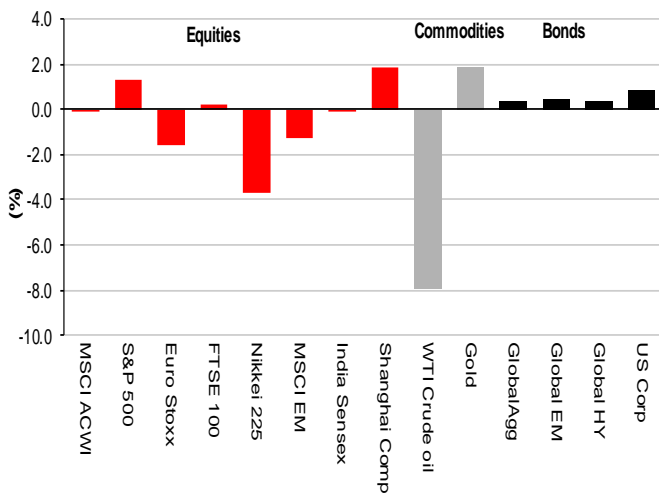


- ▶ US equities ended the week higher, boosted by a rebound in domestic labour market and activity data, while all major European equity indices fell on continued Brexit concerns
- ▶ The much stronger than expected US employment report lifted very tepid expectations of a US Federal Reserve (Fed) rate hike in 2016; however, markets remain focused on the global growth outlook
- ▶ The accounts of the June European Central Bank (ECB) monetary policy meeting revealed the Governing Council's (GC) continued concerns about the economic outlook and an inclination to ease policy further, even before the UK referendum
- ▶ Next week, the Bank of England (BoE) is expected to cut interest rates by 25bps, following recent strong hints by BoE Governor Mark Carney that "the economic outlook has deteriorated and some monetary policy easing will likely be required over the summer"

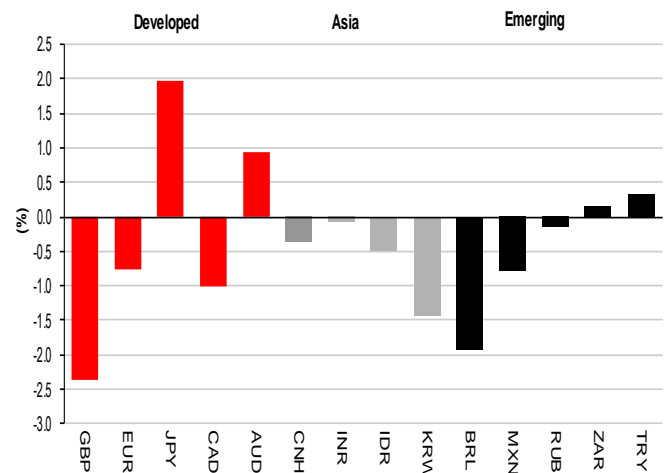
Movers and shakers

Crude oil dropped almost 8% this week

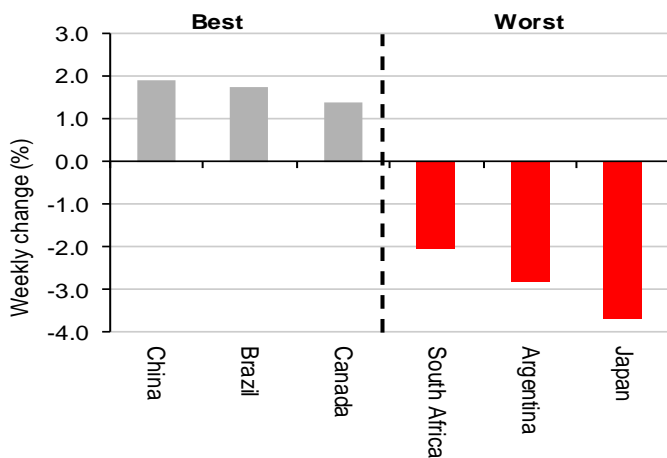


Currencies (versus US dollar)

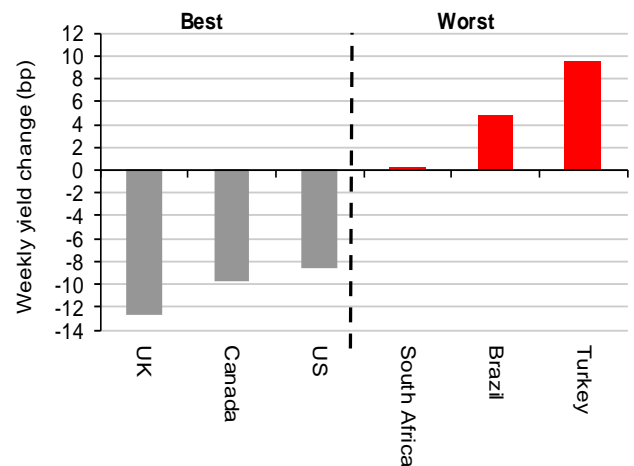
Most currencies fell against the US dollar this week



Equities



Bonds (10-year)



Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 08 July 2016. All the above charts relate to 01/07/2016 - 08/07/2016. Past performance is not an indication of future returns.

Macro Data and Key Events

Past Week (04-08 July 2016)

Date	Country	Indicator	Data as of	Survey	Actual	Prior
Monday 04 July	Turkey	CPI (yoy)	Jun	6.9%	7.6%	6.6%
Tuesday 05 July	Australia	Reserve Bank of Australia Interest Rate Decision	Jul	1.75%	1.75%	1.75%
	Eurozone	Markit Composite PMI	Jun F	52.8	53.1	52.8 P
	US	Durable Goods Orders (mom)	May F	-2.2%	-2.3%	-2.2% P
	US	Factory Orders (mom)	May	-0.8%	-1.0%	1.8%
Wednesday 06 July	Germany	Factory Orders (working day adjusted, yoy)	May	0.9%	-0.2%	-0.4%
	US	ISM Non-Manufacturing Index	Jun	53.3	56.5	52.9
	US	Fed Releases Minutes from 14-15 June FOMC Meeting				
Thursday 07 July	Germany	Industrial Production (working day adjusted, yoy)	May	1.5%	-0.4%	0.8%
	Mexico	CPI (yoy)	Jun	2.6%	2.5%	2.6%
	Eurozone	ECB Account of the Monetary Policy Meeting				
Friday 08 July	US	Change in Nonfarm Payrolls	Jun	180k	287k	38k
	UK	GfK Consumer Confidence Barometer	July		-9	-1

P – Preliminary, F – Final

- ▶ In the **US**, the most anticipated release this week was the June employment report, which showed **nonfarm payrolls** rising 287,000, much stronger than the expected 180,000 and the strongest print since October 2015. The unemployment rate rose to 4.9% from 4.7%, driven by an increase in the participation rate to 62.7% from 62.6%, although this is still in the middle of the 62.4%-63.0% range seen over the last two years. The breakdown of the report showed private-sector service jobs recovered strongly (256,000 versus 35,000 prior). Several sectors posted strong gains, including education and health (59,000), leisure and hospitality (59,000), and retail (30,000). Temporary help services recovered somewhat (+15,000 versus -21,000 prior) after the May release fell the most since July 2015. Average hourly earnings (+0.1% mom) rose less than expected (+0.2% mom), although this translates into a 2.6% yoy increase, in line with December 2015 and the highest since July 2009. The average work week remained at 34.4 hours, as expected. This brings the Q2 average down to 147,000 from 196,000 in Q1, which reflects a loss of momentum, but remains strong enough to keep the unemployment rate around the long-run Fed expected average of 4.8%.
- ▶ Elsewhere in the US, June's **ISM Non-Manufacturing Index** exceeded expectations, jumping to 56.5 from 52.9 in May (consensus 53.3). The headline is the highest since November 2015, with key sub-components also posting upbeat readings. Business activity rose to 59.5, more than reversing the drop in May, while new orders, a gauge of future demand, added 5.7pts to 59.9, the joint highest reading since October 2015. Also encouraging was the employment sub-index, whose three-month moving average (51.8) continued to drift higher from March's multi-year low (50.7). Wednesday's release of the minutes of the **14-15 June Federal Open Market Committee (FOMC) meeting** revealed that uncertainties about the health of the labour market, the outlook for growth and inflation, and the potential consequences of the UK referendum created divisions within the committee. Some participants advocated an early rate hike to smooth the interest rate trajectory, while others feared such an early rate hike would derail the recovery. The minutes also showed some debate over the new economic projections, particularly for interest rates. While recognizing that the longer-run neutral rate was highly uncertain, many participants judged that it would likely remain low relative to historical standards, held down by factors such as slow productivity growth and demographic trends. Lastly, the final release showed **US durable goods orders** declining -2.3% mom in May (0.1pt lower than expectations and the preliminary estimate). Core orders (non-defence excluding aircraft) fell 0.4% mom against -0.7% previously estimated, but this came on the back of a downwardly revised print for April, from -0.4% mom to -0.9% mom. Meanwhile, the fall in core shipments was confirmed at 0.5% mom.
- ▶ Regarding monetary policy in Europe, the **accounts of the last ECB monetary policy meeting** revealed the GC's continued concerns about the economic outlook and an inclination to ease policy further even before the UK referendum. They recognised that the economy was on a recovery path, but that it would likely take a longer period of time before inflation returns to target. The GC highlighted that a leave vote in the UK could see the eurozone economy impacted via several channels, including trade and financial markets. Also, the expected slowdown in global trade below the growth rate of global activity was associated with heightened risk for the global economic outlook. Overall, the protracted period of low inflation and the increase in risks make it quite likely that the GC may provide further stimulus in the coming months. While it acknowledged that the asset purchase programme might run out of available securities, the GC suggested that purchases could be made "via close substitutes across markets," as it was the overall amount of purchases that mattered for money creation, not types of securities.
- ▶ **German manufacturing orders** remained unchanged at the previous month's level in May (-0.2% yoy), disappointing expectations of a 1.0% mom increase, after falling an upwardly revised 1.9% in April. Strong gains in eurozone orders (+4.0% mom) compensated for a decline in domestic (-1.9% mom) and non-eurozone (-0.3% mom) orders. Looking at the decomposition, orders improved for capital goods especially in other eurozone countries, hinting at accelerating investment activity, but demand for consumer goods and intermediate goods declined. This reading aligns well with the picture of strengthening demand in the eurozone while domestic demand is slowing and demand from other countries is receding. Meanwhile, **industrial production** declined sharply in May, coming in a much weaker than expected -1.3% mom, following April's downwardly revised 0.5% mom gain. This implies a -0.4% yoy dip in May (after +0.8% yoy in April). Capital goods production was particularly poor (-3.9% mom). The only sector showing strong growth

was energy production (+3.9% mom). Overall, coupled with yesterday's disappointing factory orders print, the data points towards weakness in Q2 industrial production growth amid political uncertainty elsewhere in Europe and stagnant world trade growth.

- ▶ In a post-referendum special release, the **GfK UK Consumer Confidence Barometer** fell to its lowest level since 2013 at -9 from -1 in June prior to the referendum. Expectations surrounding personal finances in the coming 12 months dropped (2 versus 8 prior) to their lowest level since the end of 2014 and the climate for making major purchases (-3 versus 9 prior) was judged to be the worst since October 2014. Savings intentions rose to their highest level (9 versus 5 previously) since October 2008. The largest drop was in the outlook for the economic situation over the 12 months, which fell by 15 points to -29, its weakest since 2012.
- ▶ In Turkey, June's **headline inflation** came in 0.7ppts above consensus expectations at 7.6% yoy (+6.6% previously) as seasonal food inflation rose sharply. However, core inflation – excluding food, energy, tobacco products, alcoholic beverages and gold – eased by 0.1ppts to 8.7% yoy, although it remained elevated.

Coming Week (10-15 July 2016)

Date	Country	Indicator	Data as of	Survey	Prior
Sunday 10 July	China	CPI (yoy)	Jun	1.8%	2.0%
Tuesday 12 July	India	CPI (yoy)	Jun	5.79%	5.76%
Wednesday 13 July	China	Trade Balance (USD)	Jun	46.0bn	50.0bn
	Japan	Industrial Production (yoy)	May F		-0.1% P
	Eurozone	Industrial Production (working day adjusted, yoy)	May	1.4%	2.0%
	Canada	Bank of Canada Interest Rate Decision	Jul	0.50%	0.50%
Thursday 14 July	UK	Bank of England Interest Rate Decision	Jul	0.25%	0.50%
Friday 15 July	China	GDP (yoy)	Q2	6.6%	6.7%
	Eurozone	CPI (yoy)	Jun F	0.1%	0.1% P
	US	Retail Sales Advance (mom)	Jun	0.1%	0.5%
	US	CPI (yoy)	Jun	1.1%	1.0%
	US	Industrial Production (mom)	Jun	0.2%	-0.4%
	US	University of Michigan Index of Consumer Sentiment	Jul P	93.5	93.5

P – Preliminary, Q – Quarter, F – Final

US and Canada

- ▶ In line with the continued firming of data in the US, June's nonfarm payroll release reversed much of the disappointment seen last month, which, when coupled with comparatively low energy prices, should continue to support the US consumer's spending appetite. Weak auto sales (-4.3% mom) are likely to weigh and gasoline prices (+3.7% mom) support June's headline **retail sales** number (+0.1% mom); however, this follows a strong May (+0.5% mom) and stellar April (+1.3% mom). This report is still anticipated to show a much firmer footing for the US consumer after a difficult Q1. The control group (excluding autos, gas and building materials) is expected to rise at a similar pace to May (+0.4%) and deliver the strongest quarter since Q1 2012.
- ▶ The **University of Michigan Index of Consumer Sentiment** has been robust for the last two years, occupying the 86-98 range since October 2014. Although consumer sentiment weakened marginally at the start of the year, it has remained robust despite global growth concerns, cushioned by a continued tightening of the labour market. The preliminary July headline number is expected to be the same as the final June release (93.5), down marginally from May (94.7). The assessment of current conditions remained close to post-financial crisis highs and, interestingly, the long-run inflation expectations reversed their drop in the preliminary release (+2.6%, up from +2.3%).
- ▶ June's release of **US CPI inflation** is expected to show that prices rose 1.1% yoy, slightly up from May (+1.0%) but little changed since February. The core release is expected at 2.2%, the same as in May and continuing the gradual drift higher seen over the last 18 months. Any upside pressure will be closely watched by the Fed, although its preferred measure of inflation, the personal consumption expenditure core price index, is not released until the end of July.
- ▶ The **Bank of Canada** is unanimously expected to keep rates on hold at 0.50%, a year after cutting rates from 0.75% in July 2015. Core inflation remains roughly in line with the Bank's target rate of 2.0% yoy, with the headline rate slightly weaker at 1.50% yoy. The focus will be on the assessment of risks to growth. Domestically, the impact of the Alberta wildfires, and, going forward, international concerns, in particular Brexit, are likely to see a cautious statement.

Europe

- ▶ In a speech given on 30 June, BoE Governor Mark Carney strongly hinted that the bank would ease policy at its next meeting by saying "the economic outlook has deteriorated and some monetary policy easing will likely be required over the summer." This follows the bank's pledge at its last meeting on 16 June to "take whatever action is needed, following the referendum outcome." Given the deteriorating outlook, a 25bp cut to the **base rate** is expected at the 14 July meeting, with the Monetary Policy Committee also likely to signal its willingness to ease policy further at subsequent meetings if economic conditions significantly worsen.
- ▶ Following April's 1.1% mom gain in **eurozone industrial production** (+2.0% yoy), May is likely to see output growth contract on a monthly basis (-0.7% mom; +1.4% yoy) given that German data for May saw a much larger than expected 1.3% mom decline, with

capital goods production showing particular weakness (-3.9% mom). Overall, eurozone industry continues to face headwinds from stagnant world trade growth, softness in key export markets and uncertainty around what lies ahead for the EU-UK relationship.

Emerging markets

- ▶ **China's GDP growth for Q2** will be released on 15 July. It is expected to continue its gradual slowdown, at 6.6% yoy, down from 6.7% in Q1 and 7.0% in Q2 2015. Investment continued to be supported by public expenditures in infrastructure and by real estate activity. However, retail sales slowed down in April and May and external trade also showed signs of weakness in Q2. The slowdown would be consistent with the fairly weak PMI surveys published over the past three months. Even at 6.6%, the rate of growth would remain within the 6.5%-7.0% target range set by the government for 2016. **External trade** data for June will be published on Wednesday. In June, the manufacturing PMI new export orders component dropped below 50 (to 49.6), reflecting sluggish external demand. Exports are anticipated to decline by 5.0% yoy, compared to -4.1% in May. June's **CPI inflation**, released Sunday, would also confirm a slightly softer economic momentum in China, at 1.8% yoy.
- ▶ **India's inflation** for June is likely to come in marginally higher than in May, driven by higher food prices, as suggested by high frequency indicators for fresh food. Meanwhile, fuel prices also increased, which could have ripple effects on some services. Going forward, monsoon rainfalls will be key to prevent inflation pressures building.

Market Moves

US equities reversed early week losses on upbeat payrolls; European shares fell amid lingering concerns over the British exit from the EU

- ▶ **US equities** opened a short week (due to the Independence Day holiday) lower, as subdued risk appetite was compounded by lacklustre durable goods orders for May. However, losses were pared as June's ISM Non-Manufacturing Index showed the services sector expand at its fastest pace in seven months. Furthermore, both the ADP Research Institute's private employment and nonfarm payrolls reports for June beat expectations (by 12,000 and 107,000, respectively), fuelling investor optimism. Overall, the S&P 500 Index closed the week up (+1.3%).
- ▶ **European stock markets** retreated this week on the back of lingering concerns over what lies ahead for the EU-UK relationship. UK insurance stocks tumbled on news of halting real-estate fund redemptions, while Italian banking shares fell as the ECB reiterated its request for a reduction in bad loan portfolios. However, stronger US employment data led to a firming of risk sentiment on Friday, moderating weekly losses. In aggregate, the EURO STOXX 50 Index ended down (-1.6%), although the UK's FTSE 100 Index outperformed to close (+0.2%) as multinationals were propped up by a weaker pound.
- ▶ **Asian equities started** on a positive note but gains were pared in the second half of the week as investors showed greater caution ahead of the US nonfarm payrolls report (released after Asian markets closed on Friday). The Nikkei 225 Index declined the most in the region (-3.7%), as the appreciation of the yen against the US dollar weighed considerably on Japanese exporters' earnings outlook. Most other markets in the region were flat or fell by about 1%, apart from China where the Shanghai Stock Exchange Composite Index rose (+1.9%).

Developed government bond yields touched new lows on tepid risk appetite; demand in the European primary markets remained robust

- ▶ Longer-dated **US Treasuries** extended recent gains (yields fell) this week, supported by generally weak risk appetite amid lingering global concerns over the impact of Brexit and caution ahead of the US employment report that came in much stronger than expected, causing yields to oscillate on Friday. Ten-year Treasury yields finished down (-8bps to 1.36%) and 30-year yields closed at historic lows (-13bps to 2.10%). Meanwhile, at the shorter end, policy-sensitive two-year yields closed up (+2bps to 0.61%) as positive data prints raised the possibility of a near-term rate hike.
- ▶ **Core European government bonds** advanced (yields fell) this week as lingering post-Brexit nerves and continued expectations of looser monetary policy supported perceived "safe-haven" assets. Weak data, including the UK consumer sentiment survey recording its biggest fall in 20 years, added to investor caution with UK 10-year gilt yields finishing lower (-13bps lower to 0.73%). Benchmark German 10-year bund yields also closed down (-6bps lower to -0.19%). The primary market also saw robust demand as Germany successfully auctioned EUR3.4 billion of two-year paper with the average yield at a historic low of -0.69%. Meanwhile, most peripheral government bond yields rose.

Most currencies fell against US dollar, while the Japanese yen touched highest levels since December 2013

- ▶ The **British pound** touched its lowest levels against the US dollar since June 1985 this week. The majority of the fall occurred on Tuesday as the BoE kick-started its contingency plans post-Brexit, lowering countercyclical capital requirement for lenders to 0.0% from 0.5% of risk-weighted assets. Friday's special post-Brexit consumer confidence release showed consumer optimism in the UK slumping after the referendum also weighed. Overall, the pound ended the week sharply lower (-2.4%). Similarly, the **euro** also declined on Tuesday to finish this week down against the US dollar (-0.8%). Weak industrial production data in the region, especially in Germany, and a stronger dollar on the back of firmer data, provided little help for the common currency.
- ▶ Risk aversion saw **most Asian currencies** depreciate against the US dollar over the week as markets remained concerned about the consequences on global growth of the UK vote to leave the EU. The Korean won fell the most, depreciating by 1.4%, on a weak

economic outlook and expectations that the Bank of Korea could keep policy rates unchanged at its next policy meeting. Elsewhere, India's rupee ended little changed (+0.1%) as a favourable monsoon season improved the outlook for inflation. The Japanese yen, meanwhile, ended up (+2.0%), due to its "safe-haven" status.

Crude oil prices tumbled on rebalancing fears; gold benefited from investor risk aversion

- ▶ **WTI crude oil prices** slumped this week, fuelled by concerns that the rebalancing between supply and demand may take longer than expected. In particular, the US oil rig count for the week ending 1 July reached levels last seen in April. Meanwhile, news of fresh attacks on Nigeria's oil infrastructure and declining US inventory data this week were largely ignored, with the latter even pushing prices down as the refinery utilisation rate slipped to -0.5% (consensus 0.3%). Overall, WTI for August delivery finished the week down (-7.9% to USD45.1 per barrel) as did Brent crude (-7.5% to USD46.6 per barrel).
- ▶ **Gold prices** continued to rally this week despite a slightly stronger dollar amid persistent worries over the global economic repercussions from the UK's vote to leave the EU and building prospects of looser monetary policy to follow. Overall, the precious metal extended its gains for the sixth consecutive week (+1.8% to USD1366 per ounce), ending at its highest level in two years.

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)	401	0.0	-2.1	1.8	-3.2	0.4	433	351	16.3
North America									
US Dow Jones Industrial Average	18,147	1.1	0.8	3.2	3.6	4.1	18,168	15,370	16.9
US S&P 500 Index	2,130	1.3	0.5	4.0	4.1	4.2	2,133	1,810	18.1
US NASDAQ Composite Index	4,957	1.9	-0.4	2.2	1.0	-1.0	5,232	4,210	21.5
Canada S&P/TSX Composite Index	14,260	1.4	-0.4	6.4	-1.1	9.6	14,748	11,531	19.1
Europe									
MSCI AC Europe (USD)	378	-2.2	-7.4	-4.0	-12.5	-8.1	463	354	15.0
Euro STOXX 50 Index	2,838	-1.6	-6.0	-2.5	-14.7	-13.1	3,714	2,673	13.2
UK FTSE 100 Index	6,591	0.2	4.6	6.2	1.5	5.6	6,813	5,500	16.9
Germany DAX Index*	9,630	-1.5	-5.7	0.1	-10.4	-10.4	11,802	8,699	12.2
France CAC-40 Index	4,191	-1.9	-5.8	-2.6	-9.7	-9.6	5,218	3,892	14.0
Spain IBEX 35 Index	8,186	-1.0	-7.3	-2.9	-21.5	-14.2	11,613	7,580	14.5
Asia Pacific									
MSCI AC Asia Pacific ex Japan (USD)	413	-0.8	-1.7	1.8	-7.2	0.5	466	357	13.6
Japan Nikkei-225 Stock Average	15,107	-3.7	-10.2	-4.5	-23.5	-20.6	20,947	14,864	15.1
Australian Stock Exchange 200	5,231	-0.3	-2.6	5.9	-4.4	-1.2	5,728	4,707	16.1
Hong Kong Hang Seng Index	20,564	-1.1	-3.4	1.0	-12.6	-6.2	25,634	18,279	11.4
Shanghai Stock Exchange Composite Index	2,988	1.9	2.1	0.1	-14.8	-15.6	4,184	2,638	13.6
Hang Seng China Enterprises Index	8,535	-2.0	-5.5	-2.0	-23.2	-11.7	12,077	7,499	7.3
Taiwan TAIEX Index	8,641	-1.1	-0.9	1.2	-3.7	3.6	9,226	7,203	13.7
Korea KOSPI Index	1,963	-1.2	-3.2	-0.5	-2.6	0.1	2,101	1,801	10.8
India SENSEX 30 Index	27,127	-0.1	0.4	9.9	-2.0	3.9	28,578	22,495	17.2
Indonesia Jakarta Stock Price Index	4,972	0.0	1.1	2.6	2.1	8.2	5,040	4,034	16.0
Malaysia Kuala Lumpur Composite Index	1,645	-0.1	-0.8	-4.3	-3.0	-2.8	1,744	1,504	15.9
Philippines Stock Exchange PSE Index	7,772	-0.8	0.6	7.2	5.5	11.8	7,981	6,084	19.8
Singapore FTSE Straits Times Index	2,847	0.0	-0.5	1.4	-13.3	-1.2	3,384	2,528	12.9
Thailand SET Index	1,456	0.7	0.7	6.3	-1.0	13.0	1,496	1,221	15.7
Latam									
Argentina Merval Index	14,690	-2.8	7.8	20.2	27.6	25.8	15,348	8,660	16.3
Brazil Bovespa Index*	53,141	1.7	2.9	5.7	2.6	22.6	54,978	37,046	14.0
Chile IPSA Index	4,025	-0.1	0.3	2.5	7.1	9.4	4,085	3,419	13.6
Colombia COLCAP Index	1,298	-1.2	-2.7	-2.2	0.2	12.5	1,380	1,046	14.1
Mexico Index	45,744	-1.0	-1.1	2.0	2.8	6.4	46,545	39,257	19.9
EEMEA									
Russia MICEX Index	1,894	-0.1	-2.9	0.9	18.8	7.6	1,977	1,570	6.9
South Africa JSE Index	51,276	-2.1	-5.0	-0.3	2.1	1.1	54,761	45,976	16.0
Turkey ISE 100 Index*	78,019	0.1	-1.0	-5.4	-2.9	8.8	86,931	68,230	9.0

*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	1.5	0.7	-2.1	17.2	27.9
US equities	3.0	3.3	3.4	33.4	67.4
Europe equities	-3.8	-7.0	-10.9	0.4	0.9
Asia Pacific ex Japan equities	3.2	2.4	-4.2	7.3	-2.2
Japan equities	1.1	-6.4	-8.0	5.8	18.0
Latam equities	5.5	21.7	-6.1	-21.7	-42.6
Emerging Markets equities	2.3	5.6	-6.3	-1.9	-19.5

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 08 July 2016.

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)	512	0.4	1.9	2.7	7.4	6.5
JPM EMBI Global	752	0.5	2.8	6.5	11.5	12.1
BarCap US Corporate Index (USD)	2,801	0.8	2.5	4.3	8.3	9.0
BarCap Euro Corporate Index (Eur)	241	0.5	1.1	1.9	5.8	4.8
BarCap Global High Yield (USD)	410	0.4	0.7	5.6	5.7	9.6
Markit iBoxx Asia ex-Japan Bond Index (USD)	189	0.5	1.7	2.9	7.6	6.9
Markit iBoxx Asia ex-Japan High-Yield Bond Index (USD)	228	0.8	1.4	4.9	10.4	9.5

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	1.11	1.11	1.14	1.14	1.11	1.09	1.17	1.05
GBP/USD	1.30	1.33	1.45	1.41	1.54	1.47	1.58	1.28
CHF/USD	1.02	1.03	1.04	1.05	1.06	1.00	1.08	0.97
CAD	1.30	1.29	1.27	1.30	1.27	1.38	1.47	1.25
JPY	100.54	102.52	106.99	108.07	120.71	120.22	125.28	99.02
AUD	1.32	1.33	1.34	1.32	1.35	1.37	1.46	1.28
NZD	1.37	1.39	1.43	1.47	1.49	1.46	1.60	1.37
Asia								
HKD	7.76	7.76	7.76	7.76	7.75	7.75	7.83	7.75
CNY	6.69	6.66	6.56	6.46	6.21	6.49	6.70	6.21
INR	67.37	67.32	66.65	66.47	63.60	66.15	68.79	63.33
MYR	4.03	4.00	4.06	3.90	3.81	4.29	4.48	3.78
KRW	1,162	1,145	1,157	1,154	1,137	1,175	1,245	1,121
TWD	32.30	32.21	32.16	32.44	31.07	32.86	33.79	30.94
Latam								
BRL	3.30	3.24	3.36	3.59	3.24	3.96	4.25	3.12
COP	2,933	2,933	2,925	3,090	2,684	3,175	3,453	2,652
MXN	18.51	18.36	18.12	17.78	15.85	17.21	19.52	15.63
EEMEA								
RUB	63.86	63.77	63.62	67.12	57.47	72.52	85.96	56.20
ZAR	14.54	14.56	14.74	14.98	12.57	15.47	17.92	12.30
TRY	2.89	2.90	2.89	2.85	2.69	2.92	3.08	2.63

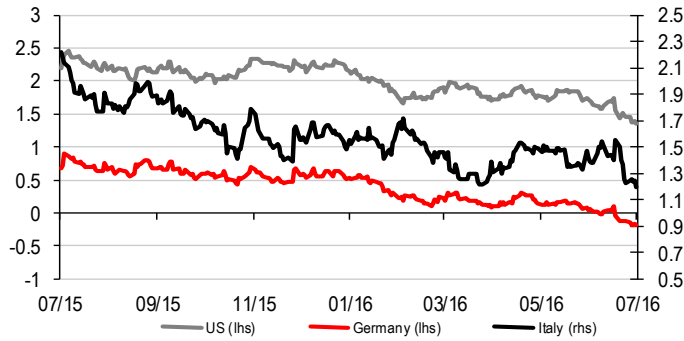
Bonds	Close	1-week Ago	1-month Ago	3-months Ago	1-year Ago	Year End 2015
US Treasury yields (%)						
3-Month	0.27	0.25	0.23	0.22	0.01	0.16
2-Year	0.61	0.59	0.78	0.70	0.54	1.05
5-Year	0.95	0.99	1.23	1.15	1.49	1.76
10-Year	1.36	1.44	1.70	1.72	2.19	2.27
30-Year	2.10	2.23	2.51	2.55	2.97	3.02
Developed market 10-year bond yields (%)						
Japan	-0.29	-0.26	-0.12	-0.09	0.41	0.26
UK	0.73	0.86	1.25	1.36	1.89	1.96
Germany	-0.19	-0.13	0.05	0.10	0.67	0.63
France	0.10	0.16	0.41	0.43	1.12	0.99
Italy	1.19	1.23	1.39	1.31	2.22	1.59
Spain	1.15	1.15	1.43	1.52	2.22	1.77

	Latest	1-week ago (%)	1-month Change (%)	3-month Change (%)	1-year Change (%)	YTD Change (%)	52-week High	52-week Low
Commodities								
Gold	1,366	1.8	8.2	10.2	17.9	28.7	1,375	1,046
Brent Oil	46.6	-7.5	-11.4	11.0	-18.4	24.9	60	27
WTI Crude Oil	45.1	-7.9	-11.9	13.6	-12.6	21.8	54	26
R/J CRB Futures Index	187	-3.6	-4.4	9.4	-13.0	6.3	220	155
LME Copper	4,687	-4.6	2.4	0.8	-15.1	-0.4	5,723	4,318

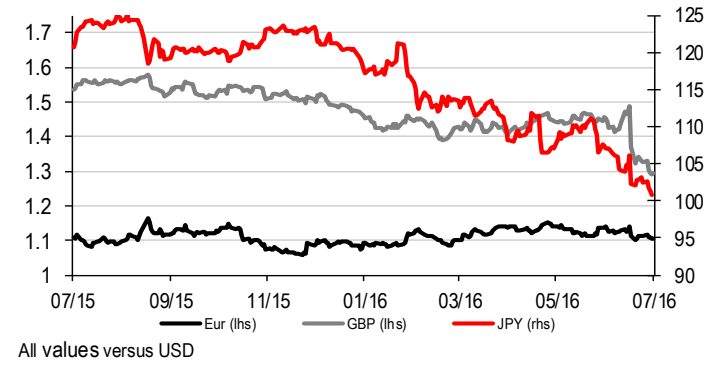
Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 08 July 2016.
Past performance is not an indication of future returns.

Market Trends

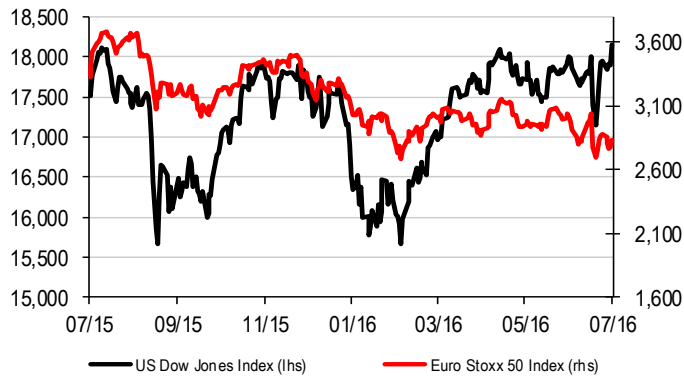
Government bond yields (%)



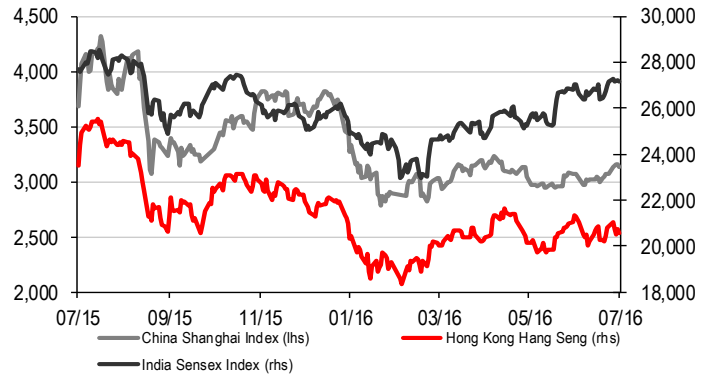
Major currencies (versus US dollar)



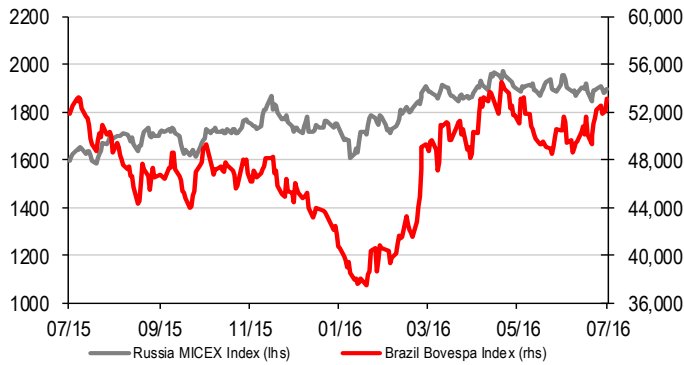
Global equities



Emerging Asian equities



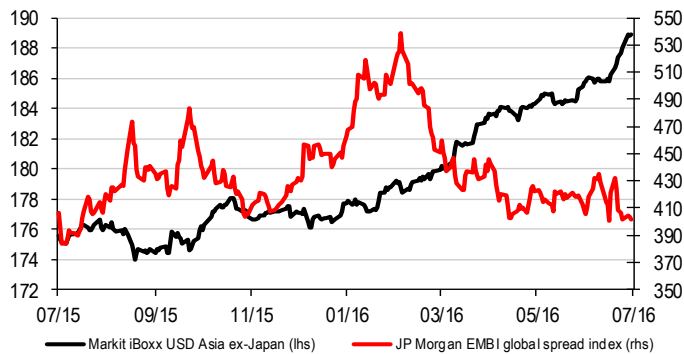
Other emerging equities



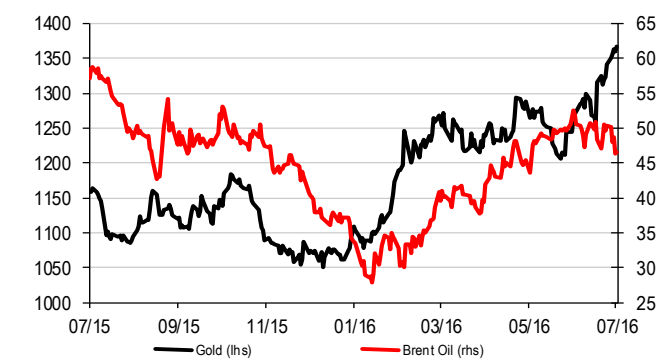
Global credit indices



Emerging markets spreads (USD indices)



Commodities (USD)



Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 08 July 2016.
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