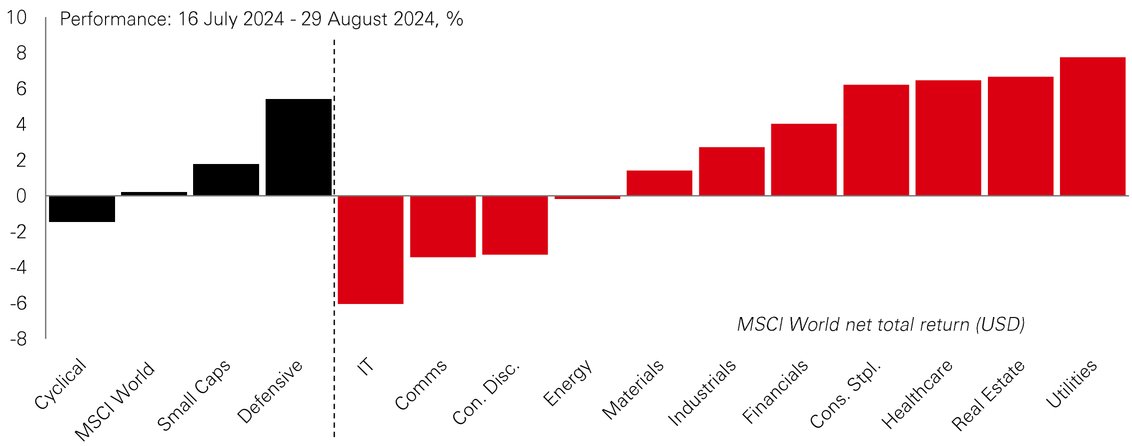
Investment Weekly

30 August 2024
For Professional Clients only.

Chart of the week – Unpacking the market rebound



As summer holidays draw to a close, it's not just suitcases we are unpacking. This month's 'market tantrum' and rapid recovery deserve scrutiny as the rebound masks some important shifts in sectoral performance.

Through 2023 and for the most part of this year, momentum has been concentrated in stocks riding the AI/technology megatrend. But since July, we've had some mixed profits news from the mega-cap tech names, with tech beginning to look like a 'wobbly trade'. And there was more of that this week after the Q2 earnings results from Nvidia, which despite topping forecasts, failed to impress the market. Stretched tech sector valuations are proving to be a challenge.

Since the market peak in mid-July—amid rising recession worries that sparked this month's bout of volatility—**the winners have been out-of-favour defensive and rate-sensitive sectors like utilities, real estate (see Market Spotlight), consumer staples and healthcare**. This broadening out of market performance echoes what happened in Q1 when value sectors, like industrials, were holding their own versus quality growth.

What comes next? Investors are getting used to dramatic narrative changes in markets. A complex economic environment and data dependent central bankers has made that par for the course. If central bankers can secure a soft-ish landing, **the 'broadening out' theme can become backable again for investors in H2**.

Market Spotlight

Further room to run for listed real estate

Heightened expectations of imminent US rate cuts have boosted the performance of global listed real estate over the summer. The FTSE Nareit All Equity REITs Index has made double-digit gains over the past two months. **And even after this rally, the sector still offers a valuation discount to other asset classes**. Dividend yields from global real estate equities stand at a premium to both wider equities and developed market government bonds.

With the exception of parts of the office sector, global listed real estate continues to be supported by solid tenant demand and high occupancy levels, which could feed into future dividend growth, and provide a basis for healthy total returns.

Whilst uncertainty over the timing of rate cuts has previously been a drag on sector sentiment, private real estate capital markets are showing signs of re-opening and we expect investment volumes to pick up during the second half of the year. As the global cutting cycle gets underway in earnest, this is a sector that could shine.

Rates Outlook →

Exploring the future path of US interest rates policy

Asia FX →

Why EM Asian currencies have rallied this summer

China Macro →

Factors driving China's uneven economic recovery

Source: HSBC Asset Management. Macrobond, Bloomberg. Data as at 11.00am UK time 30 August 2024.

Lens on...

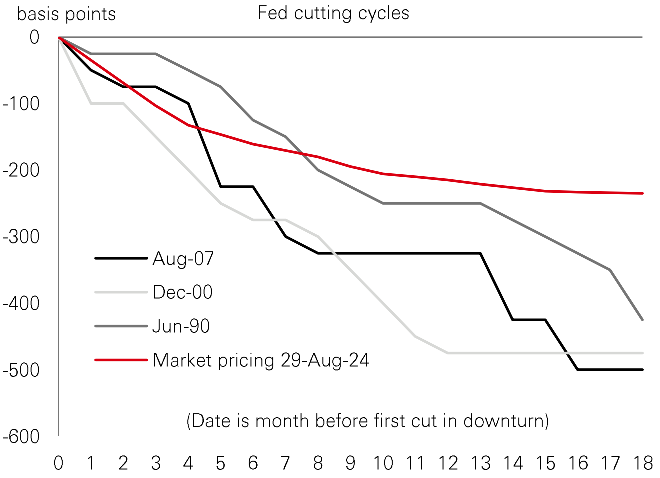
Rate expectations

Jerome Powell's Jackson Hole speech sealed a September rate cut. The only question now seems to be whether it will be a 25bp or a 50bp move, with labour market developments likely to be the determining factor, given the line that the Fed does not "seek or welcome further cooling in labour market conditions".

The market is pricing about a one-third chance of a 50bp cut in September, 100bp of easing by year-end and around 225bp by end-2025. This is marginally more aggressive than we see under our central soft-ish landing scenario – 25bp cuts per meeting until the funds rate reaches 3.50% in summer 2025.

However, market pricing incorporates a range of possible outcomes, including some probability of a recession. The last three recessions (excluding Covid) have seen 400-500bp of cuts over an 18-month period. So, there is plenty of scope for rate expectations to shift lower if the economy slows quicker than expected.

With yields still elevated and August's market turbulence proving **Treasuries haven't lost their role as a hedge against equity market volatility**, this remains an attractive asset class to own.

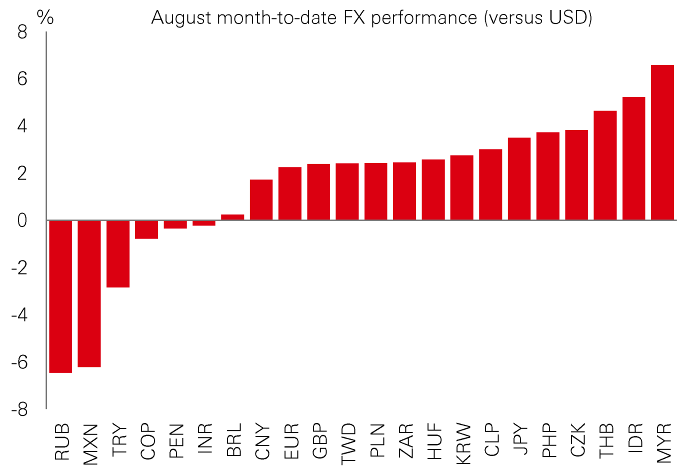


Asian FX boost

Many global FX markets have performed well this month as investors ramp up expectations of Fed policy easing, weighing on the US dollar. Within the EM FX universe, Asian currencies have done particularly well, especially in ASEAN (the Malaysian ringgit and Indonesian rupiah are up over 5% month-to-date). But this is not just a dollar story – local factors have provided a boost too.

In Malaysia, the ringgit has enjoyed a tailwind from administrative moves to boost conversion of FX proceeds into local currency, and its economy has staged a strong, broad, recovery this year. There are also signs that it's benefiting from a broadening of the global tech upcycle, as well as rising foreign direct investment.

Our central scenario is for the USD to decline further as the Fed eases policy, benefiting EM FX which offer a yield advantage. EM currencies also look cheap. **EM FX appreciation would provide an important tailwind to returns for international investors in local-currency EM assets**. But varied country-level performance is a reminder that a diversified approach to EM investing is crucial.

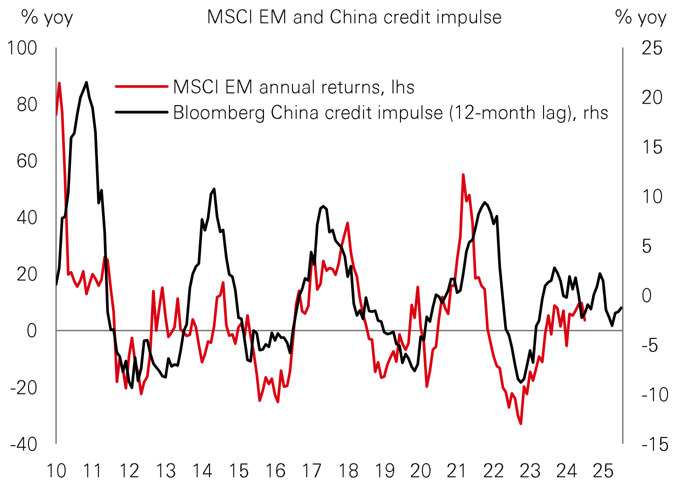


China's uneven recovery

Recent macro data in China continues to point to an uneven recovery, potentially putting this year's ~5% real growth target at risk.

Solid exports and developments in advanced manufacturing have been cushioning the growth slowdown, but soft consumer demand sets the economy up to be more vulnerable to global demand shocks and rising protectionism. The domestic supply-demand imbalance has resulted in excess capacity and fierce competition in some sectors, weighing on corporate profits and exerting deflationary pressures in the economy.

We think the uneven recovery points to a need for more policy action and forceful implementation to restore confidence and fundamentally reflate the economy. This **policy support could be a catalyst for EM stock market outperformance**. Meanwhile, divergent sectoral growth paths reflect policy priorities for economic transformation toward quality and innovation-led growth, which creates opportunities in sectors prioritised for long-term development. We reflect on these challenges in our latest **Macro Insight** and what it means for H2 2024 and 2025.



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. Source: HSBC Asset Management. Macrobond, Bloomberg, Datastream. Data as at 11.00am UK time 30 August 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 imminent 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	10yr US 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		There is scope for rate cuts among regional central banks later this year, depending on the Fed, as inflation risk across the region has been broadly manageable. 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		HY spreads remain historically tight despite cooling in the US economy. Nevertheless 'all in' yields are high. For now, still reasonable growth and moderating inflation mean that the fundamental backdrop is supportive
	Asia Credit		Asia IG 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		Markets face potential volatility amid slowing global growth and political uncertainty. On the upside, global corporate profits look significantly less concentrated and lopsided for FY2024 and into 2025, which could support a broadening out of performance
	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 earnings outlook is being supported by a pick-up in the semiconductor cycle, continuing Chinese policy support 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 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. 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.
Source: HSBC Asset Management. Data as at 11.00am UK time 30 August 2024.

Key Events and Data Releases

This week

Date	Country	Indicator	Data as of	Actual	Prior	Comment
Mon. 26 August	GE	IFO Business Confidence Index	Aug	86.6	87.0	The fall in the IFO Confidence Index is consistent with the decline in the German PMIs last week, confirming continued weakness
Tue. 27 August	US	Consumer Confidence Index, Conference Board	Aug	103.3	101.9	The rise in confidence reflects optimism about disinflation and pending rate cuts, but labour market concerns are growing
	US	S&P Case-Shiller 20 House Prices (mom)	Jun	0.4%	0.4%	Despite still-high mortgage rates and a cooling labour market, house prices continue to rise due to supply shortages
Thu. 29 August	US	Pending Home Sales (mom)	Jul	-5.5%	4.8%	Pending home sales fell to a record low in July, indicating caution among buyers amid high prices and mortgage rates
	US	GDP, 2nd Estimate (qoq annualised)	Q2	3.0%	2.8%	Consumer spending drove an upward revision in GDP, offsetting downgrades in investment and exports
Fri. 30 August	JP	Unemployment Rate	Jul	2.7%	2.5%	Japan's unemployment rate rose to a 16-month high, but the labour market remains tight
	JP	Tokyo CPI excluding food and energy (yoy)	Aug	1.3%	1.1%	Core inflation in Tokyo, which often leads nationwide trends, rose more than forecast
	EZ	HICP, Flash (yoy)	Aug	2.20%	2.6%	Headline inflation slowed sharply on lower energy prices while core inflation edged down to 2.8% yoy from 2.9% yoy
	EZ	Unemployment Rate	Jul	6.4%	6.5%	The unemployment rate dropped to a record low, consistent with indicators pointing to continued jobs growth
	US	PCE Price Index (yoy)	Jul	-	2.5%	PCE inflation is expected to follow the cooling seen in US CPI, supporting the case for a September rate cut
Sat. 31 August	CN	Manufacturing PMI	Aug	49.5	49.4	The manufacturing PMI is expected to remain in contraction territory given still-soft domestic conditions

Q – Quarter **GE – Germany, US – United States, JP – Japan, EZ – Eurozone, CN – China**

The week ahead

Date	Country	Indicator	Data as of	Survey	Prior	Comment
Mon. 02 September	BR	S&P Global Manufacturing PMI	Aug	-	54.0	Brazil's manufacturing PMI has been in expansion territory for seven months, with the weaker currency boosting export orders
	MX	S&P Global Manufacturing PMI	Aug	-	49.6	Manufacturing confidence has been moderating since early 2024 with the employment index weakening notably in recent months
	KO	CPI (yoy)	Aug	2.0%	2.6%	The disinflation trend is likely to resume as temporary factors dissipate, supporting a BoK cut in October at the earliest
	ID	CPI (yoy)	Aug	2.1%	2.1%	Inflationary pressures are manageable, offering room for monetary easing in Q4 should the Fed cut rates and the IDR remain stable
	CN	Manufacturing PMI, Caixin	Aug	50.0	49.8	Strong regional trade is supporting manufacturing, but geopolitical tensions and a potential global slowdown pose downside risks
Tue. 03 September	US	ISM Manufacturing Index	Aug	47.5	46.8	The ISM manufacturing index is expected to edge up in August, having fallen for four straight months
	BR	GDP (qoq)	Q2	0.9%	0.8%	Strong consumer spending, reflecting a tight labour market, has driven Brazil's surprisingly robust GDP growth during 2024
Wed. 04 September	US	JOLTS Job Openings	Jul	8.00m	8.18m	US job openings have normalised recently, suggesting the labour market has moved into balance
	CN	Caixin Services PMI	Aug	52.1	52.1	The Caixin services PMI has stayed in positive territory since late 2022 despite soft domestic demand conditions
Thu. 05 September	US	ISM Services Index	Aug	50.9	51.4	The ISM services index has been volatile recently, returning to expansion territory in July as consumer demand remains firm
Fri. 06 September	US	Change in Non-Farm Payrolls	Aug	160k	114k	Non-farm payrolls have slowed recently, mirroring the cautious message from other labour market indicators

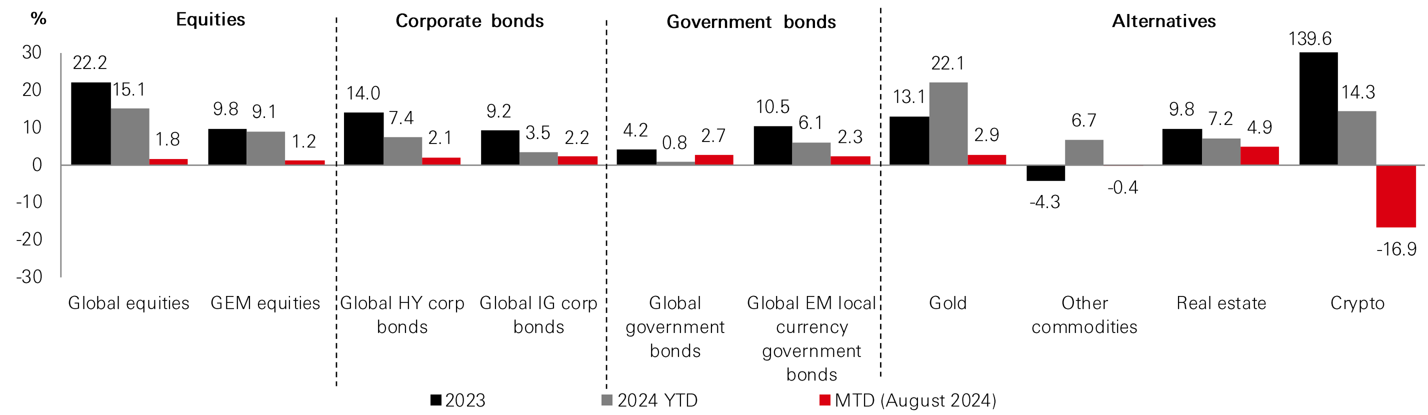
BR – Brazil, MX – Mexico, KO – South Korea, ID – Indonesia, CN – China, US – United States

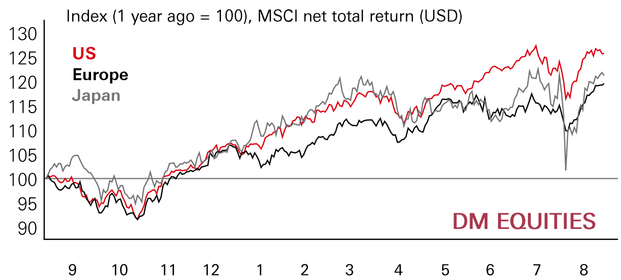
Source: HSBC Asset Management. Data as at 11.00am UK time 30 August 2024. This information shouldn't be considered as a recommendation to buy or sell specific sector/stocks mentioned. Any views expressed were held at the time of preparation and are subject to change without notice.

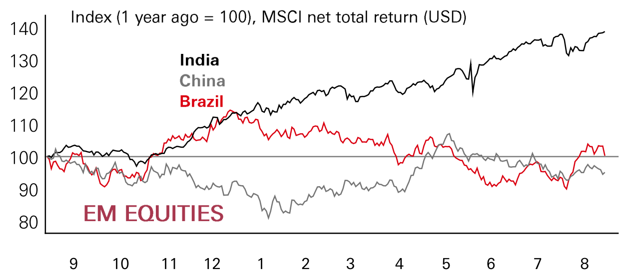
This week

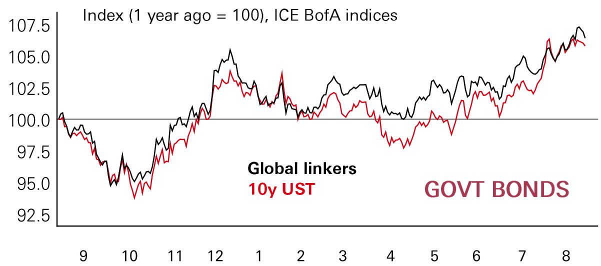
Risk assets were resilient as investors digested Q2 results from Nvidia, the US's largest chip maker and a major focus in the current AI/tech megatrend. Core government bonds were range-bound ahead of key US employment data, with the DXY US dollar index pausing for breath after recent declines. Despite some volatility in tech stocks, US equity markets were on course to finish broadly flat. The Stoxx Euro 600 index reached new highs, and Japan's Nikkei 225 edged higher as the yen softened versus the US dollar. In emerging markets, Korea's Kospi index was buffeted by US tech weakness, but Taiwan's weighted SE index was resilient. China's Shanghai composite index was little changed, while India's Sensex index rose to a new all-time high. In commodities, oil prices were supported by supply worries in Libya. Gold remains close to a record high, with copper also edging higher.

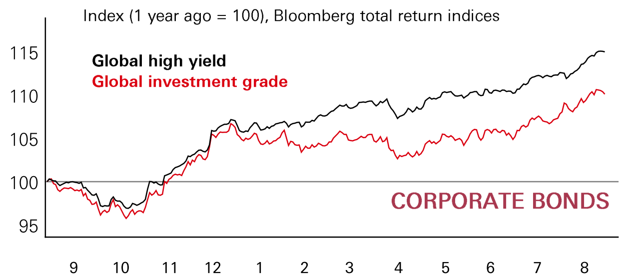
Selected asset performance

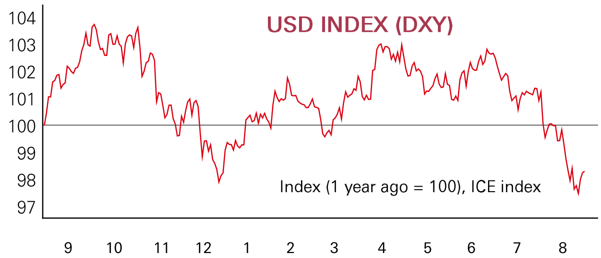


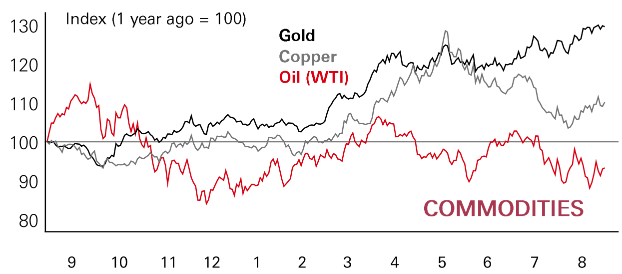












Past performance does not predict future returns. The level of yield is not guaranteed and may rise or fall in the future.

Source: HSBC Asset Management. Macrobond, Bloomberg. Data as at 11.00am UK time 30 August 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)	827	-0.5	3.2	5.9	20.3	13.8	833	628	19.1
North America									
US Dow Jones Industrial Average	41,335	0.4	1.5	8.5	18.5	9.7	41,578	32,327	20.7
US S&P 500 Index	5,592	-0.8	2.9	6.8	23.9	17.2	5,670	4,104	23.0
US NASDAQ Composite Index	17,516	-2.0	2.2	4.7	24.9	16.7	18,671	12,544	32.3
Canada S&P/TSX Composite Index	23,227	-0.3	1.8	5.2	14.3	10.8	23,414	18,692	15.8
Europe									
MSCI AC Europe (USD)	585	0.3	4.6	3.7	15.5	9.7	587	459	14.5
Euro STOXX 50 Index	4,977	1.4	2.8	-0.1	15.3	10.1	5,122	3,993	14.0
UK FTSE 100 Index	8,409	1.0	1.6	2.2	12.5	8.7	8,474	7,280	12.4
Germany DAX Index*	18,953	1.7	2.9	2.5	19.3	13.1	18,957	14,630	13.8
France CAC-40 Index	7,678	1.3	2.7	-3.8	4.3	1.8	8,259	6,774	14.0
Spain IBEX 35 Index	11,427	1.3	2.0	0.8	19.6	13.1	11,470	8,879	10.9
Italy FTSE MIB Index	34,395	2.2	1.4	-0.2	18.9	13.3	35,474	27,078	9.4
Asia Pacific									
MSCI AC Asia Pacific ex Japan (USD)	574	-0.1	2.8	4.3	12.8	8.6	588	469	14.3
Japan Nikkei-225 Stock Average	38,648	0.7	0.3	1.6	19.5	15.5	42,427	30,488	21.4
Australian Stock Exchange 200	8,092	0.8	1.7	6.1	10.9	6.6	8,149	6,751	18.4
Hong Kong Hang Seng Index	17,989	2.1	5.8	-1.3	-2.7	5.5	19,706	14,794	8.6
Shanghai Stock Exchange Composite Index	2,842	-0.4	-1.3	-8.1	-9.4	-4.5	3,177	2,635	11.1
Hang Seng China Enterprises Index	6,331	1.8	5.8	-2.0	-0.4	9.8	6,986	4,943	7.9
Taiwan TAIEX Index	22,268	0.5	0.2	4.2	33.2	24.2	24,417	15,976	18.4
Korea KOSPI Index	2,674	-1.0	-2.3	1.5	4.4	0.7	2,896	2,274	10.2
India SENSEX 30 Index	82,366	1.6	1.1	11.5	26.5	14.0	82,637	63,093	23.5
Indonesia Jakarta Stock Price Index	7,671	1.7	5.9	9.1	10.1	5.5	7,716	6,640	14.3
Malaysia Kuala Lumpur Composite Index	1,679	2.6	4.1	4.6	15.6	15.4	1,685	1,412	17.8
Philippines Stock Exchange PSE Index	6,898	-0.9	4.4	8.3	9.6	6.9	7,071	5,920	11.8
Singapore FTSE Straits Times Index	3,443	1.6	0.0	3.6	6.9	6.3	3,509	3,042	10.8
Thailand SET Index	1,359	0.3	3.9	0.6	-13.8	-4.0	1,579	1,273	15.1
Latam									
Argentina Merval Index	1,660,144	3.3	17.6	1.0	145.6	78.6	1,723,015	508,068	7.7
Brazil Bovespa Index*	136,041	0.3	7.9	10.9	15.7	1.4	137,469	111,599	8.9
Chile IPSA Index	6,448	-0.2	-0.3	-2.9	7.0	4.0	6,838	5,363	10.8
Colombia COLCAP Index	1,335	0.3	0.0	-4.9	19.8	11.7	1,451	1,045	6.5
Mexico S&P/BMV IPC Index	53,139	-0.7	1.6	-4.0	-2.3	-7.4	59,021	47,765	12.0
EEMEA									
Saudi Arabia Tadawul Index	12,145	-0.4	0.7	5.6	4.9	1.5	12,883	10,262	N/A
South Africa JSE Index	83,995	-0.4	3.4	8.9	11.6	9.2	84,801	69,128	12.0
Turkey ISE 100 Index*	9,833	1.7	-8.0	-6.2	24.4	31.6	11,252	7,203	4.7

*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	-0.5	3.4	6.3	15.1	22.2	17.5	76.0
US equities	-0.8	3.0	7.0	17.6	25.2	24.7	101.8
Europe equities	0.3	4.8	4.1	12.3	18.6	12.0	52.4
Asia Pacific ex Japan equities	-0.1	3.0	5.4	10.6	15.7	-5.2	31.1
Japan equities	0.1	4.1	6.3	12.3	20.2	11.9	46.9
Latam equities	-2.4	3.9	-3.6	-12.7	-2.5	11.0	13.4
Emerging Markets equities	-0.5	2.4	4.6	9.1	13.6	-7.7	25.8

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 30 August 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)	580	-0.2	1.5	4.3	7.8	3.3
JPM EMBI Global	900.4	-0.1	2.6	5.0	12.7	6.1
BarCap US Corporate Index (USD)	3342.6	-0.3	2.4	5.4	9.8	3.8
BarCap Euro Corporate Index (Eur)	252.6	-0.1	0.4	2.8	7.7	2.6
BarCap Global High Yield (Hedged in USD)	609.2	0.3	2.0	4.3	14.7	7.6
Markit iBoxx Asia ex-Japan Bond Index (USD)	225.4	0.1	1.6	4.0	10.3	5.4
Markit iBoxx Asia ex-Japan High-Yield Bond Index (USD)	258	0.4	0.8	3.8	20.0	12.3

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	1.11	1.12	1.08	1.08	1.09	1.10	1.12	1.04	-1.0
GBP/USD	1.32	1.32	1.28	1.27	1.27	1.27	1.33	1.20	-0.3
CHF/USD	1.18	1.18	1.13	1.11	1.14	1.19	1.20	1.08	-0.1
CAD	1.35	1.35	1.38	1.37	1.35	1.32	1.39	1.32	0.2
JPY	145	144	153	157	146	141	162	140	-0.6
AUD/USD	0.68	0.68	0.65	0.66	0.65	0.68	0.69	0.63	0.0
NZD/USD	0.63	0.62	0.59	0.61	0.60	0.63	0.64	0.58	0.4
Asia									
HKD	7.80	7.80	7.81	7.82	7.85	7.81	7.85	7.77	0.0
CNY	7.09	7.12	7.24	7.23	7.29	7.10	7.35	7.08	0.4
INR	83.9	83.9	83.7	83.3	82.7	83.2	84.0	82.6	0.0
MYR	4.32	4.37	4.62	4.70	4.64	4.59	4.81	4.31	1.2
KRW	1334	1327	1384	1379	1323	1291	1400	1283	-0.5
TWD	32.0	32.0	32.9	32.4	31.9	30.6	32.9	30.5	0.0
Latam									
BRL	5.63	5.49	5.61	5.20	4.89	4.85	5.86	4.80	-2.5
COP	4120	4028	4084	3866	4095	3875	4427	3739	-2.3
MXN	19.7	19.1	18.8	17.0	16.7	17.0	20.2	16.3	-3.1
ARS	950	946	932	894	350	808	950	350	-0.5
EEMEA									
RUB	90.9	91.5	86.1	90.4	96.1	89.5	102.4	82.7	0.6
ZAR	17.6	17.7	18.3	18.8	18.7	18.4	19.6	17.6	0.4
TRY	34.1	34.0	33.1	32.2	26.7	29.5	34.5	26.7	-0.2

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	5.11	5.13	5.28	5.41	5.45	5.33	-2
2-Year	3.90	3.92	4.36	4.92	4.89	4.25	-2
5-Year	3.67	3.65	4.03	4.57	4.27	3.85	2
10-Year	3.86	3.80	4.14	4.55	4.11	3.88	6
30-Year	4.13	4.09	4.39	4.68	4.23	4.03	4
10-year bond yields (%)							
Japan	0.89	0.89	1.00	1.06	0.65	0.61	0
UK	3.98	3.91	4.04	4.35	4.42	3.53	7
Germany	2.26	2.22	2.34	2.65	2.54	2.02	4
France	2.98	2.93	3.05	3.13	3.06	2.56	5
Italy	3.64	3.57	3.70	3.95	4.19	3.69	7
Spain	3.08	3.02	3.16	3.38	3.56	2.98	7
China	2.18	2.16	2.14	2.31	2.58	2.56	2
Australia	3.97	3.92	4.28	4.43	4.07	3.96	5
Canada	3.12	3.03	3.23	3.70	3.58	3.11	9

*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	2,518	0.2	4.5	7.5	29.7	22.1	2,532	1,811
Brent Oil	80.1	1.4	2.6	-1.3	-0.5	6.0	88	73
WTI Crude Oil	76.2	1.8	3.1	-0.6	0.3	7.3	83	69
R/J CRB Futures Index	279.9	0.4	1.9	-4.5	-0.5	6.1	300	258
LME Copper	9,327	0.4	4.0	-8.0	10.1	9.0	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 30 August 2024.

For Professional Clients and intermediaries within countries and territories set out below; and for Institutional Investors and Financial Advisors in the US. This document should not be distributed to or relied upon by Retail clients/investors.

The value of investments and the income from them can go down as well as up and investors may not get back the amount originally invested. The performance figures contained in this document relate to past performance, which should not be seen as an indication of future returns. Future returns will depend, inter alia, on market conditions, investment manager's skill, risk level and fees. Where overseas investments are held the rate of currency exchange may cause the value of such investments to go down as well as up. Investments in emerging markets are by their nature higher risk and potentially more volatile than those inherent in some established markets. Economies in Emerging Markets generally are heavily dependent upon international trade and, accordingly, have been and may continue to be affected adversely by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries and territories with which they trade. These economies also have been and may continue to be affected adversely by economic conditions in the countries and territories in which they trade.

The contents of this document may not be reproduced or further distributed to any person or entity, whether in whole or in part, for any purpose. All non-authorised reproduction or use of this document will be the responsibility of the user and may lead to legal proceedings. The material contained in this document is for general information purposes only and does not constitute advice or a recommendation to buy or sell investments. Some of the statements contained in this document may be considered forward looking statements which provide current expectations or forecasts of future events. Such forward looking statements are not guarantees of future performance or events and involve risks and uncertainties. Actual results may differ materially from those described in such forward-looking statements as a result of various factors. We do not undertake any obligation to update the forward-looking statements contained herein, or to update the reasons why actual results could differ from those projected in the forward-looking statements. This document has no contractual value and is not by any means intended as a solicitation, nor a recommendation for the purchase or sale of any financial instrument in any jurisdiction in which such an offer is not lawful. The views and opinions expressed herein are those of HSBC Asset Management at the time of preparation, and are subject to change at any time. These views may not necessarily indicate current portfolios' composition. Individual portfolios managed by HSBC Asset Management primarily reflect individual clients' objectives, risk preferences, time horizon, and market liquidity. Foreign and emerging markets. Investments in foreign markets involve risks such as currency rate fluctuations, potential differences in accounting and taxation policies, as well as possible political, economic, and market risks. These risks are heightened for investments in emerging markets which are also subject to greater illiquidity and volatility than developed foreign markets. This commentary is for information purposes only. It provides a high level overview of the recent economic environment. It is a marketing communication and does not constitute investment research, investment advice or a recommendation to any reader of this content to buy or sell investments, nor should it be regarded as investment research. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of its dissemination. This document is not contractually binding nor are we required to provide this to you by any legislative provision. You must not, therefore, rely on the content of this document when making any investment decisions.

All data from HSBC Asset Management unless otherwise specified. Any third party information has been obtained from sources we believe to be reliable, but which we have not independently verified. The level of yield is not guaranteed and may rise or fall in the future.

HSBC Asset Management is the brand name for the asset management business of HSBC Group, which includes the investment activities that may be provided through our local regulated entities. HSBC Asset Management is a group of companies in many countries and territories throughout the world that are engaged in investment advisory and fund management activities, which are ultimately owned by HSBC Holdings Plc. (HSBC Group). The above communication is distributed by the following entities:

- In Argentina by HSBC Global Asset Management Argentina S.A., Sociedad Gerente de Fondos Comunes de Inversión, Agente de administración de productos de inversión colectiva de FCI N°1;
- In Australia, this document is issued by HSBC Bank Australia Limited ABN 48 006 434 162, AFSL 232595, for HSBC Global Asset Management (Hong Kong) Limited ARBN 132 834 149 and HSBC Global Asset Management (UK) Limited ARBN 633 929 718. This document is for institutional investors only, and is not available for distribution to retail clients (as defined under the Corporations Act). HSBC Global Asset Management (Hong Kong) Limited and HSBC Global Asset Management (UK) Limited are exempt from the requirement to hold an Australian financial services license under the Corporations Act in respect of the financial services they provide. HSBC Global Asset Management (Hong Kong) Limited is regulated by the Securities and Futures Commission of Hong Kong under the Hong Kong laws, which differ from Australian laws. HSBC Global Asset Management (UK) Limited is regulated by the Financial Conduct Authority of the United Kingdom and, for the avoidance of doubt, includes the Financial Services Authority of the United Kingdom as it was previously known before 1 April 2013, under the laws of the United Kingdom, which differ from Australian laws;
- in Bermuda by HSBC Global Asset Management (Bermuda) Limited, of 37 Front Street, Hamilton, Bermuda which is licensed to conduct investment business by the Bermuda Monetary Authority;
- in Chile: Operations by HSBC's headquarters or other offices of this bank located abroad are not subject to Chilean inspections or regulations and are not covered by warranty of the Chilean state. Further information may be obtained about the state guarantee to deposits at your bank or on www.sbif.cl;
- in Colombia: HSBC Bank USA NA has an authorized representative by the Superintendencia Financiera de Colombia (SFC) whereby its activities conform to the General Legal Financial System. SFC has not reviewed the information provided to the investor. This document is for the exclusive use of institutional investors in Colombia and is not for public distribution;
- in Finland, Norway, Denmark and Sweden by HSBC Global Asset Management (France), a Portfolio Management Company authorised by the French regulatory authority AMF (no. GP99026) and through the Stockholm branch of HSBC Global Asset Management (France), regulated by the Swedish Financial Supervisory Authority (Finansinspektionen);
- in France, Belgium, Netherlands, Luxembourg, Portugal, Greece by HSBC Global Asset Management (France), a Portfolio Management Company authorised by the French regulatory authority AMF (no. GP99026);
- in Germany by HSBC Global Asset Management (Deutschland) GmbH which is regulated by BaFin (German clients) respective by the Austrian Financial Market Supervision FMA (Austrian clients);
- in Hong Kong by HSBC Global Asset Management (Hong Kong) Limited, which is regulated by the Securities and Futures Commission. This video/content has not be reviewed by the Securities and Futures Commission;
- in India by HSBC Asset Management (India) Pvt Ltd. which is regulated by the Securities and Exchange Board of India;
- in Italy and Spain by HSBC Global Asset Management (France), a Portfolio Management Company authorised by the French regulatory authority AMF (no. GP99026) and through the Italian and Spanish branches of HSBC Global Asset Management (France), regulated respectively by Banca d'Italia and Commissione Nazionale per le Società e la Borsa (Consob) in Italy, and the Comisión Nacional del Mercado de Valores (CNMV) in Spain;
- in Malta by HSBC Global Asset Management (Malta) Limited which is regulated and licensed to conduct Investment Services by the Malta Financial Services Authority under the Investment Services Act;
- in Mexico by HSBC Global Asset Management (Mexico), SA de CV, Sociedad Operadora de Fondos de Inversión, Grupo Financiero HSBC which is regulated by Comisión Nacional Bancaria y de Valores;
- in the United Arab Emirates, Qatar, Bahrain & Kuwait by HSBC Global Asset Management MENA, a unit within HSBC Bank Middle East Limited, U.A.E Branch, PO Box 66 Dubai, UAE, regulated by the Central Bank of the U.A.E. and the Securities and Commodities Authority in the UAE under SCA license number 602004 for the purpose of this promotion and lead regulated by the Dubai Financial Services Authority. HSBC Bank Middle East Limited is a member of the HSBC Group and HSBC Global Asset Management MENA are marketing the relevant product only in a sub-distributing capacity on a principal-to-principal basis. HSBC Global Asset Management MENA may not be licensed under the laws of the recipient's country of residence and therefore may not be subject to supervision of the local regulator in the recipient's country of residence. One of more of the products and services of the manufacturer may not have been approved by or registered with the local regulator and the assets may be booked outside of the recipient's country of residence.
- in Peru: HSBC Bank USA NA has an authorized representative by the Superintendencia de Banca y Seguros in Perú whereby its activities conform to the General Legal Financial System - Law No. 26702. Funds have not been registered before the Superintendencia del Mercado de Valores (SMV) and are being placed by means of a private offer. SMV has not reviewed the information provided to the investor. This document is for the exclusive use of institutional investors in Perú and is not for public distribution;
- in Singapore by HSBC Global Asset Management (Singapore) Limited, which is regulated by the Monetary Authority of Singapore. The content in the document/video has not been reviewed by the Monetary Authority of Singapore;
- in Switzerland by HSBC Global Asset Management (Switzerland) AG. This document is intended for professional investor use only. For opting in and opting out according to FinSA, please refer to our website; if you wish to change your client categorization, please inform us. HSBC Global Asset Management (Switzerland) AG having its registered office at Gartenstrasse 26, PO Box, CH-8002 Zurich has a licence as an asset manager of collective investment schemes and as a representative of foreign collective investment schemes. Disputes regarding legal claims between the Client and HSBC Global Asset Management (Switzerland) AG can be settled by an ombudsman in mediation proceedings. HSBC Global Asset Management (Switzerland) AG is affiliated to the ombudsman FINOS having its registered address at Talstrasse 20, 8001 Zurich. There are general risks associated with financial instruments, please refer to the Swiss Banking Association ("SBA") Brochure "Risks Involved in Trading in Financial Instruments";
- in Taiwan by HSBC Global Asset Management (Taiwan) Limited which is regulated by the Financial Supervisory Commission R.O.C. (Taiwan);
- in the UK by HSBC Global Asset Management (UK) Limited, which is authorised and regulated by the Financial Conduct Authority;
- and in the US by HSBC Global Asset Management (USA) Inc. which is an investment adviser registered with the US Securities and Exchange Commission.
- In Uruguay, operations by HSBC's headquarters or other offices of this bank located abroad are not subject to Uruguayan inspections or regulations and are not covered by warranty of the Uruguayan state. Further information may be obtained about the state guarantee to deposits at your bank or on www.bcu.gub.uy.

NOT FDIC INSURED ◆ NO BANK GUARANTEE ◆ MAY LOSE VALUE