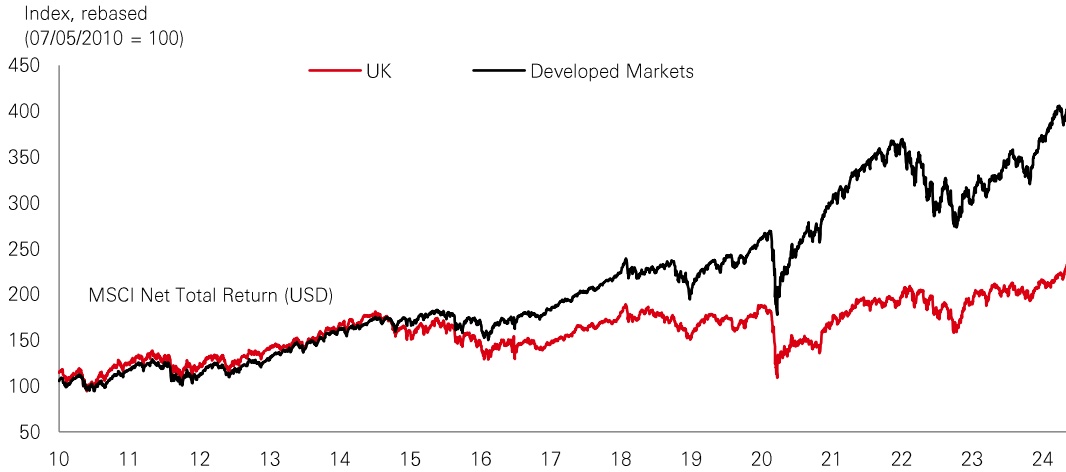


# Investment Weekly

5 July 2024  
For Professional Clients only.

## Chart of the week – UK stocks over the past 14 years



This week's victory by the Labour Party in the UK general election marks the end of an era in British politics after 14 years of Conservative rule. During that time, investors have navigated a series of big macroeconomic and political events such as post financial-crisis austerity and eurozone turmoil, Brexit, the Covid pandemic and Russia's invasion of Ukraine. Through the twists and turns in the market, investors in UK equities have done reasonably well, with a net total return of 130% for the MSCI UK in dollar terms, even if this pales into comparison versus gains in overall developed market stocks.

What next for the UK stock market? The Labour Party will face a daunting task in its attempts to boost UK growth and productivity. Like elsewhere in the western world, public finances are stretched after the pandemic and 2022 energy shock, constraining public investment and demand-stimulus measures. Bond market investors are watching closely. And services inflation remains a bit sticky – perhaps due to structural issues such as long-term sickness – constraining how far the Bank of England can cut rates. Overall, this poses headwinds to profits growth and multiple expansion.

Also, like European markets, the UK is a value play, an investment style that has not fared well over the past 18 months – growth and tech stocks remain en vogue. But as global profits broaden out and the UK economy recovers from last year's slump, there may be a reversal in fortunes. UK big caps can also benefit from a backdrop of resilient global growth.

**And crucially, valuations matter for the longer run – a historically significant discount versus the US means we think it makes sense to keep UK (and European) equities on the radar.**

### Market Spotlight

#### India's bond boost

India's sovereign bonds finally joined the widely-tracked GBI-EM Global Diversified Index last week. They will be phased in over the next 10 months, eventually achieving a maximum weight of 10%. It's an important move for both India's bonds and the rupee because it is likely to boost long-term capital flows.

It comes at a time when the country's external balance is in good shape, with an improving current account that was largely in balance at the end of Q1. But it wasn't always like this. Five years ago, India's FX reserves relied mainly on portfolio inflows, and persistent current account deficits meant its net external position was often on the backfoot. It meant the Reserve Bank of India spent a lot of time building FX reserves to defend the rupee against market volatility. More recently, India has been successfully building 'good quality' reserves. And its external vulnerabilities have been declining too. **We think the capital flows from bond index inclusion are likely to be sticky, and that should be positive for the rupee in the medium term.**

#### Government Debt →

Why public finances are back in focus for investors

#### Alternative Assets →

Value opportunities in real estate and infrastructure

#### Trade Tensions →

What a rise in protectionist policies means for markets

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Mid-Year Outlook**

**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.

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. While any forecast, projection or target where provided is indicative only and not guaranteed in any way. HSBC Global Asset Management (UK) Limited accepts no liability for any failure to meet such forecast, projection, or target. Diversification does not ensure a profit or protect against loss.

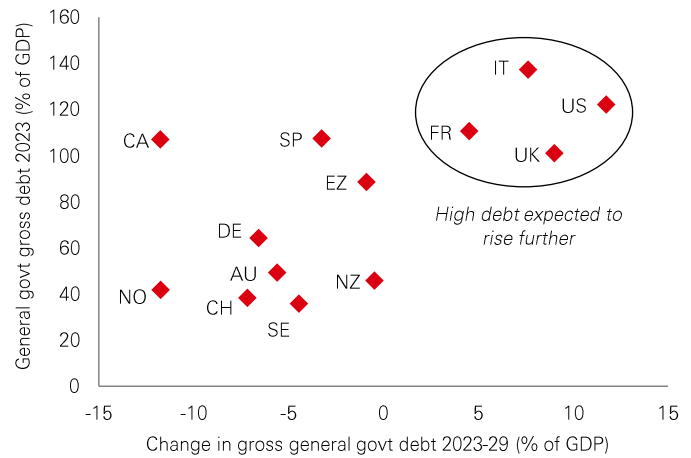
Source: HSBC Asset Management. Macrobond, Bloomberg. Data as at 11.00am UK time 05 July 2024.

### Debt sinners and saints

The French election has put the country's public finances back on investors' radar. Mooted policy proposals among challenger parties could mean fiscal loosening that would raise an already uncomfortably high debt burden. France is not alone in facing rising policy uncertainty against a backdrop of undesirable debt dynamics. The US goes to the polls later this year, while there is still some uncertainty surrounding the new UK government's fiscal plans.

Meanwhile, although Italy is not facing an election, it too stands out as having general government gross debt exceeding 100% of GDP which, according to the IMF, is expected to rise further over the remainder of the decade.

But what of other developed economies? Typically, they either have lower debt ratios or are forecast to see debt decline – many have both characteristics. This highlights that taking account of country-specific dynamics could play an increasingly important role in the higher interest rate environment. **It also emphasises the need for a diversified investment approach.**

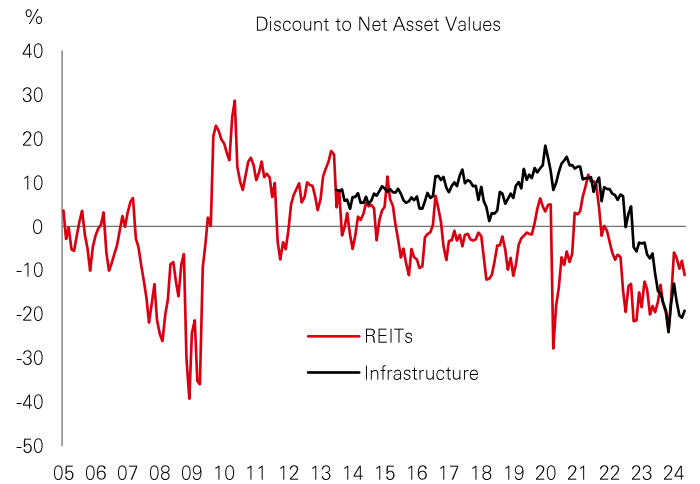


### Time to get real

Higher rates in recent years have been tough on alternative asset classes like listed real estate and infrastructure. But with inflation easing, and central banks pivoting, there are signs that valuations will bottom out in 2024 – with activity and returns in both sectors poised for a pick-up.

In listed real estate (REITs), elevated rates have driven down property values and caused investment activity to slow, in part because of the higher costs of debt funding. Likewise, listed companies that develop, or invest in, major infrastructure projects have suffered. That's despite the sector benefiting from exposure to significant government spending in areas like energy transition.

But with both sectors trading well below their published net asset values (NAVs), **a valuation gap relative to global stocks has opened up**. Our alternative asset class specialists believe this could offer an attractive entry point for investors. Importantly, real estate and infrastructure can play a useful diversifying role in portfolios, offering defensive traits, inflation protection, and potentially attractive yields – but **careful stock and sector selection are key**.

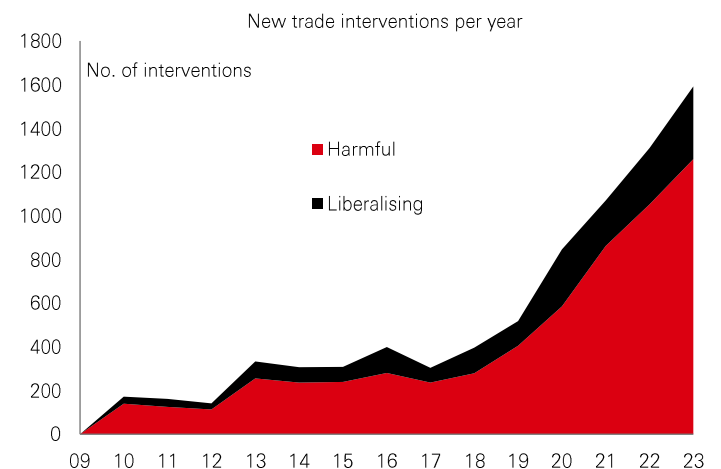


### Multipolar world

It has been hard to disentangle economics from geopolitics in 2024, with signs that **the world is becoming increasingly multipolar**. One area we see this in evidence, is in global trade barriers and other protectionist walls, which are being thrown up at a remarkable rate. Data shows a surge over the past few years in trade-distorting measures – so-called 'harmful' trade interventions – such as tariffs and export bans.

This shift away from trade integration towards protectionism is fuelled in part by geopolitical and national security concerns. But it's also down to strategic competitiveness and underscores a wider move towards 'slowbalisation'. While there can be advantages, it's a trend that risks raising costs, disrupting trade, and restricting market access. **And for investors, that raises uncertainty.**

More broadly, we see a risk that trade interventions are one of a number of geopolitical events that could start to 'stack up' and affect the economic outlook. For investors, it could pay to be prepared for policy, political and geopolitical uncertainties that makes for a bumpy ride in markets in the second half of the year.



### Past performance does not predict future returns.

Source: HSBC Asset Management. Macrobond, Bloomberg. Data as at 11.00am UK time 05 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. 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 tightness. 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 tightness 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. The views expressed above 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 05 July 2024.



## Key Events and Data Releases

### This week

Date	Country	Indicator	Data as of	Actual	Prior	Comment
Sun. 30 Jun	CN	Official NBS Manufacturing PMI	Jun	49.5	49.5	China's official manufacturing PMI remained in contraction territory in June amid lingering concerns over weak domestic demand
	FR	First round of French lower house elections	Jun			The first round of French elections showed Le Pen's RN party gained the most votes (33.2%)
Mon. 1 July	JP	BoJ Tankan Large Manufacturers Business Confidence	Q2	13.0	11.0	Large manufacturers' business confidence rose in Q2 while medium-term inflation expectations moved slightly further above 2%
	CN	Caixin Manufacturing PMI	Jun	51.8	51.7	The slightly more upbeat Caixin manufacturing reading in June may reflect improving trade flows within Asia
	US	ISM Manufacturing Index	Jun	48.5	48.7	The index disappointed expectations, remaining in contraction territory
Tue. 2 July	EZ	Consumer Prices (yoy)	Jun (P)	2.5%	2.6%	Headline inflation edged down while core inflation was unchanged in June. Services inflation showed signs of improvement on a mom basis
	PT	ECB Forum on Central Banking	Jul			Fed Chair Powell acknowledged inflation "now shows signs" of resuming its disinflationary trend
Wed. 3 July	CN	Caixin Services PMI	Jun	51.2	54.0	The Caixin services PMI softened in June to its lowest level since October 2023 but remains in expansion territory
	US	ISM Services Index	Jun	48.8	53.8	The ISM services index fell in June to its lowest level since May 2020
	US	June FOMC minutes published	Jun			FOMC participants noted "modest further progress" on inflation but require "additional favourable data" to be confident inflation will hit its 2% target
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
Fri. 5 July	US	Monthly Change in Non-farm Payrolls (000s)	Jun	-	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, EZ – Eurozone, PT – Portugal

### The week ahead

Date	Country	Indicator	Data as of	Survey	Prior	Comment
Sun. 7 July	FR	Second round of lower house elections	Jul			The left and centrist parties have cooperated to reduce the number of three-candidate constituency votes, reducing the chances of a RN majority
Tue. 9 July	MX	CPI (yoy)	Jun	4.9%	4.7%	Core inflation has slowed recently, led by the goods sector. Service sector inflation has also eased but remains relatively high
	US	Fed Chair Powell testifies to the Senate Banking Committee	Jul			Fed Chair Powell should be cautiously optimistic on disinflation, paving the way for a possible rate cut in the coming months
	US	NFIB Business Confidence Index	Jun	89.0	90.5	Small business confidence may weaken in June following softer-than-expected ISM surveys
Wed. 10 July	NZ	RBNZ Interest Rate Decision	Jul	5.50%	5.50%	The RBNZ should keep policy on hold in July given sticky service sector inflation, but signs of weakening activity point to rate cuts in H2 2024
	CN	CPI (yoy)	Jun	0.4%	0.3%	Slowing disinflation in food prices could lift headline inflation, but continued soft domestic demand points to low core inflation
	BR	IPCA Inflation Index (yoy)	Jun	4.4%	3.9%	A tight labour market points to sticky service sector inflation near-term
Thu. 11 July	KO	Bank of Korea Central Bank Interest Rate Decision	Jul	3.50%	3.50%	The BoK is expected to leave policy unchanged at its July meeting, but moderating inflation points to scope for lower rates in H2 2024
	US	CPI (yoy)	Jun	3.1%	3.3%	Shelter inflation remains the sticking point for US core inflation at present, but this should recede somewhat through H2 2024
Fri. 12 July	CN	Trade Balance (\$ bns)	Jun	83.7	82.6	Solid external demand should support exports, with weak domestic demand constraining imports
	IN	CPI (yoy)	Jun	4.8%	4.7%	The disinflation process in India remains gradual and bumpy
	IN	Industrial Production (yoy)	May	4.9%	5.0%	Indian industrial production should remain resilient in May, supported by consumer durables and construction goods
	US	University of Michigan Consumer Confidence Index	Jul (P)	67.0	68.2	Consumer confidence index has fallen steadily since March amid increasing concerns over personal finances and business conditions

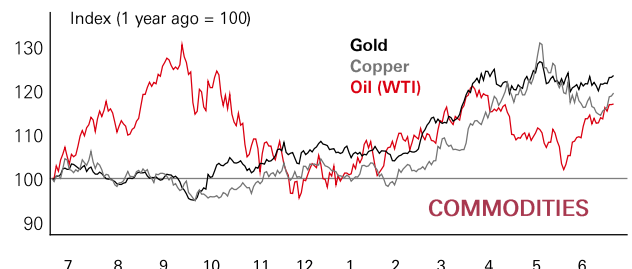
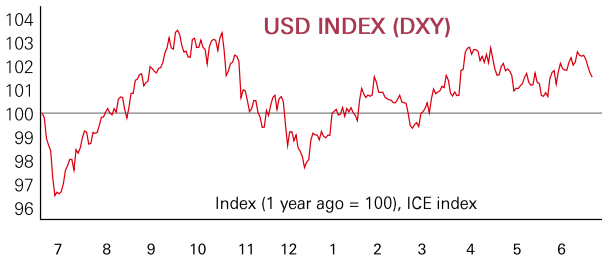
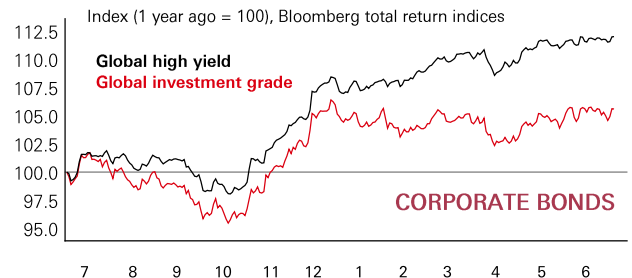
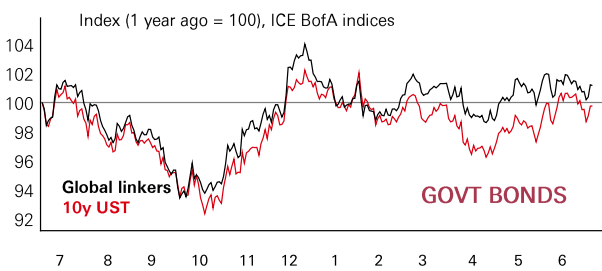
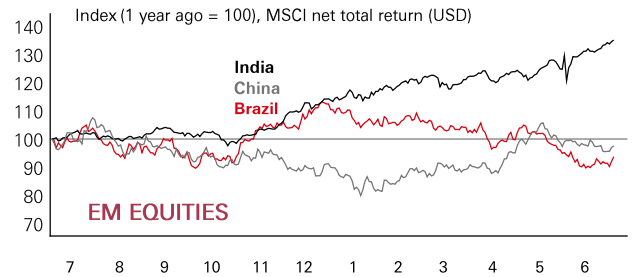
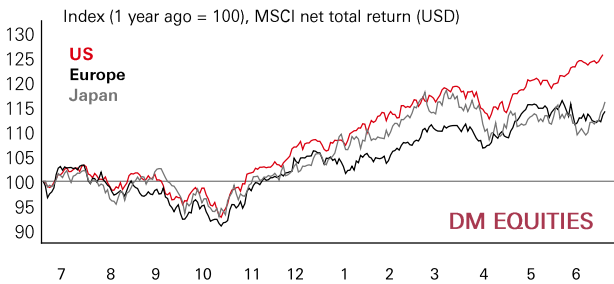
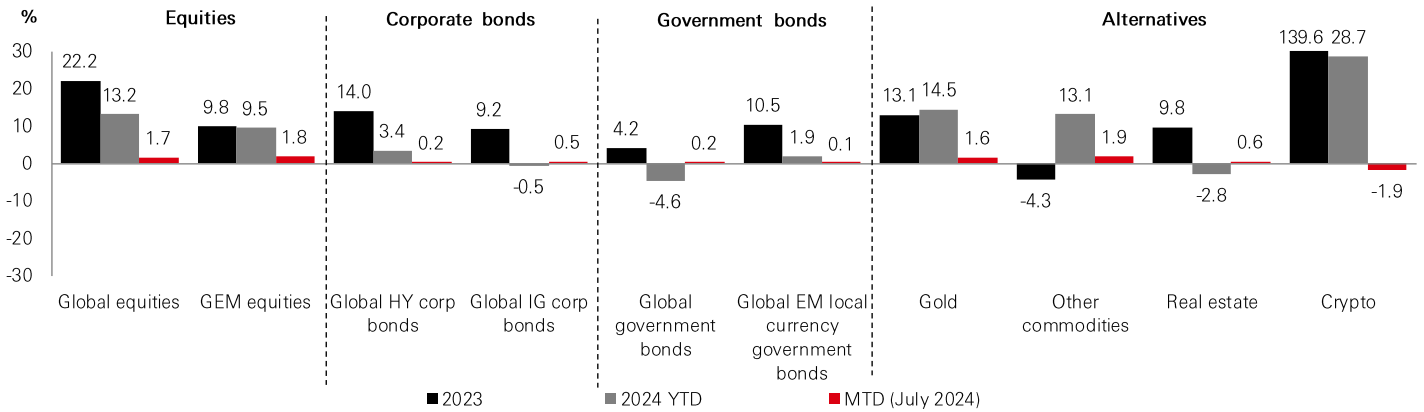
P – Preliminary, Q – Quarter FR – France, MX – Mexico, NZ – New Zealand, CN – China, BR – Brazil, KO – South Korea, IN – India

Source: HSBC Asset Management. Data as at 11.00am UK time 05 July 2024. The views expressed above were held at the time of preparation and are subject to change without notice.

## This week

Dovish comments from Fed Chair Powell boosted risk markets. Core government bonds were range-bound as investors mulled uncertainty over the upcoming Presidential election and weak US data. US equities were mixed: the S&P500 reached an all-time high but the Russell 2000 lost ground. The Euro Stoxx 50 index rebounded, led by French equities. The spread between 10yr French and German bonds narrowed ahead of the second round of lower house elections in France. Japan's Nikkei 225 reached record levels, aided by the yen's continued weakness against the US dollar. EMs saw a mixed performance, with China's Shanghai Composite index weakening on lingering growth concerns. India's Sensex index moved higher, while Brazil's Bovespa index rose on better fiscal news. In commodities, oil prices rose on improving summer demand. Gold consolidated, while copper was steady.

## Selected asset performance



## Past performance does not predict future returns

Source: HSBC Asset Management, Macrobond, Bloomberg. Data as at 11.00am UK time 05 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 Return 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)
<b>World</b>									
MSCI AC World Index (USD)	815	1.6	2.6	5.0	19.4	12.1	815	628	19.0
<b>North America</b>									
US Dow Jones Industrial Average	39,308	0.5	1.3	1.0	14.6	4.3	40,077	32,327	19.4
US S&P 500 Index	5,537	1.4	3.4	6.4	24.5	16.1	5,539	4,104	22.6
US NASDAQ Composite Index	18,188	2.6	5.8	11.9	31.9	21.2	18,188	12,544	35.3
Canada S&P/TSX Composite Index	22,244	1.7	0.4	-0.1	10.6	6.1	22,555	18,692	15.1
<b>Europe</b>									
MSCI AC Europe (USD)	565	2.0	-1.1	2.3	12.4	6.0	578	459	14.1
Euro STOXX 50 Index	5,010	2.4	-0.5	-0.1	15.1	10.8	5,122	3,993	13.9
UK FTSE 100 Index	8,260	1.2	0.2	4.4	11.0	6.8	8,474	7,216	11.9
Germany DAX Index*	18,607	2.0	0.2	2.4	16.8	11.1	18,893	14,630	13.4
France CAC-40 Index	7,723	3.3	-3.5	-4.2	5.6	2.4	8,259	6,774	13.7
Spain IBEX 35 Index	11,048	0.9	-2.7	1.2	16.5	9.4	11,470	8,879	10.8
Italy FTSE MIB Index	34,266	3.4	-0.7	0.8	21.4	12.9	35,474	27,078	9.3
<b>Asia Pacific</b>									
MSCI AC Asia Pacific ex Japan (USD)	577	1.7	3.7	7.3	11.0	9.0	577	469	14.6
Japan Nikkei-225 Stock Average	40,912	3.4	6.3	4.9	22.7	22.3	41,100	30,488	23.3
Australian Stock Exchange 200	7,822	0.7	0.7	0.6	7.8	3.0	7,911	6,751	17.5
Hong Kong Hang Seng Index	17,800	0.5	-3.4	6.4	-6.9	4.4	20,361	14,794	8.8
Shanghai Stock Exchange Composite Index	2,950	-0.6	-3.8	-3.9	-8.5	-0.8	3,322	2,635	11.1
Hang Seng China Enterprises Index	6,382	0.8	-2.4	8.8	-1.7	10.6	7,024	4,943	8.4
Taiwan TAIEX Index	23,557	2.3	9.6	15.8	38.1	31.4	23,629	15,976	20.6
Korea KOSPI Index	2,862	2.3	6.4	5.5	11.0	7.8	2,872	2,274	11.1
India SENSEX 30 Index	80,082	1.3	7.7	7.9	22.4	10.9	80,393	63,093	22.9
Indonesia Jakarta Stock Price Index	7,253	2.7	4.4	-0.5	8.0	-0.3	7,454	6,640	13.4
Malaysia Kuala Lumpur Composite Index	1,611	1.3	0.2	3.6	15.9	10.7	1,633	1,378	14.7
Philippines Stock Exchange PSE Index	6,493	1.3	0.8	-3.7	-0.3	0.7	7,071	5,920	11.0
Singapore FTSE Straits Times Index	3,411	2.3	2.4	6.0	7.1	5.3	3,443	3,042	11.0
Thailand SET Index	1,312	0.8	-2.0	-4.6	-13.0	-7.3	1,579	1,282	14.2
<b>Latam</b>									
Argentina Merval Index	1,612,745	0.1	2.7	32.8	269.3	73.5	1,665,774	414,101	8.4
Brazil Bovespa Index*	126,164	1.8	3.9	-0.5	5.5	-6.0	134,392	111,599	7.8
Chile IPSA Index	6,533	1.8	-1.9	0.3	12.0	5.4	6,838	5,363	11.4
Colombia COLCAP Index	1,385	0.3	-1.5	-0.3	23.5	15.9	1,451	1,045	7.7
Mexico S&P/BMV IPC Index	52,655	0.4	-3.2	-9.4	-2.6	-8.2	59,021	47,765	12.0
<b>EEMEA</b>									
Russia MOEX Index	3,123	0.0	-2.9	-8.0	11.4	0.8	3,522	2,741	N/A
South Africa JSE Index	81,114	1.8	5.6	8.5	6.9	5.5	81,456	69,128	11.0
Turkey ISE 100 Index*	10,905	2.4	5.4	13.4	78.6	46.0	11,088	5,890	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	1.7	2.8	5.5	13.2	21.4	18.2	67.4
US equities	1.4	3.5	6.4	16.2	25.9	28.4	95.5
Europe equities	2.0	-1.0	3.7	8.1	15.6	10.6	40.3
Asia Pacific ex Japan equities	1.9	4.2	8.3	10.5	13.8	-9.8	22.7
Japan equities	3.4	3.0	1.7	9.9	16.1	10.4	40.1
Latam equities	2.5	-1.8	-9.9	-13.6	-4.1	6.1	0.8
Emerging Markets equities	1.8	4.5	6.6	9.5	13.2	-11.6	17.8

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 05 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)	562	0.1	0.0	0.9	4.6	0.2
JPM EMBI Global	864.8	0.1	0.1	0.9	8.4	1.9
BarCap US Corporate Index (USD)	3220.9	0.5	-0.1	1.6	5.8	0.0
BarCap Euro Corporate Index (Eur)	247.9	0.1	0.2	0.3	6.5	0.7
BarCap Global High Yield (Hedged in USD)	588.8	0.1	0.4	1.5	12.6	4.0
Markit iBoxx Asia ex-Japan Bond Index (USD)	219.2	0.2	0.3	1.8	6.5	2.5
Markit iBoxx Asia ex-Japan High-Yield Bond Index (USD)	252	0.2	1.0	3.5	13.6	9.9

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 (%)
<b>Developed markets</b>									
EUR/USD	1.08	1.07	1.09	1.08	1.09	1.10	1.13	1.04	1.0
GBP/USD	1.28	1.26	1.28	1.26	1.27	1.27	1.31	1.20	1.1
CHF/USD	1.11	1.11	1.12	1.11	1.11	1.19	1.20	1.08	0.0
CAD	1.36	1.37	1.37	1.36	1.33	1.32	1.39	1.31	0.5
JPY	161	161	156	152	145	141	162	137	0.1
AUD/USD	0.67	0.67	0.66	0.66	0.67	0.68	0.69	0.63	1.0
NZD/USD	0.61	0.61	0.62	0.60	0.62	0.63	0.64	0.58	0.5
<b>Asia</b>									
HKD	7.81	7.81	7.81	7.83	7.82	7.81	7.85	7.79	0.0
CNY	7.27	7.27	7.25	7.23	7.25	7.10	7.35	7.09	0.0
INR	83.5	83.4	83.4	83.3	82.2	83.2	83.7	81.7	-0.1
MYR	4.71	4.72	4.70	4.75	4.65	4.59	4.81	4.50	0.2
KRW	1380	1376	1373	1353	1299	1291	1400	1257	-0.2
TWD	32.5	32.4	32.3	32.1	31.1	30.6	32.8	30.5	-0.1
<b>Latam</b>									
BRL	5.49	5.59	5.30	5.07	4.85	4.85	5.70	4.70	1.9
COP	4091	4149	3937	3766	4132	3875	4427	3739	1.4
MXN	18.1	18.3	17.5	16.5	17.0	17.0	19.0	16.3	1.3
ARS	914	912	898	863	260	808	916	260	-0.2
<b>EEMEA</b>									
RUB	88.1	85.8	89.1	92.6	90.5	89.5	102.4	82.7	-2.7
ZAR	18.2	18.2	18.9	18.7	18.8	18.4	19.6	17.4	0.0
TRY	32.7	32.8	32.3	32.0	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*
<b>US Treasury yields (%)</b>							
3-Month	5.37	5.35	5.40	5.36	5.34	5.33	2
2-Year	4.69	4.75	4.72	4.75	4.94	4.25	-7
5-Year	4.30	4.38	4.29	4.39	4.25	3.85	-8
10-Year	4.34	4.40	4.28	4.40	3.93	3.88	-6
30-Year	4.52	4.56	4.43	4.55	3.93	4.03	-4
<b>10-year bond yields (%)</b>							
Japan	1.07	1.05	1.01	0.77	0.39	0.61	2
UK	4.16	4.17	4.18	4.07	4.49	3.53	-1
Germany	2.59	2.50	2.51	2.40	2.48	2.02	9
France	3.25	3.30	2.99	2.91	3.02	2.56	-5
Italy	3.95	4.07	3.82	3.81	4.16	3.69	-12
Spain	3.37	3.42	3.24	3.23	3.53	2.98	-5
China	2.27	2.21	2.31	2.29	2.64	2.56	6
Australia	4.40	4.31	4.25	4.10	4.00	3.96	9
Canada	3.61	3.50	3.38	3.59	3.42	3.11	11

\*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	2,363	1.5	0.3	1.4	23.4	14.5	2,450	1,811
Brent Oil	87.3	2.6	11.8	-1.0	18.8	15.0	89	73
WTI Crude Oil	83.8	2.8	13.5	-0.5	21.4	16.9	85	68
R/J CRB Futures Index	294.0	1.2	2.2	-1.2	11.9	11.4	300	258
LME Copper	9,883	3.0	-0.4	5.9	18.8	15.5	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 05 July 2024

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