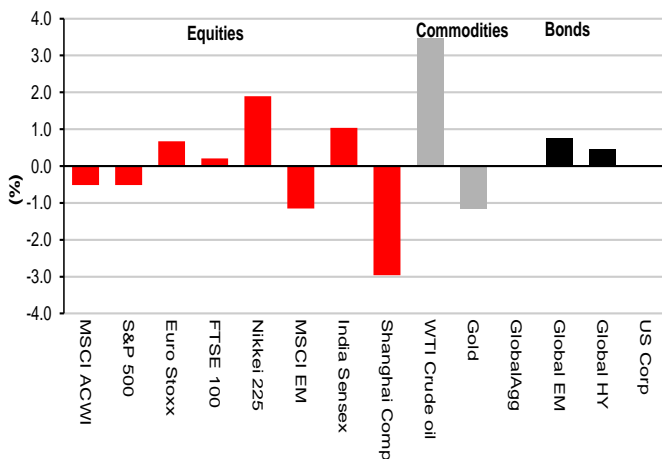


- ▶ European stocks rose on stronger domestic demand, US markets were little changed as hawkish Fed speak offset stronger consumer data and Chinese equity markets fell on concerns that policymakers would provide less supportive policy than previously thought
- ▶ US Fed speak highlighted members' concerns that market expectations for rate hikes are too dovish relative to their own
- ▶ A notably stronger than expected US retail sales report did little to boost risk appetite despite pointing to a healthier consumer; it also lent weight to the case for higher interest rates
- ▶ In the coming week, investors will pay particular attention to Japan's Q1 GDP data, the release of the April Federal Open Market Committee (FOMC) meeting's minutes, and Chinese industrial production and retail sales data

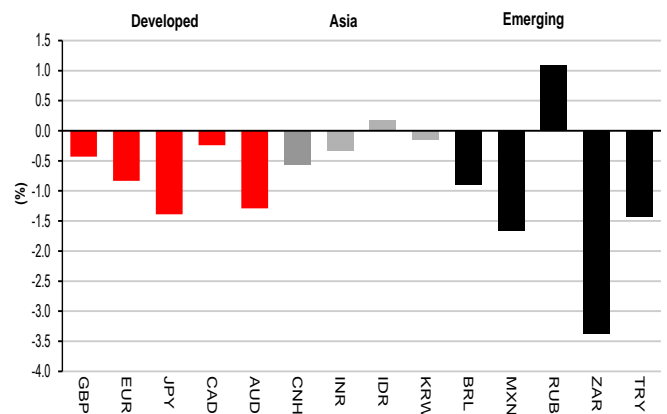
### Movers and shakers

The Shanghai Composite Index fell as trade data disappointed

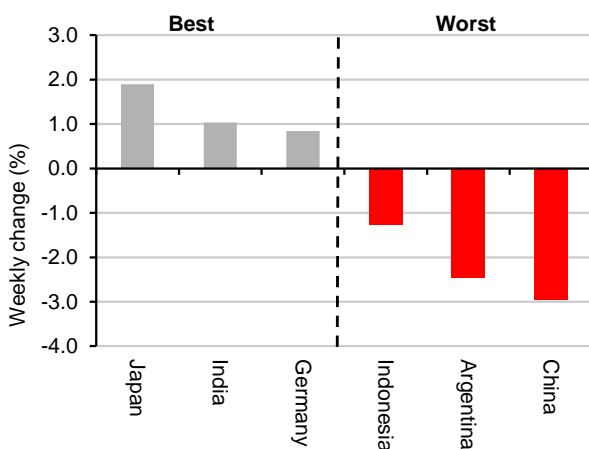


### Currencies (versus US dollar)

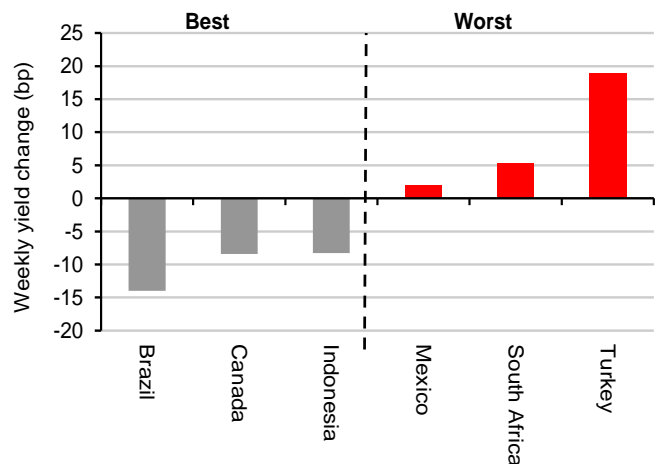
The US dollar appreciated against most currencies



### Equities



### Bonds (10-year)



Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 13 May 2016. All the above charts relate to 06/05/2016 – 13/05/2016. Past performance is not an indication of future returns.

# Macro Data and Key Events

Past Week (09-13 May 2016)

Date	Country	Indicator	Data as of	Survey	Actual	Prior
Sunday 08 May	China	Trade Balance (USD)	Apr	40.0bn	45.6bn	29.9bn
Monday 09 May	Germany	Factory Orders, Working Day Adjusted (yoy)	Mar	0.1%	1.7%	0.7%
	Mexico	CPI (yoy)	Apr	2.6%	2.5%	2.6%
Tuesday 10 May	China	CPI (yoy)	Apr	2.3%	2.3%	2.3%
	Germany	Industrial Production, Working Day Adjusted (yoy)	Mar	1.1%	0.3%	2.0%
Thursday 12 May	UK	Bank of England Inflation Report				
	India	Industrial Production (yoy)	Mar	2.5%	0.1%	2.0%
	India	CPI (yoy)	Apr	5.1%	5.4%	4.8%
Friday 13 May	Eurozone	GDP (qoq, Second Estimate)	Q1 P	0.6%	0.5%	0.6% P
	US	Retail Sales Advance (mom)	Apr	0.8%	1.3%	-0.3%

P – Preliminary, Q – Quarter

- ▶ In the **US**, the economic data calendar was quite thin. The key release of **US retail sales** was stronger than expected at 1.3% mom in April, against consensus expectations of 0.8% mom, and the largest increase since March 2015. The rebound in the headline number was driven by a broad-based increase in sub-components: car sales posted a solid increase (3.2% mom), and the recent rise in oil prices drove gasoline sales higher. The retail sales control group (which excludes automobiles, gasoline, building materials, and food services and drinking places sales) also jumped 0.9% mom (consensus 0.4%) in April, from an upwardly revised 0.2% mom (previous 0.1% mom) in March. Overall, the retail sales report is upbeat and suggests that consumption is gaining momentum in Q2.
- ▶ In Europe, the **Bank of England (BoE)** voted unanimously to keep monetary policy unchanged at its May meeting, in line with expectations. The tone of the **meeting minutes** was markedly cautious relative to April. It was emphasised more than once that elevated uncertainty emanating from the European Union (EU) referendum risk was making the relationship between macroeconomic and financial indicators and underlying economic momentum harder to interpret, and that the Monetary Policy Committee was acting more cautiously due to this. At the press conference, no guidance was offered on what the monetary policy response to “Brexit” might be, although BoE Governor Mark Carney offered a reminder that rates could be cut. As for the **Inflation Report** itself (which the press conference largely ignored), the Bank downgraded its growth forecast and left its inflation forecast for this year and next essentially unchanged.
- ▶ In terms of European data, **the second estimate of eurozone Q1 GDP** was revised down to 0.5% qoq from the preliminary estimate of 0.6% qoq. This is not yet the final estimate, and the details of all the components will be released on 7 June. However, monthly indicators point to an increase in domestic demand, while net exports are likely to have been a drag due to weak global demand and the recent appreciation of the euro.
- ▶ **Germany’s factory orders** rose 1.9% mom in March (+1.7% yoy), exceeding expectations (0.6% mom) by a wide margin, and more than reversing the upwardly revised 0.8% mom decline in February (previous -1.2%). The rebound was driven by foreign orders, especially from non-eurozone countries. Looking beyond the monthly volatility, the order flow points to continued stable growth in the German industrial sector in the coming months. However, **German industrial production** fell for the second consecutive month in March, by -1.3% mom (+0.3% yoy), versus expectations of a more moderate decline of 0.2% mom (+1.1% yoy) and after -0.7% mom (2.0% yoy) in February. Leading indicators, such as the incoming flow of factory orders, suggest a strengthening of production in the coming months.
- ▶ In **China, trade data** was released last Sunday. **Exports** (in US dollar terms) fell 1.8% yoy in April, following an 11.5% gain in March, against consensus expectations of a flat (0.0%) reading. The volatility in export growth was partly due to the base effects. **Imports** (in US dollar terms) also surprised to the downside, contracting 10.9% yoy in April after a 7.6% yoy decline in March (consensus -4.0%). Import volumes of major commodities – such as crude oil, iron ore and copper – lost some momentum in April, following a notable pickup in February and March. Overall, the data was still consistent with export stabilisation at the end of Q1 and beginning of Q2, but internal demand appears sluggish. **CPI** inflation remained unchanged at 2.3% yoy in April, in line with expectations. Core CPI inflation (excluding food and energy) also held stable at 1.5%, while services prices edged up for a third month to 2.0%. Meanwhile, **PPI** deflation eased to -3.4% yoy in April from -4.3% yoy in March (consensus -3.7% yoy). The significant moderation of PPI deflation largely reflected the rise in commodity prices, inventory adjustment and improved investment growth.
- ▶ **Mexican CPI** fell back to 2.5% yoy in April, slightly below expectations of inflation holding steady at March’s 2.6% yoy rate. The monthly decline (-0.3% mom) was driven by lower electricity prices as summer subsidies took effect, a dip in transportation costs (subway and airfares) and a sharp fall in vegetable prices. This marks the 12<sup>th</sup>-straight month that inflation has been below the central bank’s 3% inflation target.

## Coming Week (16-20 May 2016)

Date	Country	Indicator	Data as of	Survey	Prior
Monday 16 May	US	NAHB/Wells Fargo Housing Market Index	May	59.0	58.0
Tuesday 17 May	UK	CPI (yoy)	Apr	0.5%	0.5%
	US	CPI (yoy)	Apr	1.1%	0.9%
	US	Housing Starts (mom)	Apr	2.9%	-8.8%
	US	Industrial Production (mom)	Apr	0.3%	-0.6%
Wednesday 18 May	Japan	GDP Annualised (qoq)	Q1 P	0.3%	-1.1%
	UK	ILO Unemployment Rate (3 Months)	Mar	5.1%	5.1%
	Eurozone	CPI (yoy)	Apr F	-0.2%	-0.2% P
	US	Fed Releases 27 April Meeting Minutes			
Thursday 19 May	South Africa	SARB interest rate decision	May	7.00%	7.00%
	Mexico	Banxico Publishes May Monetary Policy Meeting Minutes			
Friday 20 May	Brazil	IBGE inflation IPCA-15 (yoy)	May	9.5%	9.3%
	Mexico	GDP seasonally adjusted (qoq)	Q1 F	0.0%	0.8% P
	US	Existing home sales (mom)	Apr	1.3%	5.1%

P – Preliminary, Q – Quarter, F – Final

### US

- ▶ May's **NAHB/Wells Fargo Housing Market Index**, which measures homebuilder confidence, is expected to tick up to 59.0, after staying at 58.0 from February to April. Interestingly, April saw the number of prospective buyers continue to rebound from February's ninth-month low. The index has seen minimal change since September 2014, but points to continued improvement, remaining above its historical average of 49.0.
- ▶ **US housing starts** are expected to increase by 2.9% mom in April (annualised 1,120,000), after declining 8.8% in the previous month following the early Easter holiday. 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 survey.
- ▶ **US existing home sales** exceeded expectations in March, rising 5.1% to 5,330,000 annualised, after a 7.3% decline in February. The median sale price also rose firmly despite a continued recovery in inventory from the December multi-year low, pointing to continued strength in the housing market. Existing home sales are expected to rise 1.3% mom in April.
- ▶ April's release of **US CPI** inflation is expected to show that prices drifted marginally higher to 1.1% yoy from 0.9% in March, driven primarily by higher energy prices; gasoline, in particular, was up 8.4% mom. Any upside surprise will be closely watched by the US Federal Reserve (Fed), although its preferred measure of inflation, the Personal Consumption Expenditure core price index, is not released until the end of May.
- ▶ The release of the **April FOMC meeting minutes** should provide greater insight to the discussions that underpinned the committee's decision to keep rates on hold despite an improving external growth environment. The level of concern surrounding the transitory nature of the recent tick up in inflation may provide a clue as to how close we are to the next rate hike.

### Europe

- ▶ March's **UK CPI** rose 0.5% yoy, its highest level since December 2014, mainly due to a sharp rise in airfares due to the timing of Easter. For April, even if the pullback in airfares pushes services inflation lower, this could be offset by a pickup in goods inflation on the back of higher petrol prices during the month, leaving the annual rate of increase essentially unchanged at 0.5% yoy.
- ▶ Meanwhile, the **UK unemployment** rate is expected to hold steady at 5.1% in the three-month rolling period to March, despite recent signs that the UK economy is experiencing a soft patch ahead of June's referendum on EU membership. The slight uptick in the UK claimant count in March (+6,700) supports this view, although the trend remains positive on a three-month rolling basis (-10,300).
- ▶ The flash estimate of April **eurozone CPI** declined by 0.2 percentage points to -0.2% yoy on the back of technical reasons due to the timing of Easter, with services inflation falling back to 0.9%, having spiked to 1.4% yoy in March. Going forward, headline inflation is expected to remain at or slightly below zero during the summer, but should return to positive values in the autumn, due to base effects related to energy prices. The flash reading should be confirmed by this week's final readings.

### Emerging markets and Japan

- ▶ **Mexico's** Central Bank will release its May **monetary policy meeting minutes**, which should provide more details on the committee's concern around the upside risk posed to inflation from peso weakness and further details on the balance of risks to domestic activity in light of the committee's downbeat outlook for global growth. Meanwhile, the final release of **Mexico's Q1 GDP** is expected to show little change from the prior release, with consumers continuing to be a key driver of growth, encouraged by unemployment moving to its lowest level since June 2008.

- ▶ **Brazil's IBGE Inflation IPCA-15** is expected to accelerate to 9.5% yoy in May, after two months of slower-paced rises. The central bank of Brazil is largely expected to keep interest rates elevated, as inflation is not expected to return to the 3%-6% target range until Q2 2017.
- ▶ **Japan's real GDP** is expected to grow 0.3% qoq annualised in Q1, following a 1.1% contraction in Q4 2015. Private consumption likely increased 0.2% qoq, after falling 0.9% in the previous quarter, supported by improvements in wage and employment conditions. Business spending is forecast to have contracted 0.8% qoq versus a 1.5% rise in Q4 2015, on the back of yen appreciation and weak external demand. Exports may improve, thanks to an upturn in global and US manufacturing, with progress on (tech) inventory adjustments and a pickup in China's investment growth. Overall, the GDP data is likely to show weakness, keeping expectations alive for more government policy stimulus.
- ▶ The **South African Reserve Bank** is expected to maintain its repo rate at 7.00%, after raising it by 25bps to 7.00% in March. However, there is an upside risk of a 25bp hike at this meeting. The recent tightening of monetary policy, despite a worsening economic outlook, has been driven by the need to cope with rising inflation amid rocketing food prices and rand weakness. Importantly, price increases have slowed recently, with CPI for March coming in at 6.3% yoy, down from 7.0% the preceding month and only 0.3 percentage points higher than the upper band of the 3%-6% target. Meanwhile, incoming hard data points to further slack in the economy. In particular, unemployment for the first quarter of 2016 rose to 26.7%, its highest rate in at least eight years.

## Market Moves

### Equity Markets

- ▶ In the US, the S&P500 Index was down this week (-0.5%), extending its losing streak to three weeks. Tuesday saw a sharp increase driven by a rally in oil prices. However, gains were pared back by some disappointing corporate earnings reports, especially in the consumer discretionary sector, although a robust retail sales release provided support to this sector on Friday.
- ▶ After six consecutive day of declines, the EURO STOXX 50 Index rose marginally on Monday, with investor sentiment supported by a rebound in German factory orders and faster than expected easing in China's PPI deflation. However, a fluctuating oil price and some weak corporate earnings reports weighed on sentiment. Particularly poor results in the banking sector hit the financial-heavy peripheral indices the hardest. The EURO STOXX 50 Index ended the week up (+0.7%).
- ▶ Japan's Nikkei 225 Index posted a weekly gain (+1.9%) as a weaker yen against the US dollar supported exporter shares. India's SENSEX 30 Index ended the week higher (+1.0%) amid optimism over the progress of some key legislation in parliament, offsetting disappointing CPI inflation and industrial production data. The Philippines' PSE Composite Index rallied (+6.4%) on the decisive win of Rodrigo Duterte as the nation's next president and as he pledged economic policy continuity. Most other stock markets declined this week. China's Shanghai Stock Exchange Composite Index ended lower (-3.0%) amid concerns over the sustainability of the Chinese economic recovery ahead of Saturday's monthly activity data releases and worries that the government would hold off on adding new stimulus amid rising financial risks and excess leverage.

### Core government bond yields

- ▶ **US Treasuries** extended recent gains (yields fell), supported by generally weak risk appetite, as well as solid demand in this week's USD62 billion of bond auctions in various maturities. Ten-year Treasury yields finished lower for a third straight week (-8bps to 1.70%). At the shorter end, however, policy-sensitive two-year yields closed up (+2bps to 0.75%), lifted on Friday by a much stronger than expected retail sales report building on the momentum provided by the normally dovish Boston Fed President Eric Rosengren, who commented on Thursday that the recent economic data warrants continued gradual interest rate increases. President Rosengren, who is a voter on the FOMC in 2016, stressed that the likelihood of the Fed removing monetary accommodation is higher than currently priced in financial markets.
- ▶ Most of the action in European government bond markets this week was in the periphery. Greek debt in particular rallied sharply (10-year yields fell 100bps to 7.3%), buoyed by news that the government has passed reforms that could unlock emergency loans from international creditors. In addition, Monday's meeting with eurozone finance ministers concluded with signs that debt relief may be granted for the nation. Portuguese 10-year bonds also advanced following a successful auction of EUR1.15 billion of 10-year bonds, although increased supply from auctions hurt Spanish and Italian prices. German 10-year bund yields fell 2bps to 0.12%. Thursday saw UK 10-year gilt yields rise, as BoE Governor Mark Carney warned of potential economic consequences if the UK were to leave the EU; the move was later reversed and gilt yields closed the week lower (-4bps to 1.38%).

### Currencies

- ▶ After a fairly quiet start to the week, the **euro** fell from late Wednesday onwards, in the wake of a stronger dollar. The greenback found additional strength on Thursday after Boston Fed president Eric Rosengren and Kansas City Fed President Esther George both reiterated the case for US interest rate increases and highlighted that market expectations for rate hikes are currently too low. On Friday, mixed macroeconomic data from the eurozone also weighed on the single currency. Overall, the euro closed lower for the second consecutive week (-0.8%). Meanwhile, the **British pound** swung between gains and losses this week, eventually finishing slightly lower (-0.4%) as the BoE highlighted its concerns over the uncertainty associated with the EU referendum at its latest monetary policy meeting and industrial production and construction data disappointed.

- ▶ Most Asian currencies weakened against the US dollar this week, amid reduced risk appetite. The Japanese yen posted its second weekly decline versus the US dollar (-1.4%) on renewed speculation that monetary policy in Japan and the US would diverge further. Bank of Japan Governor Haruhiko Kuroda reiterated on Friday that there is room to ease monetary policy further, while policymakers said this week that the government can intervene to stabilise the foreign exchange market if necessary. The Malaysian ringgit (-0.7%) capped a third week of losses, after the country's current account surplus narrowed more than expected and economic growth slowed further in Q1. The Thai baht also fell (-1.0%) after the Bank of Thailand kept rates on hold but expressed concerns about the Thai baht's strength against the US dollar. Meanwhile, the Philippine peso (+1.0%) bucked the trend to appreciate versus the US dollar, as President-elect Rodrigo Duterte vowed to continue the current administration's economic policies.
- ▶ Meanwhile, outside of Asia, the Russian rouble outperformed this week against the US dollar on the back of gains in crude oil prices. The Brazilian real edged lower (-0.9%) as the country's senate voted in favour of impeaching President Dilma Rousseff, opening the potential to end the political deadlock that has hindered the country. Elsewhere, the underperformance of the South African rand (-3.4%) came as data showed the country's unemployment rate edged up to 26.7% in Q1, adding to concerns over the country's growth outlook.

## Commodities

- ▶ WTI crude oil prices rose this week (+3.5% to USD46.2 per barrel) to reverse early week losses. Supply disruptions in Libya, Nigeria and Canada boosted prices, although this was offset by signs of a comeback in Canadian oil sands production. Prices also rallied on the back of a report from the International Energy Agency suggesting that global oversupply could be eroded faster than previously thought. Meanwhile, support also came from continued decline in US crude production, and a surprise drop in inventories in the weekly U.S. Energy Information Administration report. However, a stronger US dollar slowed gains by the end of the week. Brent crude also ended higher (+5.5% to USD47.9 per barrel).
- ▶ Gold prices fell this week (-1.2% at USD1,273 per ounce) as the US dollar strengthened amid a raft of hawkish Fed speak and following Friday's strong US retail sales data, with the increased prospect of US interest rate increases this year weighing on the non-yield-generating asset.

## 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)	394	-0.5	-2.2	10.2	-10.2	-1.4	444	351	15.9
<b>North America</b>									
US Dow Jones Industrial Average	17,535	-1.2	-2.1	9.8	-2.9	0.6	18,351	15,370	16.4
US S&P 500 Index	2,047	-0.5	-1.7	9.8	-2.5	0.1	2,135	1,810	17.4
US NASDAQ Composite Index	4,718	-0.4	-4.6	8.8	-5.3	-5.8	5,232	4,210	20.4
Canada S&P/TSX Composite Index	13,749	0.3	0.6	11.0	-8.2	5.7	15,231	11,531	18.3
<b>Europe</b>									
MSCI AC Europe (USD)	393	-0.2	-2.5	7.9	-16.7	-4.3	479	356	14.9
Euro STOXX 50 Index	2,957	0.7	-2.7	7.3	-16.8	-9.5	3,714	2,673	13.6
UK FTSE 100 Index	6,139	0.2	-3.5	7.5	-11.7	-1.7	7,070	5,500	16.4
Germany DAX Index*	9,953	0.8	-0.7	11.0	-12.3	-7.4	11,920	8,699	12.6
France CAC-40 Index	4,320	0.4	-3.8	8.1	-12.9	-6.8	5,218	3,892	14.4
Spain IBEX 35 Index	8,722	0.2	-1.1	10.1	-23.0	-8.6	11,613	7,746	13.6
<b>Asia Pacific</b>									
MSCI AC Asia Pacific ex Japan (USD)	398	-1.3	-4.8	9.9	-21.3	-3.3	512	357	12.8
Japan Nikkei-225 Stock Average	16,412	1.9	0.2	9.8	-17.0	-13.8	20,953	14,866	15.9
Australian Stock Exchange 200	5,329	0.7	5.4	11.8	-6.8	0.6	5,803	4,707	17.5
Hong Kong Hang Seng Index	19,719	-1.9	-6.8	7.6	-27.6	-10.0	28,525	18,279	10.7
Shanghai Stock Exchange Composite Index	2,827	-3.0	-7.8	2.3	-35.4	-20.1	5,178	2,638	12.9
Hang Seng China Enterprises Index	8,301	-2.0	-9.7	10.6	-40.1	-14.1	14,963	7,499	6.8
Taiwan TAIEX Index	8,054	-1.1	-6.9	-0.1	-17.2	-3.4	9,766	7,203	12.5
Korea KOSPI Index	1,967	-0.5	-0.7	7.2	-7.0	0.3	2,149	1,801	11.0
India SENSEX 30 Index	25,490	1.0	-0.5	10.9	-6.5	-2.4	28,578	22,495	16.1
Indonesia Jakarta Stock Price Index	4,762	-1.3	-1.9	1.0	-9.2	3.7	5,347	4,034	15.0
Malaysia Kuala Lumpur Composite Index	1,628	-1.3	-5.5	-0.9	-9.7	-3.8	1,824	1,504	15.7
Philippines Stock Exchange PSE Index	7,437	6.4	1.3	11.8	-4.8	7.0	7,923	6,084	19.0
Singapore FTSE Straits Times Index	2,735	0.2	-5.4	7.7	-20.8	-5.1	3,467	2,528	12.3
Thailand SET Index	1,395	0.3	0.7	9.3	-6.8	8.3	1,536	1,221	14.9
<b>Latam</b>									
Argentina Merval Index	13,122	-2.5	-1.3	16.4	7.6	12.4	14,597	8,660	14.2
Brazil Bovespa Index*	51,804	0.2	-2.5	30.1	-8.1	19.5	57,606	37,046	13.6
Chile IPSA Index	4,003	0.0	1.1	9.1	-2.3	8.8	4,127	3,419	13.9
Colombia COLCAP Index	1,350	4.4	-1.5	11.7	-0.6	17.0	1,382	1,046	14.6
Mexico Index	45,402	0.4	0.0	7.0	0.8	5.6	46,308	39,257	19.8
<b>EEMEA</b>									
Russia MICEX Index	1,907	0.3	-1.3	10.5	13.4	8.3	1,977	1,570	7.1
South Africa JSE Index	51,603	0.4	-2.5	6.2	-4.5	1.8	54,761	45,976	16.8
Turkey ISE 100 Index*	77,808	-0.7	-9.2	9.7	-10.0	8.5	88,652	68,230	8.8

\*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	12.0	0.3	-7.5	12.7	28.2
US equities	11.4	1.2	-0.8	31.4	65.4
Europe equities	10.0	-2.3	-13.9	0.4	4.8
Asia Pacific ex Japan equities	12.0	-1.3	-18.0	-8.6	-4.8
Japan equities	14.3	-5.9	-10.6	2.2	23.3
Latam equities	32.1	22.1	-16.2	-35.4	-40.7
Emerging Markets equities	13.9	2.1	-20.1	-16.8	-20.4

All total returns quoted in US dollar terms.

Data sourced from MSCI AC World Total Return Index, MSCI USA Total Return Index, MSCI AC Europe Total Return Index, MSCI AC Asia Pacific ex Japan Total Return Index, MSCI Japan Total Return Index, MSCI Emerging Markets Latin America Total Return Index and MSCI Emerging Markets Total Return Index.

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

Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 13 May 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)	499.0	0.0	0.3	2.2	4.9	3.9
JPM EMBI Global	721.5	0.7	1.1	8.6	5.1	7.6
BarCap US Corporate Index (USD)	2708.4	0.0	0.7	5.3	4.7	5.4
BarCap Euro Corporate Index (Eur)	237.0	-0.2	0.2	3.0	2.4	2.9
BarCap Global High Yield (USD)	398.9	0.5	1.6	10.8	1.2	6.7
HSBC Asian Bond Index	397.76	0.0	0.1	3.0	4.4	4.5

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

	Latest	1 Week Ago	1 Month Ago	3 Months Ago	1 Year Ago	Year- End 2015	52-Week High	52-Week Low
<b>Currencies (versus USD)</b>								
<b>Developed markets</b>								
EUR/USD	1.13	1.14	1.13	1.13	1.14	1.09	1.17	1.05
GBP/USD	1.44	1.44	1.42	1.45	1.57	1.47	1.59	1.38
CHF/USD	1.03	1.03	1.03	1.02	1.09	1.00	1.10	0.97
CAD	1.29	1.29	1.28	1.39	1.20	1.38	1.47	1.20
JPY	108.63	107.12	109.34	113.25	119.15	120.22	125.86	105.55
AUD	1.38	1.36	1.31	1.41	1.23	1.37	1.46	1.24
NZD	1.48	1.46	1.45	1.51	1.34	1.46	1.60	1.33
<b>Asia</b>								
HKD	7.76	7.76	7.76	7.79	7.75	7.75	7.83	7.75
CNY	6.53	6.50	6.48	6.57	6.20	6.49	6.60	6.19
INR	66.77	66.56	66.65	68.24	64.01	66.15	68.79	63.31
MYR	4.03	4.00	3.87	4.16	3.60	4.29	4.48	3.56
KRW	1,171.47	1,169.72	1,143.90	1,211.54	1,099.71	1,175.06	1,245.13	1,083.86
TWD	32.61	32.39	32.33	33.02	30.71	32.86	33.79	30.35
<b>Latam</b>								
BRL	3.53	3.50	3.50	4.00	3.04	3.96	4.25	2.97
COP	2,992.48	2,957.96	3,007.95	3,382.94	2,389.30	3,174.50	3,452.55	2,388.68
MXN	18.17	17.87	17.43	18.91	15.27	17.21	19.44	14.99
<b>EEMEA</b>								
RUB	65.45	66.17	66.28	78.66	49.32	72.52	85.96	48.14
ZAR	15.40	14.88	14.54	15.88	11.88	15.47	17.92	11.73
TRY	2.97	2.93	2.85	2.93	2.63	2.92	3.08	2.56

	Close	1-week Ago	1-month Ago	3-months Ago	1-year Ago	Year End 2015
<b>Bonds</b>						
<b>US Treasury yields (%)</b>						
3-Month	0.26	0.19	0.22	0.28	0.02	0.16
2-Year	0.75	0.73	0.75	0.71	0.58	1.05
5-Year	1.21	1.23	1.21	1.21	1.57	1.76
10-Year	1.70	1.78	1.76	1.75	2.29	2.27
30-Year	2.55	2.63	2.58	2.60	3.09	3.02

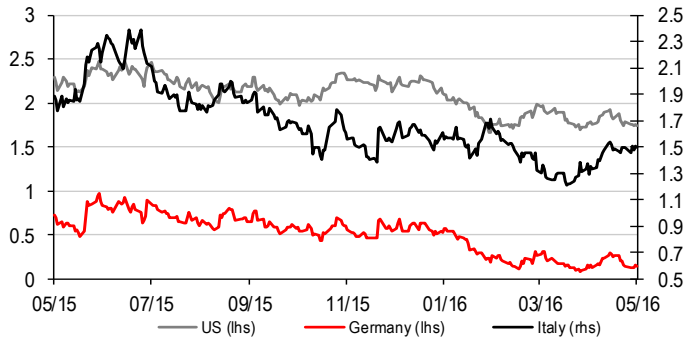
	Close	1-week Ago	1-month Ago	3-months Ago	1-year Ago	Year End 2015
<b>Developed market 10-year bond yields (%)</b>						
Japan	-0.11	-0.12	-0.08	0.08	0.45	0.26
UK	1.38	1.42	1.42	1.41	2.02	1.96
Germany	0.12	0.14	0.13	0.26	0.72	0.63
France	0.47	0.52	0.47	0.65	1.00	0.99
Italy	1.47	1.49	1.30	1.65	1.89	1.59
Spain	1.60	1.59	1.46	1.74	1.88	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	1,273	-1.2	2.5	2.8	4.7	19.9	1,304	1,046
Brent Oil	47.9	5.5	8.4	43.5	-28.3	28.4	68	27
WTI Crude Oil	46.2	3.5	10.7	57.0	-23.6	24.8	62	26
R/J CRB Futures Index	183	1.5	3.9	13.8	-21.0	3.6	232	155
LME Copper	4,613	-4.1	-4.5	2.5	-28.0	-2.0	6,459	4,318

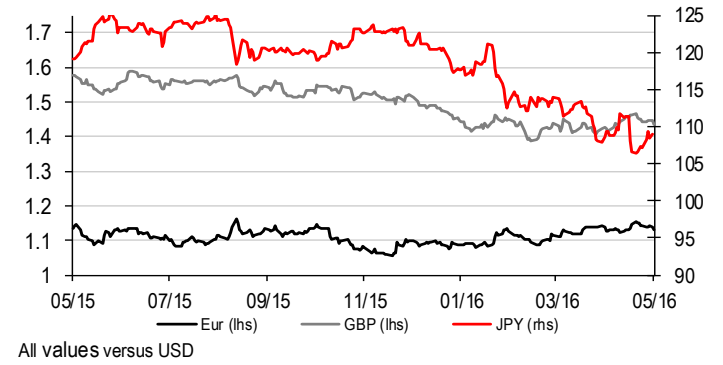
Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 13 May 2016.  
Past performance is not an indication of future returns.

# Market Trends

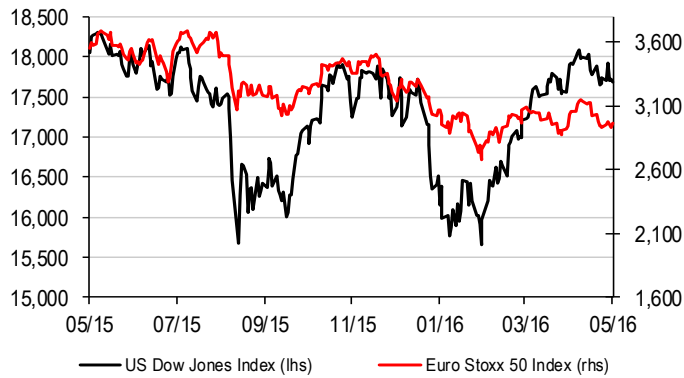
## Government bond yields (%)



## Major currencies (versus USD)



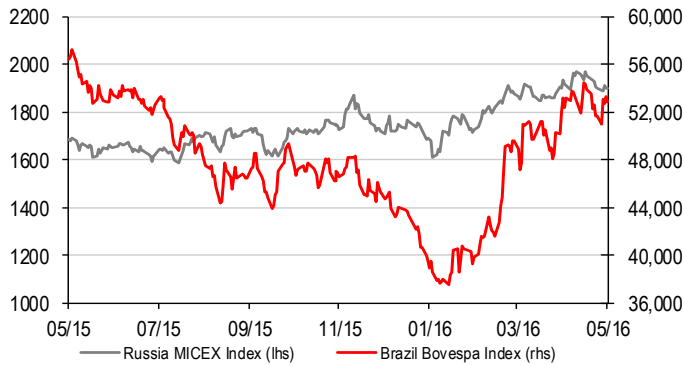
## Global equities



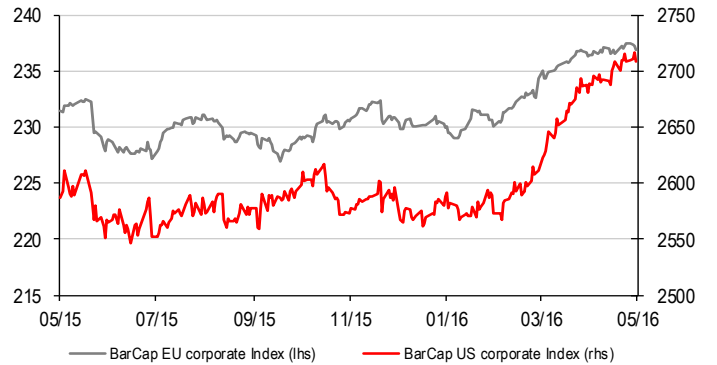
## Emerging Asian equities



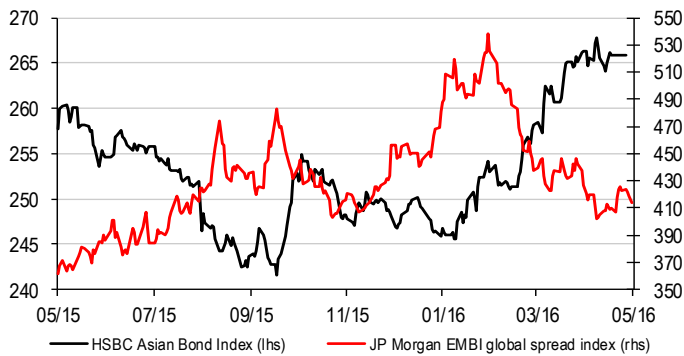
## Other emerging equities



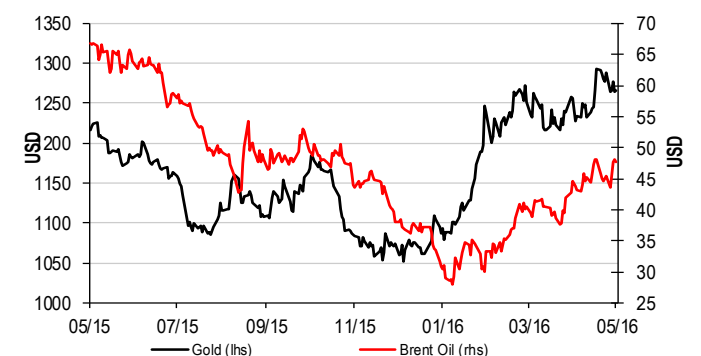
## Global credit indices



## Emerging markets spreads (USD indices)



## Commodities (USD)



Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 13 May 2016.  
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