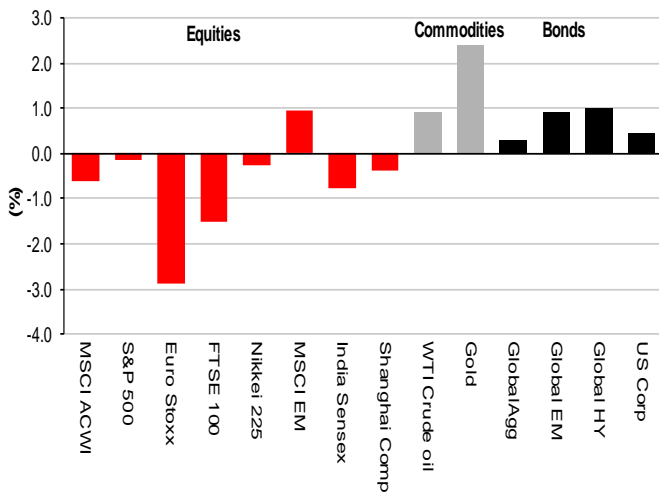


- ▶ US equities ended little changed this week while European stocks sold off as the prospect of lower for longer interest rates was offset by renewed global growth concerns
- ▶ The soft May US nonfarm payrolls report saw market pricing for a US Federal Reserve (Fed) June rate hike recede. Thus, at next week's Fed meeting, the Federal Open Market Committee (FOMC) is expected to leave the federal funds rate unchanged
- ▶ The Bank of Korea unexpectedly cut the seven-day repo rate to a new record of 1.25% from 1.50%. The rate cut was a pre-emptive action against the potential negative impact from corporate restructuring
- ▶ In the coming week, investor attention will also turn to monetary policy decisions in the UK and Japan, as well as US retail sales data

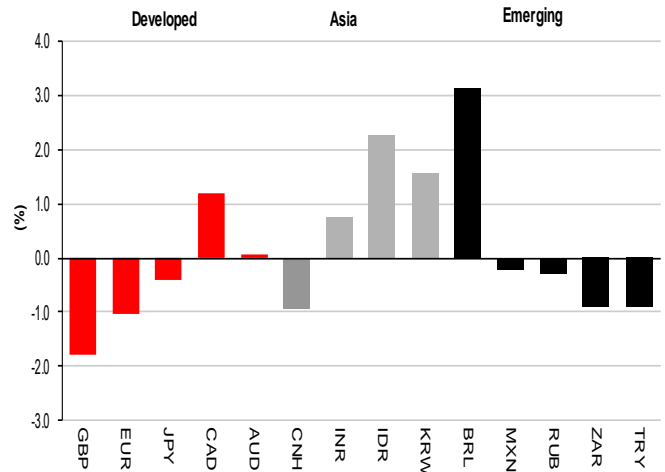
### Movers and shakers

Gold prices rose over 2%

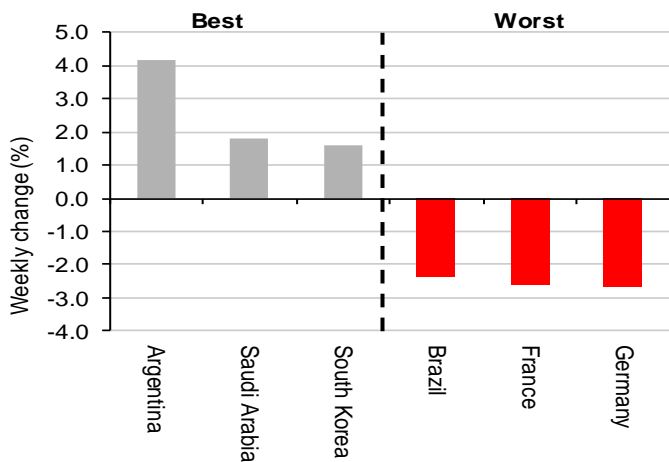


### Currencies (versus US dollar)

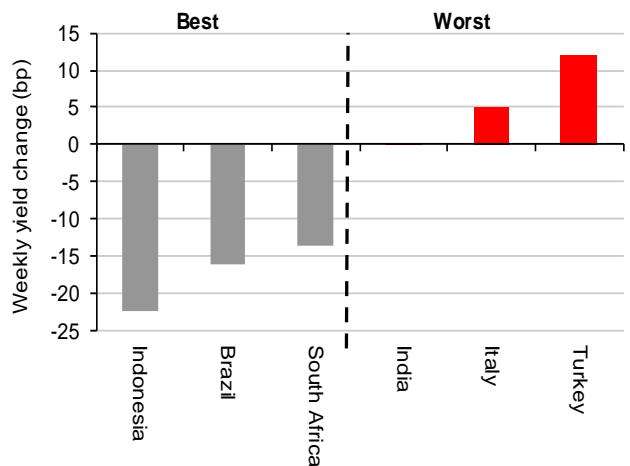
The euro, yen, offshore yuan and pound sterling fell against the US dollar this week



### Equities



### Bonds (10-year)



Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 10 June 2016. All the above charts relate to 03/06/2016 – 10/06/2016. Past performance is not an indication of future returns.

# Macro Data and Key Events

Past Week (06-10 June 2016)

Date	Country	Indicator	Data as of	Survey	Actual	Prior
Monday 06 June	Germany	Factory Orders (Working Day Adjusted, yoy)	Apr	0.6%	-0.5%	2.4%
	US	Fed Chair Yellen Speaks in Philadelphia				
Tuesday 07 June	India	RBI Interest Rate Decision (Repurchase Rate)	Jun	6.5%	6.5%	6.5%
	Germany	Industrial Production (Working Day Adjusted, yoy)	Apr	1.0%	1.2%	0.4%
	Eurozone	GDP Seasonally Adjusted (qoq)	Q1 F	0.5%	0.6%	0.5% P
Wednesday 08 June	China	Trade Balance (USD)	May	55.7bn	49.98bn	45.6bn
	Japan	GDP Annualised, Seasonally Adjusted (qoq)	Q1 F	1.9%	1.9%	1.7% P
	South Africa	GDP Annualised (qoq)	Q1	-0.1%	-1.2%	0.4%
Thursday 09 June	Brazil	COPOM Interest Rate Decision	Jun	14.25%	14.25%	14.25%
	China	CPI (yoy)	May	2.2%	2.0%	2.3%
	Mexico	CPI (yoy)	May	2.6%	2.6%	2.5%
Friday 10 June	Turkey	GDP (yoy)	Q1	4.4%	4.8%	5.7%
	India	Industrial Production (yoy)	Apr	0.6%	-0.8	0.3%

P – Preliminary, Q – Quarter, F – Final

- ▶ In the **US, Fed Chair Janet Yellen** did not dismiss any possibilities on the path of future monetary policy, but she also did not give a strong signal on the timing of the next Fed rate hike, which remains “data dependent.” Following last Friday’s weak nonfarm payrolls number, Yellen cautioned against placing too much weight on any single monthly report, as other indicators have been more positive. Overall, a rate hike in July remains on the table and the June payrolls report will be critical to the Fed meeting in July.
- ▶ In Europe, the **eurozone Q1 final GDP** was revised up to 0.6% qoq from the preliminary release of 0.5% qoq. The expenditure breakdown revealed that domestic demand was once again the main growth driver (+0.6ppts). Private consumption rebounded after Q4 was dampened by temporary factors such as the consequences of the Paris terrorist attacks and mild weather. Meanwhile, investment remained robust in Q1 2016. Net trade contribution was negative again, although slightly less than in the previous quarters, as imports slowed and export growth remained subdued, on the back of a still weak global economic environment and the appreciation of the euro. Looking ahead, economic growth is expected to slow down a little. However, domestic demand could continue to lead the recovery, although there may be some moderation in private consumption and investment, especially in Q2, as uncertainty may intensify ahead of the European Union (EU) referendum and general elections in Spain in June.
- ▶ **China’s trade data** showed that imports for May edged down 0.4% yoy in May, up from -10.9% yoy in April, beating market expectations (-6.8% yoy). However, exports weakened further, down from -1.8% yoy in April to -4.1% yoy in May on the back of deteriorating global demand. Overall, the trade surplus came in lower than expected, at USD49.98 billion (consensus USD55.7 billion). **China’s CPI inflation** eased to 2.0% yoy in May (consensus 2.2% yoy), after having been at 2.3% yoy for the preceding three months. Food price inflation remained elevated at 5.9% yoy, although it was below April’s reading of 7.4% yoy, driven by a sharp decline in vegetable prices as unfavourable weather conditions abated and the summer growing season commenced. Meanwhile, **producer price deflation** (PPI) fell by less than expected in May (-2.8% yoy versus a consensus of -3.2% yoy), edging up from April’s -3.4% yoy, driven by the recent recovery in commodity prices and rising capacity utilisation. Overall, given that CPI inflation remains below the government’s target of 3%, monetary policy is likely to remain accommodative, whilst rising PPI eases deflationary concerns in the industrial sector.
- ▶ As expected, the **Reserve Bank of India (RBI)** kept the policy rates unchanged, with the repurchase rate at a five-year low of 6.5%. In its policy statement, the RBI noted that the surprisingly high level of CPI inflation in April “makes the future trajectory of inflation somewhat more uncertain,” adding that the inflation projections set in April were retained but with an upward bias. This uncertainty was one of the reasons why the central bank decided to keep rates on hold. However, the statement also reiterated that the stance of monetary policy remains accommodative.
- ▶ The **Bank of Korea (BoK)** unexpectedly cut the seven-day repo rate to a new record of 1.25% from 1.50%. The rate cut was a pre-emptive move against the potential negative impact from corporate restructuring. The statement was dovish, with the BoK seeing increased downside risks to the growth forecast made in April, especially the slowdown in domestic demand recovery, sluggish economic sentiment and continued trade stagnation. The BoK reiterated the data dependency of future policy, leaving the door open for further easing.
- ▶ **Turkey’s Q1 GDP** rose by 4.8% yoy, down from 5.7% yoy in Q4 but stronger than markets expected. The economy posted a sequential growth of 0.8% qoq in Q1 following a 1.2% qoq growth in Q4. While the headline growth number seems positive, it was mainly driven by private consumer spending, and the contribution of net external demand to growth turned negative in Q1. In addition, private investment contracted by 0.3% yoy. The sharp rise in private consumption in Q1 occurred despite a 1.6% decline in consumer loans in real terms.
- ▶ Finally, the **South African economy** contracted sharply in Q1 2016, to -1.2% qoq annualised (-0.2% yoy), much worse than expectations of -0.1% qoq annualised. The main drag came via the primary sector, particularly the mining and quarrying industry (-18.1% qoq annualised), which subtracted 1.5 ppts from GDP growth. This comes amid a severe drought that has hit agricultural output and a more generalised fall in commodity prices. Other industries were also relatively weak, apart from finance, which added 0.4 ppts to growth.

## Coming Week (13-17 June 2016)

Date	Country	Indicator	Data as of	Survey	Prior
Monday 13 June	China	Industrial Production (yoy)	May	6.0%	6.0%
	India	CPI (yoy)	May	5.6%	5.4%
	China	Retail Sales (yoy)	May	10.1%	10.1%
Tuesday 14 June	UK	CPI (yoy)	May	0.4%	0.3%
	Eurozone	Industrial Production (Working Day Adjusted, yoy)	Apr	1.3%	0.2%
	US	Retail Sales Advance (mom)	May	0.3%	1.3%
Wednesday 15 June	UK	ILO Unemployment Rate (3 Months, yoy)	Apr	5.1%	5.1%
	US	Industrial Production (mom)	May	-0.2%	0.7%
	US	FOMC Interest Rate Decision	Jun	0.5%	0.5%
Thursday 16 June	Japan	Bank of Japan Interest Rate Decision	Jun	-0.1%	-0.1%
	Eurozone	CPI (yoy)	May F	-0.1%	-0.1% P
	UK	Bank of England Interest Rate Decision	Jun	0.5%	0.5%
	US	CPI (yoy)	May	1.1%	1.1%
	US	NAHB/Wells Fargo Housing Market Index	Jun	59	58
	Indonesia	Bank Indonesia Interest Rate Decision (Reference Date)	Jun	6.75%	6.75%
Friday 17 June	US	Housing Starts (mom)	May	-1.9%	6.6%

P – Preliminary, F – Final

### US

- ▶ In the coming week, there are several significant releases in the **US**. Whilst the latest nonfarm payroll release disappointed, most labour market and consumer-related data has remained strong, which, when coupled with still comparatively low energy prices, could provide continued support to the US consumer's spending appetite. May's headline **retail sales** number is anticipated to rise firmly (+0.3% mom) after a particularly strong start to Q2 in April (+1.3% mom). While the headline number was boosted primarily by gasoline prices (+7.2% mom) and less so by auto sales (+0.3% mom), the control group (excluding autos, gas and building materials) is anticipated to build on the strongest month since February 2014 and rise 0.3% mom.
- ▶ The **FOMC is expected to keep monetary policy unchanged** on Wednesday. Following the last meeting, more hawkish Fed rhetoric – both in the prior meeting's minutes and from various Fed speakers – lifted incredibly low market expectations of a rate hike in the short term to be more in line with those views expressed by the Fed. However, market expectations evaporated after the very weak May nonfarm payroll data and heightening concerns in the market about the outlook and the potential for a labour market slowdown. Particular attention will be paid to any hints about the potential to alter monetary policy in July, with the risks to the economy and inflation outlook especially important.
- ▶ May's release of **US CPI inflation** is expected to show that prices rose 1.1% yoy, the same as in April, although the core is expected to tick higher to 2.2% yoy from 2.1% yoy in April. 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 June.
- ▶ The **NAHB/Wells Fargo Housing Market Index**, which measures homebuilder confidence, is expected to tick up to 59.0 in June, after staying at 58.0 from February to May. Interestingly, May saw the expectation of future single-family home sales (65 versus 62) rise to its highest level in 2016. The overall index has seen minimal change since September 2014, but points to continued improvement, remaining above its historical average of 49.0, and while both new home sales and construction have continued to improve, they remain tame by historic standards.
- ▶ **US housing starts** are expected to fall -1.9% mom in May (annualised 1,150,000), reversing some of the 6.6% gain in April. Despite gradually improving since mid-2011, over the past year, new construction has stalled in the 1,050,000-1,200,000 range with robust single-family home construction, while new multi-family homes figures have drifted lower, potentially due to tighter financing conditions as indicated in the recent Senior Loan Officer Opinion Survey.

### Europe

- ▶ In Europe, the **Bank of England (BoE)** is expected to leave monetary policy on hold at its June meeting. At the May meeting, the tone of the Monetary Policy Committee (MPC) meeting minutes was markedly cautious relative to April, emphasising that the noise emanating from the upcoming EU referendum was making the underlying trend in economic activity harder to ascertain. Nevertheless, since that meeting, the MPC may find some encouragement from significantly better than expected industrial production and retail sales data for April, as well as a broad uptick in the May PMIs. In late May, BoE governor Mark Carney sounded another warning about the negative economic shock a potential "Brexit" would inflict on the UK. This issue – and the potential monetary policy response following such an outcome – is likely to be the focus of this month's press conference.
- ▶ **UK CPI** is expected to edge up to 0.4% yoy in May, having dropped to 0.3% yoy in April as the spike in airfares related to the timing of Easter unwound. The small gain in headline consumer prices is likely to be mainly driven by continuing gains in oil prices during the month, whilst the deflationary impact of cheap crude on fuel prices is easing.
- ▶ The **UK's ILO unemployment rate (three months)** is likely to hold steady at 5.1% yoy in April, the rate it has maintained since November 2015. Although wage growth remained fairly steady at 2.0% in March, there could be a slight uptick in April as the National Living Wage was introduced during the month.

## Emerging markets and Japan

- ▶ The **Bank of Japan (BoJ)** will conclude its two-day Monetary Policy Board meeting on Thursday. Pressures on the central bank to ease its policy further mounted in the past two months as inflation, both current and expected, fell to levels unprecedented since the beginning of Abenomics and the yen appreciated sharply. However, activity data has improved lately, with activity in services picking up in April and a firm outlook for industrial production for Q2. Moreover, the government recently announced a delay in the next increase in the sales tax rate from April 2017 to October 2019. Against this mixed background, the outcome of this meeting is a close call. The BoJ may decide to wait for the details of the supplementary budget, announced by Premier Shinzo Abe, probably after the upper house elections of 10 July, to maximise the impact on markets.
- ▶ **China's** National Bureau of Statistics will publish **industrial production and retail sales** data for May on Monday. Industrial production growth is likely to have maintained the same rate of growth as April, at 6.0% yoy, consistent with manufacturing PMI stability in May amid targeted economic stimulus. Meanwhile, **retail sales** are also expected to remain at 10.1% yoy, unchanged from April, on the back of gains in purchasing power due to declining inflation and lower consumer sentiment in May.
- ▶ **India's CPI inflation** for May is expected to have increased for a second month, from 5.4% yoy in April to 5.6%. The uptick could be explained by further increases in fresh food and pulse prices. Energy prices are also likely to contribute, due to fuel price increases. However, the outlook for precipitation for this summer's monsoon season remains favourable, which could help cap the upward inflationary pressures recently observed.

## Market Moves

### US equities ended little changed this week while European stocks sold off

- ▶ US equities fluctuated between gains and losses this week as the prospect of lower for longer interest rates was offset by renewed global growth concerns. US stocks began the week on the front foot as Fed Chair Janet Yellen presented a more dovish view of the monetary policy outlook and a rally in oil prices helped to improve risk appetite. However, towards the end of the week, these gains were pared back as lower bond yields reflected worries over longer-term global growth prospects. A resurgent US dollar and a partial reversal in commodity prices also detracted from investor sentiment. Overall, the S&P 500 Index was little changed at 2,096.
- ▶ In Europe, the EURO STOXX 50 Index opened the week higher on improving risk appetite amid higher oil prices. Furthermore, an upwardly revised final eurozone Q1 GDP number confirmed the continued cyclical recovery in the region, adding to investor optimism. However, shares then pulled back gains, after downbeat data in Asia (China's trade data) refuelled global growth concerns, eventually falling sharply on Friday to close down for the second consecutive week (-2.9%). Elsewhere, the UK's FTSE 100 Index fell less (-1.5%) on the back of strong performance in the energy sector as Brent crude oil prices held above the psychologically important USD50 level.
- ▶ Asian stock markets were mixed over the week as investors weighed the mediocre US job report published on 3 June, the recent flow of economic data in the region, and ahead of the Fed and the BoJ policy meetings of 15 and 16 June. Rising crude oil prices in the first half of the week also supported market sentiment. Korea's KOSPI and Taiwan's TAIEX saw the two biggest gains (+1.6% and +1.5% respectively) on foreign capital inflows. Other markets saw gains or declines of around +/-0.5%. In Japan, poor machinery orders and the upward pressure on the yen dragged stocks down, with the Nikkei 225 Index declining by 0.2%. Indian stocks were down 0.8%.

### US Treasury yields fell on dovish expectations of future US monetary policy

- ▶ US Treasury yields fell this week on dovish expectations of future US monetary policy. A speech by Fed Chair Janet Yellen on Monday confirmed that a weak nonfarm payrolls report (released on 3 June) reduced the chances of a summer rate hike. The fall in yields came despite more upbeat labour market data this week, with unit labour costs, the Job Openings and Labor Turnover Survey and initial jobless claims all coming in ahead of consensus expectations. Solid demand for auctions also supported core US bonds, with the Treasury selling USD24 billion of three-year notes, USD20 billion of 10-year notes and USD12 billion of 30-year bonds. Overall, two-year yields fell 4bps to 0.73%. At the longer end, 10-year yields dropped 6bps to 1.64% and 30-year yields slipped 6bps to 2.45%.
- ▶ Core European government bond yields fell again this week (prices rose) amid persistent political uncertainty in Spain and the UK, with German 10-year bund yields briefly hitting fresh historic lows of 0.01% before ending the week lower (-5bps to 0.02%). On Wednesday, the European Central Bank (ECB) kicked off its corporate bond buying programme, a day after which ECB President Mario Draghi urged that structural reforms in the region were necessary to "bring growth back to potential before potential itself becomes damaged." Elsewhere, most peripheral government 10-year bond yields fell, apart from Italian yields, which were hit early in the week following gains for the anti-establishment Five Star Movement party in municipal elections.

### The euro and pound fell against the US dollar this week, while most Asian currencies rose

- ▶ After a fairly muted start to the week, the euro rose on Wednesday on the back of a weaker US dollar as market participants continued to factor in a lower likelihood of near-term Fed rate hikes. However, a sharp fall occurred on Thursday after ECB president Mario Draghi raised concerns that the delay in structural reforms could hinder economic recovery in the currency bloc. The euro pared some of last week's gains, closing down (-1.0%). Meanwhile, opposing Brexit opinion polls caused the British pound to fluctuate this week, ending the week lower against the US dollar (-1.8%).

- ▶ Asian currencies appreciated against the US dollar after the disappointingly weak US nonfarm payrolls for May fuelled hopes that US interest rates could remain lower for longer. The Indonesian rupiah and the Malaysian ringgit, two currencies linked to commodities, outperformed and gained 2.3% and 1.8%, respectively, over the week. The Korean won also gained significantly, but Thursday's unexpected decision by the Bank of Korea to cut its policy rate by 25bps saw some weakness in the foreign exchange rate. The won ended the week up 1.6%. The yen and the renminbi bucked the regional trend, depreciating slightly (-0.4% and -0.2%, respectively).

### Crude oil and gold prices rallied this week

- ▶ During the first half of this week, oil prices rallied through the psychologically important USD50.0 level, supported by strong Chinese import data and ongoing production disruptions in Nigeria. Nevertheless, oil prices then pared gains as the US dollar recovered and on profit-taking, as well as concerns that the recent rally could trigger an increase in North American production. In fact, the U.S. Energy Information Administration reported that last week's increase in oil production was the largest since the start of 2016. Overall, WTI for July delivery closed up (+0.9% at USD49.1), as did Brent (+1.6% at USD50.4).
- ▶ Gold prices rose this week, with the largest moves seen on Wednesday amid a weaker US dollar. Gains continued towards the end of the week as widespread risk aversion boosted demand for "safe-haven" assets. Overall, gold prices ended up at their highest levels in over three weeks (+2.4% at USD1,274 per ounce).

## 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)
<b>Equity Indices</b>									
<b>World</b>									
MSCI AC World Index (USD)	401	-0.6	0.4	4.3	-7.2	0.5	438	351	16.3
<b>North America</b>									
US Dow Jones Industrial Average	17,865	0.3	-0.4	5.1	-0.8	2.5	18,189	15,370	16.6
US S&P 500 Index	2,096	-0.1	0.6	5.4	-0.4	2.6	2,133	1,810	17.8
US NASDAQ Composite Index	4,895	-1.0	1.8	5.0	-3.6	-2.3	5,232	4,210	21.2
Canada S&P/TSX Composite Index	14,038	-1.3	1.9	4.9	-5.7	7.9	14,995	11,531	19.0
<b>Europe</b>									
MSCI AC Europe (USD)	391	-2.6	-1.8	1.2	-15.4	-4.8	471	356	15.0
Euro STOXX 50 Index	2,911	-2.9	-2.3	-2.0	-17.4	-10.9	3,714	2,673	13.5
UK FTSE 100 Index	6,116	-1.5	-0.7	1.3	-10.5	-2.0	6,873	5,500	16.4
Germany DAX Index*	9,835	-2.7	-2.1	3.5	-12.7	-8.5	11,802	8,699	12.3
France CAC-40 Index	4,307	-2.6	-0.7	-1.0	-12.7	-7.1	5,218	3,892	14.4
Spain IBEX 35 Index	8,491	-3.5	-3.2	-3.2	-23.5	-11.0	11,613	7,746	14.8
<b>Asia Pacific</b>									
MSCI AC Asia Pacific ex Japan (USD)	414	1.0	2.5	3.8	-13.7	0.7	491	357	13.7
Japan Nikkei-225 Stock Average	16,601	-0.2	0.2	-1.5	-17.2	-12.8	20,953	14,866	16.5
Australian Stock Exchange 200	5,313	-0.1	-0.6	3.2	-3.0	0.3	5,728	4,707	17.4
Hong Kong Hang Seng Index	21,043	0.5	4.0	5.3	-21.2	-4.0	27,471	18,279	11.4
Shanghai Stock Exchange Composite Index	2,927	-0.4	3.3	4.4	-42.7	-17.3	5,178	2,638	13.4
Hang Seng China Enterprises Index	8,832	0.3	4.1	4.9	-35.1	-8.6	14,007	7,499	7.3
Taiwan TAIEX Index	8,715	1.5	6.9	0.6	-6.3	4.5	9,501	7,203	13.7
Korea KOSPI Index	2,018	1.6	1.8	2.5	-1.6	2.9	2,111	1,801	11.1
India SENSEX 30 Index	26,636	-0.8	3.3	8.2	-0.8	2.0	28,578	22,495	17.1
Indonesia Jakarta Stock Price Index	4,848	-0.1	1.8	1.1	-1.7	5.6	4,992	4,034	15.4
Malaysia Kuala Lumpur Composite Index	1,641	0.3	0.3	-2.9	-5.4	-3.0	1,744	1,504	16.0
Philippines Stock Exchange PSE Index	7,510	-0.1	4.7	6.6	1.7	8.0	7,792	6,084	19.2
Singapore FTSE Straits Times Index	2,823	0.5	3.0	0.5	-15.1	-2.1	3,384	2,528	12.8
Thailand SET Index	1,429	-0.5	2.8	3.6	-5.0	11.0	1,525	1,221	15.4
<b>Latam</b>									
Argentina Merval Index	13,324	4.2	-1.0	1.2	17.2	14.1	14,597	8,660	14.0
Brazil Bovespa Index*	49,422	-2.4	-6.9	-0.3	-8.3	14.0	54,978	37,046	12.9
Chile IPSA Index	3,954	0.0	-1.3	3.1	0.0	7.5	4,085	3,419	13.5
Colombia COLCAP Index	1,320	1.0	-0.6	1.6	-0.2	14.5	1,380	1,046	14.7
Mexico Index	45,178	-1.6	-1.1	1.9	1.3	5.1	46,545	39,257	19.7
<b>EEMEA</b>									
Russia MICEX Index	1,904	0.9	1.0	1.0	15.2	8.1	1,977	1,570	7.1
South Africa JSE Index	53,175	-2.0	2.5	3.2	2.3	4.9	54,761	45,976	17.0
Turkey ISE 100 Index*	76,887	-1.6	-2.4	-2.7	-3.6	7.2	86,931	68,230	8.7

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

	3-month Change (%)	YTD Change (%)	1-year Change (%)	3-year Change (%)	5-year Change (%)
<b>Equity Indices - Total Return</b>					
Global equities	6.5	3.1	-4.0	18.2	36.5
US equities	7.0	4.0	1.3	34.3	78.5
Europe equities	5.6	-0.1	-10.5	4.1	10.0
Asia Pacific ex Japan equities	5.7	3.0	-10.1	2.8	2.5
Japan equities	4.4	-3.4	-6.7	12.9	29.5
Latam equities	7.2	20.7	-12.3	-29.6	-41.7
Emerging Markets equities	6.4	6.2	-12.3	-7.7	-16.3

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 10 June 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 (%)
<b>Bond indices - Total Return</b>						
BarCap GlobalAgg (Hedged in USD)	502.9	0.3	0.7	2.5	6.8	4.7
JPM EMBI Global	730.8	0.9	1.8	5.5	9.2	9.0
BarCap US Corporate Index (USD)	2739.7	0.4	1.1	5.0	7.4	6.6
BarCap Euro Corporate Index (Eur)	238.9	0.3	0.7	2.7	4.9	3.8
BarCap Global High Yield (USD)	406.8	1.0	2.3	6.8	4.1	8.8
Markit iBoxx Asia ex-Japan Bond Index (USD)	186.0	0.4	0.7	3.3	6.6	5.3

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

<b>Currencies (vs USD)</b>	Latest	1-week Ago	1-month Ago	3-months Ago	1-year Ago	Year End 2015	52-week High	52-week Low
<b>Developed markets</b>								
EUR/USD	1.13	1.14	1.14	1.12	1.13	1.09	1.17	1.05
GBP/USD	1.43	1.45	1.44	1.43	1.55	1.47	1.59	1.38
CHF/USD	1.04	1.02	1.02	1.02	1.07	1.00	1.09	0.97
CAD	1.28	1.29	1.29	1.33	1.23	1.38	1.47	1.21
JPY	106.97	106.53	109.27	113.19	122.68	120.22	125.28	105.55
AUD	1.36	1.36	1.36	1.34	1.29	1.37	1.46	1.27
NZD	1.42	1.44	1.48	1.50	1.39	1.46	1.60	1.40
<b>Asia</b>								
HKD	7.76	7.77	7.76	7.76	7.75	7.75	7.83	7.75
CNY	6.56	6.55	6.52	6.51	6.21	6.49	6.60	6.20
INR	66.76	67.26	66.68	67.07	63.84	66.15	68.79	63.31
MYR	4.07	4.15	4.05	4.10	3.73	4.29	4.48	3.70
KRW	1,165	1,184	1,173	1,203	1,108	1,175	1,245	1,097
TWD	32.32	32.60	32.52	32.92	30.89	32.86	33.79	30.68
<b>Latam</b>								
BRL	3.42	3.53	3.48	3.63	3.12	3.96	4.25	3.03
COP	2,971	3,019	2,974	3,225	2,527	3,175	3,453	2,511
MXN	18.63	18.59	17.99	17.81	15.44	17.21	19.44	15.17
<b>EEMEA</b>								
RUB	65.49	65.30	66.27	71.39	54.36	72.52	85.96	51.17
ZAR	15.23	15.09	15.12	15.42	12.31	15.47	17.92	12.05
TRY	2.93	2.90	2.95	2.89	2.74	2.92	3.08	2.63

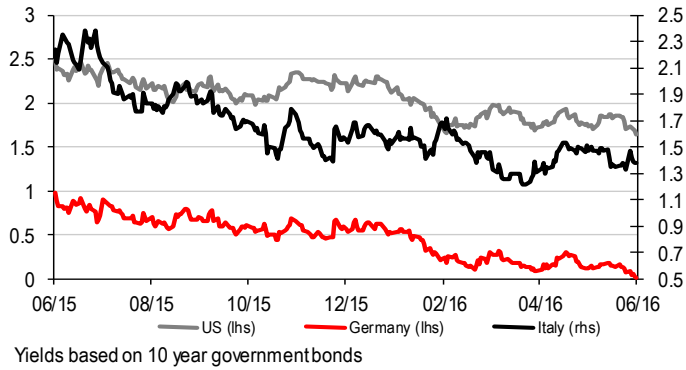
<b>Bonds</b>	Close	1-week Ago	1-month Ago	3-months Ago	1-year Ago	Year End 2015
<b>US Treasury yields (%)</b>						
3-Month	0.24	0.28	0.24	0.31	0.02	0.16
2-Year	0.73	0.77	0.72	0.93	0.73	1.05
5-Year	1.17	1.23	1.21	1.45	1.79	1.76
10-Year	1.64	1.70	1.76	1.93	2.48	2.27
30-Year	2.45	2.51	2.61	2.69	3.22	3.02
<b>Developed market 10-year bond yields (%)</b>						
Japan	-0.16	-0.10	-0.10	-0.02	0.51	0.26
UK	1.23	1.28	1.40	1.54	2.13	1.96
Germany	0.02	0.07	0.12	0.31	0.98	0.63
France	0.39	0.41	0.49	0.68	1.31	0.99
Italy	1.38	1.33	1.51	1.46	2.24	1.59
Spain	1.43	1.47	1.64	1.58	2.23	1.77

	Latest	1-week ago (%)	1-month Change (%)	3-month Change (%)	1-year Change (%)	YTD Change (%)	52-week High	52-week Low
<b>Commodities</b>								
Gold	1,274	2.4	0.6	0.1	7.4	20.0	1,304	1,046
Brent Oil	50.4	1.6	10.8	25.9	-23.2	35.3	66	27
WTI Crude Oil	49.1	0.9	9.9	29.7	-20.1	32.5	62	26
R/J CRB Futures Index	193	2.2	7.0	12.2	-15.5	9.5	229	155
LME Copper	4,515	-3.7	-3.5	-7.7	-25.1	-4.0	6,084	4,318

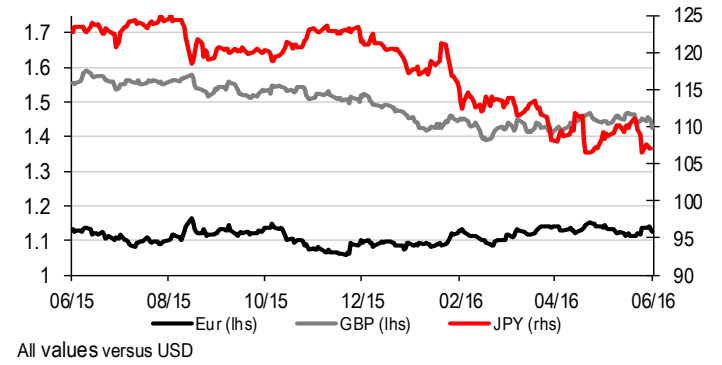
Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 10 June 2016.  
Past performance is not an indication of future returns.

# Market Trends

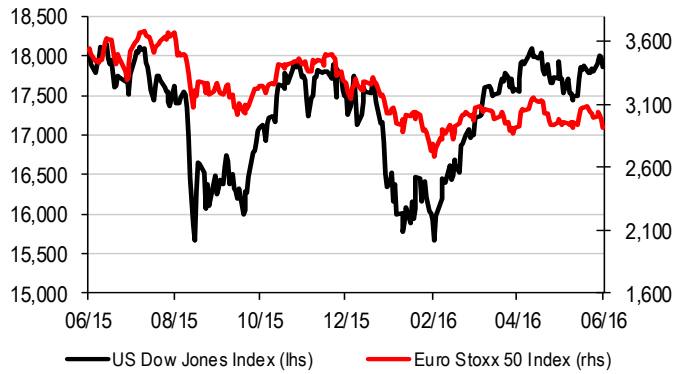
## Government bond yields (%)



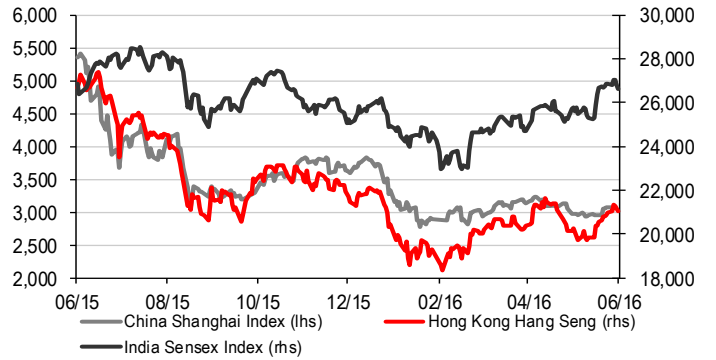
## Major currencies (versus US dollar)



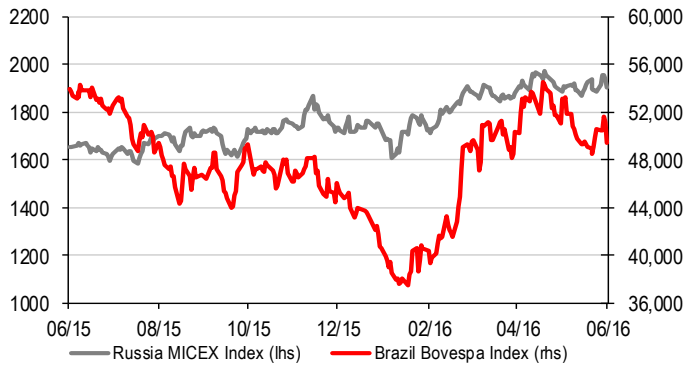
## Global equities



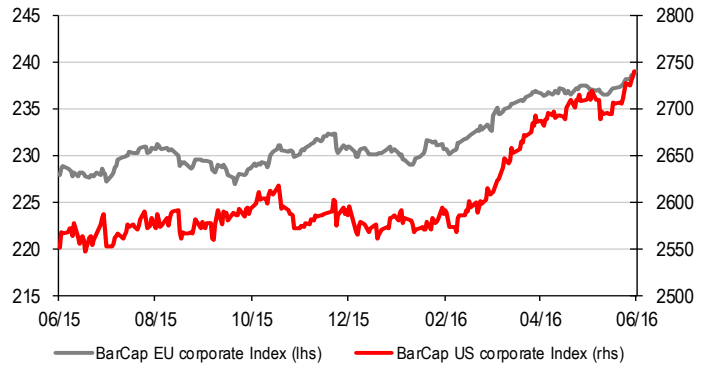
## Emerging Asian equities



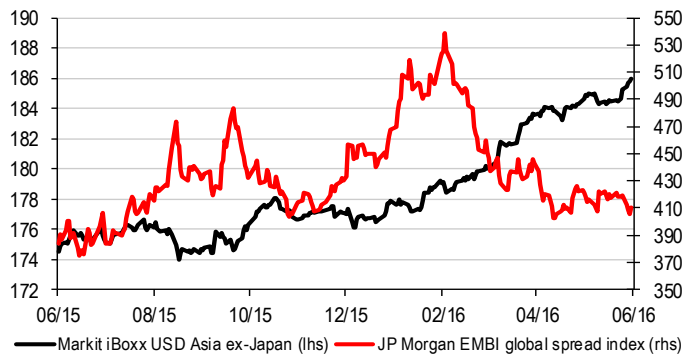
## Other emerging equities



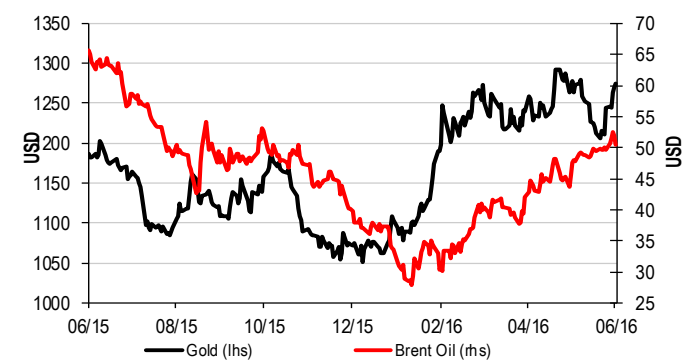
## Global credit indices



## Emerging markets spreads (USD indices)



## Commodities (USD)



Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 10 June 2016.  
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