Investment Weekly

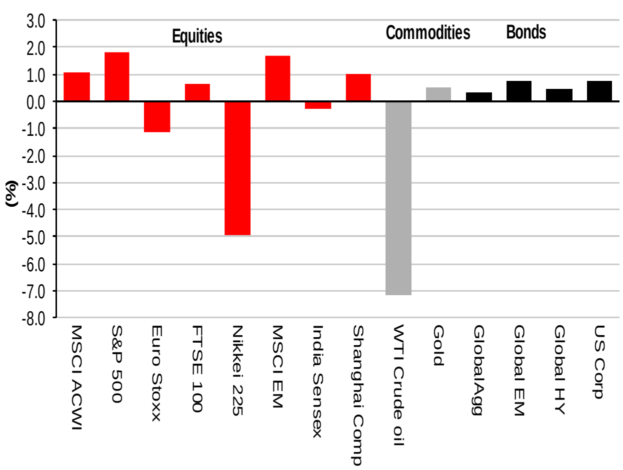
01 April 2016

For Professional Client and Institutional Investor Use Only

- Global equity markets were buoyed this week by dovish comments from US Federal Reserve (Fed) Chair Janet Yellen and some upbeat global data releases, although lower oil prices and lingering banking sector concerns weighed on overall performance
- Yellen, after a raft of hawkish comments from other Fed officials, reiterated that it was appropriate to "proceed cautiously" with further rate hikes, also stressing that there is little room to reverse course, supporting the case for gradual tightening
- In the US, March's employment report showed nonfarm payrolls rising a better than expected 215,000 in March (versus expectations of 205,000), with the prior two months essentially unchanged
- In the coming week, investors will look for further clues surrounding the future course of US interest rates as the March Federal Open Market Committee (FOMC) meeting minutes are released, with Yellen taking part in a panel discussion with former Fed chiefs Ben Bernanke, Alan Greenspan and Paul Volcker

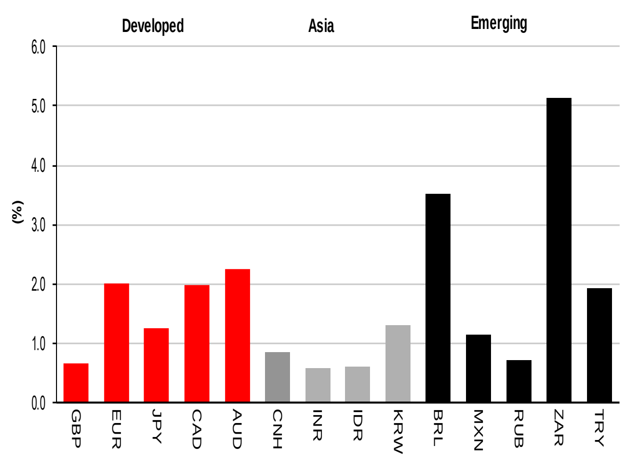
Movers and shakers

The Nikkei 225 fell sharply as Japanese data disappointed

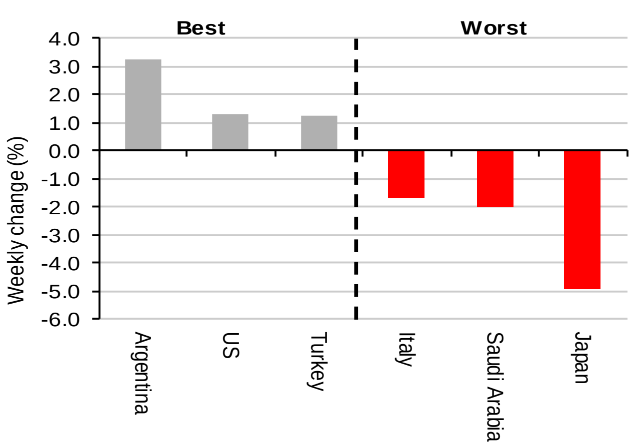


Currencies (versus US dollar)

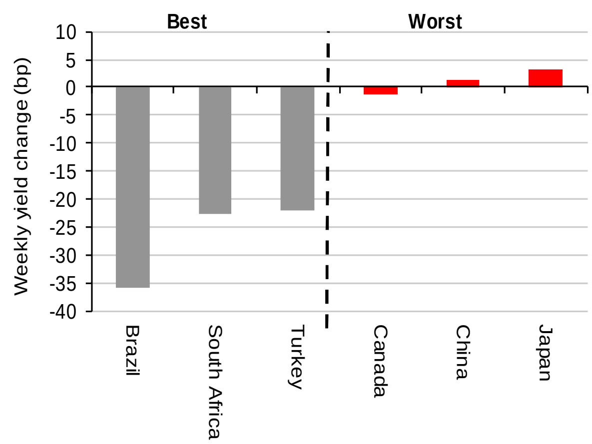
Most currencies rose against the US dollar



Equities



Bonds (10-year)



Sources: Bloomberg, HSBC Global Asset Management. Data as at close of business 1 April 2016.
All the above charts relate to 25/03/2016 – 01/04/2016.
Past performance is not an indication of future returns.

Macro Data and Key Events

Past Week (28 March – 01 April 2016)

Date	Country	Indicator	Data as of	Survey	Actual	Prior
Monday 28 March	US	PCE Core (yoy)	Feb	1.8%	1.7%	1.7%
Tuesday 29 March	US	S&P/Case-Shiller 20-City Composite Home Price Index (yoy)	Jan	5.73%	5.75%	5.74%
	Japan	Jobless Rate	Feb	3.2%	3.3%	3.2%
	US	Fed Chair Yellen speaks to Economic Club of New York				
Wednesday 30 March	Japan	Industrial Production (yoy)	Feb P	-1.7%	-1.5%	-3.8%
Thursday 31 March	UK	GDP (qoq)	Q4 F	0.5%	0.6%	0.5% P
	Eurozone	CPI Estimate (yoy)	Mar	-0.1%	-0.1%	-0.2%
Friday 1 April	Japan	Tankan Large Manufacturers Index	Q1	8	6	12
	China	Caixin Manufacturing PMI	Mar	48.3	49.7	48.0
	Eurozone	Markit Manufacturing PMI	Mar F	51.4	51.6	51.4 P
	US	Change in Nonfarm Payrolls	Mar	205K	215K	242K
	US	ISM Manufacturing Index	Mar	51.0	51.8	49.5
	Russia	GDP (yoy)	Q4	-3.9%	-3.8%	-3.7%

P – Preliminary, Q – Quarter, F – Final

- In the **US**, the most anticipated release this week was Friday's employment report, which showed **nonfarm payrolls** rising a better than expected 215,000 in March (versus expectations of 205,000), with the prior two months essentially unchanged. The unemployment rate rose to 5.0% from its eight-year low of 4.9%, primarily due to the 0.1 percentage point rise in the participation rate to 63.0%. The breakdown of the March report also showed private-sector service jobs rising 195,000, following an increase of 236,000 in February, with the retail, education and healthcare sectors registering another strong month of gains (+48,000 and +51,000 respectively). However, pockets of weakness in the US economy remain, with declines seen in manufacturing (-29,000), temporary help (-21,000) and mining and logging (-12,000). Average hourly earnings rose more than expected at 0.3% mom (translating into a 2.3% yoy increase), although the average work week remained at 34.4 hours, which is a mild disappointment for total earned income. Meanwhile, this week saw **Fed Chair Janet Yellen** send a dovish message to investors as she detailed, in a **speech to the Economic Club of New York**, the Fed's meaning of "data dependence" with the conditions required for further rate hikes: a stable foreign economic and financial market outlook, a steady dollar, more sustainable commodity prices, more convincing evidence of a rebound in core inflation and a greater contribution of housing to US GDP growth. Yellen's comments reiterating that it was appropriate to "proceed cautiously" with further rate hikes came after a raft of hawkish comments from other Fed officials. However, she also stressed that the Fed had little room to reverse course and stimulate the economy if the US hits a weak patch, supporting the case for gradual tightening. Elsewhere, **core PCE inflation,** the Fed's preferred gauge of price levels, which excludes energy and food, came in lower than expected in February, at 1.7% yoy (consensus at 1.8%), the same rate logged in January. Nevertheless, the gauge remains at its highest level since January 2013 as it inches towards the Fed's 2% target. Meanwhile, the same report showed personal income gaining 0.2% mom in February (consensus 0.1%), while consumer spending gained 0.1%, matching expectations, although January's figure was revised significantly downwards, to 0.1% from 0.5% prior. The **S&P/Case-Shiller 20-City Composite Home Price Index** rose by 5.75% yoy in January, relatively similar to the prior two months' prints, which sees prices relatively stable at the higher end of the 4-6% band that they have occupied since mid-2014. Finally, the **ISM Manufacturing Index** signalled that the sector was in expansionary territory for the first time in seven months. This was in line with the broad improvement seen in the regional PMIs, with a print of 51.8 beating expectations for a tick up to 51.0. Most importantly, new orders rose to 58.3, their highest level since November 2014, and production (at 55.3) stood at its highest level since May 2015. Also encouraging was the rise in new export orders (to their highest level since December 2014), despite a stronger dollar.
- As expected, **eurozone** headline **inflation** picked up slightly to −0.1% yoy in March from −0.2% yoy in February. Meanwhile, core inflation edged up to +1.0% yoy in March from +0.8% yoy in February. The uptick was driven largely by the timing of Easter (March this year and April last year) and should therefore be only temporary. The **Eurozone Manufacturing PMI** for March was revised up by 0.2 points to 51.6 on stronger output and orders, marking an improvement from 51.4 in February, suggesting the manufacturing sector firmed slightly at the end of Q1.
- **UK GDP** growth was revised up by 0.1 percentage points to +0.6% qoq in Q42015, based on stronger consumption, slightly better exports and lower imports. However, the total contribution of net exports to GDP growth remained negative. The data confirms that UK growth remains lopsided, driven by consumer spending, while investment and exports underperform.
- **Japan's jobless rate** edged up in February, to 3.3% from 3.2% in the previous month, slightly higher than expectations for no change. Nevertheless, the unemployment rate could edge down further in coming months considering that the job-to-applicant ratio, an indicator of labour demand, remained at 1.28 in February (the highest rate since 1992). Meanwhile, **industrial production** for February came in weaker than expected, down 6.2% mom (versus consensus at -5.9% mom) and erasing the surprisingly strong

Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 1 April 2016.
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increase observed in January (+3.7% mom). The slump was broad-based, with strong declines in capital goods, consumer goods and producer goods. Finally, the results of the Bank of Japan's **Tankan survey** for March came in lower than expected, confirming that weak demand and a stronger yen have considerably dampened business sentiment across the board. The Tankan Large Manufacturers Index (the headline component of the survey) fell from 12 in the previous survey in Q4 last year to 6 (consensus at 8). Similar drops were also observed in the non-manufacturing sector, with slightly lower declines for small and mid-size companies.

- **China's March manufacturing PMIs** surprised on the upside, with the official PMI rebounding strongly to a nine-month high of 50.2 from 49.0 in February (versus market consensus of 49.4), led by a notable rise in both the new orders and production sub-indexes. The Caixin China Manufacturing PMI also jumped to 49.7 from 48.0. The new export orders components of both PMIs also rose, indicating external demand could be showing signs of improvement. Nevertheless, the pickup in March could be explained by seasonal effects from the Chinese New Year holiday in February and so should be treated with some caution.
- **Russia's Q4 GDP** came in slightly less weak than expected (-3.8% yoy versus -3.9% yoy consensus), while the previous quarter's growth was upwardly revised to -3.7% yoy. The sharp decline in the rouble over the past year has boosted exports in rouble terms (+9.8% yoy in Q4) and has helped to cushion the impact of a sharp slowdown in most other sectors of the economy.

Coming Week (04-08 April 2016)

Date	Country	Indicator	Data as of	Survey	Prior
Monday 4 April	US	Factory Orders	Feb	-1.7%	1.6%
	US	Durable Goods Orders	Feb F	-2.8%	-2.8%
Tuesday 5 April	India	RBI Interest Rate Decision (Repurchase Rate)	Apr	6.50%	6.75%
	Germany	Factory Orders (mom)	Feb	0.4%	-0.1%
	Eurozone	Markit Eurozone Composite PMI	Mar F	53.7	53.7 P
	US	ISM Non-Manufacturing Composite Index	Mar	54.1	53.4
Wednesday 6 April	Germany	Industrial Production Seasonally Adjusted (mom)	Feb	-2.0%	3.3%
	US	FOMC March Meeting Minutes			
Thursday 7 April	Eurozone	ECB Account of the Monetary Policy Meeting			
	US	Fed Chair Yellen in New York, with Bernanke, Greenspan and Volcker			
Friday 8 April	Japan	BoP, Current Account Adjusted (JPY)	Feb	1571.9b	1492.4b
	Brazil	IBGE Inflation IPCA (yoy)	Mar	9.4%	10.4%

P – Preliminary, F – Final

US

- In the coming week, expectations are for the March **ISM Non-Manufacturing Composite Index** to recover to 54.1 from 53.4 in February, in line with the broad improvement in US economic conditions. Interestingly, while last month's new orders were robust at 55.5, they fell to their lowest level since March 2014, although business activity recovered strongly at 57.8.
- Given the significant amount of hawkish Fedspeak since the dovish 16 March **FOMC** statement, there will be close scrutiny of the **meeting minutes** to understand the depth of division surrounding the balance of risks to the outlook. There is unlikely to be any significant deviation from the "prudent" decision to remain on hold to allow for further economic data before embarking on any hikes; however, the degree to which the Fed fears it is falling behind the curve would be of interest.

Europe

- In Europe, the **monetary policy account** of the **ECB's** March meeting could shed some light on the reasoning behind the Governing Council's choice of policy instruments, including its expectations around the new Targeted Longer-Term Refinancing Operations programme and the considerations deterring the Council from lowering the deposit rate further. It will also be interesting to see which alternative measures were discussed, and learn about dissenting opinions.
- **German factory orders** are expected to increase by 0.4% mom in February after dipping to -0.1% mom in January. This comes as the manufacturing PMI index for new orders, although softening in each of the past three months, remains firmly in expansionary territory. On the other hand, **industrial production** is expected to decline by 2.0% mom in February, in part due to a technical correction after its impressive 3.3% mom jump in January, which was driven by higher construction output during the mild winter.

Emerging markets and Japan

- **Brazilian inflation** likely declined in March, reflecting the recent decline in electricity tariffs (with favourable base effects as tariffs increased 22% mom in March 2015), lower airline fares and a moderation of food and beverage inflation.
- **The Reserve Bank of India (RBI)** is expected to cut the policy repo rate by 25bps to 6.50% at its 5 April policy meeting, given the government's commitment to fiscal consolidation with an overall credible FY17 budget, the benign inflation outlook, recent soft macro data, continuing tightness in liquidity conditions and the dovish outlook for global major central banks. The RBI is likely to reiterate that its policy stance remains accommodative, leaving the door open for further easing conditional upon future inflation.

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- **Japan's current account balance** for February will be published on Friday. After the slightly stronger than expected decline in January, the current account surplus is expected to rebound to JPY1.57 trillion in February, in seasonally adjusted terms. Data already released shows net exports of goods in February rebounding by around JPY166 billion, and net services, especially tourism, will likely also contribute positively as February saw the Lunar New Year holidays start 10 days earlier than in 2015. However, the recent appreciation of the yen could put some downward pressure on the balance of overseas investment income.

Market Moves

Global equity markets buoyed by dovish Yellen comments and upbeat US and China data, although lower oil prices and banking sector concerns weigh

- After a fairly muted start to the week, US equities rose sharply on Tuesday as investors welcomed the prospect of an extended period of accommodative monetary policy following Fed Chair Janet Yellen's dovish remarks at the Economic Club of New York, while an upbeat ISM manufacturing print also boosted sentiment. Overall, the S&P500 Index closed this week up (+1.8%), with consumer and IT stocks outperforming, although energy shares slid on the back of lower oil prices.
- In Europe, the EURO STOXX 50 Index was dragged lower (-1.1%) by financials as negative corporate news reignited profitability concerns in the banking sector, offsetting broadly positive sentiment following Fed Chair Yellen's dovish speech. Energy shares also performed poorly as oil prices retreated. This hit the UK's resource-heavy FTSE 100 Index, although it still outperformed all other major European bourses for the week (+0.6%) amid strong performance in the consumer and healthcare sectors.
- In Asia, Japan's Nikkei 225 Index underperformed this week (-4.9%) on the back of a stronger yen and disappointing economic data that outweighed hopes that the government could unveil an additional economic stimulus package and postpone the April 2017 consumption tax hike. India's SENSEX 30 Index also ended the week down (-0.3%) despite optimism that the RBI will cut rates on 5 April. Meanwhile, China's Shanghai Stock Exchange Composite Index rose (+1.0%) as signs of stabilisation in the Chinese economy and the yuan buoyed sentiment, offsetting a cut in China's sovereign credit rating outlook by Standard & Poor's and concerns about property tightening measures.

Treasuries rallied on dovish Fedspeak, while European equivalents rose as the ECB prepared to boost its monthly asset purchases

- US Treasuries rallied this week (yields fell) amid soft US spending data and as Fed Chair Janet Yellen highlighted the need for monetary policy to "proceed cautiously," contrasting with a raft of recent hawkish comments from other FOMC members. Further support came on Thursday on month- and quarter-end portfolio rebalancing. Overall, Treasury 10-year yields ended the week sharply lower (-13bps to 1.77%), as did policy-sensitive two-year yields (-15bps to 0.72%).
- Similarly, European government bonds rose this week (yields fell), largely underpinned by lower inflation expectations (5y5y inflation swap rates fell) and the imminent increase in monthly ECB purchases (by EUR20 billion a month), beginning 1 April. Within the core, French 10-year paper outperformed slightly as France's CPI fell more than expected in March (-0.2% yoy versus -0.1% consensus), while the figure for Germany showed a modest increase. Elsewhere, peripheral government bonds rallied, with Italian paper also buoyed by strong demand in the government auction of EUR3 billion of 10-year notes on Wednesday (yields averaging 1.24%, a new historic low).

US dollar declines on the back of dovish Yellen speech; South African rand outperforms on the back of increasing hopes of political change

- The euro rallied this week against the US dollar (+2.0%), with large gains following Fed Chair Janet Yellen's reiteration of a gradual and data-dependent trajectory for policy rates pushing the greenback lower. The single currency rose further on Thursday as investors adjusted their month-end currency hedge positions. Elsewhere, dollar weakness also supported the British pound, despite lingering "Brexit" fears, although gains were pared on Friday following the upbeat US jobs report. Sterling ended the week higher (+0.7%).
- Asian currencies rallied against the US dollar this week, led by the Malaysian ringgit (+3.8%), Singaporean dollar (+1.5%) and South Korean won (+1.3%), as speculation that the Fed would move more slowly in raising interest rates weakened the US dollar and boosted risk appetite for emerging market assets. Gains in the ringgit came on the back of signs that the country's political environment may be stabilising, and weakness in the US dollar allowed the People's Bank of China to set its fixing rate for the yuan higher.
- Meanwhile, most non-Asian currencies also rose against the US dollar this week. The South African rand outperformed (+5.1%) as President Jacob Zuma was ruled to have breached the constitution. Meanwhile, the Brazilian real also performed well (+3.5%) on continuing hopes of political change in the country and as the central bank sold just 3,000 of the 20,000 foreign-exchange reverse-swap contracts it offered (a move equivalent to buying US dollar futures, which tends to weaken the real).

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Oil prices decline on increasing scepticism over upcoming output freeze meeting

- WTI crude oil prices fell this week (-7.2% to USD36.6 per barrel) on the back of news that Kuwait and Saudi Arabia have agreed to resume production in a shared field as well as growing investor caution around the efficacy of the upcoming 17 April output freeze meeting between major producers. Furthermore, both the API and U.S. Energy Information Administration weekly reports showed further increases in crude inventories (by 2.6 million and 2.3 million barrels respectively), although the latter was less than expected amid other positive indicators in the report. This offset support from a weaker dollar and data released last Friday showing another fall in the US oil rig count. Brent crude also ended lower (-4.5% to 38.6 per barrel).
- Gold prices were little changed this week (+0.5% at USD1,223 per ounce), with support from the weaker US dollar offset by a raft of upbeat US data, not least Friday's nonfarm payrolls report, supporting the case for further US interest rate increases this year.

Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 1 April 2016.
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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)	396	1.1	4.7	-0.8	-6.7	-0.8	444	351	16.0
North America									
US Dow Jones Industrial Average	17,793	1.6	5.5	2.1	0.5	2.1	18,351	15,370	16.4
US S&P 500 Index	2,073	1.8	4.8	1.4	0.6	1.4	2,135	1,810	17.6
US NASDAQ Composite Index	4,915	3.0	4.8	-1.9	0.7	-1.9	5,232	4,210	20.9
Canada S&P/TSX Composite Index	13,440	0.6	3.5	3.3	-10.1	3.3	15,525	11,531	17.9
Europe									
MSCI AC Europe (USD)	393	1.0	3.0	-4.4	-12.8	-4.4	479	356	14.7
Euro STOXX 50 Index	2,953	-1.1	-1.4	-9.6	-20.5	-9.6	3,836	2,673	13.3
UK FTSE 100 Index	6,146	0.6	-0.1	-1.5	-9.7	-1.5	7,123	5,500	16.5
Germany DAX Index*	9,795	-0.6	0.8	-8.8	-18.4	-8.8	12,391	8,699	12.4
France CAC-40 Index	4,322	-0.2	-1.9	-6.8	-14.6	-6.8	5,284	3,892	14.1
Spain IBEX 35 Index	8,602	-2.1	-0.1	-9.9	-25.6	-9.9	11,885	7,746	13.3
Asia Pacific									
MSCI AC Asia Pacific ex Japan (USD)	411	0.7	8.1	-0.2	-15.5	-0.2	525	357	13.2
Japan Nikkei-225 Stock Average	16,164	-4.9	0.5	-15.1	-15.1	-15.1	20,953	14,866	14.9
Australian Stock Exchange 200	4,999	-1.7	1.6	-5.6	-14.7	-5.6	5,996	4,707	16.3
Hong Kong Hang Seng Index	20,499	0.8	5.6	-6.5	-18.3	-6.5	28,589	18,279	10.8
Shanghai Stock Exchange Composite Index	3,010	1.0	10.1	-15.0	-21.0	-15.0	5,178	2,638	13.1
Hang Seng China Enterprises Index	8,843	1.6	9.6	-8.5	-29.5	-8.5	14,963	7,499	7.1
Taiwan TAIEX Index	8,658	-0.5	2.0	3.8	-8.9	3.8	10,014	7,203	13.2
Korea KOSPI Index	1,974	-0.5	3.0	0.6	-2.7	0.6	2,190	1,801	11.5
India SENSEX 30 Index	25,270	-0.3	6.3	-3.4	-10.6	-3.2	29,095	22,495	18.1
Indonesia Jakarta Stock Price Index	4,843	0.3	1.3	5.4	-11.4	5.4	5,523	4,034	16.8
Malaysia Kuala Lumpur Composite Index	1,711	0.4	2.4	1.1	-6.3	1.1	1,868	1,504	16.4
Philippines Stock Exchange PSE Index	7,245	-1.6	7.7	4.2	-9.4	4.2	8,137	6,084	18.3
Singapore FTSE Straits Times Index	2,818	-1.0	5.1	-2.2	-18.2	-2.2	3,550	2,528	12.7
Thailand SET Index	1,401	0.4	4.0	8.7	-8.2	8.7	1,575	1,221	15.0
Latam									
Argentina Merval Index	13,180	5.4	-0.3	12.9	19.0	12.9	14,597	8,660	15.5
Brazil Bovespa Index*	50,562	1.8	14.6	16.6	-3.4	16.6	58,575	37,046	14.0
Chile IPSA Index	3,947	1.6	5.4	7.3	0.2	7.3	4,148	3,419	15.2
Colombia IGBC Index	9,890	1.3	6.4	15.7	-2.8	15.7	11,030	7,822	N/A
Mexico Index	46,063	0.9	4.2	7.2	4.2	7.2	46,308	39,257	19.8
EEMEA									
Russia MICEX Index	1,857	-0.5	0.7	5.4	11.7	5.4	1,924	1,570	6.8
South Africa JSE Index	51,584	-1.4	2.5	1.8	-1.3	1.8	55,355	45,976	17.6
Turkey ISE 100 Index*	82,359	1.2	8.4	14.8	1.4	14.8	88,652	68,230	9.3

*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	0.2	0.2	-4.3	18.1	28.2
US equities	0.8	0.8	0.6	37.0	65.6
Europe equities	-2.0	-2.0	-8.8	6.1	6.1
Asia Pacific ex Japan equities	1.9	1.9	-11.7	-3.5	-1.5
Japan equities	-9.7	-9.7	-9.7	10.7	20.5
Latam equities	19.1	19.1	-11.6	-37.7	-46.5
Emerging Markets equities	5.7	5.7	-12.8	-12.6	-20.0

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 1 April 2016.
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Market Data (continued)

Bond indices - Total Return	Close	1-week Change (%)	1-month Change (%)	3-month Change (%)	1-year Change (%)	YTD Change (%)
BarCap GlobalAgg (Hedged in USD)	496.2	0.3	1.0	3.3	2.2	3.3
JPM EMBI Global	705.7	0.7	3.0	5.2	3.8	5.2
BarCap US Corporate Index (USD)	2671.8	0.8	3.2	4.0	0.5	4.0
BarCap Euro Corporate Index (Eur)	236.1	0.3	1.5	2.6	0.6	2.6
BarCap Global High Yield (USD)	386.9	0.5	3.5	3.5	-0.2	3.5
HSBC Asian Bond Index	395.42	0.7	1.8	3.9	3.4	3.9

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 2015	52-week High	52-week Low
Developed markets								
EUR/USD	1.14	1.12	1.09	1.09	1.08	1.09	1.17	1.05
GBP/USD	1.42	1.41	1.40	1.47	1.48	1.47	1.59	1.38
CHF/USD	1.04	1.02	1.00	1.00	1.03	1.00	1.10	0.97
CAD	1.30	1.33	1.34	1.39	1.26	1.38	1.47	1.19
JPY	111.69	113.08	114.01	120.55	119.76	120.22	125.86	110.67
AUD	1.30	1.33	1.39	1.37	1.32	1.37	1.46	1.23
NZD	1.45	1.50	1.51	1.46	1.34	1.46	1.60	1.29
Asia								
HKD	7.75	7.76	7.77	7.75	7.75	7.75	7.83	7.75
CNY	6.48	6.52	6.55	6.49	6.20	6.49	6.60	6.19
INR	66.25	66.64	67.87	66.14	62.50	66.15	68.79	62.10
MYR	3.89	4.04	4.17	4.29	3.70	4.29	4.48	3.54
KRW	1,154.03	1,169.17	1,232.85	1,172.55	1,102.20	1,175.06	1,245.13	1,065.21
TWD	32.26	32.68	33.12	32.84	31.32	32.86	33.79	30.35
Latam								
BRL	3.55	3.68	3.93	3.96	3.16	3.96	4.25	2.88
COP	3,037.10	3,073.19	3,228.96	3,174.50	2,575.50	3,174.50	3,452.55	2,351.76
MXN	17.34	17.54	17.91	17.26	15.15	17.21	19.44	14.76
EEMEA								
RUB	67.68	68.18	73.33	72.52	57.60	72.52	85.96	48.14
ZAR	14.70	15.46	15.59	15.56	11.99	15.47	17.92	11.67
TRY	2.82	2.88	2.94	2.92	2.60	2.92	3.08	2.56

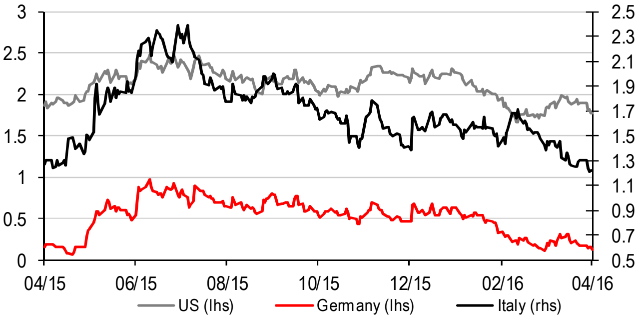
Bonds	Close	1-week Ago	1-month Ago	3-months Ago	1-year Ago	Year End 2015
US Treasury yields (%)						
3-Month	0.22	0.28	0.33	0.16	0.02	0.16
2-Year	0.72	0.87	0.84	1.05	0.54	1.05
5-Year	1.21	1.38	1.32	1.76	1.32	1.76
10-Year	1.77	1.90	1.82	2.27	1.86	2.27
30-Year	2.60	2.67	2.70	3.02	2.47	3.02
Developed market 10-year bond yields (%)						
Japan	-0.07	-0.10	-0.07	0.26	0.38	0.26
UK	1.41	1.45	1.40	1.96	1.54	1.96
Germany	0.13	0.18	0.15	0.63	0.17	0.63
France	0.46	0.54	0.50	0.99	0.45	0.99
Italy	1.22	1.30	1.38	1.59	1.28	1.59
Spain	1.44	1.52	1.49	1.77	1.20	1.77

Commodities	Latest	1-week ago (%)	1-month Change (%)	3-month Change (%)	1-year Change (%)	YTD Change (%)	52-week High	52-week Low
Gold	1,223	0.5	-0.8	15.2	1.5	15.2	1,285	1,046
Brent Oil	38.6	-4.5	5.0	3.6	-32.3	3.6	70	27
WTI Crude Oil	36.6	-7.2	6.5	-1.1	-26.9	-1.1	63	26
R/J CRB Futures Index	168	-2.4	2.5	-4.6	-22.3	-4.6	234	155
LME Copper	4,847	-2.0	2.8	3.0	-19.8	3.0	6,481	4,318

Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 1 April 2016.
Past performance is not an indication of future returns.

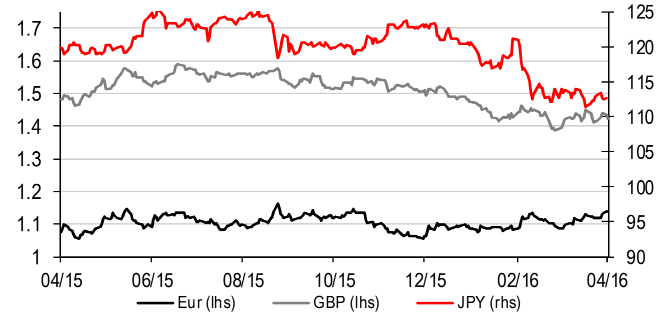
Market Trends

Government bond yields (%)



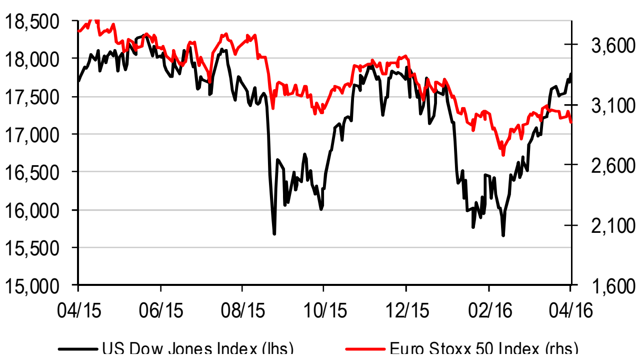
Yields based on 10 year government bonds

Major currencies (versus US dollar)



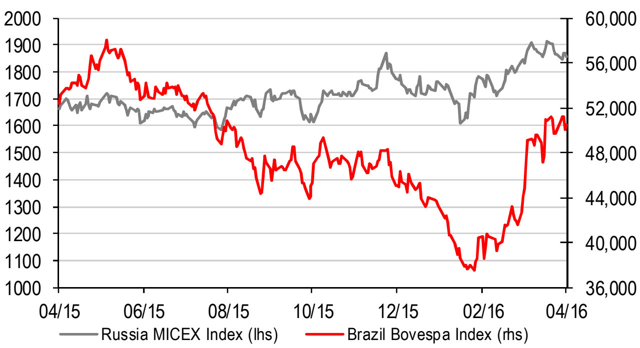
All values versus USD

Global equities

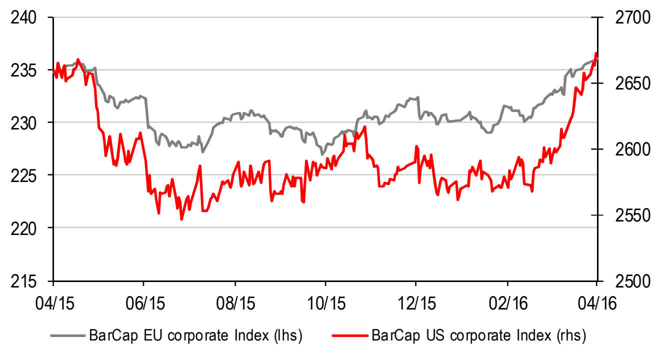


Emerging Asian equities

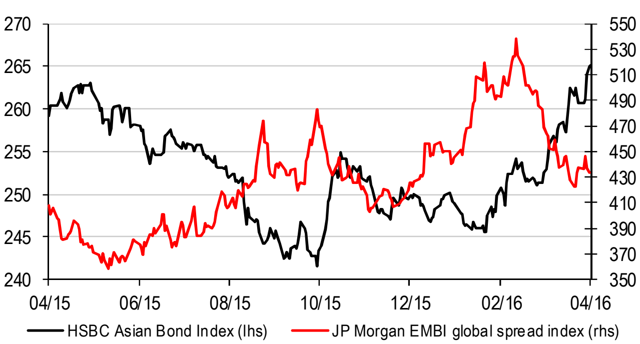
Other emerging equities



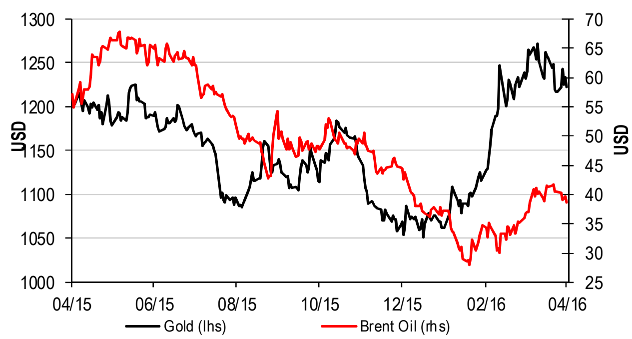
Global credit indices



Emerging markets spreads (USD indices)



Commodities (USD)



Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 1 April 2016.
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Expiry Date: 8 April 2016

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