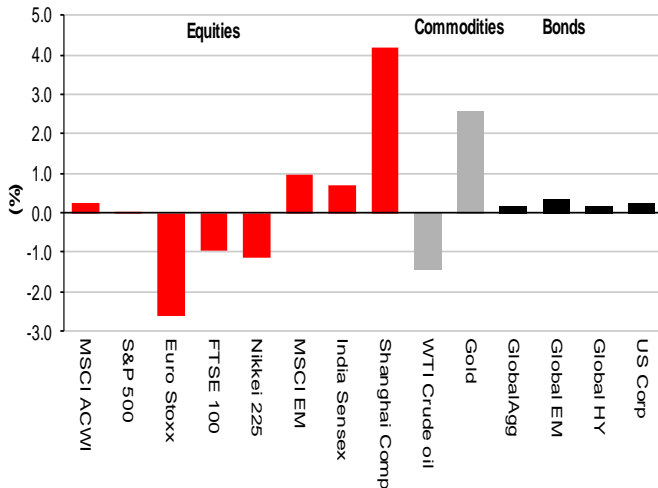


- ▶ European and Japanese equity markets fell this week on investor caution amid mixed economic data, whilst the US held steady; Chinese stocks outperformed, however, on growing investor optimism over the inclusion of A-shares in MSCI benchmarks
- ▶ In the US, May's employment report showed nonfarm payrolls rising a much worse than expected 38,000 (versus expectations of 160,000), with the prior two months revised down a total of 59,000. The ISM non-manufacturing index print for May also disappointed
- ▶ The European Central Bank (ECB) kept policy on hold at its June meeting whilst the bank's staff projections were little changed. President Draghi struck a dovish tone as he said the bank stands "*willing, ready and able*" to increase stimulus if necessary
- ▶ In the coming week, investors will keep a close eye on a speech by US Federal Reserve (Fed) chair Janet Yellen, which will be scrutinised for any clues surrounding the future course of US monetary policy, ahead of the Fed's policy meeting on 15 June

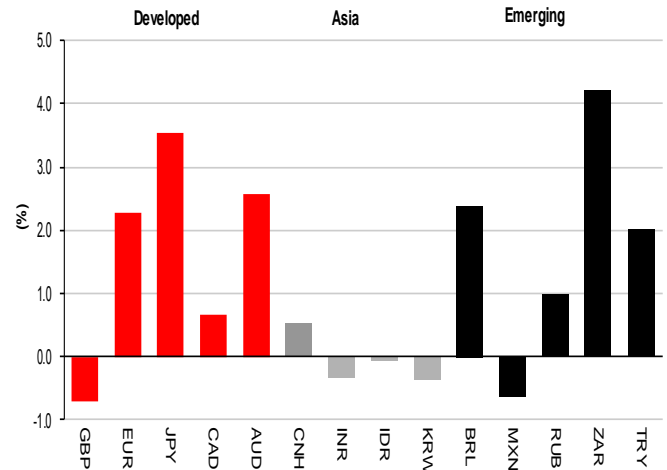
Movers and shakers

Chinese stocks outperformed on MSCI benchmark hopes

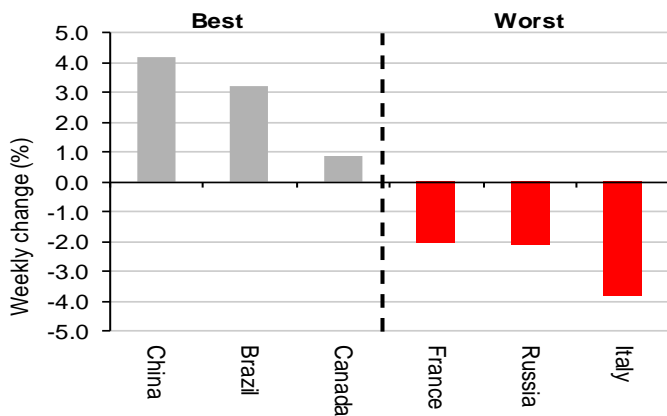


Currencies (versus USD)

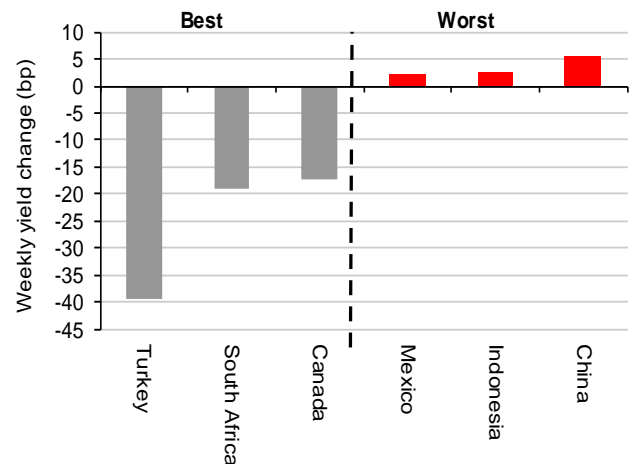
The South African rand surged against the US dollar



Equities



Bonds (10-year)



Macro Data and Key Events

Past Week (30 May – 03 June 2016)

Date	Country	Indicator	Data as of	Survey	Actual	Prior
Tuesday 31 May	Japan	Industrial Production (yoy)	Apr P	-5.0%	-3.5%	0.2%
	Eurozone	CPI Estimate (yoy)	May	-0.1%	-0.1%	-0.2%
	India	GDP (yoy)	Q1	7.5%	7.9%	7.3%
	US	PCE Core (yoy)	Apr	1.6%	1.6%	1.6%
	US	S&P/Case-Shiller 20-Composite Home Price Index (yoy)	Mar	5.2%	5.4%	5.4%
Wednesday 01 June	China	Caixin China Manufacturing PMI	May	49.2	49.2	49.4
	Brazil	GDP Seasonally Adjusted (qoq)	Q1	-0.8%	-0.3%	-1.3%
	US	ISM Manufacturing	May	50.3	51.3	50.8
Thursday 02 June	Eurozone	ECB Interest Rate Decision	Jun	-0.4%	-0.4%	-0.4%
Friday 03 June	Eurozone	Markit Eurozone Composite PMI	May F	52.9	53.1	52.9 P
	US	Change in Nonfarm Payrolls	May	160k	38k	123k
	US	ISM Non-Manufacturing	May	55.3	52.9	55.7

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 worse than expected 38,000 in May (versus expectations of 160,000), with the prior two months revised down a total of 59,000. A miss of 122,000 is the largest since December 2013, and factoring in the downwardly revised numbers, represents the first time since June 2012 that three straight reports have been below consensus. Conversely the unemployment rate dropped to 4.7% from 5.0%, primarily due to the 0.2 percentage point drop in the participation rate to 62.6%. The breakdown of the May report showed private-sector service jobs rising by only 25,000, following an increase of 123,000 in April. Meanwhile, although the combined education and healthcare sectors showed another strong month of gains (+67,000), there were several sectors that showed weakness with goods producing (-36,000) having its largest decline since the recovery began, with weakness in mining and logging (-11,000) and construction (-15,000) particularly evident. Interestingly, temporary help services (-21,000) fell to its lowest level since July 2015. Average hourly earnings rose as expected at 0.2% mom (translating into a 2.5% yoy increase), although the average work week remained at 34.4 hours, after the prior month was revised down to 34.4 from 34.5, which is a mild disappointment for total earned income. This report appears inconsistent with the strength seen in initial jobless claims prints, which have remained firmly below 300,000 since February of last year.
- ▶ Elsewhere in the US, April saw US personal income rise 0.4% mom, in line with consensus, but encouragingly real spending rose 0.6%, slightly better than the already strong expectations of 0.5%. This represents a pickup from an uninspiring Q1, with March spending hit by an earlier than usual Easter and seasonally warm weather. Meanwhile, **core PCE inflation** rose 1.6% yoy as expected, with services prices (+2.2% yoy) above the Fed's 2.0% target, while goods prices (-1.2% yoy) fell the least in three months. Also on a positive note, May's **ISM manufacturing** index saw a surprisingly firmer print at 51.3, against expectations of 50.3 and 50.8 previously. The new orders subcomponent (55.7) and employment (49.2) were both essentially unchanged. While production was somewhat weaker (52.6 vs. 54.2 previously), this followed two strong months and was offset by the pickup in supplier deliveries (54.1 from 49.1). However, the May **ISM Non-Manufacturing** index disappointed, coming in at 52.9 against expectations of 55.3, which is the lowest since February 2014. The underlying details were mixed, with business activity remaining in firmly expansionary territory (55.1) whilst the employment and new export order components both fell below 50. Finally, **The S&P/Case-Shiller Index 20-City Composite Home Price Index** showed that residential property prices in 20 cities rose 5.4% yoy in March, more than expectations of 5.2% and the same rate as seen in February.
- ▶ Over in **Europe**, the main event this week was the **ECB June meeting**. As expected, policy was left unchanged, with the main refinancing and deposit rates held at 0% and -0.4%, respectively. ECB president Draghi also released the bank's latest staff projections, with GDP growth now expected at 1.6% this year (versus 1.4% in March), with expectations for 2017 unchanged at 1.7%. Meanwhile, the recent rally in oil prices led the bank to upgrade its 2016 inflation forecast by 0.1 percentage points to 0.2%, leaving the outlook for 2017 unchanged (at 1.3%). The bank also confirmed it would begin buying up corporate bonds on 8 June and launch its programme of cheap loans to the banking system (Targeted Longer-Term Refinancing Operations) on 22 June. President Draghi struck a dovish tone as he said the bank stands "*willing, ready and able*" to increase stimulus if necessary. Meanwhile, May's flash **eurozone CPI** estimate ticked up slightly, with both headline and core readings accelerating by 0.1 percentage points over the month to -0.1% yoy and +0.8% yoy, respectively. Energy remained the main drag, as energy prices fell by 8.1% yoy. The increase in core inflation can be largely explained by a normalisation of tourism services prices after the distortions related to the timing of Easter in March this year versus April in 2015. Overall, inflationary pressures remain muted and a significant strengthening in underlying core inflation remains to be seen.
- ▶ **China's** official manufacturing PMI stayed at 50.1 in May, marginally better than expectations of 50.0. The production and employment sub-indices improved but the new order/new export-order sub-indices fell. The purchasing price index remained well above 50, signalling a further easing of PPI deflationary pressures. Meanwhile, the **Caixin China Manufacturing PMI** met expectations, falling to 49.2 in May from 49.4 in April. Overall, the PMIs point to near-term growth stabilisation.

- ▶ **Brazil's Q1 GDP** growth contracted less than expected, at -0.3% qoq (-5.4% yoy) versus consensus of -0.8% qoq. The decline also represented a considerable improvement on the previous quarter's reading (-1.2% qoq) thanks to a rebound in government spending (+1.1% qoq versus -2.9% prior), a slower reduction in investment (-2.7% qoq versus -4.8% prior) and a jump in exports (+6.5% qoq versus 0.1% prior). Nevertheless, consumer spending, the biggest contributor to GDP, fell for the fifth consecutive quarter (-1.7% qoq). Overall, the data, together with the recent rebound in business and consumer confidence, suggests that the worst could be over for the Brazilian economy.
- ▶ **India's GDP** expanded by 7.9% yoy in Q1 2016, 0.4 percentage points higher than expectations. Consumption (65.7% of GDP) remained the key driver of growth, with private consumption rising 8.3% yoy, whilst government spending increased by 2.9% yoy. Meanwhile, gross fixed capital formation fell 1.9% yoy, the first time in at least four quarters, highlighting continued weakness in business investment. Also in the same report, gross value added (GVA), the Reserve Bank of India's (RBI) preferred gauge of economic activity, rose in line with expectations at 7.4%. Coupled with the recent higher CPI inflation data, the recent GDP prints point to a gradual economic recovery which could strengthen the case for the RBI to stay on hold at next week's meeting.

Coming Week (06 – 10 June 2016)

Date	Country	Indicator	Data as of	Survey	Prior
Monday 06 June	Germany	Factory Orders (Working Day Adjusted, yoy)	Apr	0.6%	1.7%
	US	Fed Chair Yellen Speaks in Philadelphia			
Tuesday 07 June	Australia	Reserve Bank of Australia Interest Rate Decision	Jun	1.75%	1.75%
	India	RBI Interest Rate Decision (Repurchase Rate)	Jun	6.50%	6.50%
	Germany	Industrial Production (Working Day Adjusted, yoy)	Apr	1.0%	0.3%
Wednesday 08 June	Eurozone	GDP (qoq)	Q1 F	0.5%	0.5% P
	Brazil	COPOM Interest Rate Decision	Jun	14.25%	14.25%
	China	Trade Balance (USD)	May	55.6bn	45.6bn
	Japan	GDP Annualised Seasonally Adjusted (qoq)	Q1 F	2.0%	1.7% P
	South Africa	GDP Annualised (qoq)	Q1	-0.1%	0.4%
Thursday 09 June	New Zealand	Reserve Bank of New Zealand Interest Rate Decision	Jun	2.00%	2.25%
	South Korea	Bank of Korea Interest Rate Decision	Jun	1.50%	1.50%
	China	CPI (yoy)	May	2.3%	2.3%
	Mexico	CPI (yoy)	May	2.6%	2.5%
	Eurozone	ECB President Draghi Speaks at Economic Forum			
Friday 10 June	Turkey	GDP (yoy)	Q1	4.7%	5.7%
	Russia	Central Bank of Russia Interest Rate Decision	Jun	11.00%	11.00%
	India	Industrial Production (yoy)	Apr	-	0.1%
	US	University of Michigan Consumer Sentiment Index	Jun P	94.5	94.7

P – Preliminary, Q – Quarter, F – Final

US

- ▶ The coming week is fairly thin in terms of US data, apart from a speech by Fed chair **Janet Yellen** on Monday which will be closely scrutinised for clues surrounding the future course of US monetary policy, especially following Friday's weak nonfarm payrolls report and ahead of the Fed's policy meeting on 15 June. We also have the release of the **University of Michigan Consumer Sentiment Index**. This index rose firmly in May, with the current assessment moving to a new post-recession high, while the expectations subcomponent reversed much of the drift down seen over the last year. The preliminary reading of the index for June is expected to be essentially unchanged at 94.5.

Europe

- ▶ In Europe, the **final** release of **Q1 eurozone GDP** is expected to remain unchanged at 0.5% qoq. This release will also provide a breakdown of components. The breakdowns already released by the four largest eurozone economies suggest a positive contribution from household and government consumption as well as gross fixed capital formation, although net exports likely remained a drag.
- ▶ **German industrial production** had an upbeat Q1, even though production lost some of its momentum in February and March after a strong expansion in January. In Q1, production in all major categories of manufacturing gained, whilst construction output was especially strong (+3.4% qoq). The overall satisfying flow of orders in the past months and improvements in industrial sentiment point to a continued, albeit gradual, expansion of industrial production in the coming months. After a soft number in March (-1.3% mom), production is anticipated to rebound moderately by 0.7% mom (1.0% yoy).
- ▶ **German factory orders** are expected to moderate in April after a strong increase in March (+1.9% mom), which was mainly due to an exceptional surge in orders of capital goods by buyers located outside the eurozone. These big-ticket orders are very volatile and a repeat is therefore unlikely, in particular after the strengthening of the euro in April. Orders could drop by 0.5% mom in April (translating to +0.6% yoy).

Emerging markets, Japan and Australasia

- ▶ The **Brazilian** central bank is expected to keep its **Selic policy rate** unchanged at 14.25%. The combination of a deep recession and stronger real (BRL) should see inflation continue to moderate going forward, which is expected to remain above the target of between 3-6% until the second half of 2017.
- ▶ The **New Zealand** central bank (RBNZ) is anticipated to cut its **cash rate** to 2.00% from 2.25%, although economists are tightly split on the move, implying it is a close decision. While the previous statement highlighted that further policy easing may be required, both inflation expectations and the labour market data have firmed since. However, economic growth is expected to moderate further and inflation remains firmly below target.
- ▶ May's **Mexican CPI** print is expected to rise 2.6% yoy, marginally higher than in April. This would mark the 14th straight month that inflation has been below the central bank's inflation target of 3%. While the Bank of Mexico has continued to highlight its concerns about the potential of pass-through from peso weakness to inflation, this has so far failed to materialise although is likely to keep the Bank of Mexico on a moderate tightening path.
- ▶ The preliminary estimate of **Japan's Q1 GDP growth** revealed a 5.3% qoq annualised decline in private non-residential investment, which represented a 0.2 percentage point drag to GDP growth of 1.7% qoq annualised. The aggregate financial statement of Japanese companies, published by the Ministry of Finance after the first estimate of the national accounts and used by the Cabinet Office to adjust corporate investment, showed an increase of 4.9% in nominal terms. Taking this information into account (adjusted in real terms), and including some possible downward revisions to private consumption, GDP growth is likely to have been revised up to 2.0% qoq annualised.
- ▶ **South African Q1 GDP** is expected to print at -0.1% qoq annualised (from +0.4% in Q4) on the back of severe drought (hitting agricultural production) and continuing weakness in the mining sector amid a backdrop of political uncertainty. Meanwhile, weak consumer confidence, rising inflation and higher interest rates are likely to have hit consumption.
- ▶ The **Central Bank of Russia (CBR)** is expected to hold **policy** steady in June. However, with inflation having fallen dramatically this year (to 7.3% yoy in April) from double-digits in 2015, the bank could begin easing again in the second half of the year. Nevertheless, with CPI remaining above the bank's 4% target, cuts are likely to be limited.
- ▶ **Turkey's GDP** expanded by a higher than expected 5.7% yoy in Q4, mainly driven by the domestic demand. Since then, a contraction in real consumer loans and a slowdown in real consumption tax growth signal downside risks to **Q1** growth; however, this is offset by strong industrial production and the existence of one additional working day in Q1 this year. Expectations are for GDP growth rate to moderate to 4.7% yoy in Q1.
- ▶ After delivering a 25bp rate cut and announcing liquidity easing measures in April, **the Reserve bank of India (RBI)** is expected to keep **policy rates** unchanged at its 7 June meeting, given the upside surprise in April CPI inflation, recent rise in oil prices amid global uncertainties (e.g., the potential for Fed rate hikes and upcoming UK referendum). The RBI is also likely to want to assess the impact of the monsoon season and impending proposals to hike pay on the inflation trajectory.
- ▶ **China's** exports (in USD terms) likely contracted 4.2% yoy in May after falling 1.8% in April, largely due to base effects but also reflecting still sluggish global trade. The weaker yuan on a trade-weighted basis this year probably provided some relief for exporters. Meanwhile, import contraction (in USD terms) is expected to have narrowed to -6.8% yoy in May from -10.9% in April on the back of higher oil and commodity prices and favourable base effects, despite likely moderation in investment growth. Consequently, the **trade balance** could have widened to USD55.6 billion in May. **CPI inflation** is expected to remain stable at 2.3% yoy in May, as slightly lower food price inflation (led by falling vegetable prices despite a continued modest sequential increase in pork prices) helped to offset the impact of recent domestic gasoline price hikes. **PPI deflation** likely eased further to -3.1% yoy from -3.4% in April, as suggested by the purchasing price sub-index of the official manufacturing PMI which stayed well above 50 and partly due to base effects. However, the recent sharp price correction (downward) of a wide range of domestic commodities/metals is likely to have moderated the recent rebound.

Market Moves

European and Japanese equity markets dip amid investor caution and mixed economic data, whilst the US held steady; Chinese stocks outperform on growing investor optimism over the inclusion of A-shares in MSCI benchmarks

- ▶ In a holiday-shortened week, US equities fluctuated between gains and losses amid mixed economic data. The S&P 500 closed at a seven-month high on Thursday, supported by improving real personal spending and manufacturing survey data. However, these gains were pared on Friday following a much weaker-than-expected May payrolls report, likely diminishing the Fed's willingness to raise rates at the June monetary policy meeting. Overall, the S&P 500 closed the week flat (0.0%).
- ▶ European equities fell this week on subdued risk appetite as investors remained cautious ahead of ECB and OPEC meetings, whilst Friday's disappointing US employment saw significant losses on Friday as a stronger euro weighed on exporter shares. Furthermore, the region's macroeconomic data was mixed. While France's Q1 GDP was revised upwards, some country-level manufacturing PMIs for May came in lower-than-expected. Overall, the Euro Stoxx 50 snapped a three-week winning streak (-2.6%), led lower by financial shares. Italia's FTSE MIB underperformed as banking stocks were pressured by reports that the Bank of Italy could ask the country's lenders to put EUR1.5 billion into a resolution fund.

- ▶ Japan's Nikkei 225 Index fell this week (-1.1%), as the yen surged against the USD, hurting exporter shares, with Prime Minister Shinzo Abe's announcement that the planned April 2017 consumption tax hike would be delayed to October 2019 raising concerns that this would reduce the need for further monetary easing by the Bank of Japan (BoJ). Chinese stocks rallied however, with the Shanghai Stock Exchange Composite Index registering its best week since March (+4.2%), on growing investor optimism over the inclusion of A-shares in MSCI benchmarks, offsetting concerns over the economic outlook and a weaker yuan. Meanwhile, Indian stocks posted weekly gains amid some encouraging corporate earnings and optimism over the economic outlook amid firm Q1 GDP and April core infrastructure sector growth data. Expectations for a good monsoon season also supported investor sentiment.

US treasuries and core European government bonds rally amid subdued risk appetite and weak US data

- ▶ US Treasuries rallied (yields fell) this week as weaker-than-expected employment data reduced expectations of a summer rate hike. A dovish tone struck by ECB president Draghi during his press conference on Thursday also acted to drag down yields. Other economic data released this week came in mixed; consumer confidence underwhelmed on Tuesday, while the ISM manufacturing PMI survey beat expectations. Overall, the yield on the 2-year note closed the week down (-14bps to 0.77%) while at the longer-end of the curve 10-year yields also fell (-15bps to 1.70%).
- ▶ Core European government bonds rose this week (yields fell) on investor risk aversion and after ECB president Draghi struck a dovish tone at Thursday's press conference. Friday's weaker-than-expected US nonfarm payrolls report also put downward pressure on European yields. Benchmark German 10-year bund yields closed at their lowest levels since April 2015 (-7bps to 0.07%). UK 10-year gilts outperformed (-16bps to 1.28%), buoyed by political concerns surrounding the upcoming UK referendum. Meanwhile, subdued risk appetite meant 10-year Italian and Spanish bonds were little changed over the week.

US dollar falls sharply as Fed rate hike expectations hit by weak nonfarm payrolls report

- ▶ The euro rose this week, with gains coming on the back of subdued risk appetite pushing investors to unwind euro-funded carry trades. A sharp rally occurred on Friday as the US dollar weakened following the poor May payrolls print. Overall, the euro closed this week up (+2.2%), snapping four consecutive weeks of losses. Meanwhile, the British pound's performance was again driven by speculation on the outcome of the UK referendum, ending the weekly lower against the US dollar (-0.7%).
- ▶ The Japanese yen rallied against the USD this week (+3.4%) amid reduced expectations for further BoJ easing after Prime Minister Shinzo Abe announced a delay to the consumption tax hike. The yen was also bolstered by a stronger-than-expected 4.3% yoy gain in capital spending ex. software in Q1, a figure that will be used to calculate the revised GDP print in the coming week, as well as better-than-expected April industrial production data. The Malaysian ringgit underperformed (-1.6%), as oil prices consolidated their recent strong gains.

Oil prices little changed as OPEC leaves policy on hold

- ▶ Oil prices fluctuated between gains and losses this week, falling sharply on Tuesday afternoon amid the resumption of Canadian oil sands production whilst investors remained cautious ahead of Thursday's OPEC meeting. Although the meeting did not result in a collective output ceiling, oil prices were afterwards supported by a weaker dollar and the Energy Information Administration (EIA) weekly report showing crude (stored at Cushing, Oklahoma) and US gasoline and distillate inventories falling by more than expected last week. Overall, WTI for July delivery ended the week lower (-1.4%) while Brent closed up (+1.2%).
- ▶ Gold prices rose this week (+2.6% at USD1,244 per ounce), reversing some of the falls during May, with the vast majority of gains coming after Friday's US nonfarm payrolls print as the US dollar weakened and expectations of a summer rate hike by the Fed fell dramatically lower, supporting the non-yield generating precious 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)	404	0.2	1.0	5.0	-7.5	1.1	438	351	16.5
North America									
US Dow Jones Industrial Average	17,807	-0.4	0.3	5.1	-1.5	2.2	18,189	15,370	16.6
US S&P 500 Index	2,099	0.0	1.7	5.3	-0.7	2.7	2,133	1,810	17.8
US NASDAQ Composite Index	4,943	0.2	3.8	5.0	-3.1	-1.3	5,232	4,210	21.4
Canada S&P/TSX Composite Index	14,227	0.9	3.8	8.4	-6.1	9.4	15,182	11,531	19.1
Europe									
MSCI AC Europe (USD)	401	-0.6	-0.2	4.1	-14.0	-2.3	471	356	15.5
Euro STOXX 50 Index	2,998	-2.6	0.8	-0.5	-16.4	-8.3	3,714	2,673	13.8
UK FTSE 100 Index	6,210	-1.0	0.4	1.3	-10.7	-0.5	6,986	5,500	16.6
Germany DAX Index*	10,103	-1.8	1.8	3.6	-11.5	-6.0	11,802	8,699	12.6
France CAC-40 Index	4,422	-2.1	1.1	0.1	-12.2	-4.6	5,218	3,892	14.8
Spain IBEX 35 Index	8,802	-3.4	0.4	0.4	-21.9	-7.8	11,613	7,746	15.4
Asia Pacific									
MSCI AC Asia Pacific ex Japan (USD)	410	0.7	-0.5	3.7	-16.9	-0.3	495	357	13.7
Japan Nikkei-225 Stock Average	16,642	-1.1	3.1	-1.9	-18.7	-12.6	20,953	14,866	16.5
Australian Stock Exchange 200	5,319	-1.6	-0.7	4.7	-4.7	0.4	5,728	4,707	17.4
Hong Kong Hang Seng Index	20,947	1.8	1.3	5.0	-24.3	-4.4	27,647	18,279	11.4
Shanghai Stock Exchange Composite Index	2,939	4.2	-1.8	2.8	-40.1	-17.0	5,178	2,638	13.4
Hang Seng China Enterprises Index	8,810	2.5	0.7	5.0	-37.6	-8.8	14,228	7,499	7.3
Taiwan TAIEX Index	8,587	1.5	3.5	-0.3	-10.1	3.0	9,501	7,203	13.4
Korea KOSPI Index	1,986	0.8	0.0	1.4	-3.7	1.3	2,111	1,801	11.0
India SENSEX 30 Index	26,843	0.7	6.4	9.1	0.0	2.8	28,578	22,495	17.2
Indonesia Jakarta Stock Price Index	4,854	0.8	0.9	0.2	-5.4	5.7	5,101	4,034	15.4
Malaysia Kuala Lumpur Composite Index	1,636	0.0	-0.9	-3.1	-6.4	-3.3	1,746	1,504	16.0
Philippines Stock Exchange PSE Index	7,514	1.4	6.6	7.9	-0.6	8.1	7,697	6,084	19.2
Singapore FTSE Straits Times Index	2,809	0.2	-0.1	0.8	-16.1	-2.5	3,384	2,528	12.7
Thailand SET Index	1,436	1.7	2.8	4.1	-3.1	11.5	1,525	1,221	15.4
Latam									
Argentina Merval Index	12,791	0.5	-2.8	-4.0	14.2	9.6	14,597	8,660	13.6
Brazil Bovespa Index*	50,620	3.2	-3.1	7.3	-5.4	16.8	54,978	37,046	13.4
Chile IPSA Index	3,956	0.2	-1.1	3.6	-1.0	7.5	4,085	3,419	13.4
Colombia COLCAP Index	1,308	0.4	-0.9	1.0	-0.3	13.4	1,380	1,046	14.6
Mexico Index	45,928	-0.4	0.6	2.7	2.7	6.9	46,308	39,257	19.9
EEMEA									
Russia MICEX Index	1,887	-2.1	-3.4	1.5	15.8	7.1	1,977	1,570	7.2
South Africa JSE Index	54,259	0.3	4.5	4.8	4.6	7.0	54,761	45,976	17.3
Turkey ISE 100 Index*	78,139	0.1	-3.6	1.7	-6.3	8.9	86,931	68,230	8.9

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

	3-month Change (%)	YTD Change (%)	1-year Change (%)	3-year Change (%)	5-year Change (%)
Equity Indices - Total Return					
Global equities	5.4	1.9	-5.9	16.5	31.7
US equities	6.2	3.5	0.4	33.9	73.7
Europe equities	5.1	-1.0	-12.1	3.4	5.7
Asia Pacific ex Japan equities	3.7	-0.1	-15.0	-3.5	-3.0
Japan equities	3.7	-2.7	-7.4	16.0	30.9
Latam equities	5.8	14.0	-16.6	-35.8	-46.6
Emerging Markets equities	4.3	2.6	-16.8	-13.0	-20.9

All total returns quoted in USD 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.

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)	499.8	0.2	0.3	1.7	5.5	4.0
JPM EMBI Global	719.9	0.4	0.4	4.5	5.8	7.3
BarCap US Corporate Index (USD)	2710.8	0.2	0.0	4.2	5.6	5.5
BarCap Euro Corporate Index (Eur)	238.1	0.4	0.4	2.2	3.7	3.4
BarCap Global High Yield (USD)	402.1	0.2	0.9	6.6	2.1	7.5
Markit iBoxx Asia ex-Japan Bond Index (USD)	185.2	0.4	0.6	3.0	5.4	4.8

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	1.11	1.15	1.10	1.13	1.09	1.17	1.05
GBP/USD	1.45	1.46	1.45	1.42	1.53	1.47	1.59	1.38
CHF/USD	1.02	1.01	1.05	1.01	1.07	1.00	1.09	0.97
CAD	1.29	1.30	1.27	1.34	1.25	1.38	1.47	1.21
JPY	106.53	110.31	106.60	113.69	124.25	120.22	125.86	105.55
AUD	1.36	1.39	1.34	1.36	1.28	1.37	1.46	1.27
NZD	1.44	1.49	1.45	1.49	1.40	1.46	1.60	1.38
Asia								
HKD	7.77	7.77	7.76	7.77	7.75	7.75	7.83	7.75
CNY	6.55	6.57	6.49	6.53	6.20	6.49	6.60	6.20
INR	67.26	67.04	66.43	67.34	63.91	66.15	68.79	63.31
MYR	4.15	4.08	3.93	4.13	3.69	4.29	4.48	3.70
KRW	1,184	1,179	1,140	1,215	1,105	1,175	1,245	1,097
TWD	32.60	32.53	32.19	33.06	30.81	32.86	33.79	30.68
Latam								
BRL	3.53	3.61	3.56	3.80	3.13	3.96	4.25	3.03
COP	3,019	3,071	2,914	3,194	2,578	3,175	3,453	2,508
MXN	18.59	18.48	17.61	17.92	15.52	17.21	19.44	15.17
EEMEA								
RUB	65.30	65.94	66.35	73.07	54.30	72.52	85.96	51.17
ZAR	15.09	15.73	14.64	15.65	12.31	15.47	17.92	12.05
TRY	2.90	2.96	2.85	2.91	2.69	2.92	3.08	2.63

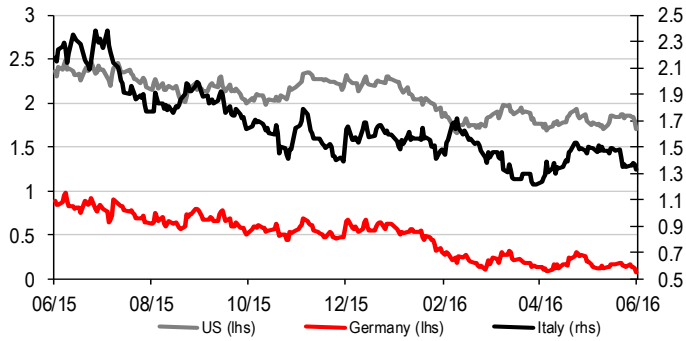
Bonds	Close	1-week Ago	1-month Ago	3-months Ago	1-year Ago	Year End 2015
US Treasury yields (%)						
3-Month	0.28	0.31	0.20	0.27	0.01	0.16
2-Year	0.77	0.91	0.75	0.85	0.67	1.05
5-Year	1.23	1.38	1.25	1.34	1.69	1.76
10-Year	1.70	1.85	1.80	1.83	2.36	2.27
30-Year	2.51	2.65	2.66	2.66	3.10	3.02
Developed market 10-year bond yields (%)						
Japan	-0.10	-0.12	-0.13	-0.02	0.46	0.26
UK	1.28	1.44	1.53	1.43	2.08	1.96
Germany	0.07	0.14	0.20	0.17	0.88	0.63
France	0.41	0.47	0.56	0.54	1.17	0.99
Italy	1.33	1.35	1.45	1.42	2.18	1.59
Spain	1.47	1.48	1.56	1.53	2.13	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	1,244	2.6	-3.3	-1.6	5.0	17.2	1,304	1,046
Brent Oil	49.9	1.2	11.0	34.6	-21.8	33.9	66	27
WTI Crude Oil	48.6	-1.4	11.4	40.6	-18.5	31.3	62	26
R/J CRB Futures Index	189	1.4	4.9	14.3	-15.6	7.1	229	155
LME Copper	4,608	-1.9	-6.3	-5.1	-23.3	-2.1	6,084	4,318

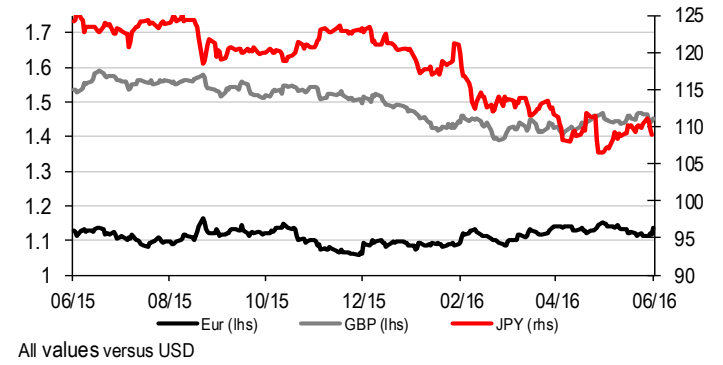
Source: Bloomberg, HSBC Global Asset Management. Data as at close of business 3 June 2016.
Past performance is not an indication of future returns

Market Trends

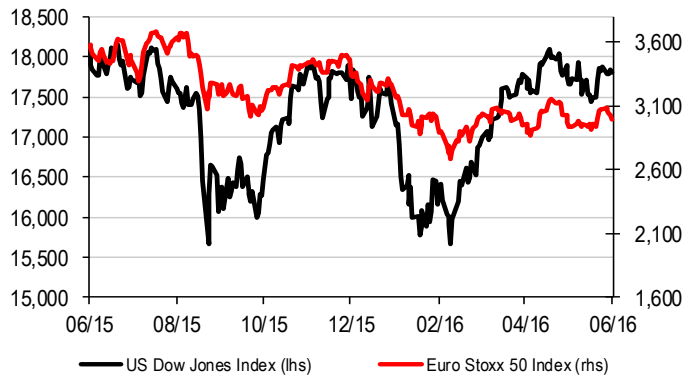
Government bond yields (%)



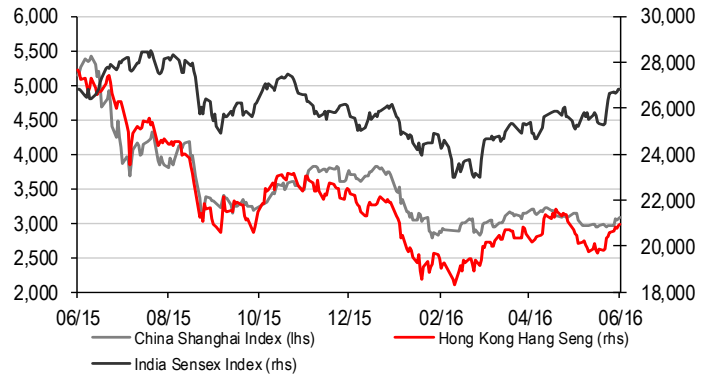
Major currencies (versus USD)



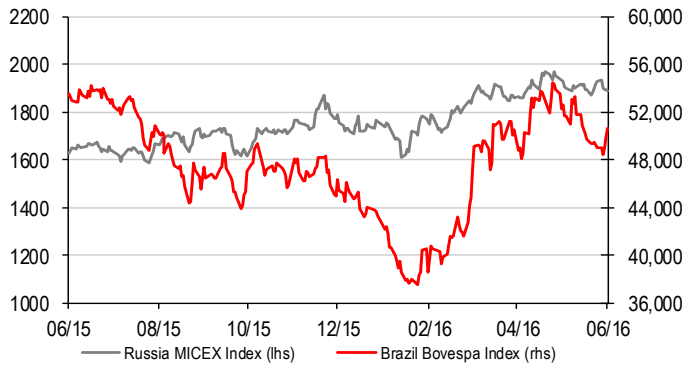
Global equities



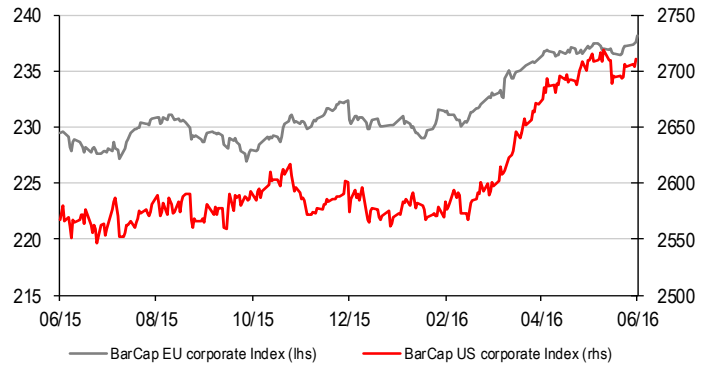
Emerging Asian equities



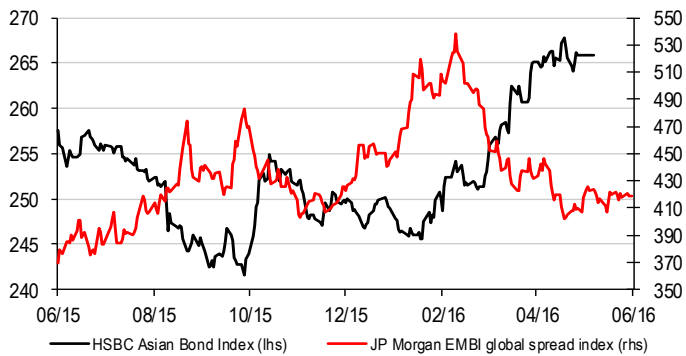
Other emerging equities



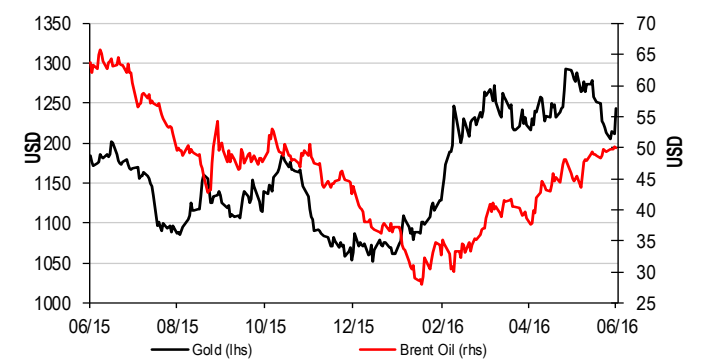
Global credit indices



Emerging markets spreads (USD indices)



Commodities (USD)



Source: Bloomberg, HSBC Global Asset Management. Data as at close of business 3 June 2016.
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Expiry Date: 1 July 2016