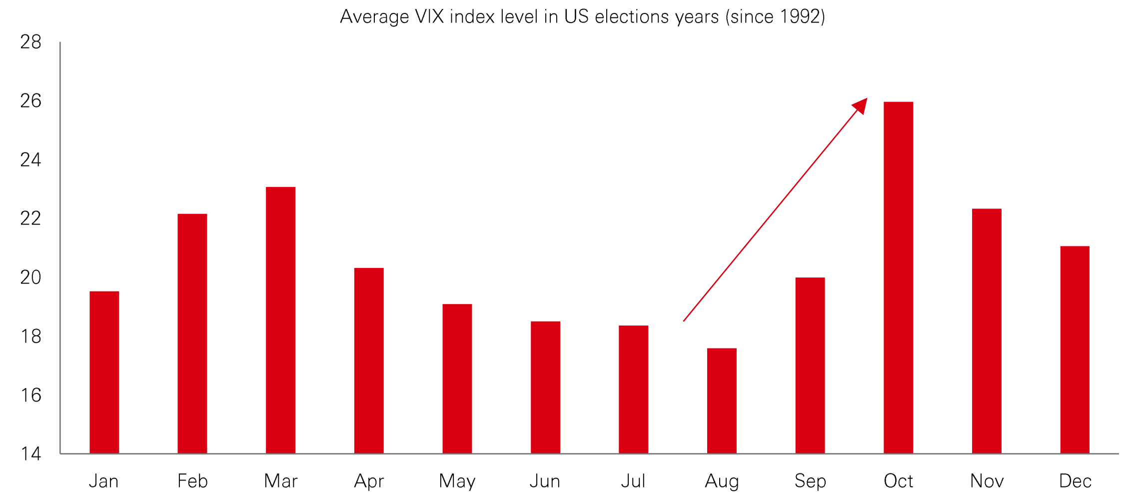
HSBC Asset Management

Investment Weekly

26 July 2024
For Professional Clients only.

Chart of the week – Buckle up for H2



This year's market action has been characterised by exceptionally low levels of volatility. One of the most followed gauges of equity market volatility – the VIX – has averaged 13.9 in 2024 so far, versus 21.2 over the past five years. But the VIX has picked up recently. The index jumped this week to reach 19.2 at one point.

As H2 progresses we think there are plenty of potential developments that could create a more volatile market environment. As we've seen over the past fortnight**, stretched valuations in US big tech stocks have made prices vulnerable to any disappointment on earnings and the general news flow in the sector**.

And although the economic backdrop remains robust, further cooling is likely as restrictive policy continues to dampen housing and manufacturing activity, and the consumption of lower-income households, which is more dependent on access to credit. Despite the recent good news, the disinflation path is likely to remain bumpy with uncertainty on the extent of Fed easing over the next few quarters. Geopolitics and politics also matter. The global environment is becoming less predictable. And we know from history that equity market volatility typically rises ahead of US elections. Buckle up.

Market Spotlight

India's 'reset budget'

This week marked India's first Union Budget since the country's hotly contested general election earlier this year. Ahead of the announcement, there were concerns about whether Narendra Modi's BJP, which failed to secure a majority in parliament, could balance competing political demands and still maintain fiscal prudence. As it turned out, the budget committed to reducing the fiscal year 2025 (April 2024 through March 2025) central government deficit target to 4.9% of GDP from 5.6% in FY24. It also addressed pressing issues on growth, reforms, and employment.

We think this 'reset budget' should be positive for the medium-term macro and market outlook. For stocks, plans for a simplified tax code should boost the earnings outlook. Likewise, a shift in capex spending to 'soft infrastructure' like education and training – whilst maintaining a focus on hard infrastructure – are encouraging. These themes should be a plus for sectors like industrials and manufacturing. And efforts to boost job creation should prove positive for the consumer staples sector and autos segment, too. **While equity valuations are fairly stretched at 24x forward price-earnings, robust earnings growth means India can still perform well in 2024.**

Equities →

Looking at defensive value strategies

Yield Curve →

Positioning for potential moves in bond yields

Frontier Markets →

Strong regional performance in a mispriced asset class

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. The level of yield is not guaranteed and may rise or fall in the future.
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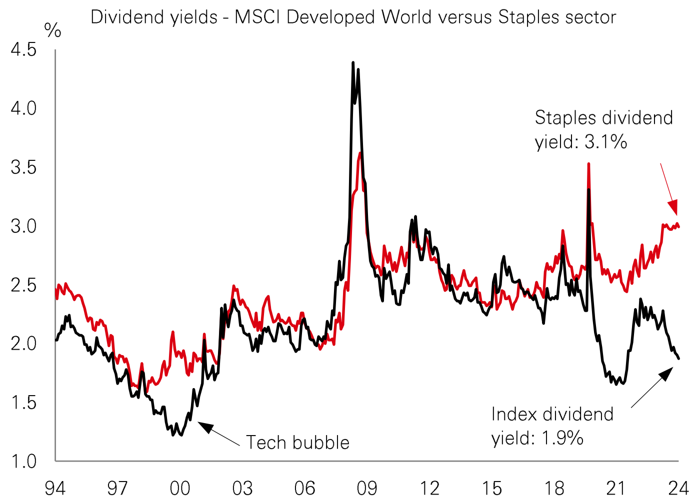
Source: HSBC Asset Management. Macrobond, Bloomberg. Data as at 11.00am UK time 26 July 2024.

Defensive value

In recent weeks, stocks have seen a major factor rotation from Growth into Value involving the biggest switch out of the tech-heavy Nasdaq into the small-cap Russell 2000 since 1979. This has been largely driven by growing expectations of lower rates amid some disappointing news in the tech sector.

From here, the hunt for value in stocks could well continue. But there are risks if economic growth disappoints. For the risk averse, it could make sense to take a more defensive value approach, with some bond-like equities potentially offering protection from macro headwinds alongside high dividend yields.

Looking at Fed cycles since 1994, defensive stocks normally outperform between the last Fed hike and first rate cut. This time around has been different, with defensives like staples and utilities underperforming the market since the last hike in July 2023. This has contributed to the significant gap in dividend yields between the staples sector versus the wider market. **That excess is its highest since 1973 and could offer a more defensive way to take advantage of a potential further rotation into Value**.

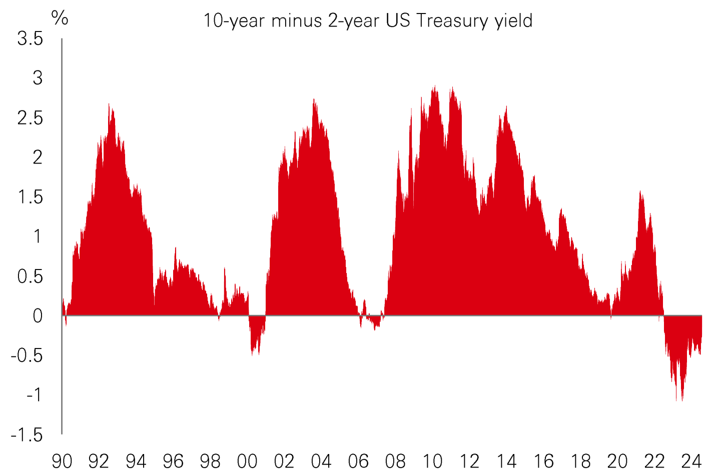


Curve ball

Recent US macro data have led investors to become far more comfortable with the idea that the Fed can cut rates twice, or possibly more, this year. The initial triggers for this reassessment were some softer-than-expected ISM surveys, a moderation in private sector payrolls and further gradual increase in the unemployment rate. A second consecutive lower-than-expected core CPI inflation print then reinforced the downtrend in rates.

Disinflation and a cooling labour market create a bond-positive environment, with investors able to benefit from still-attractive yields and the potential for capital gains, particularly if growth disappoints.

For investors, yield curve strategies are also an option. Despite short-term rate expectations coming down, the 10y-2y curve remains inverted**. This inversion is likely to be unsustainable**. In the mid-to-late 1990s – when a soft landing was achieved – the slope of the curve was typically positive, peaking at over 80bp. And in the event of downside growth risks materialising, the curve could steepen very quickly as policy rates are slashed.

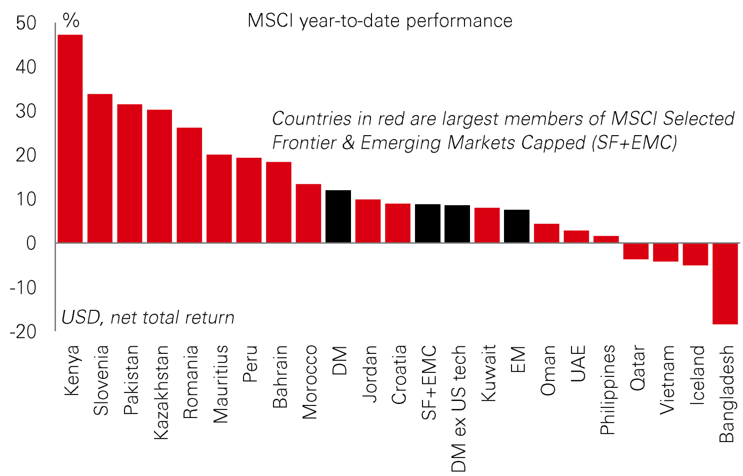


Frontier on the front foot

Equity markets in several frontier and small-emerging market regions have delivered impressive returns this year, outperforming both emerging and developed markets – with strong performances from markets in Kenya, Kazakhstan, Slovenia, and Romania.

In the current economic cycle, for many frontier markets, relative GDP growth is accelerating, and inflation is falling (along with domestic interest rates). This is leading to a pick-up in the outlook for markets where valuations have been deeply discounted. **Our analysts think frontier is potentially one of the most mispriced asset classes**. On a price-to-earnings valuation basis, it trades at a 30% discount to emerging markets and 53% discount to developed markets currently, well below the five-year average.

Driving future performance, frontier regions are benefiting from strong structural trends, including the relocation of manufacturing hubs, re-routing of supply chains, social reforms, and digitisation. These regions offer lower correlation to other asset classes, lower volatility, and are increasingly taking a politically neutral stance amid rising geopolitical tensions. Yet they continue to be under-owned.



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. Macrobond, Bloomberg, Datastream. Data as at 11.00am UK time 26 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. Long term valuations are attractive and global investor positioning is likely to be lighter after the recent sell-off in parts of EM
	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

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Source: HSBC Asset Management. Data as at 11.00am UK time 26 July 2024.

Key Events and Data Releases

This week

Date	Country	Indicator	Data as of	Actual	Prior	Comment
Mon. 22 July	CN	Loan Prime Rate (5yr)	Jul	3.85%	3.95%	The PBOC cut the 7-day reverse repo rate by 10bp alongside 10bp cuts to the 1-year and 5-year loan prime rates
Tue. 23 July	US	Existing Home Sales (mom)	Jun	-5.4%	-0.7%	Worse than expected US housing data in June reflects high mortgage rates and house prices undermining demand
	TY	Turkish Central Bank Interest Rate Decision	Jul (P)	50.00%	50.00%	The Turkish central bank held its policy rate steady in July continuing its year-long tightening drive, after a monthly CPI decline in June
	IN	Indian government presents FY25 Budget	Jul			The budget struck a balance between macro stability (commitment to fiscal consolidation) and medium-term economic growth
Wed. 24 July	IN	HSBC Composite PMI	Jul (P)	61.4	60.9	The rise reflected strength in both manufacturing and services activities
	EZ	HCOB Composite PMI	Jul (P)	50.1	50.9	The manufacturing and services PMIs both disappointed expectations by falling in July, suggesting Q3 growth got off to a slow start
	UK	S&P Global Composite PMI	Jul (P)	52.7	52.3	The composite PMI marginally beat expectations and continues to indicate positive growth momentum and abating price pressures
	US	S&P Global Composite PMI	Jul (P)	55.0	54.8	The PMI edged up to a 27-month high in July, signalling a 'Goldilocks' scenario where growth is robust while inflation cools
	CA	Bank of Canada Interest Rate Decision	Jul	4.50%	4.75%	The Bank of Canada delivered a second consecutive rate cut, noting weak consumer spending and rising labour market slack
Thu. 25 July	GE	IFO Business Climate Index	Jul	87.0	88.6	The IFO weakened unexpectedly in July with the IFO President noting "The German economy is stuck in a crisis"
	US	GDP (qoq annualised)	Q2 (P)	2.8%	1.4%	Q2 growth exceeded expectations on the back of solid consumer spending and a surge in equipment investment
Fri. 26 July	JP	Tokyo CPI excluding fresh food & energy (yoy)	Jun	1.5%	1.8%	Tokyo core inflation surprised to the downside on weaker services inflation and is now running at its lowest pace in almost two years
	US	Core PCE Inflation (yoy)	Jun	-	2.6%	Core PCE inflation should edge closer to the Fed's 2% medium-term target in coming months
	US	University of Michigan Consumer Confidence Index	Jul (F)	-	66.0	Consumer confidence has weakened in recent months as the labour market has shown greater signs of cooling

P – Preliminary, Q – Quarter, F – Final CN – China, TY – Turkey, IN – India, EZ – Eurozone, UK – United Kingdom, CA – Canada, GE – Germany, JP – Japan

The week ahead

Date	Country	Indicator	Data as of	Survey	Prior	Comment
Mon. 29 July	US	Earnings Update	Q2			36% of US companies have reported Q2 results. Healthcare, real estate and financials have fared better given modest expectations. Consumer discretionary and IT stocks have disappointed
Tue. 30 July	EZ	Eurozone GDP (qoq)	Q2 (P)	0.2%	0.3%	The July PMIs point to weaker growth in Q2 2024
	US	Conference Board Consumer Confidence Index	Jul	99.8	100.4	The Conference Board consumer confidence index may fall further in July as the labour market continues to cool
	MX	GDP (qoq)	Q2 (P)	-	0.3%	Robust consumer confidence and a pick-up in retail sales should support Mexican Q2 GDP growth
Wed. 31 July	JP	BoJ Interest Rate Decision	Jul	0.10%	0.10%	Continued weak consumer spending should keep the BoJ on hold in July, little change is envisaged in FY24-FY26 inflation forecasts
	EZ	Eurozone CPI (yoy)	Jul (P)	2.4%	2.5%	Service sector inflation has shown tentative signs of improvement of late but the ECB will want more evidence before easing policy again
	US	Employment Cost Index (qoq)	Q2	1.0%	1.2%	Monthly wage data suggest a slight moderation in the ECI for Q2
	US	Federal Reserve Interest Rate Decision	Jul	5.50%	5.50%	Chair Powell should indicate increased confidence in a sustainable improvement in US inflation, paving the way for a September rate cut
	CN	China Official Manufacturing PMI	Jul	49.3	49.5	Tepid high-frequency indicators indicate a sub-50 PMI reading
	BR	COPOM Interest Rate Decision	Jul	10.50%	10.50%	Stronger-than-expected July inflation and a weaker currency point to COPOM leaving policy unchanged for a second consecutive meeting
	CH	Chile Central Bank Interest Rate Decision	Jul	-	5.75%	Chile's central bank has slowed the pace of policy easing at recent meetings but may cut in July
Thu. 1 August	UK	BoE Interest Rate Decision	Aug	5.00%	5.25%	Service sector inflation is sticky but dovish June minutes and softer wage growth point to a slim MPC majority in favour of a rate cut
	US	ISM Manufacturing Index	Jul	49.0	48.5	The ISM manufacturing index may edge higher in July but remain in contraction territory
Fri. 2 August	US	Change in Payrolls (000s)	Jul	185	206	Non-farm payrolls growth has moderated but is robust. A wider selection of labour market indicators point to a more notable cooling

P – Preliminary, Q – Quarter EZ – Eurozone, MX – Mexico, JP – Japan, CN – China, BR – Brazil, CH – Chile, UK – United Kingdom

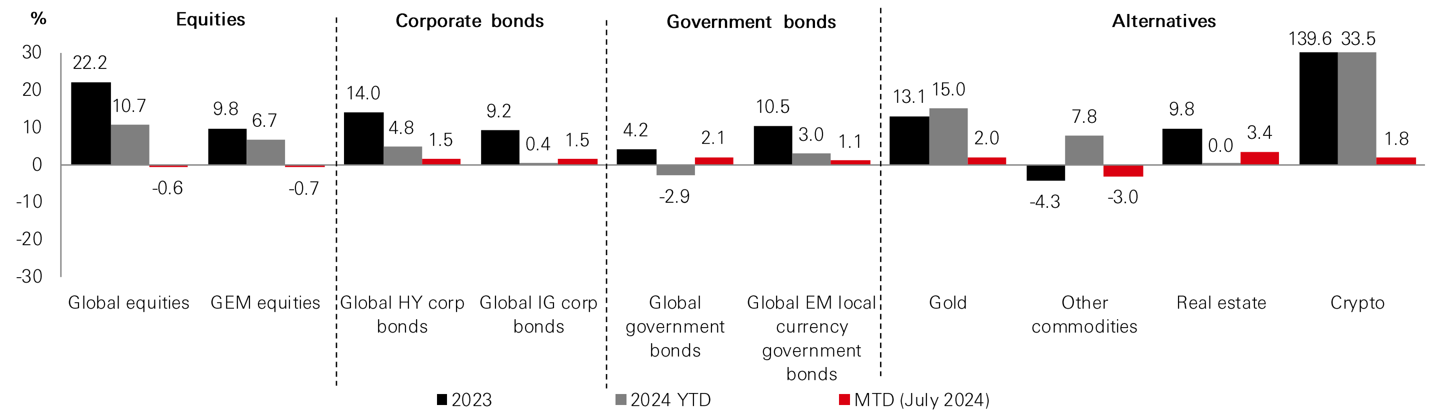
Source: HSBC Asset Management. Data as at 11.00am UK time 26 July 2024. Any forecast, projection or target where provided is indicative only and not guaranteed in any way.

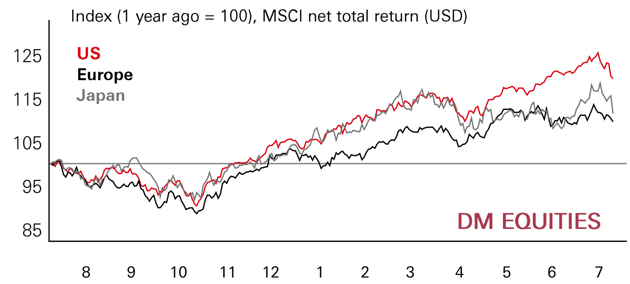
Market review

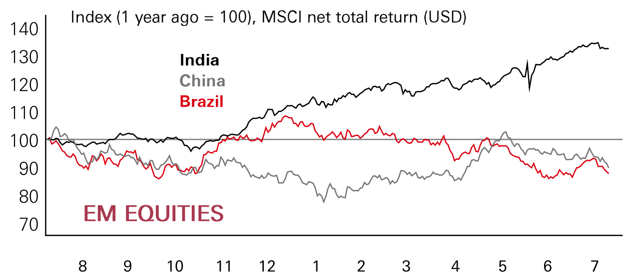
This week

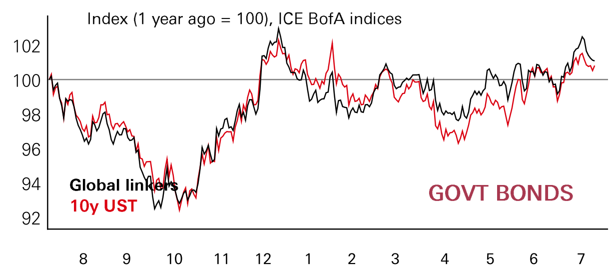
Data showed the US economy expanded faster than expected in the second quarter, with GDP up 2.8% annualised. Inflation pressures also continued to ease, cementing expectations of a Fed rate cut in September. Core government bonds were range-bound during the week, with shorter-dated US Treasuries finishing slightly higher. Equities were volatile, with US mega-cap technology stocks selling-off sharply. The S&P 500 and Nasdaq indices were hardest hit, while the small-cap Russell 2000 gained ground. In Europe, the Stoxx Europe 600 was down modestly on mixed earnings news. In Asia, India's Sensex reversed early weakness to finish higher, while China's Shanghai Composite was down on concerns over the country's slow economic recovery. In commodities, oil was on course for its third weekly decline, with gold and copper prices also falling.

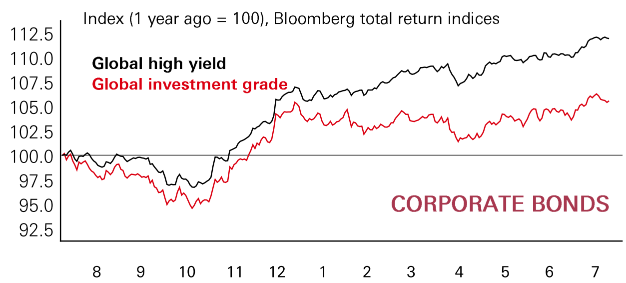
Selected asset performance

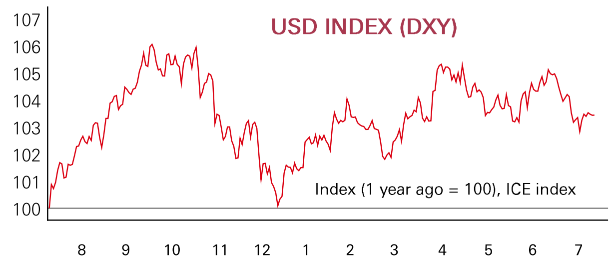


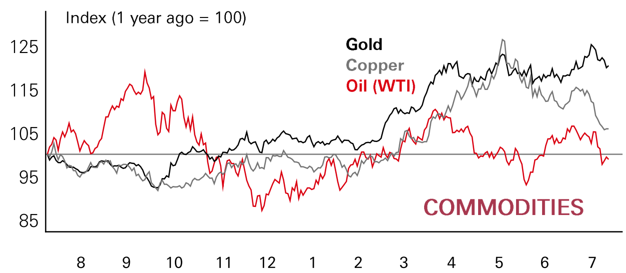












Past performance does not predict future returns. Any forecast, projection or target where provided is indicative only and not guaranteed in any way. Source: HSBC Asset Management. Macrobond, Bloomberg. Data as at 11.00am UK time 26 July 2024. Note: Asset class performance is represented by different 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)	797	-1.7	-0.9	4.5	13.5	9.6	832	628	18.7
North America									
US Dow Jones Industrial Average	39,935	-0.9	2.1	4.4	12.4	6.0	41,376	32,327	19.8
US S&P 500 Index	5,399	-1.9	-1.4	5.9	18.2	13.2	5,670	4,104	22.1
US NASDAQ Composite Index	17,182	-3.1	-3.5	7.9	21.6	14.5	18,671	12,544	33.5
Canada S&P/TSX Composite Index	22,608	-0.4	3.7	2.9	10.0	7.9	22,996	18,692	15.4
Europe									
MSCI AC Europe (USD)	557	-0.6	0.2	1.6	7.3	4.4	578	459	14.0
Euro STOXX 50 Index	4,850	0.5	-1.3	-3.1	11.6	7.3	5,122	3,993	13.5
UK FTSE 100 Index	8,235	1.0	0.1	1.2	7.3	6.5	8,474	7,216	12.0
Germany DAX Index*	18,340	0.9	1.0	1.0	13.7	9.5	18,893	14,630	13.3
France CAC-40 Index	7,489	-0.6	-1.6	-7.4	2.4	-0.7	8,259	6,774	13.3
Spain IBEX 35 Index	11,109	0.2	0.7	-0.4	15.7	10.0	11,470	8,879	10.9
Italy FTSE MIB Index	33,828	-1.1	0.9	-1.2	16.7	11.5	35,474	27,078	9.2
Asia Pacific									
MSCI AC Asia Pacific ex Japan (USD)	559	-1.8	-1.6	4.3	4.8	5.6	588	469	14.4
Japan Nikkei-225 Stock Average	37,667	-6.0	-5.0	-0.7	15.3	12.6	42,427	30,488	21.6
Australian Stock Exchange 200	7,921	-0.6	1.8	4.6	7.0	4.4	8,084	6,751	17.6
Hong Kong Hang Seng Index	17,021	-2.3	-5.9	-3.6	-12.1	-0.2	20,361	14,794	8.4
Shanghai Stock Exchange Composite Index	2,891	-3.1	-2.7	-6.4	-10.3	-2.8	3,322	2,635	11.2
Hang Seng China Enterprises Index	6,011	-2.5	-7.2	-4.1	-8.2	4.2	7,024	4,943	7.8
Taiwan TAIEX Index	22,119	-3.3	-3.8	9.9	28.9	23.4	24,417	15,976	19.4
Korea KOSPI Index	2,732	-2.3	-2.2	2.8	5.4	2.9	2,896	2,274	10.5
India SENSEX 30 Index	81,333	0.9	3.4	10.3	21.9	12.6	81,588	63,093	22.7
Indonesia Jakarta Stock Price Index	7,288	-0.1	5.5	3.6	4.9	0.2	7,454	6,640	13.7
Malaysia Kuala Lumpur Composite Index	1,613	-1.4	1.4	2.4	11.3	10.9	1,638	1,412	14.8
Philippines Stock Exchange PSE Index	6,726	-1.0	6.5	1.5	0.7	4.3	7,071	5,920	11.3
Singapore FTSE Straits Times Index	3,426	-0.6	2.8	4.5	3.7	5.7	3,509	3,042	10.9
Thailand SET Index	1,307	-0.8	-0.9	-3.9	-14.3	-7.7	1,579	1,282	14.2
Latam									
Argentina Merval Index	1,538,280	-2.0	-2.3	20.2	226.5	65.5	1,723,015	438,925	7.7
Brazil Bovespa Index*	125,954	-1.3	2.7	-0.5	2.8	-6.1	134,392	111,599	7.9
Chile IPSA Index	6,441	-1.8	-1.1	0.7	1.0	3.9	6,838	5,363	11.1
Colombia COLCAP Index	1,354	-1.0	-1.1	-0.9	16.3	13.3	1,451	1,045	6.3
Mexico S&P/BMV IPC Index	52,932	-1.4	0.9	-8.5	-2.9	-7.8	59,021	47,765	12.2
EEMEA									
Saudi Arabia Tadawul Index	12,026	-1.3	3.2	-1.9	1.0	0.5	12,883	10,262	N/A
South Africa JSE Index	80,966	1.3	2.2	7.4	4.4	5.3	82,154	69,128	10.5
Turkey ISE 100 Index*	10,862	-2.6	3.6	9.5	61.1	45.4	11,252	6,583	5.4

*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	-1.7	-0.8	5.0	10.7	15.4	15.4	63.2
US equities	-1.9	-1.3	6.0	13.4	19.5	23.2	88.3
Europe equities	-0.6	0.3	2.7	6.6	10.2	9.0	39.4
Asia Pacific ex Japan equities	-1.8	-1.1	5.3	7.3	7.4	-7.8	20.0
Japan equities	-3.4	0.7	3.4	6.8	11.0	8.1	37.8
Latam equities	-3.1	0.6	-9.6	-15.2	-10.0	5.9	0.6
Emerging Markets equities	-1.4	-0.6	4.2	6.7	6.7	-9.1	15.8

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.

Past performance does not predict future returns.
Source: HSBC Asset Management. Bloomberg. Data as at 11.00am UK time 26 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)	568	0.1	0.9	2.8	5.0	1.2
JPM EMBI Global	873.9	0.0	0.9	3.7	8.3	3.0
BarCap US Corporate Index (USD)	3240.6	-0.2	0.8	3.6	5.3	0.6
BarCap Euro Corporate Index (Eur)	250.7	0.4	1.2	2.1	7.0	1.8
BarCap Global High Yield (Hedged in USD)	596.0	0.2	1.3	3.3	12.6	5.2
Markit iBoxx Asia ex-Japan Bond Index (USD)	220.9	0.0	0.9	3.3	7.1	3.3
Markit iBoxx Asia ex-Japan High-Yield Bond Index (USD)	255	0.0	1.4	5.2	16.6	11.0

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	1.09	1.07	1.07	1.11	1.10	1.11	1.04	-0.3
GBP/USD	1.29	1.29	1.26	1.25	1.29	1.27	1.30	1.20	-0.3
CHF/USD	1.13	1.13	1.11	1.09	1.16	1.19	1.20	1.08	0.7
CAD	1.38	1.37	1.37	1.37	1.32	1.32	1.39	1.32	-0.6
JPY	154	157	161	158	140	141	162	138	2.1
AUD/USD	0.66	0.67	0.66	0.65	0.68	0.68	0.69	0.63	-2.0
NZD/USD	0.59	0.60	0.61	0.59	0.62	0.63	0.64	0.58	-1.9
Asia									
HKD	7.81	7.81	7.81	7.83	7.80	7.81	7.85	7.79	0.1
CNY	7.25	7.27	7.27	7.25	7.14	7.10	7.35	7.09	0.2
INR	83.7	83.7	83.6	83.3	82.0	83.2	83.7	82.2	-0.1
MYR	4.66	4.69	4.72	4.77	4.55	4.59	4.81	4.50	0.6
KRW	1386	1391	1389	1375	1274	1291	1400	1270	0.3
TWD	32.8	32.7	32.6	32.6	31.2	30.6	32.9	30.5	-0.3
Latam									
BRL	5.64	5.60	5.52	5.12	4.74	4.85	5.70	4.70	-0.8
COP	4029	4038	4138	3902	3950	3875	4427	3739	0.2
MXN	18.4	18.0	18.3	17.2	16.8	17.0	19.0	16.3	-1.7
ARS	929	924	911	875	272	808	929	273	-0.5
EEMEA									
RUB	85.6	87.9	88.3	91.9	89.9	89.5	102.4	82.7	2.7
ZAR	18.3	18.3	18.2	18.8	17.6	18.4	19.6	17.6	0.0
TRY	33.0	33.0	32.8	32.5	26.9	29.5	33.2	25.3	0.0

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	5.28	5.33	5.37	5.39	5.40	5.33	-4
2-Year	4.42	4.51	4.75	4.99	4.85	4.25	-9
5-Year	4.12	4.17	4.34	4.69	4.12	3.85	-4
10-Year	4.23	4.24	4.33	4.66	3.87	3.88	0
30-Year	4.48	4.45	4.46	4.78	3.93	4.03	3
10-year bond yields (%)							
Japan	1.06	1.04	1.02	0.89	0.45	0.61	3
UK	4.13	4.12	4.13	4.32	4.28	3.53	0
Germany	2.43	2.47	2.45	2.57	2.48	2.02	-3
France	3.14	3.13	3.23	3.07	3.01	2.56	0
Italy	3.79	3.77	3.99	3.92	4.10	3.69	2
Spain	3.25	3.25	3.33	3.36	3.50	2.98	1
China	2.19	2.26	2.23	2.31	2.65	2.56	-7
Australia	4.31	4.28	4.31	4.52	4.01	3.96	2
Canada	3.37	3.40	3.49	3.82	3.48	3.11	-2

*Numbers may not add up due to rounding.

Commodities		1-week Change (%)	1-month Change (%)	3-month Change (%)	1-year Change (%)	YTD Change (%)	52-week High	52-week Low
Gold	2,374	-1.1	3.3	1.5	20.4	15.1	2,484	1,811
Brent Oil	82.0	-0.8	-2.9	-5.3	4.6	8.1	89	73
WTI Crude Oil	77.9	-1.0	-2.9	-4.5	5.3	9.2	84	69
R/J CRB Futures Index	279.7	-0.2	-4.0	-5.8	-0.4	6.0	300	258
LME Copper	9,129	-1.9	-4.3	-8.4	5.9	6.7	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 26 July 2024.

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