modestly
Tue. 14 May	US	NFIB Business Confidence Survey	Apr	89.7	88.5	Small firms' business sentiment improved in April, the first increase since December 2023, but remains below its long-term average
	US	Fed Chair Powell speaks	May			Fed Chair Powell reiterated "patience" on cutting rates, stressing restrictive policy must "do its work"
Wed. 15 May	EZ	Employment	Q1	0.3%	0.3%	Employment remained solid in Q1 2024, consistent with the recent pick up in eurozone activity indicators
	US	CPI (yoy)	Apr	3.4%	3.5%	Disinflation persists in the goods sector, aided by falling auto prices. Core services ex housing – 'super core' inflation – also eased in April
	US	Retail Sales (mom)	Apr	0.0%	0.6%	Retail sales weakened in April, pointing to a moderation of consumer spending in early Q2 2024 as the labour market cools
Thu. 16 May	US	Housing Starts (mom)	Apr	5.7%	-16.8%	Starts delivered only a partial rebound following March's slump, implying softer residential investment heading into Q2 2024
	JP	GDP (qoq)	Q1 (P)	-0.5%	0.0%	GDP saw a renewed fall in early 2024, driven by a fourth consecutive quarterly decline in consumer spending. Capital investment weakened, with net exports acting as a drag on growth
Fri. 17 May	CN	Retail Sales (yoy)	Apr	2.3%	3.1%	Retail sales decelerated further in April, signalling soft consumer demand. Further stimulus may be needed to lift household spending
	CN	Industrial Production (yoy)	Apr	6.7%	4.5%	Industrial production remained resilient in early Q2 2024, supported by high-end manufacturing activity, solid exports, and policy support

P – Preliminary, F – Final, Q – Quarter

CN – China, IN – India, EZ – Eurozone, JP – Japan

The week ahead

Date	Country	Indicator	Data as of	Survey	Prior	Comment
Mon. 20 May	EZ	Q1 Earnings				Europe's Q1 results season is 83% complete. Upside surprises have been seen in staples, financials, and utilities. Real estate and IT have disappointed. 2024E growth has been upgraded to around 5%
	CN	Loan Prime Rate (1yr)	May	3.45%	3.45%	China's central bank is likely to maintain the 1yr loan prime rate at current levels
Wed. 22 May	NZ	RBNZ Interest Rate Decision	May	5.50%	5.50%	The RBNZ looks set to leave policy on hold near-term but the improving inflation outlook points to scope for a rate cut in H2 2024
	UK	CPI (yoy)	Apr	2.1%	3.2%	Headline inflation looks set to reach the 2% target soon but core inflation remains elevated, limiting scope for an early rate cut
	US	Existing Home Sales (mom)	Apr	-0.7%	-4.3%	Existing home sales are expected to edge lower as high mortgage rates continue to squeeze demand
	US	May FOMC meeting minutes				May's FOMC minutes are likely to confirm the committee is in no rush to ease policy amid sticky inflation
Thu. 23 May	IN	S&P Global Composite PMI	May (P)	-	61.5	India's composite PMI should remain elevated in May, supported by continued strong domestic demand
	EZ	Eurozone HCOB Composite PMI	May (P)	51.6	51.7	The composite PMI has picked up sharply in recent months, but this may, in part, reflect residual seasonality in the services component
	US	Composite PMI	May (P)	-	51.3	The US composite PMI has edged lower since February 2024 but remains in expansion territory
	TY	Turkish Central Bank Interest Rate Decision	May	50.00%	50.00%	Elevated inflation points to the Turkish central bank keeping rates higher for longer to squeeze inflation expectations
	KO	BoK Interest Rate Decision	May	3.50%	3.50%	The Bank of Korea is expected to maintain a cautious stance, mindful of recent FX volatility, but further signs of disinflation should allow scope for easing before year-end
Fri. 24 May	JP	Nationwide CPI ex fresh food & energy (yoy)	Apr	2.5%	2.9%	Goods disinflation persists while service sector inflation has been relatively stable recently
	US	Durable Goods Orders (mom)	Apr (P)	-0.7%	0.9%	Excluding the volatile transport component, orders have moved broadly sideways since autumn 2023

P – Preliminary, Q – Quarter

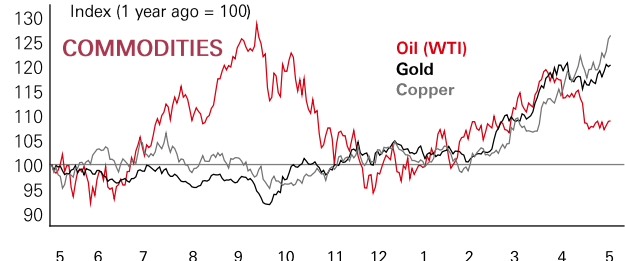
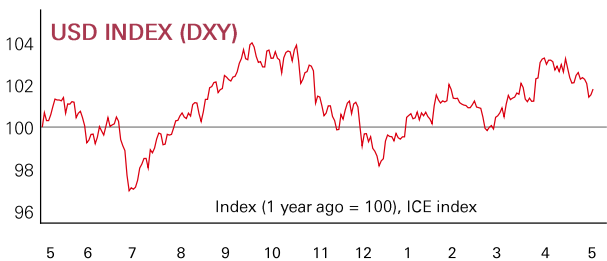
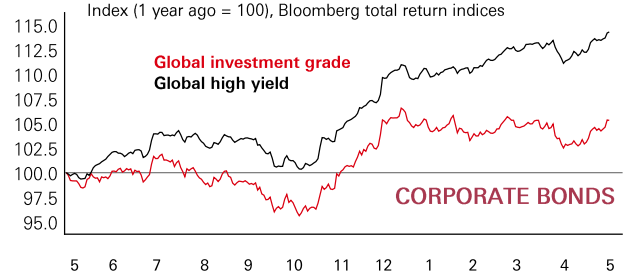
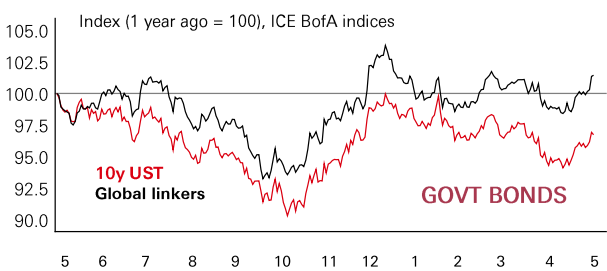
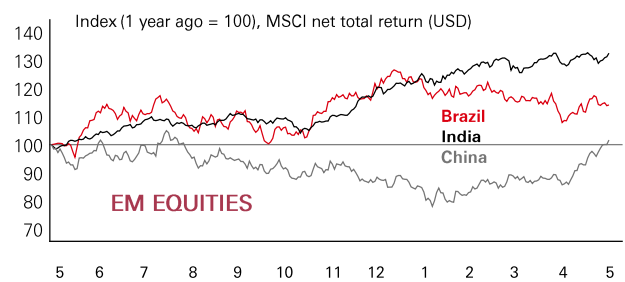
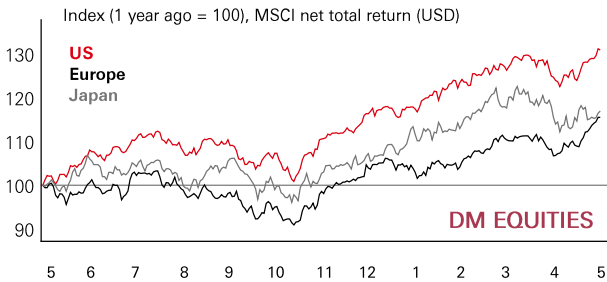
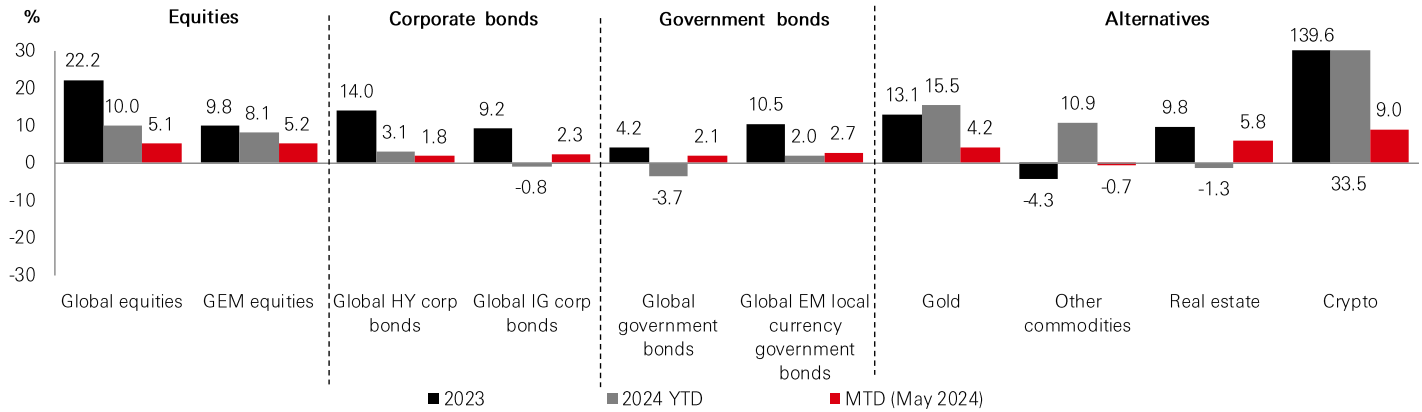
EZ – Eurozone, CN – China, NZ – New Zealand, IN – India, TY – Turkey, KO – Korea, JP – Japan

Source: HSBC Asset Management. Data as at 11.00am UK time 17 May 2024.

This week

Reassuring US CPI data supported risk appetite this week. Core government bonds rallied with investors now pricing in two 25bp Fed rate cuts by year-end. The US Dollar DXY index weakened on downward US data surprises. In equities, the S&P 500 and Nasdaq reached new all-time highs, outperforming the eurozone Stoxx 50 index as the Q1 earnings season comes to an end. Despite disappointing Q1 GDP data, Japan's Nikkei 225 index posted strong gains led by momentum in technology shares. In EM, the Shanghai Composite weakened on disappointing Chinese data. India's Sensex index rallied, continuing its recent favourable trend. In commodities, energy prices were stable as the International Energy Agency trimmed its forecast for 2024 oil demand ahead of June's OPEC+ meeting. Gold rose towards historic highs on improving US rate sentiment, with copper also performing strongly.

Selected asset performance



Past performance does not predict future returns.

Source: HSBC Asset Management. Macrobond, Bloomberg. Data as at 11.00am UK time 17 May 2024.



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)	794	1.5	6.0	5.8	21.8	9.2	797	628	18.5
North America									
US Dow Jones Industrial Average	39,869	0.9	5.6	3.2	19.3	5.8	40,051	32,327	19.6
US S&P 500 Index	5,297	1.4	5.5	5.8	27.4	11.1	5,325	4,104	21.7
US NASDAQ Composite Index	16,698	2.2	6.5	5.8	33.6	11.2	16,798	12,335	29.8
Canada S&P/TSX Composite Index	22,300	0.0	3.0	4.9	9.9	6.4	22,470	18,692	15.4
Europe									
MSCI AC Europe (USD)	574	1.5	7.3	7.4	13.3	7.6	576	459	14.5
Euro STOXX 50 Index	5,052	-0.7	2.8	6.0	16.9	11.7	5,122	3,993	14.1
UK FTSE 100 Index	8,411	-0.3	7.2	9.1	8.9	8.8	8,474	7,216	12.3
Germany DAX Index*	18,676	-0.5	5.1	9.1	17.1	11.5	18,893	14,630	13.3
France CAC-40 Index	8,152	-0.8	2.1	4.9	10.2	8.1	8,259	6,774	14.4
Spain IBEX 35 Index	11,321	1.9	6.5	14.5	22.9	12.1	11,386	8,879	11.2
Italy FTSE MIB Index	35,436	2.2	5.4	11.7	30.3	16.8	35,474	26,000	9.6
Asia Pacific									
MSCI AC Asia Pacific ex Japan (USD)	570	2.9	9.8	9.2	11.6	7.8	570	469	14.4
Japan Nikkei-225 Stock Average	38,787	1.5	2.2	0.8	28.9	15.9	41,088	29,912	22.6
Australian Stock Exchange 200	7,814	0.8	2.7	2.0	8.5	2.9	7,911	6,751	17.5
Hong Kong Hang Seng Index	19,554	3.1	20.3	19.7	0.0	14.7	20,361	14,794	9.6
Shanghai Stock Exchange Composite Index	3,154	0.0	2.7	10.1	-4.0	6.0	3,322	2,635	11.4
Hang Seng China Enterprises Index	6,935	3.2	20.6	24.8	4.5	20.2	7,024	4,943	9.0
Taiwan TAIEX Index	21,258	2.7	5.2	14.2	33.5	18.6	21,516	15,699	19.2
Korea KOSPI Index	2,725	-0.1	5.4	2.9	9.2	2.6	2,779	2,274	10.9
India SENSEX 30 Index	73,950	1.8	1.4	2.1	20.1	2.4	75,124	61,252	20.7
Indonesia Jakarta Stock Price Index	7,317	3.2	2.6	-0.2	9.8	0.6	7,454	6,563	13.3
Malaysia Kuala Lumpur Composite Index	1,617	1.0	4.9	5.4	13.5	11.1	1,619	1,369	14.2
Philippines Stock Exchange PSE Index	6,619	1.6	2.6	-3.7	-0.2	2.6	7,071	5,920	11.4
Singapore FTSE Straits Times Index	3,313	0.7	5.0	2.8	4.4	2.3	3,393	3,042	10.6
Thailand SET Index	1,383	0.8	1.2	-0.3	-9.2	-2.3	1,579	1,330	15.0
Latam									
Argentina Merval Index	1,481,343	5.2	26.4	39.0	351.9	59.3	1,505,718	318,792	10.1
Brazil Bovespa Index*	128,284	0.5	3.3	-0.3	17.2	-4.4	134,392	108,188	8.1
Chile IPSA Index	6,651	0.2	3.0	5.0	18.7	7.3	6,757	5,363	10.9
Colombia COLCAP Index	1,417	1.9	5.0	12.8	25.0	18.6	1,426	1,045	7.5
Mexico S&P/BMV IPC Index	57,462	-0.4	3.7	0.6	4.3	0.1	59,021	47,765	13.2
EEMEA									
Russia MOEX Index	3,493	1.2	1.1	7.7	32.6	12.7	3,499	2,608	N/A
South Africa JSE Index	79,146	0.9	8.4	7.5	1.0	2.9	79,755	69,128	10.9
Turkey ISE 100 Index*	10,536	3.1	10.6	13.9	126.0	41.0	10,558	4,404	5.2

*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	1.6	6.2	6.4	10.0	23.9	19.6	70.5
US equities	1.5	5.6	6.0	11.3	29.3	29.6	96.1
Europe equities	1.7	8.2	9.0	9.4	16.5	13.7	47.1
Asia Pacific ex Japan equities	2.9	10.0	10.0	8.6	14.6	-8.6	28.4
Japan equities	1.2	2.6	1.6	7.0	17.3	10.3	41.8
Latam equities	0.2	5.5	-0.5	-4.4	14.3	22.5	28.8
Emerging Markets equities	2.6	8.7	8.9	8.1	15.6	-9.4	24.9

All total returns quoted in USD terms and subject to one-day lag.

Data sourced from MSCI AC World Total Return Index, MSCI USA Total Return Index, MSCI AC Europe Total Return Index, MSCI AC Asia Pacific ex Japan Total Return Index, MSCI Japan Total Return Index, MSCI Emerging Latin America Total Return Index, and MSCI Emerging Markets Total Return Index

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

Past performance does not predict future returns.

Source: HSBC Asset Management. Bloomberg. Data as at 11.00am UK time 17 May 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)	560	0.6	1.3	1.1	3.8	-0.1
JPM EMBI Global	865.9	1.1	2.9	3.5	10.8	2.0
BarCap US Corporate Index (USD)	3197.1	0.9	2.2	1.2	5.0	-0.7
BarCap Euro Corporate Index (Eur)	247.5	0.4	0.6	1.3	6.5	0.5
BarCap Global High Yield (Hedged in USD)	586.4	0.6	2.3	3.2	14.7	3.5
Markit iBoxx Asia ex-Japan Bond Index (USD)	217.3	0.6	1.5	1.8	5.6	1.7
Markit iBoxx Asia ex-Japan High-Yield Bond Index (USD)	248	0.8	2.4	4.7	13.4	8.1

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	1.08	1.10	1.13	1.04	0.7
GBP/USD	1.27	1.25	1.25	1.26	1.25	1.27	1.31	1.20	1.0
CHF/USD	1.10	1.10	1.10	1.14	1.11	1.19	1.20	1.08	-0.3
CAD	1.36	1.37	1.38	1.35	1.35	1.32	1.39	1.31	0.2
JPY	156	156	154	150	138	141	160	137	0.0
AUD/USD	0.67	0.66	0.64	0.65	0.67	0.68	0.69	0.63	0.7
NZD/USD	0.61	0.60	0.59	0.61	0.62	0.63	0.64	0.58	1.4
Asia									
HKD	7.80	7.81	7.83	7.82	7.83	7.81	7.85	7.79	0.1
CNY	7.23	7.23	7.24	7.19	7.00	7.10	7.35	7.00	0.0
INR	83.3	83.5	83.5	83.0	82.4	83.2	83.6	81.7	0.2
MYR	4.69	4.74	4.79	4.78	4.53	4.59	4.81	4.50	1.1
KRW	1355	1368	1387	1336	1338	1291	1400	1257	0.9
TWD	32.2	32.4	32.5	31.4	30.8	30.6	32.7	30.5	0.7
Latam									
BRL	5.13	5.16	5.24	4.97	4.94	4.85	5.29	4.70	0.5
COP	3830	3890	3901	3908	4495	3875	4552	3739	1.5
MXN	16.7	16.8	17.0	17.1	17.6	17.0	18.5	16.3	0.5
ARS	886	883	869	835	232	808	886	232	-0.4
EEMEA									
RUB	91.1	92.7	94.2	92.4	80.3	89.5	102.4	79.4	1.8
ZAR	18.3	18.4	19.0	18.9	19.3	18.4	19.9	17.4	0.9
TRY	32.3	32.3	32.5	30.8	19.7	29.5	32.8	19.7	0.1

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	5.39	5.40	5.40	5.37	5.22	5.33	-1
2-Year	4.79	4.87	4.93	4.64	4.15	4.25	-8
5-Year	4.40	4.51	4.61	4.27	3.58	3.85	-11
10-Year	4.39	4.50	4.59	4.28	3.56	3.88	-11
30-Year	4.53	4.64	4.70	4.44	3.85	4.03	-11
10-year bond yields (%)							
Japan	0.94	0.91	0.88	0.73	0.36	0.61	4
UK	4.10	4.16	4.26	4.11	3.83	3.53	-6
Germany	2.49	2.52	2.46	2.40	2.33	2.02	-3
France	2.96	3.00	2.98	2.88	2.91	2.56	-4
Italy	3.78	3.85	3.91	3.88	4.18	3.69	-7
Spain	3.24	3.31	3.30	3.30	3.39	2.98	-7
China	2.31	2.32	2.26	2.44	2.72	2.56	-1
Australia	4.21	4.32	4.38	4.19	3.43	3.96	-11
Canada	3.56	3.70	3.70	3.59	3.11	3.11	-13

*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	2,383	1.0	0.9	18.4	20.3	15.5	2,432	1,811
Brent Oil	83.4	0.7	-3.7	2.3	13.3	9.1	91	69
WTI Crude Oil	79.2	1.2	-3.6	2.2	14.0	9.8	87	65
R/J CRB Futures Index	290.0	0.2	-1.5	6.4	10.6	9.9	298	254
LME Copper	10,486	4.8	9.4	23.5	26.3	22.5	10,555	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 17 May 2024.

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