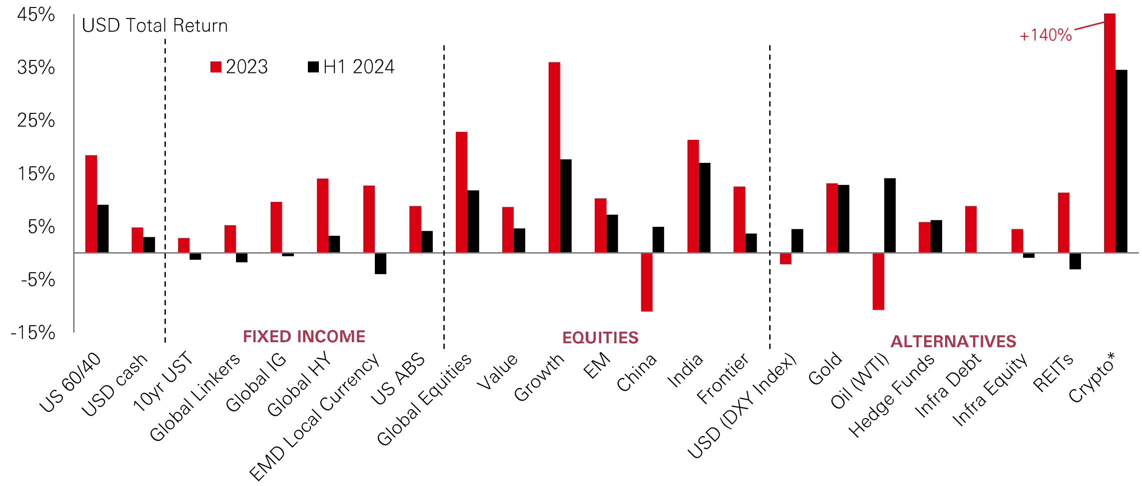
HSBC Asset Management

Investment Weekly

28 June 2024
For Professional Clients only.

Chart of the week – Market action in H1



What's next for investment markets in the second half of the year? A good starting point is to reflect on where we have come from. And 2024 has had already seen some economic and market twists and turns.

The resetting of 2024 policy rate expectations (from 7 Fed cuts to only 1-2) was the big economic event during H1. This damaged core fixed income returns. But shorter duration credits – like High Yield or ABS – fared better. Meanwhile macro resilience and the AI megatrend helped global stocks to keep on going. Value stocks couldn't keep pace with Growth, but still managed to deliver returns (on an annualised basis) at a similar clip to 2023.

Yet the headlines mask important nuances. Strength in developed market stocks was broad-based in Q1, but performance has been more varied during Q2, with tech performing well. Likewise, Treasury bond yields rose through to late April, thanks to hot growth and inflation prints. But, since then, signs that growth is slowing and inflation unsticking itself have driven a bond rally. **In investing, both the destination and the journey are important**.

So, what do these trends tell us about the near-term future? Well, after a tricky start to 2024, we see **a return for fixed income**. For **credits and stocks, a more selective approach** looks warranted. Areas like infrastructure and real estate are unloved and typically defensive. Japan still looks interesting for our global investment team too. And don't overlook opportunities to "play the yield" in emerging and frontier markets, especially in Asia. South Asia, after all, remains the fastest growing region in 2024.

Market Spotlight

Some lessons from EM investing in H1

Asia has been the best performing EM region in the first half of the year. The recovery in Chinese stocks accelerated in Q2 with investor confidence boosted by stabilising profits and policy initiatives. Elsewhere, India has seen strong returns again in 2024 – with MSCI India delivering comparable performance to the S&P500.

Latin America – the winning region in 2023 – has struggled in 2024. Stocks have both performed negatively, despite both Brazil and Mexico cutting interest rates. An interesting theme for US and European investors to mull over.

A third lesson from emerging market investing in H1 has been connected to how election uncertainty transmits to market price action. Polling results in India in June created short-lived stock and FX volatility, but the market quickly recovered as investors refocussed on a consistent policy agenda and the exciting Indian megatrends. But in Mexico, the peso has sustained a double-digit percent drawdown following the election result. For investors, it's not just news and events that matter for market direction, but how traders' expectations are set ahead of that news.

Equities →
Exploring valuations in DM stock market sectors

Currencies →
Why the strong US dollar could be vulnerable

Playing the yield →
Tactics and strategies for investors in the second half

Discover more in our Alternatives – Quarterly Update

Source: HSBC Asset Management. Macrobond, Bloomberg. ***See page 8 for details of asset class indices**. Data as at 11.00am UK time 28 June 2024.

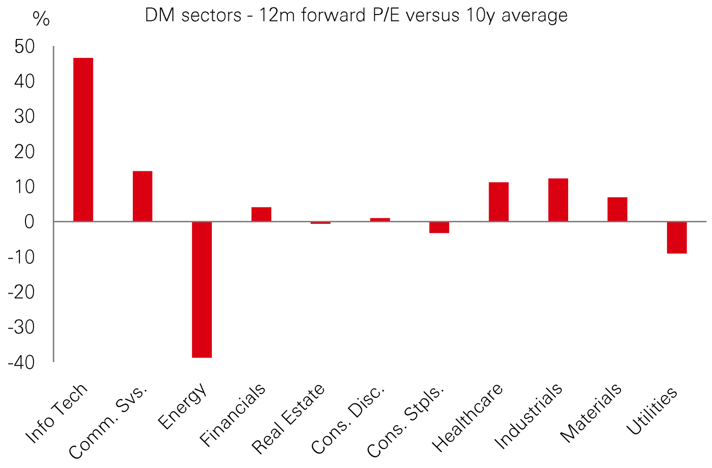
Lens on…

A question of value

Developed market stocks delivered strong returns in H1. But looking ahead, a key question for investors is whether valuations are overstretched, and whether future returns could suffer as a result.

An obvious place to start is the Info Tech and Communications Services sectors. These have been the epicentre of the AI mega-theme in equities for more than 18 months – and a prime driver of returns. **IT currently trades on a forward price-earnings (PE) ratio nearly 47% above its 10 year average**. Communications is 14% ahead (and even higher in the US). While these sectors could continue to perform well, rich valuations can be vulnerable to profit disappointments, especially if conditions weaken.

By contrast, some of the more defensive and rate-sensitive sectors are cheaper and could offer respite if growth starts to soften. Utilities, Staples and Real Estate trade below their 10 year average Pes. Energy is the cheapest of the lot. Overall, we're generally cautious on DM equities, preferring some of the left-behind quality defensives **along with our core call for more attractive-looking valuations and growth upside in Asia and EMs**.

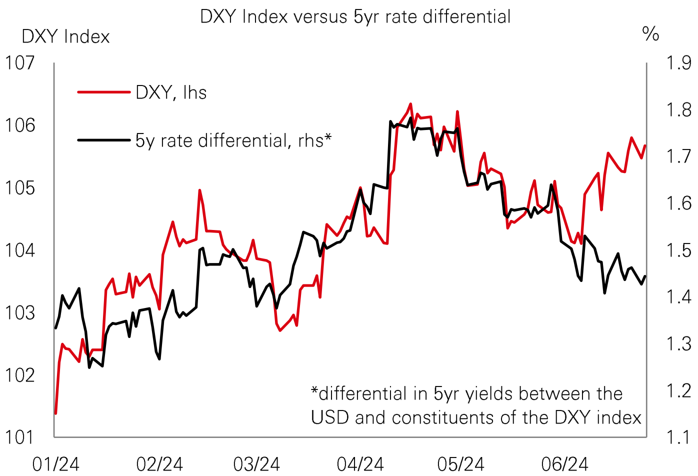


Dollar – still strong

By rights, the US dollar should have weakened through June. US activity data have been surprising meaningfully to the downside, which, combined with soft May inflation readings, has meant that US yields have declined relative to yields elsewhere. Yet the dollar has gained ground.

A large part of the answer lies in what's driving the euro, which has the largest weight in the DXY index. Idiosyncratic risks for the euro have gone up materially, reflecting political developments in France. The euro is caught up in the tussle between euro-positive moves in rate differentials and euro-negative peripheral spreads, with the latter dominating thus far.

However, if the macro undercurrents continue to evolve against the dollar, as we expect, and if the European political situation quietens down during the summer break, **the recent divergence between the dollar and rates may prove temporary**. Furthermore, over the medium-term, a US slowdown is likely to be more consequential for the dollar.

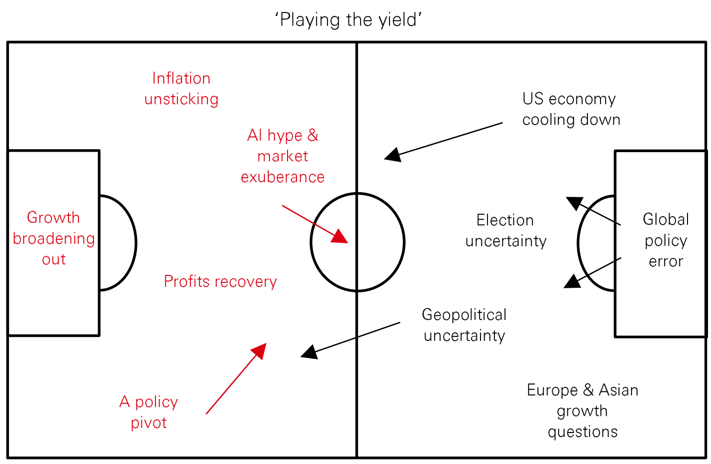


Is football coming home?

With the UEFA European Championship reaching its crucial knockout stages this weekend, some of football's great tacticians will be looking for opportunities in attack and ways to soak up pressure in defence. We've taken that as inspiration for some of our latest thinking on investment markets in the second half of this year.

In our **'Playing the yield' 2024 Mid-Year Investment Outlook we see a number of reasons for investors to remain optimistic in H2**. As the 'reds' show, a solid back line of broadening growth, a return to disinflation and expected central bank policy easing offer confidence. We're already seeing a pick-up in the global earnings outlook. And of course, some mega-themes like technology have so far delivered star performances.

But of course, the opposition, in 'black', must be taken seriously. **Geopolitical and election uncertainty are likely to be top of mind in the coming months**, and could unsettle markets. Signs of cooling in the US and an uncertain growth outlook for Asia and Europe also demand caution. And of course, any mis-steps at the policy level could put markets on the back foot too.



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. Data as at 11.00am UK time 28 June 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	□□□□□□□■□	Real yields remain high in many EM local markets, but the chief risk is sticky inflation that delays rate cuts and keeps the US dollar strong. A pick-up in industrial metals points to an improving EM growth outlook, which could help local bonds weather any delays to Fed policy easing
	Asia Local	□□□□□□■□□	Regional central banks are expected to keep policy on hold near term, with gradual easing only expected after the Fed begins to cut rates. The macro backdrop is supportive, with countries including India, Indonesia and Thailand having a more favourable rates outlook
Credits	Global Credit	□□□□□■□□□	Global credit is expensive with most non-financial spreads at near-cyclical tights. Financials, particularly banks, look attractive but less so than they were at the start of 2024. All-in yields continue to support inflows, helping long duration corporate credit
	Global High-Yield	□□□■□□□□□	Valuations are expensive with spreads well below historical averages. The market prices a global soft landing. Despite tight spreads, 'all in' yields are high. Reasonable growth and moderating inflation mean that the fundamental backdrop is supportive
	Asia Credit	□□□□□■□□□	Asia IG provides opportunities for carry strategies with shorter duration and a better supply outlook versus global peers. Asia HY may still have room for modest spread-tightening given a solid macro backdrop and policy support in China, despite rich valuations in non-China markets
	EMD Hard Currency Bonds	□□□□■□□□□	EM credit spreads could benefit from Fed rate cuts, but this prospect has already driven a re-rating of the asset class. Spreads are at historic tights and it is difficult to see further compression, although we remain cyclically-constructive
Equities	DM Equities	□□□■□□□□□	Investor sentiment is buoyed by confidence in the soft landing, and leadership from quality growth. But as investor perceptions shift, the market is discounting a lot of good news. Risks of an adverse surprise are rising, even if an imminent growth collapse looks unlikely
	EM Equities	□□□□□□■□□	The EM growth outlook is a relative bright spot in a global context, with disinflation and anticipation of future Fed rate cuts being supportive. Stock and currency market valuations remain undemanding. Idiosyncratic trends within EMs imply scope for portfolio diversification too
	Asia ex Japan	□□□□□□■□□	The overall growth outlook is solid, with valuations remaining fair. Chinese policy support is helping to stabilise investor confidence. India's earnings outlook is supportive despite stretched valuations. Korea and Taiwan continue to benefit from the upswing in the semiconductor cycle
Alternatives	Global Private Equity	□□□□■□□□□	With tighter financial conditions raising the cost of leverage, PE funds may face challenges in delivering consistently strong returns. However, increasing economic headwinds can create attractive entry points for longer-term investors. The investment case is about alpha, not beta
	Global Real Estate	□□□□□□□■□	Capital values are expected to bottom in 2024, although office space may take longer. Yield spreads with US Treasuries are expected to widen once rates eventually fall. Investment volumes should start to increase from H2 from the lowest levels since 2011. We prefer a focus on quality and prime property with high occupancy and inflation protected leases
	Infrastructure Debt	□□□□□□□■□	Infrastructure debt currently offers stronger expected returns than global credits, and experiences lower spread volatility during economic slowdowns. It has strong defensive attributes, offers inflation-linked cash flows and benefits from thematic drivers such as the green transition

Past performance does not predict future returns.

Source: HSBC Asset Management. Data as at 11.00am UK time 28 June 2024.

Key Events and Data Releases

This week

Date	Country	Indicator	Data as of	Actual	Prior	Comment
Mon. 24 June	GE	IFO Business Climate Index	Jun	88.6	89.3	IFO's business climate index surprised on the downside in June, mirroring the cautious message from the German PMIs
Tue. 25 June	US	Case Shiller 20 City House Price Index (yoy)	May	7.2%	7.5%	Case Shiller house price inflation decelerated in May but remained robust as supply shortages offset the impact of weak demand
Wed. 26 June	US	New Home Sales (mom)	May	-11.3%	2.0%	US new home sales surprised to the downside in May, providing further evidence of weaker residential market demand in Q2 2024
Thu. 27 June	PH	Philippines Central Bank Interest Rate Decision	Jun	6.50%	6.50%	The BSP kept policy unchanged in June, but left the door open for a rate cut in August as 2024 and 2025 inflation forecasts were downgraded
	TK	Turkish Central Bank Interest Rate Decision	Jun	50.00%	50.00%	The Turkish central bank maintained current elevated interest rates as it attempts to quell inflation pressures
	MX	Banxico Interest Rate Decision	Jun	11.00%	11.00%	Banxico kept rates on hold in June, citing the "visible" currency depreciation. Inflation risks remain biased to the upside
	US	GDP (qoq annualised)	Q1 (F)	1.4%	1.3% (S)	The final estimate of Q1 GDP was little changed, with final domestic sales remaining solid. However, consumer spending was revised down
	US	Biden-Trump First Debate	Jun			Initial opinion polls suggest Trump comfortably won the first US presidential debate. The second debate takes place September 10th
Fri. 28 June	US	Core PCE	May	-	2.8%	The core PCE, the Fed's favoured inflation gauge, should ease in coming months but the trajectory towards 2% is likely to be bumpy

P – Preliminary, Q – Quarter, F – Final, S – Second Estimate **GE – Germany, US – United States, PH – Philippines, TK – Turkey, MX – Mexico**

The week ahead

Date	Country	Indicator	Data as of	Survey	Prior	Comment
Sun. 30 Jun	CN	Official NBS Manufacturing PMI	Jun	49.5	49.5	The official manufacturing PMI dropped marginally into contraction territory last month and is expected to remain there in June
	FR	First round of French lower house elections	Jun			Latest opinion polls suggest Le Pen's RN will win the most seats but fall short of a majority in the lower house elections
Mon. 1 July	JP	BoJ Tankan Large Manufacturers Business Confidence	Q2	11.0	11.0	Little change is envisaged in large manufacturers' business confidence in Q2 2024, with medium-term price expectations remaining above 2%
	KO	Consumer prices (yoy)	Jun	2.7%	2.7%	Headline inflation remains above the Bank of Korea's 2% target, but excluding food and energy the current overshoot is minimal
	CN	Caixin Manufacturing PMI	Jun	51.5	51.7	The Caixin manufacturing PMI has been more resilient than its NBS counterpart and points to continued growth in the sector
	BR	S&P Global Manufacturing PMI	Jun	-	52.1	Brazil's manufacturing PMI has been in expansion territory since early 2024 though it softened in May
	US	ISM Manufacturing Index	Jun	49.0	48.7	The weakness in ISM new orders in May suggests the headline index is likely to remain in contraction territory in June
Tue. 2 July	EZ	Consumer prices (yoy)	Jun (P)	2.5%	2.6%	Service sector inflation and wage growth have been sticky in recent months. The ECB is looking for both to moderate in H2 2024
	PT	US Fed Chair Powell, ECB President Lagarde and Brazil's Roberto Campos Neto speak at the Central Bank Forum in Sintra				
	MX	S&P Global Manufacturing PMI	Jun	-	51.2	Mexico's manufacturing PMI should remain above 50 in June, supported by resilient domestic demand
Wed. 3 July	US	ISM Services Index	Jun	52.0	53.8	The US ISM services index is expected to give back some of May's unexpected gain in June but remain in expansion territory
	US	June FOMC minutes published	Jun			June's FOMC minutes should confirm Fed officials remain cautious, awaiting further evidence of disinflation before easing policy
Thu. 4 July	UK	General Election	Jul			Recent opinion polls point to a sizeable majority for the Labour party, potentially larger than seen in its 1997 landslide win
	US	Financial Markets closed for Independence Day				
Fri. 5 July	US	Change in Payrolls (000s)	Jun	188	272	Non-farm payrolls surprised on the upside in May but other labour market measures point to softer employment conditions

P – Preliminary, Q – Quarter **CN – China, FR – France, JP – Japan, KO – South Korea, BR – Brazil, EZ – Eurozone, PT – Portugal, MX – Mexico**

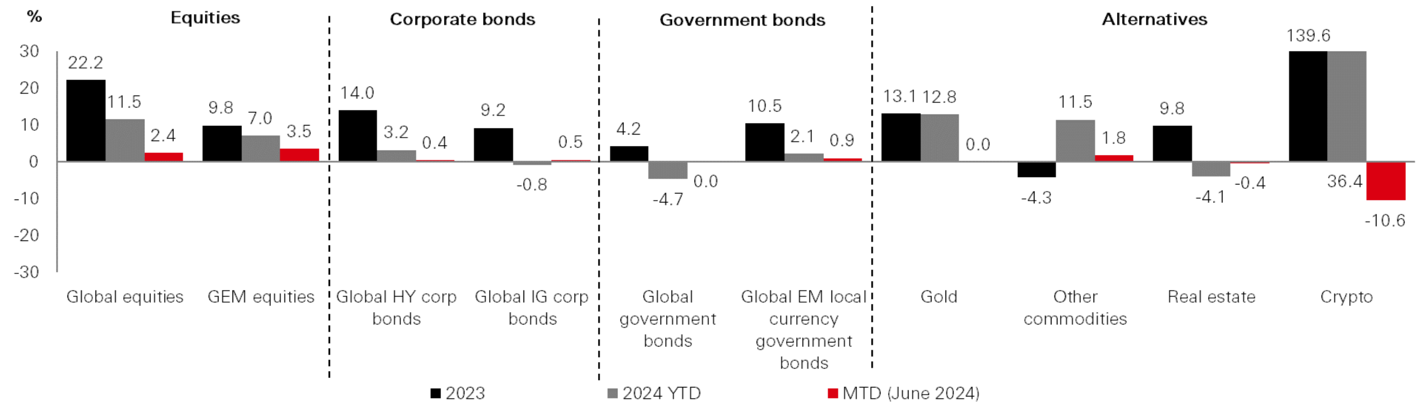
Source: HSBC Asset Management. Data as at 11.00am UK time 28 June 2024.

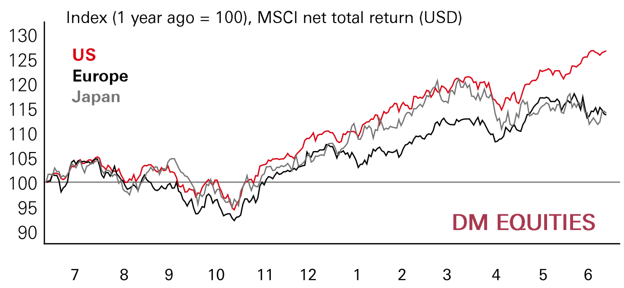
Market review

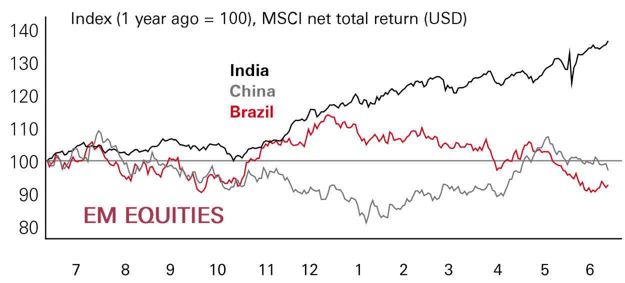
This week

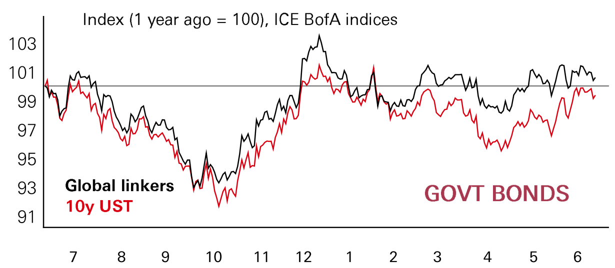
Risk assets struggled to make headway amid a quiet week for economic updates. Core government bonds consolidated as investors absorbed hawkish comments from Fed member Bowman and mixed US data. The latest inflation figures in Australia and Canada surprised on the upside. US equities were range-bound. The Euro Stoxx 50 index traded sideways ahead of the first round of French legislative elections, while the spread between 10yr French and 10yr German sovereign bonds widened. Japan's Nikkei 225 index rallied as the yen weakened against the US dollar to new multi-decade lows, with JGB yields higher on rising rate concerns. In EM, the Shanghai Composite remained on the defensive ahead of the third plenum review in China. India's Sensex reached another record high. In commodities, improving demand lifted oil prices amid ongoing geopolitical tensions. Gold and copper softened.

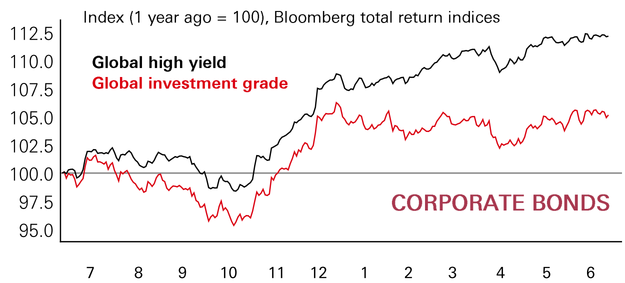
Selected asset performance

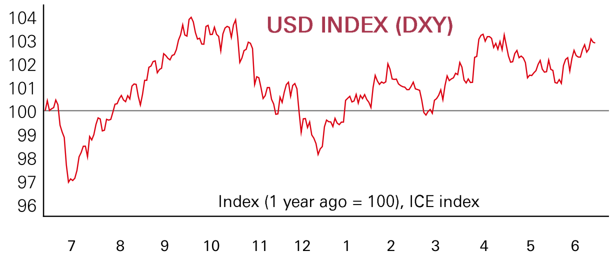


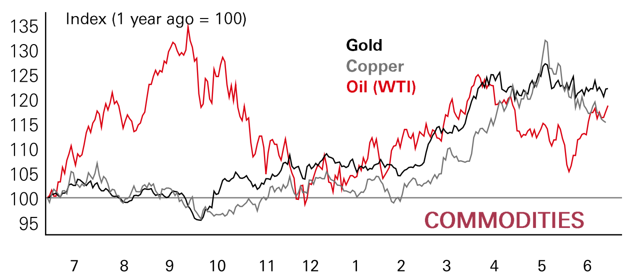












Past performance does not predict future returns

Source: HSBC Asset Management. Macrobond, Bloomberg. Data as at 11.00am UK time 28 June 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)	804	0.3	1.4	2.6	19.2	10.6	807	628	18.8
North America									
US Dow Jones Industrial Average	39,164	0.0	0.8	-1.6	15.7	3.9	40,077	32,327	19.3
US S&P 500 Index	5,483	0.3	3.3	4.3	25.3	14.9	5,506	4,104	22.4
US NASDAQ Composite Index	17,859	1.0	4.9	9.0	31.4	19.0	17,937	12,544	33.1
Canada S&P/TSX Composite Index	21,942	1.8	-1.5	-1.0	10.7	4.7	22,555	18,692	14.9
Europe									
MSCI AC Europe (USD)	555	-0.2	-2.5	-0.6	10.6	4.0	578	459	14.1
Euro STOXX 50 Index	4,905	0.0	-2.5	-3.5	12.9	8.5	5,122	3,993	13.6
UK FTSE 100 Index	8,211	-0.3	-0.5	3.3	9.5	6.2	8,474	7,216	11.7
Germany DAX Index*	18,299	0.7	-2.0	-1.0	14.7	9.2	18,893	14,630	13.2
France CAC-40 Index	7,487	-1.9	-7.1	-8.8	2.8	-0.7	8,259	6,774	13.3
Spain IBEX 35 Index	10,971	-0.6	-2.7	-0.9	15.7	8.6	11,470	8,879	10.7
Italy FTSE MIB Index	33,283	-0.1	-4.0	-4.2	20.4	9.7	35,474	27,078	9.0
Asia Pacific									
MSCI AC Asia Pacific ex Japan (USD)	565	-0.5	-0.2	5.4	9.6	6.8	573	469	14.6
Japan Nikkei-225 Stock Average	39,583	2.6	1.9	-1.5	19.2	18.3	41,088	30,488	22.4
Australian Stock Exchange 200	7,767	-0.4	0.0	-1.6	7.9	2.3	7,911	6,751	17.4
Hong Kong Hang Seng Index	17,719	-1.7	-5.9	7.1	-7.6	3.9	20,361	14,794	8.7
Shanghai Stock Exchange Composite Index	2,967	-1.0	-4.6	-1.4	-7.0	-0.3	3,322	2,635	11.0
Hang Seng China Enterprises Index	6,332	-1.7	-5.3	9.0	-2.9	9.8	7,024	4,943	8.2
Taiwan TAIEX Index	23,032	-1.0	5.4	14.3	36.0	28.5	23,406	15,976	20.1
Korea KOSPI Index	2,798	0.5	2.8	1.9	9.1	5.4	2,813	2,274	11.0
India SENSEX 30 Index	79,259	2.7	5.4	7.6	24.0	9.7	79,672	63,093	22.6
Indonesia Jakarta Stock Price Index	7,064	2.7	-2.6	-3.1	6.0	-2.9	7,454	6,640	13.0
Malaysia Kuala Lumpur Composite Index	1,590	0.0	-1.6	3.9	14.5	9.3	1,633	1,370	14.4
Philippines Stock Exchange PSE Index	6,412	4.1	-1.4	-7.1	-1.4	-0.6	7,071	5,920	10.7
Singapore FTSE Straits Times Index	3,334	0.8	0.1	3.4	3.9	2.9	3,393	3,042	10.7
Thailand SET Index	1,301	-0.4	-4.5	-5.1	-11.3	-8.1	1,579	1,282	14.3
Latam									
Argentina Merval Index	1,635,667	3.8	3.8	34.8	299.3	75.9	1,665,774	408,773	8.4
Brazil Bovespa Index*	124,308	2.4	0.4	-3.0	6.5	-7.4	134,392	111,599	7.7
Chile IPSA Index	6,505	0.2	-3.8	-2.1	15.0	4.9	6,838	5,363	11.3
Colombia COLCAP Index	1,377	0.8	-2.3	3.3	22.1	15.2	1,451	1,045	7.2
Mexico S&P/BMV IPC Index	52,311	-0.9	-5.2	-8.8	-2.1	-8.8	59,021	47,765	12.0
EEMEA									
Russia MOEX Index	3,123	0.0	-5.4	-5.7	12.3	0.8	3,522	2,741	N/A
South Africa JSE Index	79,721	-0.1	1.5	7.0	6.5	3.7	81,364	69,128	10.7
Turkey ISE 100 Index*	10,744	-0.3	0.6	18.3	86.6	43.8	11,088	5,693	5.7

*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	0.3	1.6	3.1	11.5	21.2	17.1	67.0
US equities	0.4	3.3	4.3	15.1	26.6	28.9	96.8
Europe equities	-0.2	-2.3	0.8	6.1	13.7	8.7	37.7
Asia Pacific ex Japan equities	-0.4	0.1	6.2	8.1	12.5	-13.3	20.9
Japan equities	2.0	-1.5	-4.3	5.7	12.2	5.1	37.0
Latam equities	0.2	-8.4	-12.1	-15.6	-4.4	1.5	0.8
Emerging Markets equities	-0.4	-0.2	4.9	7.0	11.9	-15.1	16.0

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 28 June 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)	563	-0.2	1.1	0.3	4.1	0.3
JPM EMBI Global	866.6	-0.1	1.0	0.7	8.5	2.1
BarCap US Corporate Index (USD)	3220.4	-0.2	1.6	0.4	4.9	0.0
BarCap Euro Corporate Index (Eur)	247.8	0.0	0.6	0.2	6.3	0.6
BarCap Global High Yield (Hedged in USD)	588.5	0.0	0.7	1.3	12.7	3.9
Markit iBoxx Asia ex-Japan Bond Index (USD)	219.1	0.0	1.1	1.3	5.9	2.5
Markit iBoxx Asia ex-Japan High-Yield Bond Index (USD)	251	0.3	1.1	3.4	12.0	9.6

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

Currencies (vs USD)	Latest	1-week Ago	1-month Ago	3-months Ago	1-year Ago	Year End 2023	52-week High	52-week Low	1-week Change (%)
Developed markets									
EUR/USD	1.07	1.07	1.09	1.08	1.09	1.10	1.13	1.04	0.0
GBP/USD	1.26	1.26	1.28	1.26	1.26	1.27	1.31	1.20	0.0
CHF/USD	1.11	1.12	1.10	1.11	1.11	1.19	1.20	1.08	-0.6
CAD	1.37	1.37	1.36	1.35	1.33	1.32	1.39	1.31	-0.1
JPY	161	160	157	151	144	141	161	137	-0.6
AUD/USD	0.66	0.66	0.67	0.65	0.66	0.68	0.69	0.63	0.1
NZD/USD	0.61	0.61	0.61	0.60	0.61	0.63	0.64	0.58	-0.8
Asia									
HKD	7.81	7.81	7.81	7.83	7.83	7.81	7.85	7.79	0.0
CNY	7.27	7.26	7.24	7.23	7.24	7.10	7.35	7.09	-0.1
INR	83.4	83.5	83.2	83.4	82.1	83.2	83.7	81.7	0.2
MYR	4.72	4.71	4.69	4.73	4.67	4.59	4.81	4.50	-0.1
KRW	1376	1388	1358	1346	1308	1291	1400	1257	0.8
TWD	32.4	32.4	32.2	32.0	31.1	30.6	32.7	30.5	-0.2
Latam									
BRL	5.50	5.43	5.16	5.01	4.85	4.85	5.54	4.70	-1.2
COP	4166	4145	3846	3859	4148	3875	4427	3739	-0.5
MXN	18.3	18.1	16.8	16.6	17.1	17.0	19.0	16.3	-1.3
ARS	911	906	893	858	256	808	912	256	-0.6
EEMEA									
RUB	85.1	89.1	88.6	92.6	86.2	89.5	102.4	82.7	4.5
ZAR	18.2	18.0	18.3	18.9	18.7	18.4	19.6	17.4	-1.3
TRY	32.9	32.8	32.2	32.3	26.1	29.5	33.0	25.3	-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	5.35	5.36	5.40	5.36	5.32	5.33	-1
2-Year	4.72	4.73	4.98	4.62	4.71	4.25	-1
5-Year	4.31	4.27	4.59	4.21	3.97	3.85	4
10-Year	4.30	4.26	4.55	4.20	3.71	3.88	5
30-Year	4.45	4.40	4.67	4.34	3.81	4.03	5
10-year bond yields (%)							
Japan	1.05	0.97	1.03	0.71	0.38	0.61	8
UK	4.15	4.08	4.28	3.93	4.31	3.53	7
Germany	2.46	2.41	2.59	2.30	2.31	2.02	5
France	3.30	3.21	3.07	2.81	2.84	2.56	10
Italy	4.06	3.94	3.90	3.68	3.97	3.69	12
Spain	3.42	3.29	3.35	3.16	3.29	2.98	13
China	2.21	2.26	2.30	2.31	2.67	2.56	-5
Australia	4.31	4.21	4.26	3.96	3.87	3.96	10
Canada	3.47	3.35	3.70	3.47	3.22	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	2,328	0.2	-1.4	4.4	22.0	12.8	2,450	1,811
Brent Oil	87.1	2.2	3.8	2.1	20.1	14.4	90	72
WTI Crude Oil	82.5	2.2	4.0	2.0	21.5	15.1	85	67
R/J CRB Futures Index	291.3	-0.7	-3.0	0.3	12.4	10.4	300	258
LME Copper	9,516	-1.7	-9.4	7.3	15.3	11.2	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 28 June 2024.

Note: Asset class performance on Page 1 is represented by different indices.
US 60/40: Bloomberg EQ:FI 60:40 Index, Cash: JP Morgan Cash Index (3month), 10yr UST: ICE BofA 10yr US Treasury Index, Global Linkers: ICE BofAGlobal Inflation-Linked Government Index, Global IG: Bloomberg Barclays Global IG Total Return Index unhedged. Global High Yield Index: ICE BoFaUS High Yield Index, EMD Hard currency: US ABS: Bloomberg US ABS Floating Rate Total Return index; Bloomberg Barclays Global Aggregate Treasuries Total Return Index. EMD local currency JP Morgan EMBI Global Total Return local currency. Global Equities: MSCI ACWI Net Total Return USD Index. Value: MSCI Value Index, Growth: MSCI Growth Index, Global Emerging Market Equities: MSCI Emerging Market Net Total Return USD Index. China: MSCI China Index, India: MSCI India Index. Frontier: MSCI Frontier Markets Total Return Index, Alternatives: USD: DXY Index, Gold Spot $/OZ, Oil: WTI crude oil, Hedge funds: Credit Suisse Hedge Fund Index, Leverage Loans: JP Morgan liquid Loan Index, Infra Debt: iBoxx USD Infrastructure Total Return Index, Infra Equity: Dow Jones Brookfields Global Infrastructure Total Return Index, REITS Real Estate: FTSE EPRA/NAREIT Global Index TR USD. *Crypto: Bloomberg Galaxy Crypto Index.

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