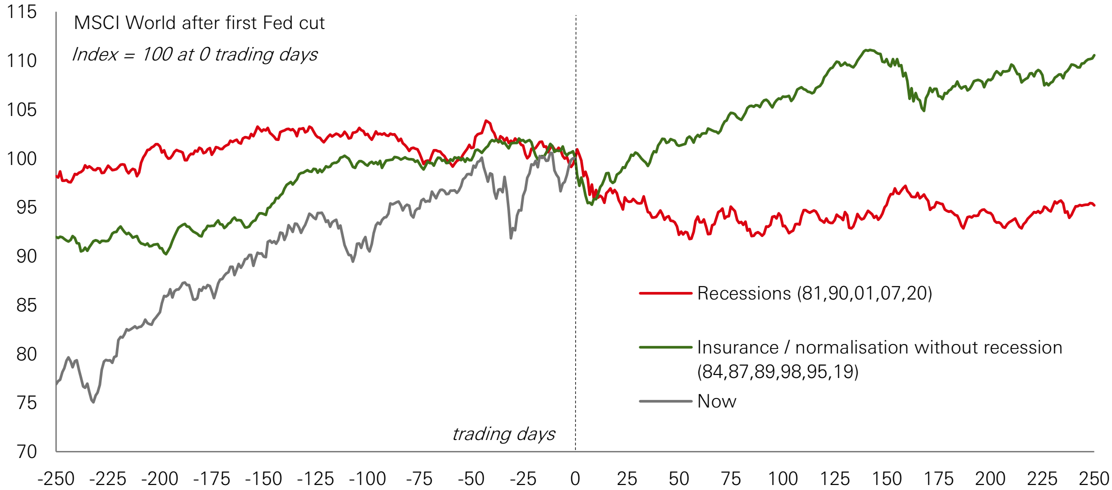
HSBC Asset Management

Investment Weekly

20 September 2024
For Professional Clients only.

Chart of the week – Fed easing and stocks



With the market pricing in a high probability of an outsized rate cut, the Fed decided it could be bold and deliver a 50bp move at its September meeting. It reflected greater confidence that inflation is now in the rear-view mirror, and it is time for the Fed to switch its focus to maximising the chances of a soft landing.

If delivered, the soft landing – our central scenario – would be positive for risk assets. Globally, equities typically perform well in the year following the first Fed rate cut, so long as the US economy avoids a recession. **The playbook for a soft landing is a 'great rotation' in markets**, with value, small caps, and emerging markets outperforming while Treasury yields drift lower, the yield curve 'structurally steepens' and the USD weakens.

However, while the Fed has embarked on a cutting cycle, policy is likely to remain restrictive for some time yet. Combined with the current cooling trend in the labour market, this means recession risk will remain elevated heading into 2025. Additional sources of risk, such as election uncertainty or geopolitical stress can also come into play. **We therefore continue to expect a more volatile phase for investment markets**. And if the much-vaunted soft landing turns into a hard landing, risk assets will struggle even if the Fed loosens policy by far more than currently expected.

EM Sovereign Bonds →

Why EM hard currency bonds are poised to perform

Asian Equities →

Top performing sectors in India's stock market

Europe Macro →

Mario Draghi's vision for a more competitive EU

Market Spotlight

Fed easing… a boost for Private Credit

Private credit has surged in popularity among investors in recent years. And with an average yield of nearly 12%, it continues to offer a return in excess of other Credits, as well as the 9.5% average 10-year total return from stocks.

With traditional banks continuing to retreat from parts of the lending market – a trend evident since the financial crisis – private credit managers have stepped in. This has given both borrowers and lenders more flexibility on terms, with investors benefiting from the asset's relatively low volatility and eye-catching returns.

New private credit fundraising slowed in 2023 and early 2024, with elevated rates putting pressure on some borrowers and reducing demand in places. But this week's move by the US Fed to kick off its easing cycle, could boost the environment for both fundraising and lending. And while lower base rates will inevitably trim returns over time, **private credit is expected to remain a high yield asset class (on both an absolute and relative basis) – and one that offers an illiquidity premium that suits long-term investors. It also serves as a useful portfolio diversifier**.

Read our latest views: China Insights – economy in transition

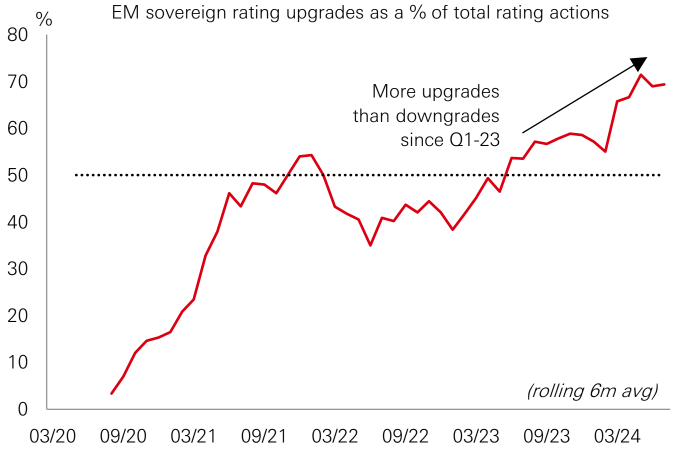
Source: HSBC Asset Management. Macrobond, Bloomberg. Data as at 11.00am UK time 20 September 2024.

Lens on…

EM sovereigns poised to perform

As global policy easing accelerates, EM hard currency bonds are in a plum position. Although EM sovereign spreads remain historically tight, they have widened relative to DM high-yield spreads – a comparable asset class. This is puzzling given that EM sovereign bonds are a high-duration asset class, with average index duration nearly double that of global high yield and exceeding that of even US Treasuries. As DM core yields decline, EM sovereigns as a universe should do well.

And according to our EM debt colleagues, the story around fundamentals is also very favourable. After a decade of ratings downgrades, EM sovereigns have turned a corner. **Since early last year, upgrades net of downgrades have turned positive and continue to trend up**. Turkey is notable among large EMs for its upgrade momentum. There have also been ratings improvements in several frontier markets, notably Azerbaijan, Paraguay, Morocco, Namibia, Costa Rica, the Dominican Republic, and Serbia. This furthers the structural shift towards a better-quality index with more investment grade ratings, implying the potential for superior returns with lower risks.

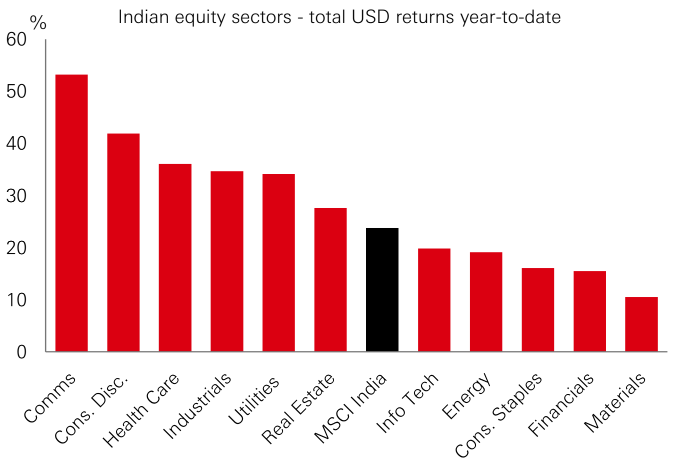


Sector picks in India

Indian stocks have outpaced most global markets this year, with the MSCI India index rising by 23%. After a bout of post-election volatility in Q2, foreign investment inflows have picked up in Q3, with investors gravitating to India's relatively low dependence on external demand, expectations of policy continuity, and exposure to secular growth trends – especially in manufacturing, infrastructure, and consumption.

At the sector level, all areas have notched-up double-digit percentage gains this year. Communications and consumer discretionary have led with returns of 53% and 42% respectively. There have also been 25%-plus rises in the health care, industrials, utilities, and real estate sectors.

In terms of valuations, parts of the Indian market arguably look richly-priced. **Small and mid-cap stocks, in particular, currently trade on a forward 12-month price-earnings ratio of 31.5x. But large-caps trade on a more modest 22.5x**. Sector-wise, our investment teams currently prefer financials, where valuations are less stretched; health care, which is seeing multi-year demand growth; and real estate, which is benefiting from improving demand and supply dynamics.



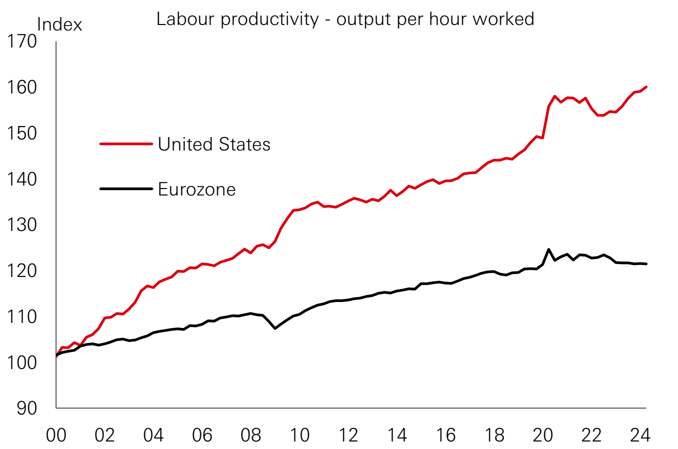
Draghi's Eurovision

A recent report by ex-European Central Bank president Mario Draghi into the EU's poor competitiveness, has blamed a yawning EU/US productivity gap over the past 20 years.

The eurozone's structural problems are well documented. Draghi mentions three: (1) low investment, outright and relative to the US; (2) the innovation gap with the US and China, with EU firms stifled by regulation, and (3) fragmented capital markets.

Draghi's recommendations range from importing foreign technologies to completing a banking union and ensuring the green transition continues. The report estimates the additional investment needs a hefty Eur750-800bn per year (around 4.5% of EU GDP).

But implementation is a tall order given rising EU political fragmentation. Not only is Germany's enthusiasm for joint bond issuance cooling but a new French government is unlikely to welcome further EU integration. Nevertheless, we still think European equities can benefit from a **broadening out of global profit growth and a market rotation** into small caps and value, to which Europe is heavily exposed.



Past performance does not predict future returns. The level of yield is not guaranteed and may rise or fall in the future. This information shouldn't be considered as a recommendation to buy or sell specific sector/stocks mentioned. Any views expressed were held at the time of preparation and are subject to change without notice. Diversification does not ensure a profit or protect against loss. HSBC Global Asset Management (UK) Limited accepts no liability for any failure to meet such forecast, projection, or target. Source: HSBC Asset Management. Macrobond, Bloomberg, Datastream, BofA Global Research. Data as at 11.00am UK time 20 September 2024.

Asset class views

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

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

	Asset Class	- View +	Comments
Macro Factors	Global growth		A defensive positioning in investment portfolios remains appropriate given continuing risk of macro disappointment or weakness. We prefer to access the growth factor in laggard regions, such as Asia and emerging markets
	Duration		Improving inflation data and increasing concern regarding downside risks to growth have pulled yields lower. Nonetheless, carry remains appealing and, if adverse economic outcomes prevail, there is scope for strong returns in global duration. We favour the US and UK curves
	Emerging Markets		The EM growth outlook is a relative bright spot in a global context. Falling inflation and Fed policy easing should pave the way for more countries to cut rates. Supportive policy in China has buoyed confidence but all eyes are on more pro-growth measures
Bonds	US 10yr Treasuries		Yields have reversed the rise seen earlier in the year, as inflation and labour data have started to surprise to the downside. The market is now pricing in meaningful Federal Reserve rate cuts, but USTs still provide an attractive yield and scope for capital gains if the economy weakens markedly
	EMD Local		Real yields remain high in many EM local markets and long-term valuations are attractive. Fed easing is likely to maintain downward pressure on the USD and allow EM FX appreciation that would provide an important tailwind to returns for international investors
	Asia Local		With Fed policy easing under way, there is scope for rate cuts among regional central banks, with inflation risk across the region broadly manageable. The macro backdrop is supportive, with India, Indonesia, Korea, and the Philippines having a more favourable rates outlook
Credits	Global Credit		Global credit is expensive with most non-financial spreads at near-cyclical tights. Financials, particularly banks, look attractive but less so than they were at the start of 2024. 'All in' yields continue to support inflows, helping long duration corporate credit
	Global High-Yield		HY spreads 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 credit spreads (both IG and HY) are likely to narrow in response to a sustained US easing cycle in the medium term. Attractive 'all in' yields and solid fundamentals are supportive but tight spreads and the potential for a re-rating of global risks could add near-term pressure
	EMD Hard Currency Bonds		EM sovereigns should benefit from Fed rate cuts. They have underperformed competitor asset classes like global HY recently, which is at odds with fundamental improvements and ratings upgrades. Also, it is a high-duration asset class and more exposed to moves in core yields
Equities	DM Equities		Markets face potential volatility amid slowing global growth and political uncertainty, 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		The earnings outlook is supported by solid demand for tech-related products and services, room for monetary easing, and other regional cyclical and structural growth stories. Valuations remain undemanding but there are risks from global growth uncertainty and geopolitical developments
Alternatives	Global Private Equity		With tighter financial conditions raising the cost of leverage, PE funds may face challenges in delivering consistently strong returns. However, increasing economic headwinds can create attractive entry points for longer-term investors. The investment case is about alpha, not beta
	Global Real Estate		Capital values are expected to bottom in 2024, although office space may take longer. Yield spreads with US Treasuries are expected to widen as US rates fall. Investment volumes should start to increase from H2 from the lowest levels since 2011. We prefer a focus on quality and prime property with high occupancy and inflation protected leases
	Infrastructure Debt		Infrastructure debt currently offers stronger expected returns than global credits, and experiences lower spread volatility during economic slowdowns. It has strong defensive attributes, offers inflation-linked cash flows and benefits from thematic drivers such as the green transition

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Key Events and Data Releases

This week

Date	Country	Indicator	Data as of	Actual	Prior	Comment
Tue. 17 September	US	Retail Sales (mom)	Aug	0.1%	1.1%	Recent outturns indicate that while the labour market is slowing, consumer spending, the core of the economy, remains robust
Wed. 18 September	US	Housing Starts	Aug	1.36mn	1.24mn	Housing starts rebounded after a weather-related fall in July
	US	Fed Funds Rate (upper bound)	Sep	5.00%	5.50%	The FOMC delivered a 50bp rate cut on good inflation data and the risk of further labour market softening. The median FOMC projection indicates 50bp more cuts in 2024 and 100bps in 2025
	BR	Banco do Brasil SELIC Target Rate	Sep	10.75%	10.50%	Banco do Brasil hiked rates 25bp, noting inflation risks are "to the upside", and citing stronger than expected labour markets
	ID	Bank Indonesia Rate	Sep	6.00%	6.25%	BI's increased confidence in Fed easing led to an earlier-than-expected pivot. Future cuts will depend on macro/FX moves
	UK	CPI (yoy)	Aug	2.2%	2.2%	Headline CPI remained unchanged in August, giving the MPC little reason deviate from its current pace of rate cuts
Thu. 19 September	US	Existing-Home Sales	Aug	3.86mn	3.96mn	Despite improving supply conditions, elevated house prices continue to weigh on home sales in the US
	UK	BoE MPC Base Rate	Sep	5.00%	5.00%	The MPC voted 8-1 to keep base rate at 5%, reflecting caution on wage growth and long-term inflation pressures
	NW	Norges Bank Sight Deposit Rate	Sep	4.50%	4.50%	Restrictive policy was maintained in Norway on recent NOK weakness, but the time to ease "is approaching"
	TY	CBRT 1 Week Repo Lending Rate	Sep	50.00%	50.00%	Turkey's policy rate was held, with attention to inflation risks reiterated. The tone was more dovish than previous meetings
Fri. 20 September	JP	CPI (yoy)	Aug	3.0%	2.8%	Headline and core CPI inflation edged higher in August. The weak yen lifted goods prices. Services inflation remained stable
	JP	BoJ Policy Rate	Sep	0.25%	0.25%	BoJ left policy on hold amid "high uncertainties", but noted consumer spending is now on a "moderate rising trend"

US - United States, BR - Brazil, ID - Indonesia, UK - United Kingdom, NW - Norway, TY - Turkey, JP - Japan

The week ahead

Date	Country	Indicator	Data as of	Survey	Prior	Comment
Mon. 23 September	US	Composite PMI (Flash)	Sep	-	54.6	The US composite PMI has been comfortably in positive territory recently, in contrast to the less upbeat ISM survey
	EZ	Composite PMI (Flash)	Sep	-	51.0	Recent PMI readings are consistent with a loss of momentum near-term. France's recent outperformance is unlikely to persist
	IN	S&P Global Manufacturing PMI (Flash)	Sep	-	57.5	The PMI has retreated recently, on softer new business and output but, overall, the index remains at an elevated level
	UK	S&P Global Composite PMI (Flash)	Sep	-	53.8	The composite PMI has held up well lately. The employment index has strengthened while price expectations have eased
Tue. 24 September	US	Consumer Confidence Index, Conference Board	Sep	102.8	103.3	The Conference Board "jobs plentiful" index has fallen since early 2024, indicating softer labour market conditions
	AU	RBA Cash Target Rate	Sep	4.35%	4.35%	The RBA is focused on slower-than-expected disinflation, with markets expecting the first cut in late 2024/early 2025
	GE	IFO Business Confidence Index	Sep	-	86.6	IFO's business climate index has fallen for four consecutive months, mirroring the downbeat message from latest PMIs
	US	S&P Case-Shiller 20 House Prices (mom)	Jul	-	0.4%	Month-on-month house price inflation has been running around its July pace since late 2023
Wed. 25 September	SW	Riksbank Policy Rate	Sep	-	3.50%	Continued economic weakness and better inflation news point to further easing, with the market pricing in a rate cut
Thu. 26 September	US	GDP, Final (qoq)	Q2	2.9%	3.0%	US growth was strong in Q2 but should slow during H224 as consumer spending moderates
	MX	Banxico de Mexico, Overnight Lending Rate	Sep	-	10.75%	Softening domestic demand and easing inflation worries should herald further modest rate cuts as the Fed starts its easing cycle
Fri. 27 September	JP	Tokyo CPI excluding food and energy (yoy)	Sep	-	1.3%	Higher wage growth is key to sustained services inflation. Overseas disinflation pressures should cap goods price rises
	US	PCE Price Index (yoy)	Aug	2.3%	2.5%	The US core PCE deflator is expected to moderate towards the Fed's 2% target in coming months

US - United States, EZ - Eurozone, IN - India, UK - United Kingdom, AU - Australia, GE - Germany, SW - Sweden, MX - Mexico, JP - Japan

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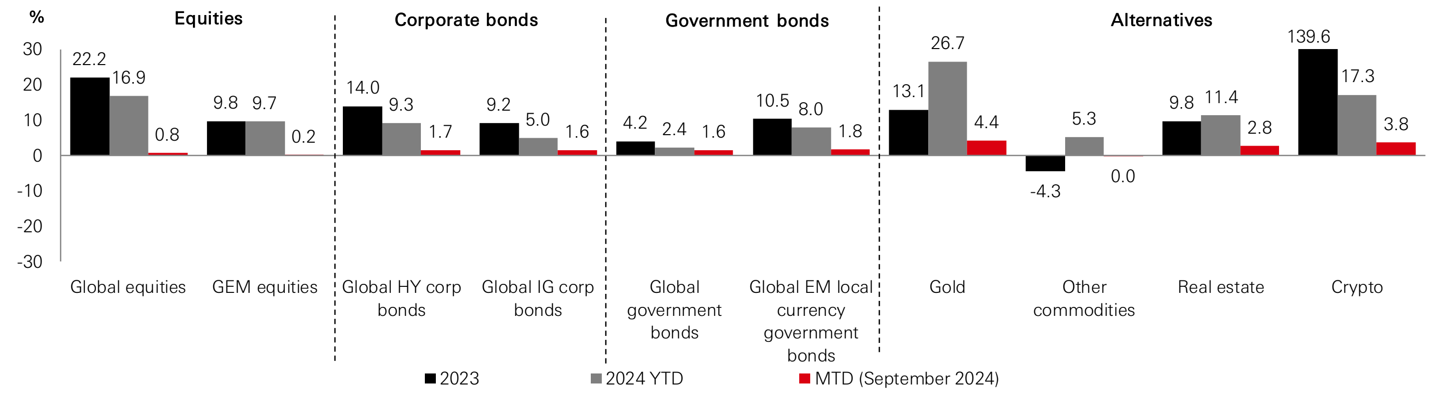
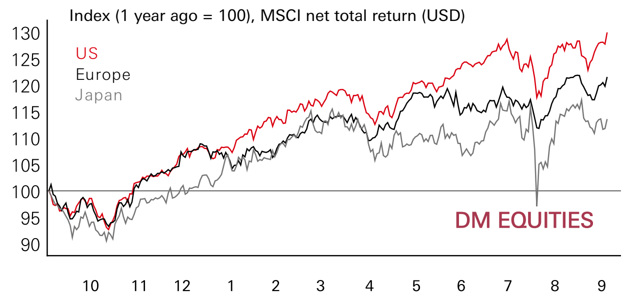
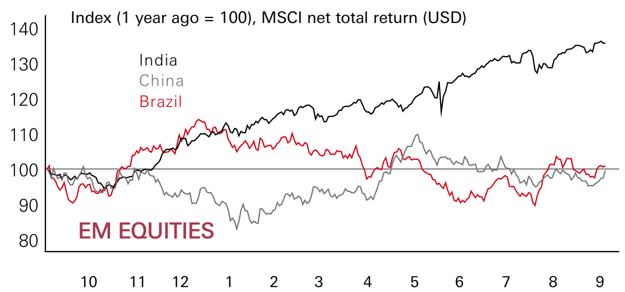
This week

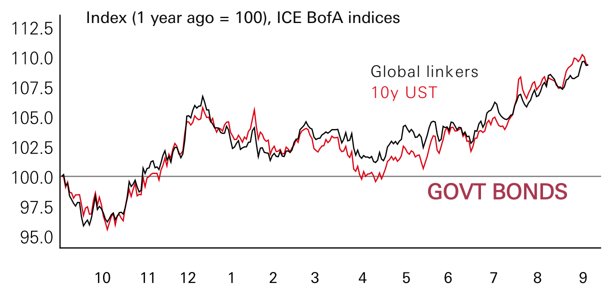
The Fed's bold 50bp rate cut boosted risk appetite, with credit spreads tightening. US Treasuries underperformed German Bunds, with the US yield curve steepening further on higher 10-year yields. Fed Chair Powell stated: "it is time to recalibrate policy", with the FOMC's median 2024 and 2025 interest rate expectations marked down by 0.75%. In the US, the S&P 500 powered to a fresh high, with the rate-sensitive Russell 2000 index also performing well. The Euro Stoxx 50 index posted strong gains, while Japan's Nikkei 225 was boosted by a softer yen as the BoJ left policy on hold amid "high uncertainties". In emerging markets, Hong Kong's Hang Seng outperformed in a holiday-shortened week, and Brazil's Bovespa index fell as the Banco de Brasil raised rates 25bp. In commodities, rising geopolitical tensions lifted oil prices. Gold reached an all-time high, and copper strengthened.

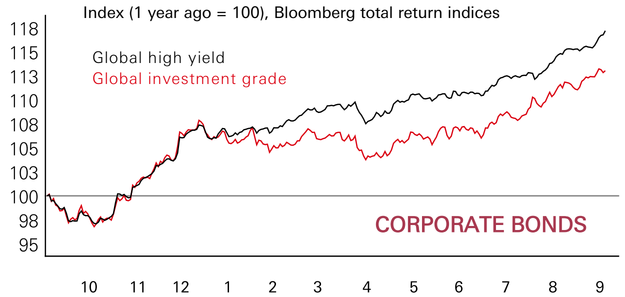
Selected asset performance

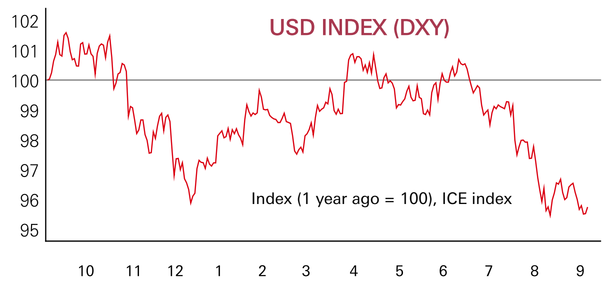


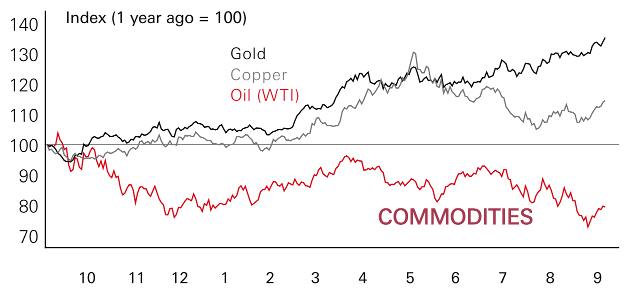












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Source: HSBC Asset Management. Macrobond, Bloomberg. Data as at 11.00am UK time 20 September 2024. Note: Asset class performance is represented by different indices. Global Equities: MSCI ACWI Net Total Return USD Index. Gem Equities: MSCI Emerging 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)	839	1.5	1.8	4.4	24.3	15.5	842	628	19.0
North America									
US Dow Jones Industrial Average	42,025	1.5	2.9	7.4	22.0	11.5	42,161	32,327	21.1
US S&P 500 Index	5,714	1.6	2.1	4.4	29.8	19.8	5,734	4,104	23.5
US NASDAQ Composite Index	18,014	1.9	1.1	1.6	33.7	20.0	18,671	12,544	33.9
Canada S&P/TSX Composite Index	23,866	1.3	3.6	10.6	18.1	13.9	23,910	18,692	16.4
Europe									
MSCI AC Europe (USD)	584	1.4	1.8	3.9	17.1	9.5	588	459	14.5
Euro STOXX 50 Index	4,908	1.3	1.0	-0.8	14.8	8.5	5,122	3,993	14.0
UK FTSE 100 Index	8,293	0.2	0.2	0.3	7.3	7.2	8,474	7,280	12.4
Germany DAX Index*	18,845	0.8	2.7	3.2	19.4	12.5	19,045	14,630	14.0
France CAC-40 Index	7,565	1.3	1.1	-1.4	3.2	0.3	8,259	6,774	14.0
Spain IBEX 35 Index	11,806	2.3	6.5	5.8	22.4	16.9	11,819	8,879	11.3
Italy FTSE MIB Index	33,947	1.1	2.6	0.8	16.1	11.8	35,474	27,078	9.4
Asia Pacific									
MSCI AC Asia Pacific ex Japan (USD)	580	1.9	0.7	1.2	15.8	9.6	588	469	14.4
Japan Nikkei-225 Stock Average	37,724	3.1	-0.9	-2.4	14.2	12.7	42,427	30,488	20.8
Australian Stock Exchange 200	8,209	1.4	2.6	5.7	14.6	8.1	8,246	6,751	18.8
Hong Kong Hang Seng Index	18,259	5.1	4.3	-0.4	2.1	7.1	19,706	14,794	8.6
Shanghai Stock Exchange Composite Index	2,737	1.2	-4.5	-8.9	-12.0	-8.0	3,174	2,635	10.9
Hang Seng China Enterprises Index	6,382	5.1	3.0	-2.7	3.2	10.6	6,986	4,943	7.8
Taiwan TAIEX Index	22,159	1.8	-1.2	-5.3	34.0	23.6	24,417	15,976	17.9
Korea KOSPI Index	2,593	0.7	-3.8	-7.6	1.3	-2.3	2,896	2,274	9.9
India SENSEX 30 Index	84,544	2.0	4.6	9.1	26.6	17.0	84,694	63,093	23.5
Indonesia Jakarta Stock Price Index	7,743	-0.9	2.8	13.5	10.4	6.5	7,911	6,640	15.0
Malaysia Kuala Lumpur Composite Index	1,669	1.0	1.6	4.8	15.0	14.7	1,685	1,412	15.3
Philippines Stock Exchange PSE Index	7,252	3.3	4.4	14.3	20.1	12.4	7,339	5,920	12.3
Singapore FTSE Straits Times Index	3,625	1.7	7.5	9.8	11.8	11.9	3,636	3,042	11.6
Thailand SET Index	1,452	1.9	9.3	11.8	-3.7	2.5	1,527	1,273	16.2
Latam									
Argentina Merval Index	1,847,053	1.6	11.3	17.2	228.6	98.7	1,856,002	542,782	7.3
Brazil Bovespa Index*	133,123	-1.3	-2.2	10.5	12.2	-0.8	137,469	111,599	9.2
Chile IPSA Index	6,333	-0.3	-2.4	-3.9	6.7	2.2	6,838	5,363	10.6
Colombia COLCAP Index	1,321	0.7	-1.8	-4.0	19.1	10.5	1,451	1,082	6.5
Mexico S&P/BMV IPC Index	52,918	1.7	-2.0	-0.8	0.8	-7.8	59,021	47,765	12.2
EEMEA									
Saudi Arabia Tadawul Index	12,080	2.0	-0.2	5.1	9.2	0.9	12,883	10,262	N/A
South Africa JSE Index	84,158	2.7	0.4	5.1	12.5	9.4	84,801	69,128	12.1
Turkey ISE 100 Index*	9,954	2.8	-0.3	-7.3	28.9	33.3	11,252	7,203	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	1.5	1.9	4.7	16.9	26.3	23.0	73.6
US equities	1.6	2.3	4.8	20.3	31.2	32.5	101.9
Europe equities	1.4	1.8	4.3	12.1	20.3	16.8	46.8
Asia Pacific ex Japan equities	1.9	1.1	2.3	11.9	18.7	-1.9	28.0
Japan equities	0.1	-0.8	5.9	10.3	14.6	1.5	37.0
Latam equities	1.1	-1.9	5.4	-11.2	-0.3	24.5	11.5
Emerging Markets equities	1.7	-0.2	1.3	9.7	16.2	-5.2	21.8

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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Source: HSBC Asset Management. Bloomberg. Data as at 11.00am UK time 20 September 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)	586	-0.1	1.1	3.9	9.8	4.5
JPM EMBI Global	916.6	0.7	2.0	5.7	15.7	8.0
BarCap US Corporate Index (USD)	3400.7	0.1	1.7	5.4	12.8	5.6
BarCap Euro Corporate Index (Eur)	254.7	0.2	0.8	2.9	8.7	3.4
BarCap Global High Yield (Hedged in USD)	619.0	0.9	2.2	5.2	16.5	9.3
Markit iBoxx Asia ex-Japan Bond Index (USD)	227.3	0.1	1.1	3.7	11.6	6.4
Markit iBoxx Asia ex-Japan High-Yield Bond Index (USD)	257	0.5	0.2	2.7	18.6	12.2

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	1.12	1.11	1.11	1.07	1.07	1.10	1.12	1.04	0.7
GBP/USD	1.33	1.31	1.30	1.27	1.23	1.27	1.33	1.20	1.2
CHF/USD	1.18	1.18	1.17	1.12	1.11	1.19	1.20	1.08	-0.1
CAD	1.36	1.36	1.36	1.37	1.35	1.32	1.39	1.32	0.1
JPY	144	141	145	159	148	141	162	140	-2.5
AUD/USD	0.68	0.67	0.67	0.67	0.64	0.68	0.69	0.63	1.5
NZD/USD	0.62	0.62	0.62	0.61	0.59	0.63	0.64	0.58	1.1
Asia									
HKD	7.79	7.80	7.79	7.80	7.82	7.81	7.84	7.77	0.1
CNY	7.05	7.10	7.13	7.26	7.29	7.10	7.32	7.04	0.6
INR	83.6	83.9	83.8	83.6	83.1	83.2	84.0	82.6	0.4
MYR	4.20	4.30	4.38	4.71	4.69	4.59	4.81	4.18	2.3
KRW	1336	1330	1330	1385	1330	1291	1400	1283	-0.4
TWD	32.0	32.0	32.0	32.3	32.0	30.6	32.9	30.5	0.0
Latam									
BRL	5.43	5.57	5.48	5.45	4.88	4.85	5.86	4.80	2.5
COP	4161	4183	4012	4172	3899	3875	4427	3739	0.5
MXN	19.3	19.2	19.0	18.4	17.1	17.0	20.2	16.3	-0.7
ARS	962	959	944	906	350	808	963	350	-0.3
EEMEA									
RUB	92.7	90.1	91.2	87.3	96.2	89.5	102.4	82.7	-2.8
ZAR	17.6	17.7	17.8	18.0	18.8	18.4	19.6	17.4	0.8
TRY	34.1	33.9	33.9	32.8	27.0	29.5	34.5	27.1	-0.6

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	4.71	4.88	5.17	5.37	5.46	5.33	-17
2-Year	3.61	3.58	3.98	4.74	5.18	4.25	2
5-Year	3.50	3.43	3.69	4.27	4.58	3.85	7
10-Year	3.73	3.65	3.81	4.26	4.41	3.88	8
30-Year	4.06	3.98	4.06	4.40	4.44	4.03	8
10-year bond yields (%)							
Japan	0.84	0.84	0.89	0.95	0.72	0.61	0
UK	3.89	3.77	3.91	4.06	4.21	3.53	12
Germany	2.20	2.15	2.21	2.43	2.70	2.02	6
France	2.93	2.84	2.94	3.20	3.23	2.56	10
Italy	3.55	3.51	3.59	3.95	4.45	3.69	4
Spain	2.99	2.94	3.04	3.30	3.75	2.98	5
China	2.04	2.07	2.17	2.25	2.68	2.56	-3
Australia	3.92	3.82	3.95	4.20	4.22	3.96	10
Canada	2.94	2.90	3.01	3.34	3.91	3.11	3

*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	2,612	1.3	3.9	10.7	35.3	26.6	2,615	1,811
Brent Oil	74.6	4.2	-2.5	-10.6	-11.1	-0.9	88	69
WTI Crude Oil	71.6	4.4	-2.1	-10.1	-10.3	0.9	83	65
R/J CRB Futures Index	282.2	3.0	2.1	-4.5	-2.2	7.0	300	258
LME Copper	9,560	2.7	3.9	-3.0	14.5	11.7	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 20 September 2024.

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