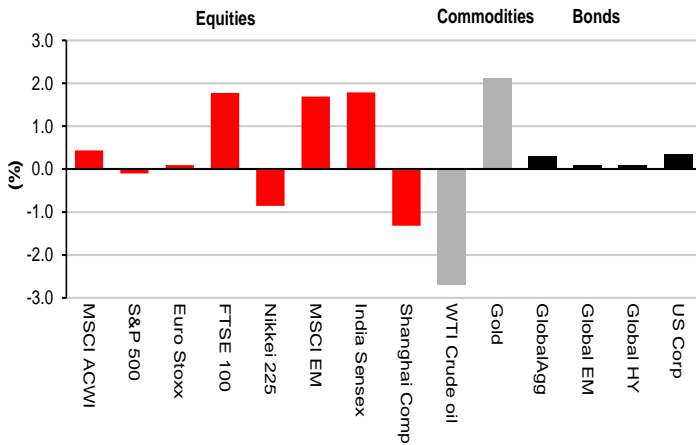


- ▶ Global equities rose marginally this week, although many major markets dipped, with risk appetite hit by US President-Elect Donald Trump's first press conference since the election, which provided little clarity around the US policy outlook
- ▶ US retail sales were weaker than expected, despite continued robust consumer sentiment data
- ▶ In the coming week, UK Prime Minister Theresa May will deliver a long-awaited speech on the government's approach to Brexit

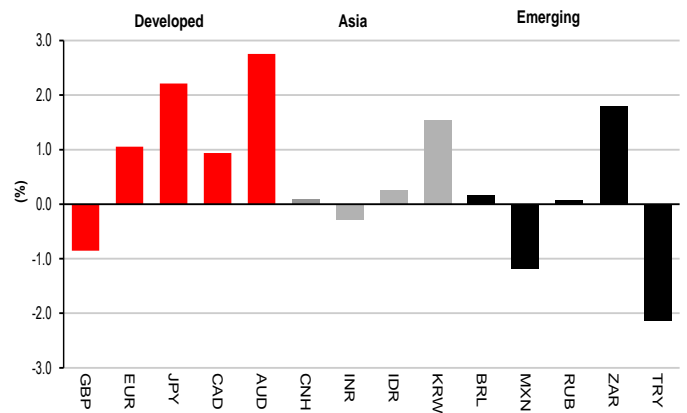
Movers and shakers

A weaker sterling supported the FTSE 100's outperformance in developed markets

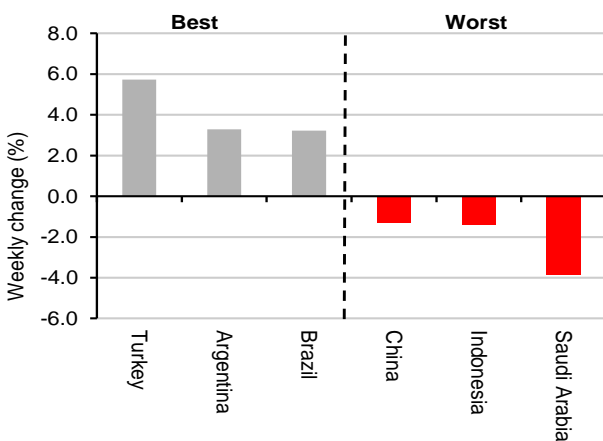


Currencies (versus US dollar)

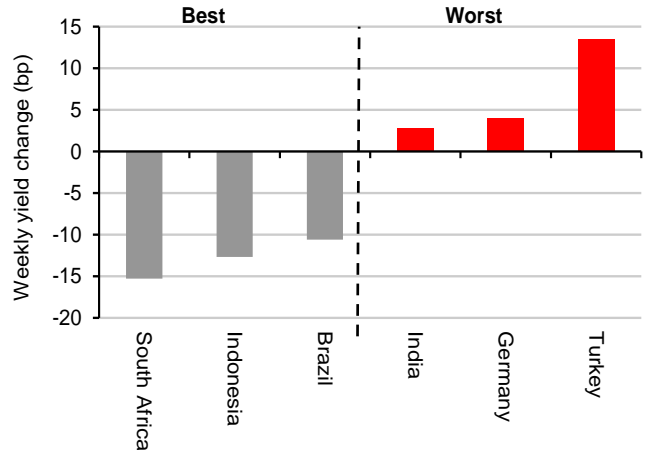
The Turkish lira fell sharply amid continued political uncertainty



Equities



Bonds (10-year)



Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 13 January 2017. All the above charts relate to 06/01/2017– 13/01/2017. Past performance is not an indication of future returns.

Macro Data and Key Events

Past Week (09-13 January 2017)

Date	Country	Indicator	Data as of	Survey	Actual	Prior
Monday 09 January	Germany	Industrial Production (Seasonally Adjusted, mom)	Nov	0.6%	0.4%	0.5%
	Eurozone	Unemployment Rate	Nov	9.8%	9.8%	9.8%
	Mexico	CPI (yoy)	Dec	3.41%	3.36%	3.31%
Tuesday 10 January	China	CPI (yoy)	Dec	2.2%	2.1%	2.3%
Wednesday 11 January	Brazil	COPOM Interest Rate Decision	Jan	13.25%	13.00%	13.75%
	Brazil	IBGE Inflation IPCA (yoy)	Dec	6.34%	6.29%	6.99%
Thursday 12 January	India	CPI (yoy)	Dec	3.5%	3.4%	3.6%
	Eurozone	Industrial Production (Seasonally Adjusted, mom)	Nov	0.6%	1.5%	0.1%
	India	Industrial Production (yoy)	Nov	1.5%	5.7%	-1.8%
	Eurozone	ECB Account of the December Monetary Policy Meeting				
Friday 13 January	China	Trade Balance (USD billion)	Dec	47.6	40.8	44.2
	US	Retail Sales Advance (mom)	Dec	0.7%	0.6%	0.2%
	US	University of Michigan Index of Consumer Sentiment	Jan P	98.1	98.1	98.2

P – Preliminary

- ▶ In the **US**, December's headline **retail sales** rose 0.6% mom, marginally less than the 0.7% expected. December's details are quite disappointing, with vehicles and parts contributing 0.51 pts and gasoline stations adding 0.15 pts. Outside of these components, only non-store retailers saw a noteworthy addition of just 0.14 pts. The control group (excluding autos, gas and building materials) also disappointed at 0.2% mom against 0.4% expected, with the prior month revised down to 0.0% mom from 0.1%. This data appears at odds with the continued rise in consumer sentiment, but it still translates into a firm core group yoy rate of 3.4% despite disappointing November and December releases. January's **University of Michigan Index of Consumer Sentiment** preliminary release showed little change, dipping very slightly to 98.1 from 98.2. The current conditions index improved to 112.5, up from 111.9, while expectations edged lower to 88.9 from 89.5. Importantly, this remains incredibly close to December's 13-year high, although the recent improvement has not translated into an acceleration in consumer spending. Interestingly, long-term consumer inflation expectations (during the next five to 10 years) rebounded from their all-time low of 2.3% yoy in December to 2.6% yoy, its highest level since July 2016.
- ▶ The **European Central Bank (ECB) account of the December monetary policy meeting** showed that two "broadly equivalent" options with regard to the Asset Purchase Programme (APP) were presented by Chief Economist Peter Praet: maintain purchases at the existing EUR80 billion level for a six-month period or extend by nine months at a reduced purchase amount of EUR60 billion per month. The minutes highlight that "Mr Praet was leaning towards the second option" as it "allowed for a more sustained market presence and, therefore, a more lasting transmission of the Governing Council's stimulus measures." During the meeting, "a few members" voiced a preference for keeping the rate of purchases steady, only to later change their minds, with "very broad support" then emerging to adopt Praet's preferred option. There was also broad agreement that this option was "needed to retain the necessary flexibility to again upscale APP purchases" if the economic outlook deteriorates or financial conditions tighten. The decision to cut purchases was also shown to be motivated by concerns "of declining market liquidity." Meanwhile, **industrial production** in the region grew by 1.5% mom in November, beating expectations (+0.6%). This was the strongest monthly rate of expansion since April, with an upward revision to the October print (+0.2 pts to +0.1% mom) also encouraging. The annual rate of growth was at 3.2% yoy, the highest since January 2016, but fairly flat on a 12-month moving average basis (around +2% yoy). The recent firming of eurozone industrial production echoes strong gains in the eurozone manufacturing PMIs (reaching a five-and-a-half-year high in December), robust German factory orders and exports data, amid evidence that euro weakness and a robust recovery in eurozone fixed investment is supporting activity in the sector. The November **unemployment rate** held steady at over a seven-year low of 9.8%, with rates in Germany and Spain both remaining unchanged at 4.1% and 19.2%, respectively. Elsewhere, an improvement in France (-0.2 pts to 9.5%) was offset by an uptick in Italy, reaching a 17-month high (+0.1 pts to 11.9%). Lastly, **Germany's** November **industrial production** expanded by 0.4% mom, lower than expectations (+0.6%). Nevertheless, an upward revision to the prior month (+0.2 pts to +0.5%) left annual growth at 2.2% yoy (versus +1.9% expected). Growth was supported by a 1.5% mom surge in construction output, while production of intermediate goods also rose strongly during the month (+0.9% mom).
- ▶ **China's producer price (PPI) inflation** continued to surprise on the upside (+5.5% yoy in December versus consensus at +4.6%) due to a recovery in upstream industries such as mining and raw materials (up +21.1% and +9.8% yoy respectively in December). Meanwhile, overall consumer goods producer prices increased by a more modest 0.8% yoy. The relatively low pass-through from commodities to consumer goods prices partly explains the moderation in **consumer prices (CPI) inflation**, which declined from 2.3% yoy in November to 2.1% (consensus at +2.2%). However, CPI ex-food gathered pace from 1.8% in November to 2.0% in December. On trade, **exports** dropped more than expected in December, down 6.1% yoy (consensus at -4.0%), partly due to negative base effects. Shipments to most parts of the world weakened, particularly to Hong Kong (-26.3% yoy) and the European Union (-4.7%), reflecting weak momentum in global trade at the end of last year. Meanwhile, **imports** were almost in line with expectations, at 3.1% yoy, down from 4.7% in November but still consistent with steady Chinese demand for imported goods as the economy stabilises. Overall, the **trade surplus** shrank from USD44.2 billion in November to USD40.8 billion, its lowest level since last April.

- ▶ **Brazilian IPCA inflation** fell from 10.71% yoy in December 2015 to 6.99% in November 2016. December's release fell slightly more than expected to 6.29% yoy against 6.34% expected. Services and non-tradable inflation continued to decline, dropping to 6.35% yoy from 7.20% previously. This marks the first return to the COPOM's 4.5%-6.5% target range since December 2014. Continued strong disinflationary pressures, well-anchored inflation expectations and a continuing sluggish economy were key factors in the **Central Bank of Brazil's decision** to cut rates by 75 bps to 13.00% (market consensus at 50 bps). In its policy statement, the bank noted that given uncertainty over the global outlook, soft activity data in Brazil and anchored inflation expectations, it is "already appropriate to frontload the monetary easing cycle, and allows the new pace of easing."
- ▶ December's headline **Mexican CPI** rose 0.46% mom, slightly less than the expected 0.50% mom. This left annual inflation at 3.36% yoy, slightly below the 3.41% yoy anticipated, although its highest since December 2014. Inflationary pressures have been predominantly driven by the Mexican peso's 20% depreciation against the US dollar during 2016, with March's forthcoming liberalisation of fuel prices likely to provide an additional source of upward pressure.
- ▶ India's **December CPI inflation** decelerated quicker than expected, at 3.4% yoy (consensus +3.5%), following November's 3.6% increase. The main driver was food and beverages inflation (45.9% of the index), which slowed to 2.0% from 2.6% previously, offsetting higher "fuels and lighting" inflation (from +2.8% to +3.8%). Other subcomponents such as housing, footwear, and clothing and bedding remained largely unchanged. Meanwhile, in year-on-year terms, **industrial production** rebounded strongly in November, rising 5.7% yoy (-1.8% previously), much higher than expectations of 1.5%. All sectors saw higher growth, but the main contributions came from manufacturing, which added 4.3 ppts, while electricity and mining added 1.0 ppts and 0.4 ppts, respectively. However, the month-on-month figures showed weaker growth in all sectors, likely reflecting the short-term negative impact of demonetisation on economic activity.

Coming Week (16-20 January 2017)

Date	Country	Indicator	Data as of	Survey	Prior
Monday 16 January	UK	BoE Governor Carney Speaks at London School of Economics			
Tuesday 17 January	Japan	Industrial Production (yoy)	Nov F		4.6% P
	UK	CPI (yoy)	Dec	1.4%	1.2%
	UK	PM May Delivers a Speech on the Government's Approach to Leaving the European Union			
	Germany	ZEW Expectation of Economic Growth	Jan	18.8	13.8
Wednesday 18 January	UK	ILO Unemployment Rate (3 months)	Nov	4.8%	4.8%
	Eurozone	CPI (yoy)	Dec F	1.1%	1.1% P
	US	CPI (yoy)	Dec	2.1%	1.7%
	US	Industrial Production (mom)	Dec	0.7%	-0.4%
	Canada	Bank of Canada Interest Rate Decision	Jan	0.50%	0.50%
	US	NAHB/Wells Fargo Housing Market Index	Jan	69.0	70.0
	US	Fed Chair Yellen Speaks in San Francisco			
Thursday 19 January	Eurozone	ECB Interest Rate Decision	Jan	-0.40%	-0.40%
	US	Housing Starts (mom)	Dec	10.1%	-18.7%
Friday 20 January	China	Industrial Production (yoy)	Dec	6.1%	6.2%
	China	Retail Sales (yoy)	Dec	10.7%	10.8%
	China	GDP (yoy)	Q4	6.7%	6.7%
	UK	Retail Sales, ex Auto Fuel (yoy)	Dec	7.5%	6.6%
	US	Fed Chair Yellen Speaks at Stanford University			

P – Prior, Q – Quarter, F – Final

US

- ▶ December's **CPI inflation** release is expected to show that prices rose 2.1% yoy, the highest level since June 2014 and up firmly from 0.8% yoy in July. However, the more stable core measure, excluding food and energy, is expected to remain at 2.1% yoy for the third straight month. This will be the first time since April 2012 that both the headline and core measures have been above 2.0%. The US Federal Reserve (Fed) will pay attention to any upside pressure, although its preferred measure of inflation, the core Personal Consumption Expenditure price index, is not released until the end of January and is currently sitting around 1.6%, somewhat below their 2.0% target.
- ▶ The January release of the **NAHB/Wells Fargo Housing Market Index**, which measures homebuilder confidence, is expected to tick down to 69 from December's post-crisis high of 70. This reflects continued strength in the housing market. Any further downward change is likely to be at least partly attributed to the 50 bps increase in 30-year fixed mortgage rates to around the 4.00% level since the US election. However, the continued strength of the labour market and high levels of affordability – boosted by close to record low mortgage interest rates – are likely to continue to support the housing market going forward. **Housing starts** are expected to continue their recent volatile run, with an anticipated December increase of 10.1% mom (annualised 1,200,000), following a sharp 18.7% mom decline in November, after October's 27.4% mom rise.

Europe

- ▶ **UK CPI inflation** is anticipated to accelerate further in December, by 0.2 ppts to a two-and-a-half-year high of 1.4% yoy. Oil price effects are expected to play a significant role in the acceleration, with UK petrol prices having risen over the month and falling sharply in December 2015. Weaker sterling over the past year is also expected to feed into some components, particularly food prices. Meanwhile, the **ILO unemployment rate** for the three months to November is expected to hold steady at 4.8%, reflecting the general

robustness of the UK economy despite last June's Brexit vote. A tight labour market should see total wage growth tick up by 0.1 ppts to 2.6% yoy, its highest since September 2015. The December claimant count rate is also anticipated to remain at 2.3%, although the change in jobless claims during the month should remain firmly above the 12-month moving average of 550 (+4,500 expected). Finally, December **retail sales** (excluding auto fuel) are expected to dip slightly over the month (-0.4% mom), although this follows an exceptionally long run of month-on-month growth, and would leave annual growth at a still robust rate of 7.5% yoy (significantly above the 12-month moving average of +4.6%).

- ▶ Reflecting robust activity data as of late (and broad financial market strength), the December **German ZEW survey** of the current situation is expected to tick up by 1.5 points to 65.0, leaving the index significantly above its long-term average (-12.1). Meanwhile, on the back of gaining momentum in the economy and despite global political risks (US policy uncertainty, Brexit negotiations and European elections this year), the **expectations** component is anticipated to rise more significantly (5 points to 18.8), although remain below its average over the long term (23.5).
- ▶ At its January meeting, the **European Central Bank (ECB)** is expected to keep policy on hold, having extended its Asset Purchase Programme for a period of nine months to December 2017 at last month's meeting (albeit at a reduced pace of EUR60 billion per month). Any comments on recent signs of building inflationary pressures in the region will be keenly observed.

Emerging markets

- ▶ The official and Caixin manufacturing PMI surveys for December suggested fairly resilient economic momentum in **China** at the end of last year. However, at the same time, exports disappointed. With softer external demand, as well as targeted measures taken last year to slow down the property market, **industrial production** is expected to have decelerated slightly in December, from 6.2% yoy to 6.1%, although reflecting broad stabilisation of the Chinese economy. Nominal **retail sales** are also expected to show fairly stable growth, at 10.7% yoy, down from 10.8% in November, translating into growth of 10.5% yoy in Q4, slightly higher than the 10.4% year-to-date growth observed over the first three quarters. As industrial production and retail sales have stabilised, **GDP growth** for Q4 is expected to remain unchanged at 6.7% for a fourth consecutive quarter, allowing the government to meet its growth target for 2016.

Market Moves

Reduced risk appetite weighed on most bourses; UK's FTSE 100 outperformed in developed markets on weaker sterling

- ▶ **US equities** were little changed this week as investors digested Donald Trump's first press conference since the election. The President-Elect provided very little detail on his fiscal stimulus plans, bank deregulation or trade policies; but pharmaceutical shares sold off after Trump signalled the industry needed more competitive drug price bidding. Economic data released this week showed US macroeconomic momentum remaining robust. The NFIB small business optimism survey beat expectations and the most recent labour market data (JOLTS survey, initial jobless claims) showed continued strength.
- ▶ **European equities** were also little changed this week amid subdued risk appetite and a quiet economic data calendar. For the EURO STOXX 50 Index, financial stocks saw a large decline; however, this was offset by gains elsewhere, including consumer discretionary shares. The UK's FTSE 100 Index significantly outperformed, closing 1.8% higher, as weaker sterling supported multinational companies that earn a large amount of their revenue in foreign currencies.
- ▶ **Japanese stocks** continued to show a strong inverse correlation with the yen over the week amid a limited news flow of economic data. The Nikkei 225 Index lost 0.9%. Chinese equities also fell, dragged lower by concerns about tighter monitoring and restrictions on investments by insurers, and after disappointing exports data and stronger than expected factory-gate inflation. The Shanghai Stock Exchange Composite Index ended down 1.3%. Elsewhere, most bourses gained.

Most core government bonds rose on risk aversion; German bunds declined, however, amid robust data

- ▶ **US Treasuries** were little changed, with 10-year yields ending the week at 2.40%. In terms of intra-week moves, Treasury gains (falling yields) on Monday were driven by lower oil prices. Wednesday then saw a sharp bout of intra-day volatility, as weakness following the release of data showing a 12-year high in US small business optimism was offset by solid investor demand on the back of a lack of detail surrounding the Trump economic plan. Finally, Friday's weaker than anticipated retail sales were counterbalanced by a marginally stronger than expected core PPI release.
- ▶ Despite a raft of upbeat economic data, lower oil prices broadly pushed yields on **eurozone government bonds** lower this week. French 10-year yields fell 3 bps to 0.80%, while Italian 10-year yields fell 7 bps to 1.89%, and Spanish 10-year yields fell 12 bps to 1.42%. However, particularly strong activity data in Germany saw German 10-year bund yields rise 4 bps to 0.34%.

Most currencies appreciated against the US dollar after Trump offered little clarity on future policies

- ▶ **The euro** started this week on a soft note, dipping below USD1.05 on Wednesday ahead of Trump's press conference, although this was swiftly reversed as Trump's failure to elaborate on his economic policy agenda saw the US dollar sell off. Further gains were made on Thursday, pushing the euro to over a one-month high against the greenback and ending the week up 1.1%. Meanwhile, sterling declined against the US dollar this week (-0.9%), hit by comments by British Prime Minister Theresa May over the weekend suggesting the UK would not be able to keep "bits" of its European Union membership.
- ▶ **Asian currencies** mostly appreciated against the US dollar this week, with an acceleration after US President-Elect Donald Trump's press conference on Wednesday, which offered little in the way of clues over the future course of US policy. Major exporters outperformed, namely the Japanese yen (+2.2%), followed by the Korean won (+1.5%) and the Taiwanese dollar (+1.3%). At the other end of the performance spectrum, the Philippine peso and the Indian rupee depreciated by 0.5% and 0.3%, respectively.

Oil prices fell on uncertainty over enforcement of OPEC's production cut; gold prices rose for third week

- ▶ **Oil prices** fell this week, amid rising concerns over the ability of OPEC to enforce planned production cuts as data showed Iraq exported a record amount of crude from its southern ports in December. Sentiment was also hit by the U.S. Energy Information Administration raising its forecast for US production in 2017 by 200,000 barrels per day, although this was offset to some extent by the organisation's weekly report that showed an unexpected decline in inventories at Cushing, Oklahoma, the delivery point for WTI futures contracts. Overall, WTI crude fell (-2.6% to USD52.6 per barrel) as did Brent (-2.6% to USD55.6 per barrel).
- ▶ **Gold prices** rose for the third consecutive week (+2.1% to USD1,198), boosted by the continuing pullback in the US dollar as well as higher jewellery demand ahead of the Lunar New Year. Lingering uncertainty over President-Elect Trump's economic policy agenda – and the implications for US interest rates – are also proving supportive to the yellow metal.

Market Data

	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)
Equity Indices									
World									
MSCI AC World Index (USD)	432	0.4	0.9	5.3	16.5	2.3	432	351	16.2
North America									
US Dow Jones Industrial Average	19,886	-0.4	-0.1	9.9	23.1	0.6	20,000	15,451	16.7
US S&P 500 Index	2,275	-0.1	0.1	6.7	20.3	1.6	2,282	1,810	17.5
US NASDAQ Composite Index	5,574	1.0	2.0	6.9	23.2	3.5	5,584	4,210	21.0
Canada S&P/TSX Composite Index	15,497	0.0	0.7	5.8	27.3	1.4	15,621	11,531	16.9
Europe									
MSCI AC Europe (USD)	408	0.6	2.1	5.4	5.5	1.9	415	354	14.8
Euro STOXX 50 Index	3,324	0.1	2.7	11.7	8.2	1.0	3,334	2,673	14.3
UK FTSE 100 Index	7,338	1.8	5.3	5.2	23.1	2.7	7,338	5,500	14.8
Germany DAX Index*	11,629	0.3	3.1	11.7	16.7	1.3	11,692	8,699	13.6
France CAC-40 Index	4,922	0.3	2.5	11.7	12.1	1.2	4,930	3,892	14.6
Spain IBEX 35 Index	9,512	0.0	1.9	10.5	6.5	1.7	9,552	7,580	14.0
Asia Pacific									
MSCI AC Asia Pacific ex Japan (USD)	446	1.9	2.0	0.5	18.0	4.5	459	357	13.6
Japan Nikkei-225 Stock Average	19,287	-0.9	0.2	15.0	8.9	0.9	19,615	14,864	19.2
Australian Stock Exchange 200	5,721	-0.6	3.2	5.3	14.7	1.0	5,828	4,707	16.4
Hong Kong Hang Seng Index	22,937	1.9	2.2	-0.4	15.1	4.3	24,364	18,279	11.6
Shanghai Stock Exchange Composite Index	3,113	-1.3	-1.3	1.7	5.5	0.3	3,301	2,638	13.2
Hang Seng China Enterprises Index	9,787	1.8	0.7	3.1	15.2	4.2	10,210	7,499	8.0
Taiwan TAIEX Index	9,379	0.1	0.0	1.7	19.9	1.4	9,431	7,628	13.5
Korea KOSPI Index	2,077	1.4	2.0	3.0	8.4	2.5	2,087	1,818	10.1
India SENSEX 30 Index	27,238	1.8	2.0	-1.5	9.6	2.3	29,077	22,495	19.0
Indonesia Jakarta Stock Price Index	5,273	-1.4	-0.4	-1.3	16.2	-0.4	5,492	4,409	14.8
Malaysia Kuala Lumpur Composite Index	1,673	-0.2	1.7	0.4	1.8	1.9	1,729	1,601	15.8
Philippines Stock Exchange PSE Index	7,239	-0.1	5.2	-1.0	11.5	5.8	8,118	6,084	17.3
Singapore FTSE Straits Times Index	3,025	2.1	2.4	7.8	12.2	5.0	3,026	2,528	14.0
Thailand SET Index	1,575	0.2	2.9	11.5	23.2	2.1	1,583	1,231	14.7
Latam									
Argentina Merval Index	18,885	3.3	9.8	9.6	83.2	11.6	18,892	9,200	15.9
Brazil Bovespa Index*	63,652	3.2	7.4	4.1	63.4	5.7	65,291	37,046	12.9
Chile IPSA Index	4,235	1.5	-0.9	2.7	19.9	2.0	4,326	3,419	15.1
Colombia COLCAP Index	1,370	-0.3	2.6	1.1	24.9	1.3	1,419	1,068	11.8
Mexico Index	46,182	0.2	-1.5	-3.3	12.6	1.2	48,956	39,924	16.8
EEMEA									
Russia MICEX Index	2,195	-0.8	-2.3	11.1	30.3	-1.7	2,294	1,583	6.6
South Africa JSE Index	52,795	3.1	3.8	4.6	9.1	4.2	54,704	45,976	15.2
Turkey ISE 100 Index*	81,524	5.7	5.9	6.1	12.4	4.3	86,931	68,230	8.2

*Indices expressed as total returns. All others are price returns.

Equity Indices - Total Return	3-Month Change (%)	YTD Change (%)	1-Year Change (%)	3-Year Change (%)	5-Year Change (%)
Global equities	5.4	2.1	18.7	13.2	56.7
US equities	6.8	1.6	22.0	29.8	89.1
Europe equities	5.1	1.3	8.1	-8.4	35.5
Asia Pacific ex Japan equities	1.1	4.6	21.5	5.7	26.6
Japan equities	3.7	3.1	11.5	9.8	51.7
Latam equities	-0.3	4.4	50.3	-14.6	-26.0
Emerging Markets equities	1.1	4.0	25.8	-1.3	6.5

All total returns quoted in US dollar terms.

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 Markets 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.

Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 13 January 2017.

Past performance is not an indication of future returns.

Market Data (continued)

	Close	1-Week Change (%)	1-Month Change (%)	3-Month Change (%)	1-Year Change (%)	YTD Change (%)
Bond Indices - Total Return						
BarCap GlobalAgg (Hedged in USD)	500	0.3	0.8	-1.6	3.3	0.1
JPM EMBI Global	749	0.1	2.1	-2.3	12.9	1.3
BarCap US Corporate Index (USD)	2,745	0.3	1.5	-1.9	5.9	0.7
BarCap Euro Corporate Index (Eur)	241	0.1	0.4	-1.0	4.5	-0.2
BarCap Global High Yield (USD)	437	0.1	1.5	1.8	18.1	1.0
Markit iBoxx Asia ex-Japan Bond Index (USD)	188	0.3	1.1	-1.3	5.6	1.0
Markit iBoxx Asia ex-Japan High-Yield Bond Index (USD)	238	0.1	1.2	0.9	14.1	1.2

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

Currencies (versus USD)	Latest	1 Week Ago	1 Month Ago	3 Months Ago	1 Year Ago	Year- End 2016	52-Week High	52-Week Low
Developed markets								
EUR/USD	1.06	1.05	1.06	1.11	1.09	1.05	1.16	1.03
GBP/USD	1.22	1.23	1.27	1.23	1.44	1.23	1.50	1.18
CHF/USD	0.99	0.98	0.99	1.01	0.99	0.98	1.06	0.97
CAD	1.31	1.32	1.31	1.32	1.43	1.34	1.47	1.25
JPY	114.49	117.02	115.19	103.71	117.68	116.96	121.69	99.02
AUD	1.33	1.37	1.33	1.32	1.44	1.39	1.46	1.28
NZD	1.40	1.44	1.39	1.41	1.53	1.44	1.58	1.34
Asia								
HKD	7.75	7.76	7.76	7.76	7.76	7.76	7.83	7.75
CNY	6.90	6.92	6.90	6.73	6.58	6.95	6.96	6.45
INR	68.16	67.96	67.54	66.94	66.85	67.92	68.86	66.07
MYR	4.46	4.47	4.44	4.21	4.38	4.49	4.50	3.84
KRW	1,175	1,193	1,167	1,136	1,204	1,206	1,245	1,090
TWD	31.57	31.99	31.79	31.78	33.49	32.33	33.79	31.01
Latam								
BRL	3.22	3.22	3.33	3.18	4.02	3.26	4.17	3.10
COP	2,947	2,923	2,972	2,918	3,255	3,002	3,453	2,817
MXN	21.48	21.22	20.28	18.93	17.95	20.73	22.04	17.05
EEMEA								
RUB	59.58	59.62	60.66	63.02	76.66	61.54	85.96	59.09
ZAR	13.52	13.76	13.61	14.25	16.57	13.74	16.99	13.17
TRY	3.72	3.64	3.49	3.09	3.03	3.52	3.94	2.79

Bonds	Close	1 Week Ago	1 Month Ago	3 Months Ago	1 Year Ago	Year-End 2016
US Treasury yields (%)						
3-Month	0.52	0.51	0.53	0.28	0.22	0.50
2-Year	1.19	1.21	1.16	0.83	0.91	1.19
5-Year	1.90	1.92	1.91	1.26	1.53	1.93
10-Year	2.40	2.42	2.47	1.74	2.09	2.44
30-Year	2.99	3.01	3.13	2.48	2.88	3.07

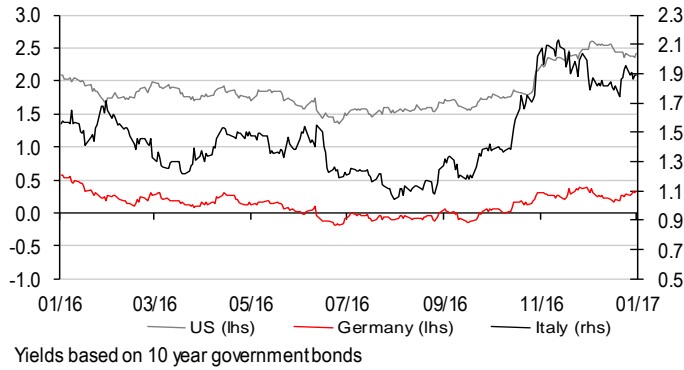
Developed market 10-year bond yields (%)						
Japan	0.05	0.05	0.08	-0.06	0.20	0.04
UK	1.36	1.38	1.44	1.02	1.74	1.24
Germany	0.34	0.30	0.36	0.04	0.57	0.20
France	0.80	0.83	0.79	0.33	0.88	0.68
Italy	1.89	1.96	1.87	1.38	1.56	1.81
Spain	1.42	1.54	1.43	1.11	1.77	1.38

Commodities	Latest	1-Week Change (%)	1-Month Change (%)	3-Month Change (%)	1-Year Change (%)	YTD Change (%)	52-Week High	52-Week Low
Gold	1,198	2.1	3.4	-4.8	9.5	3.9	1,375	1,072
Brent Oil	55.6	-2.6	-0.2	6.9	83.4	-2.1	58	27
WTI Crude Oil	52.6	-2.6	-0.8	4.2	72.5	-2.1	55	26
R/J CRB Futures Index	195	0.5	0.6	2.9	19.8	1.1	196	155
LME Copper	5,842	4.5	2.7	24.0	33.0	5.5	6,046	4,318

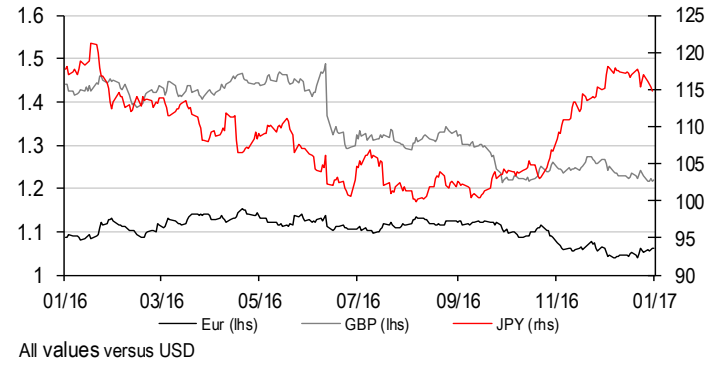
Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 13 January 2017.
Past performance is not an indication of future returns.

Market Trends

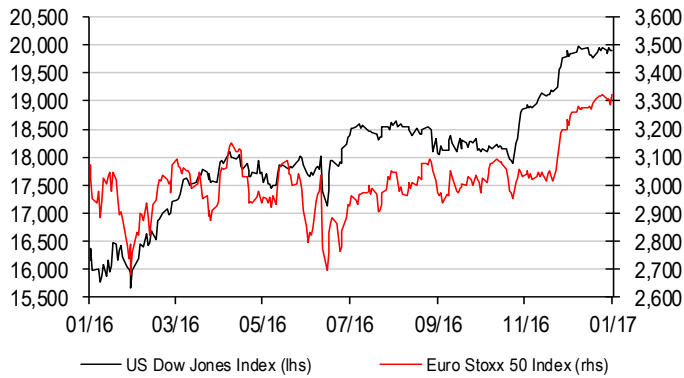
Government bond yields (%)



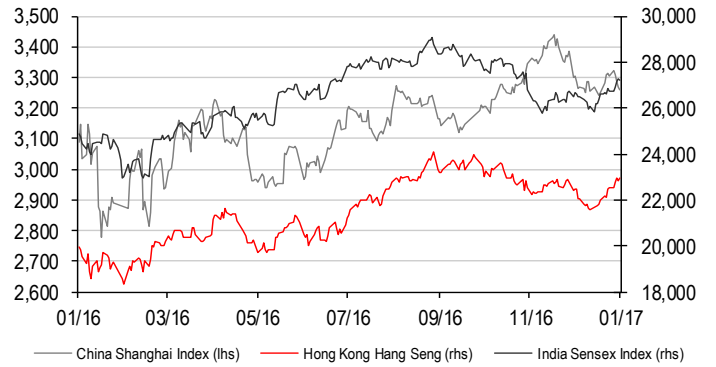
Major currencies (versus US dollar)



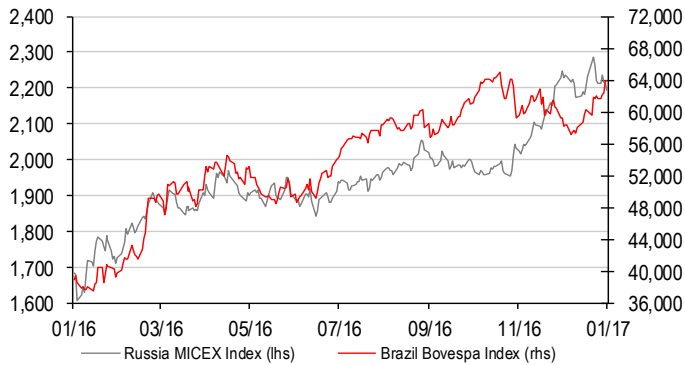
Global equities



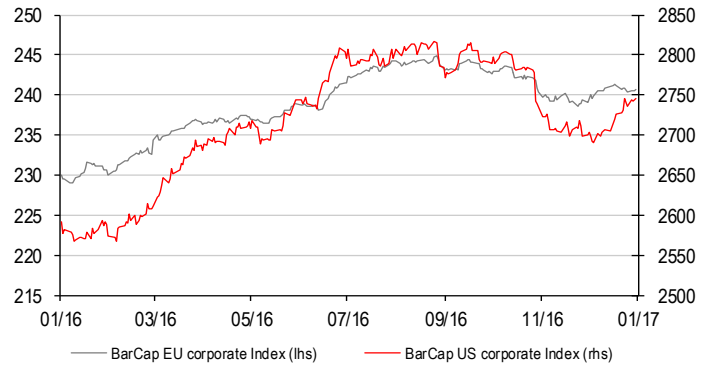
Emerging Asian equities



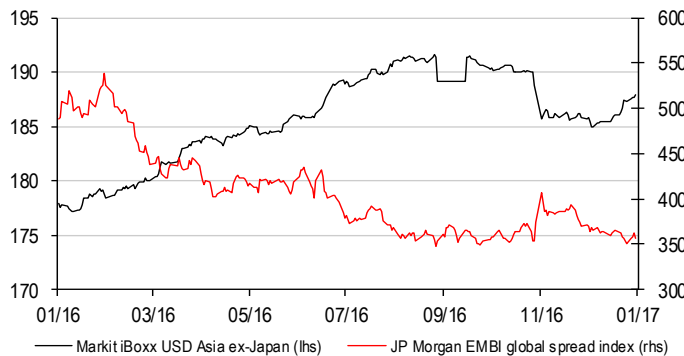
Other emerging equities



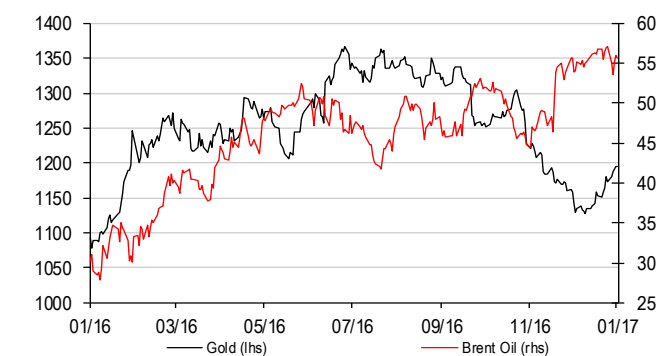
Global credit indices



Emerging markets spreads (USD indices)



Commodities (USD)



Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 13 January 2017.
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