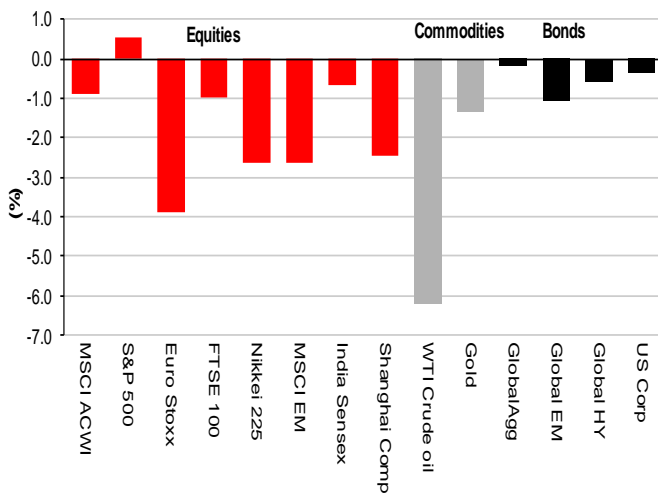


- ▶ Global stocks declined this week amid prevailing investor caution ahead of key central bank meetings; lower oil prices also weighed
- ▶ The market-implied probability of a US Federal Reserve (Fed) rate hike at September's meeting fell after Fed Governor Lael Brainard argued that "Today's new normal counsels prudence in the removal of policy accommodation"
- ▶ August's US headline retail sales fell 0.3% mom, more than expectations of -0.1%
- ▶ In the coming week, the Federal Open Market Committee (FOMC) and Bank of Japan (BoJ) September policy meetings will be in sharp focus

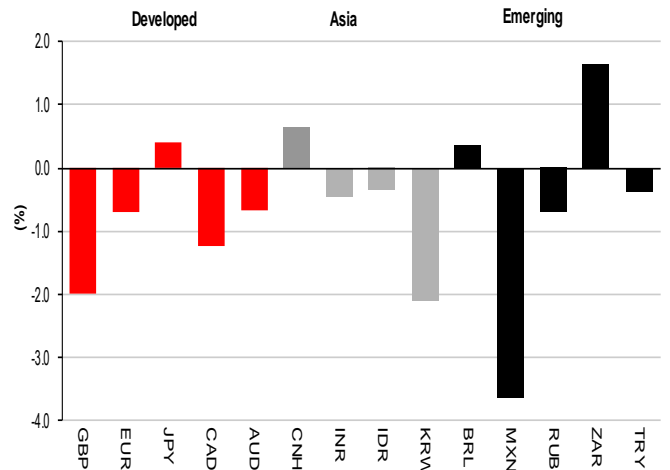
### Movers and shakers

Monetary policy uncertainty weighed on global equities

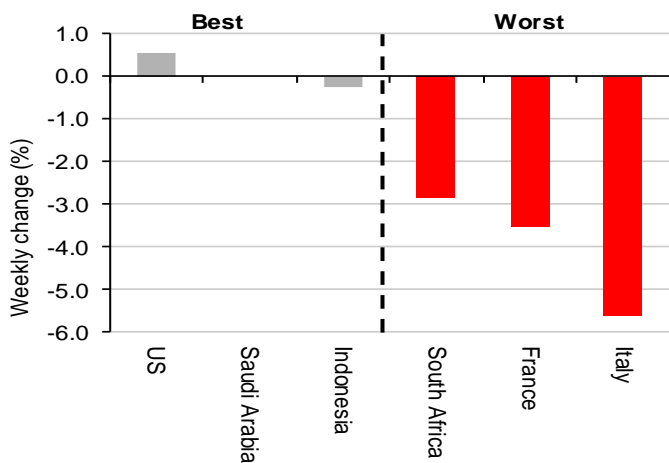


### Currencies (versus US dollar)

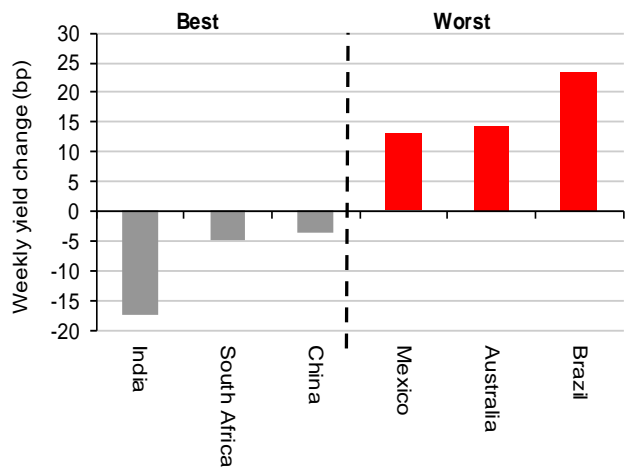
The US dollar was boosted by Friday's strong US inflation print



### Equities



### Bonds (10-year)



Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 16 September 2016. All the above charts relate to 09/09/2016 – 16/09/2016. Past performance is not an indication of future returns.

# Macro Data and Key Events

Past Week (12-16 September 2016)

Date	Country	Indicator	Data as of	Survey	Actual	Prior
Monday 12 September	India	CPI (yoy)	Aug	5.2%	5.1%	6.1%
Tuesday 13 September	China	Industrial Production (yoy)	Aug	6.2%	6.3%	6.0%
	UK	CPI (yoy)	Aug	0.7%	0.6%	0.6%
	Germany	ZEW Expectations of Economic Growth	Sep	2.5	0.5	0.5
Wednesday 14 September	Japan	Industrial Production (yoy)	Jul F	N/A	-4.2%	-3.8% P
	UK	ILO Unemployment Rate (3 Months)	Jul	4.9%	4.9%	4.9%
	Eurozone	Industrial Production (Working Day Adjusted, yoy)	Jul	-0.8%	-0.5%	0.7%
Thursday 15 September	Switzerland	Swiss National Bank Interest Rate Decision	Sep	-0.75%	-0.75%	-0.75%
	UK	Retail Sales, ex Auto Fuel (yoy)	Aug	4.8%	5.9%	5.8%
	Eurozone	CPI (yoy)	Aug F	0.2%	0.2%	0.2% P
	UK	Bank of England Interest Rate Decision	Sep	0.25%	0.25%	0.25%
	US	Retail Sales Advance (mom)	Aug	-0.1%	-0.3%	0.1%
	US	Industrial Production (mom)	Aug	-0.2%	-0.4%	0.6%
Friday 16 September	Russia	Central Bank of Russia Interest Rate Decision	Sep	10.00%	10.00%	10.50%
	US	CPI (yoy)	Aug	1.0%	1.1%	0.8%
	US	University of Michigan Index of Consumer Sentiment	Sep P	90.6	89.8	89.8

P – Preliminary, F – Final

- ▶ In August, **US headline retail sales** fell 0.3% mom, more than expectations of -0.1%. The decline came on the back of a marginally upwardly revised July print (+0.1% up from 0.0%), also preceded by the strongest quarter since Q3 2012. Looking at the details, vehicles and parts were the biggest drag (-0.19ppts), followed by building materials (-0.09ppts). A drop in gasoline prices over the month also weighed on sales in gasoline stations (-0.06ppts). The control group (excluding food, autos, gas and building materials), which feeds directly into GDP, fell 0.1% mom (consensus +0.4%, -0.1% previously). As a result, the 3m/3m annualised change is currently at 3.4%, against 5.5% in July and 6.9% in June. Overall, the latest prints reinforced the market's expectation of inaction at next week's FOMC meeting. **CPI inflation** came in at 0.2% mom in August, 0.1ppts higher than expectations, pushing the annual growth rate to a four-month high of 1.1% yoy (although broadly in line with the 2016 average of +1.0%). Meanwhile, core inflation rose 0.3% mom (its highest rate since February), with particularly strong gains seen in medical care services (+0.9% mom), leaving the annual rate at 2.3% yoy. Finally, the preliminary estimate of the headline **University of Michigan Index of Consumer Sentiment** for September held steady at 89.8, slightly lower than expectations (90.6), although maintaining the robust 86-98 range it has occupied since October 2014. However, the assessment of Current Economic Conditions dipped to an almost one-year low (103.5) with a smaller share of respondents reporting income increases. Despite this, the Expectations component ticked up (+2.4pts to 81.1). Finally, inflation expectations over the next year fell by 0.2ppts to 2.3% yoy, although in the longer run (in five to 10 years' time) respondents still expected inflation of 2.5%.
- ▶ **In the eurozone, industrial production** dipped by 1.1% mom in July, tipping the annual growth rate into negative territory for the first time since March (-0.5%), highlighting the continuing headwinds facing European industry (primarily softness in key export markets and stagnant world trade growth). Elsewhere, the September **ZEW Indicator of Economic Sentiment** for **Germany** came in slightly weaker than expected (55.1 versus 57.6 in the prior month), although it continues to signal robust growth in the German economy as the Q3 average (54.2) remains above that for Q2 (51.8). Meanwhile, the **expectations** component was unchanged at 0.5, most likely reflecting the relative stability of financial markets during the month. However, this stands below the Q2 average, indicating that respondents expect growth to slow in the coming quarters.
- ▶ As expected, the **Bank of England** kept policy on hold at its **September meeting**, with the Bank Rate held at 0.25% and the purchase target for the quantitative easing and corporate bond buying programmes also unchanged at GBP435 billion and GBP10 billion respectively. The minutes of the meeting state that the bank's comprehensive package of stimulus measures last month had a "greater than anticipated boost to UK asset prices," while the bank's lending rates had declined. Meanwhile, the committee also pointed out that recent better than expected UK activity data meant it now expected "less of a slowing in UK GDP growth in the second half of 2016," having previously forecast "little growth" (the latest forecasts: 0.3% qoq in Q3 versus 0.1% in August). The minutes also reiterated that interest rates could be cut again this year, although this would be conditional on the outlook remaining in line with that expressed in the August Inflation Report. Headline **retail sales** dipped by 0.2ppts less than expected in August (-0.2% mom), and the previous month's data was also revised upwards to 1.9% mom (previously 1.4% mom), leaving the annual growth rate at a robust 6.2% yoy. Sales excluding auto fuel (-0.3% mom) were also better than expected. The data adds to evidence that the UK economy is holding up well following the Brexit vote. With respect to the labour market, jobless claims rose slightly more than expected in August (+2,400), although this follows July's surprise decline (revised from -8,600 to -3,600), with the claimant count remaining at 2.2%, where it has sat since March. Meanwhile, the **unemployment** rate in the three months through July held steady at an 11-year low of 4.9%, with jobs growth in the same period (+174,000) pushing total employment to a fresh record high.

- ▶ In **Japan, industrial production** for July was revised down from a preliminary estimate of 0.0% mom to -0.4% mom, and from -3.8% yoy to -4.2% yoy, the slowest pace since January and the fourth consecutive month of negative readings. The soft production data, along with weak inflation signals, should incentivize the BoJ to announce more easing measures at next week's meeting, although the range of sustainable and credible policy options looks increasingly tight.
- ▶ **China's industrial production** for August came in slightly higher than expected, up from 6.0% yoy in July to 6.3% (consensus at 6.2%), due to acceleration in sectors such as food and pharmaceuticals. Meanwhile, ferrous metal smelting remained very weak, confirming that capacity reduction is still underway. **Retail sales** for August also beat expectations, up 10.6% yoy (consensus at 10.2%). Given the deceleration in CPI inflation observed in August, from 1.8% to 1.3%, real retail sales picked up markedly last month, which suggests private consumption will remain a strong pillar of GDP growth in Q3. Lastly, **fixed asset investment** was also better than expected at +8.1% yoy (consensus expectations at +7.9% yoy), matching the growth rate in July.
- ▶ In **India, CPI** inflation moderated significantly to 5.1% yoy in August from 6.1% in July, driven by a sharp correction in food prices and base effects. Core inflation edged only slightly lower, indicating a stable underlying trend. Base effects could tilt yoy headline CPI inflation lower towards the end of the year, with the inflation trajectory likely to keep the door open for another rate cut in FY17. July's **industrial production** fell by -2.4% yoy, against an expected slowing to +1.4% yoy, from +2.0% in June. This was driven by a sharp decline in manufacturing (-3.4%), while electricity and mining output also weakened. Contraction in capital goods output remained a major drag on overall production, while consumer goods output slowed but held up relatively well.
- ▶ As expected, the **Central Bank of Russia** cut its key rate by 50bps to 10.00% at its **September policy meeting** on the back of the recent slowdown in headline inflation. The bank's statement confirmed that the key rate would be kept on hold until the end of 2016 with "further possible cuts in 2017 Q1-Q2." The bank expects to reach its "4% target by late 2017," although the "inertia of inflation expectations and potential weaker household saving motives" were cited as reasons for potentially failing to reach the target.

### Coming Week (19-23 September 2016)

Date	Country	Indicator	Data as of	Survey	Prior
Monday 19 September	US	NAHB/Wells Fargo Housing Market Index	Sep	60	60
Tuesday 20 September	US	Housing Starts (mom)	Aug	-1.7%	2.1%
Wednesday 21 September	Japan	Bank of Japan Interest Rate Decision (Policy Rate)	Sep	-0.10%	-0.10%
	Japan	Trade Balance, Adjusted (JPY billion)	Aug	500.0	317.6
	US	FOMC Interest Rate Decision	Sep	0.50%	0.50%
Thursday 22 September	Turkey	CBRT Interest Rate Decision (Overnight Lending Rate)	Sep	8.25%	8.50%
	Brazil	IBGE Inflation IPCA-15 (yoy)	Sep	9.0%	9.0%
	US	Existing Home Sales (mom)	Aug	1.1%	-3.2%
	South Africa	SARB Interest Rate Decision	Sep	7.00%	7.00%
	Eurozone	ECB President Draghi Speaks at ESRB Conference	N/A	N/A	N/A
Friday 23 September	Eurozone	Markit Composite PMI	Sep P	52.8	52.9

P – Preliminary, Q – Quarter, F – Final

### US

- ▶ The **FOMC** is expected to keep monetary policy unchanged at its **September meeting**. Market expectations are for the recent increase in hawkish rhetoric to be reflected in the statement, in particular Fed Chair Janet Yellen's argument that the case for raising rates has "strengthened" and San Francisco Fed President John Williams and Vice Chair William Dudley expressing the opinion the Fed should raise rates sooner rather than later. So far, Brexit and international factors appear to have had little impact on eurozone or US data. Inflation is marginally below target, but its trend remains upward, meaning that some Fed officials are cautious about falling behind the curve, although the continued lack of wage pressure remains a hurdle. This meeting also brings the quarterly "dot plot" and economic forecast revisions, with particular attention likely to be paid to any altering of the long-run federal funds rate and the outlook for growth. Similarly, in the statement, the assessment of the balance of risks will be important to gauge the committee's level of comfort with the near-term outlook.
- ▶ In a housing market data heavy week, **US housing starts** are expected to edge -1.7% mom in August (annualised 1,190,000), remaining very close to the top end of the range occupied since April 2015. Over the past year, new total construction has stalled in the 1,100,000-1,210,000 range. More recently, this move has been supported by firmer multi-family home construction, with single-family home construction remaining close to a cycle high. Similarly, we look for August's **existing home sales** release to show a 1.1% mom rise (5,450,000 against 5,390,000 previously). This is supported by July's pending home sales rising to their highest level in three months (+1.3% mom). The September release of the **NAHB/Wells Fargo Housing Market Index**, which measures homebuilder confidence, is expected to remain at August's level of 60, following a period of stability at 58 from February to May. August saw a tick higher in both the future and present expectations components, although prospective buyer traffic weakened marginally. The continued strength of the labour market and high levels of affordability, boosted by close to record low mortgage interest rates, are likely to continue to support the housing market.

## Europe

- ▶ The September flash **Markit Eurozone Composite PMI** is expected to edge lower by 0.1pts to 52.8, on the back of a deterioration in the manufacturing component (by 0.2pts to 51.5) as activity in the industrial sector continues to be weighed on by weak global demand. The services reading is expected to remain unchanged at 52.8, highlighting the general resilience of the European economy to June's Brexit vote. Meanwhile, the output prices component of the composite index will be keenly observed, given it has remained in contractionary territory since September 2015, highlighting the European Central Bank's challenges in reaching its inflation target.

## Japan and emerging markets

- ▶ The outcome of the **Bank of Japan's** two-day monetary **policy meeting** is particularly uncertain as it will depend, to a large extent, on the conclusions of the reassessment of the policy tools and objectives announced at the July meeting. Most of the debates will likely gravitate around the negative interest rate policy initiated last January. So far, this measure hasn't had the intended consequences of boosting bank lending and depreciating the yen, but has instead raised concerns about the stability of the financial system. Japanese policymakers may also decide to stay on hold in order to gain clarification about the future course of US monetary policy (the Fed holds its FOMC meeting later the same day).
- ▶ In **Japan**, the seasonally adjusted **trade balance for August** is expected to show an increase, up from JPY317.6 billion to JPY500.0 billion. Data available for the first 20 days of August suggest exports rose more (+8.0%) than imports (+1.4%) over the period. On a year-on-year basis, however, exports are likely to remain in negative territory, undermined by the appreciation of the yen amid soft global trade momentum.
- ▶ September's **Brazilian IPCA inflation** is anticipated to remain at 8.95%, having been between 8.93% yoy and 8.98% yoy for the last three months. This marks a firm decline since the 10.84% yoy seen in February. The Central Bank of Brazil earlier this month made it clear that the balance of risks surrounding inflation needs to decline further to increase the likelihood of the first interest rate cut since 2012, as the bank seeks to return inflation to its 4.5% target. Further food price stability and a decrease in the uncertainty surrounding the fiscal outlook were both highlighted in the prior report as critical hurdles to enhancing confidence about the inflation outlook.
- ▶ The **Central Bank of Turkey** is expected to maintain its dovish bias and cut the overnight lending rate by 25bps at its **September meeting**, with recent softer than expected activity data (Q2 GDP, August CPI) reinforcing this expectation.

## Market Moves

### Most global stock indices fell on prevailing investor caution ahead of key central bank meetings; lower oil prices also weighed

- ▶ **US stocks** opened higher this week, erasing part of last week's sell-off, after Fed Governor Lael Brainard called for "prudence" in monetary policy normalisation. She highlighted undershooting inflation, weak global growth and a low neutral interest rate, among other things, as reasons to be cautious. Furthermore, equities were also supported by diminishing prospects of Fed action next week after retail sales and industrial production for August disappointed. However, gains were pared mid-week as weaker oil prices hit the energy sector, dampening investor sentiment more generally. Overall, the S&P 500 Index closed up (+0.5%); the technology sector outperformed and energy shares fell the most.
- ▶ In Europe, an investor reassessment of the monetary policy outlook dominated sentiment this week, and falling oil prices did little to lift the cautious mood. Weak macroeconomic data, including eurozone industrial production for July and the August German ZEW expectations survey, also dampened risk appetite. Overall, **the EURO STOXX 50 Index** tumbled (-3.9%) over the week. Peripheral indices such as Spain's IBEX 35 (-4.3%) and Italy's FTSE MIB Index (-5.6%) also fell heavily as financial shares stumbled. Meanwhile, the UK's FTSE 100 Index performed better (-1.0%), with support coming from a weaker sterling, better than expected retail sales data for August and the Bank of England's upgrade of its near-term outlook for the UK economy.
- ▶ **Asian stocks** fell sharply this week as concerns about global monetary policy dampened risk appetite at the global level, while falling crude oil prices weighed on energy shares. Japan's Nikkei 225 Index declined (-2.6%) on fears that the BoJ could decide to cut its policy rate further into negative territory. A slightly stronger yen also dragged the export-heavy index. In Hong Kong, the financial-heavy Hang Seng Index also retreated sharply (-3.2%). A number of markets (South Korea, China, Taiwan, Hong Kong, Malaysia) were closed for a public holiday at the end of the week.

### US Treasury curve bull steepened on lower rate hike prospects; core European bonds outperform periphery

- ▶ The **US Treasury** curve bull steepened (yields fell) over the week as dovish comments from Fed Governor Lael Brainard and weaker than expected data releases reduced the prospects of a near-term rate hike, although this was offset somewhat by Friday's higher than expected US CPI print. Policy-sensitive two-year Treasuries outperformed (-2bps to 0.76%), while 10-year Treasury yields edged up (+2bps to 1.69%), paring early-week losses on the back of concerns about global central bank policy, weak demand at a reopened USD12 billion auction of 30-year debt and heavy investment-grade issuance.

- ▶ **Core European government bonds** were little changed this week, with the disappointing German ZEW survey release and lower oil prices supporting demand for perceived “safe-haven” assets. Overall, German 10-year bunds finished the week at 0.01%. Equivalent-maturity riskier peripheral bonds weakened (excluding Spain), with Portugal incurring a heavy sell-off this week as the country’s budget watchdog cautioned of an economic slowdown and a deficit that would miss European Union targets. This raised concerns over the country’s fiscal sustainability and a potential downgrade to its credit rating.

#### Heightened risk aversion weighed on emerging market currencies; Japanese yen appreciated slightly

- ▶ **British sterling** fell versus the US dollar again this week (-2.0%), weighed by a softer than expected UK August CPI print on Tuesday, while a stronger US dollar on Friday – on the back of a robust US CPI inflation print for August – also saw the pound retreat. Meanwhile, the **euro** treaded water for most of this week before also falling sharply on Friday to close down against the greenback (-0.7%).
- ▶ **Most Asian currencies** depreciated against a stronger US dollar over the week, amid heightened investor risk aversion on the back of persistent uncertainty about the outlook for US monetary policy. The Korean won saw the biggest decline (-2.1%) as North Korea carried out its fifth and most powerful nuclear test yet. The oil-sensitive Malaysian ringgit also depreciated sharply (-1.4%) as crude oil prices declined. As a perceived “safe-haven” currency, the yen bucked the regional trend, appreciating slightly (+0.4%).

#### Lingering fears over global supply glut forced oil prices lower; gold also retreated

- ▶ **Oil prices** edged lower this week, on the back of lingering fears of a global supply glut as Libya and Nigeria both signalled an increase in oil exports in the next few weeks. Meanwhile, the U.S. Energy Information Administration weekly report showed an unexpected decline in US crude inventories last week (-0.6 million barrels; consensus at +2.8 million), but gasoline and distillate inventories rose more than expected. Overall, WTI for October delivery closed down (-6.2% to USD43.0 per barrel) as did Brent crude (-4.1% to USD46.1 per barrel).
- ▶ **Gold** prices retreated this week (-1.3% to USD1,310 per ounce), erasing consecutive gains over the previous two weeks. Interestingly, this weakness came despite the deteriorating rate hike outlook in the US as a stronger dollar over the week weighed on the 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)
<b>Equity Indices</b>									
<b>World</b>									
MSCI AC World Index (USD)	411	-0.9	-2.1	4.9	3.1	3.0	425	351	16.7
<b>North America</b>									
US Dow Jones Industrial Average	18,124	0.2	-2.3	2.2	8.3	4.0	18,668	15,451	17.1
US S&P 500 Index	2,139	0.5	-1.8	2.9	7.2	4.7	2,194	1,810	18.2
US NASDAQ Composite Index	5,245	2.3	0.3	8.2	7.3	4.7	5,288	4,210	22.4
Canada S&P/TSX Composite Index	14,451	-0.6	-1.7	4.1	5.0	11.1	14,856	11,531	19.3
<b>Europe</b>									
MSCI AC Europe (USD)	392	-2.7	-2.6	5.2	-7.7	-4.5	437	354	15.4
Euro STOXX 50 Index	2,935	-3.9	-2.7	4.1	-9.7	-10.2	3,524	2,673	13.8
UK FTSE 100 Index	6,710	-1.0	-2.7	12.8	7.7	7.5	6,955	5,500	17.1
Germany DAX Index*	10,276	-2.8	-3.8	7.6	0.5	-4.3	11,431	8,699	13.3
France CAC-40 Index	4,332	-3.5	-2.9	4.3	-6.7	-6.6	5,012	3,892	14.3
Spain IBEX 35 Index	8,633	-4.3	0.1	5.3	-13.5	-9.5	10,632	7,580	15.2
<b>Asia Pacific</b>									
MSCI AC Asia Pacific ex Japan (USD)	441	-2.4	-2.3	10.1	8.6	7.2	459	357	14.4
Japan Nikkei-225 Stock Average	16,519	-2.6	-0.5	7.0	-9.1	-13.2	20,012	14,864	16.3
Australian Stock Exchange 200	5,297	-0.8	-4.3	2.9	3.9	0.0	5,611	4,707	16.4
Hong Kong Hang Seng Index	23,336	-3.2	1.9	16.5	6.2	6.5	24,364	18,279	12.8
Shanghai Stock Exchange Composite Index	3,003	-2.5	-3.4	4.5	-4.7	-15.2	3,685	2,638	14.1
Hang Seng China Enterprises Index	9,596	-4.6	-1.2	14.1	-3.1	-0.7	10,885	7,499	8.3
Taiwan TAIEX Index	8,902	-2.9	-2.3	4.8	6.8	6.8	9,279	7,628	14.3
Korea KOSPI Index	1,999	-1.9	-2.4	2.4	1.2	1.9	2,074	1,818	11.3
India SENSEX 30 Index	28,599	-0.7	1.9	7.8	10.1	9.5	29,077	22,495	17.9
Indonesia Jakarta Stock Price Index	5,268	-0.3	-1.9	9.4	21.6	14.7	5,476	4,034	17.3
Malaysia Kuala Lumpur Composite Index	1,653	-2.0	-2.8	2.4	0.4	-2.3	1,729	1,595	16.5
Philippines Stock Exchange PSE Index	7,554	-0.4	-5.4	-0.1	6.5	8.7	8,118	6,084	19.3
Singapore FTSE Straits Times Index	2,827	-1.6	-1.1	2.8	-1.4	-1.9	3,105	2,528	13.4
Thailand SET Index	1,479	2.3	-3.8	4.8	7.0	14.8	1,558	1,221	15.6
<b>Latam</b>									
Argentina Merval Index	15,828	-0.9	3.9	21.1	47.9	35.6	16,498	8,660	16.8
Brazil Bovespa Index*	57,080	-1.6	-3.0	15.5	17.6	31.7	60,310	37,046	14.7
Chile IPSA Index	4,048	-1.1	-2.9	2.1	6.3	10.0	4,183	3,419	14.9
Colombia COLCAP Index	1,355	-3.1	0.9	3.6	7.1	17.4	1,419	1,046	14.4
Mexico Index	45,923	-1.2	-5.0	1.5	6.1	6.9	48,956	39,924	20.5
<b>EEMEA</b>									
Russia MICEX Index	1,982	-2.3	0.3	6.0	14.4	12.5	2,063	1,583	7.1
South Africa JSE Index	51,833	-2.8	-1.1	-0.4	1.6	2.2	54,761	45,976	17.0
Turkey ISE 100 Index*	76,020	-1.3	-2.2	1.8	2.5	6.0	86,931	68,230	9.3

\*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	5.4	4.6	5.3	13.9	52.1
US equities	3.5	5.8	8.4	31.2	89.0
Europe equities	5.8	-1.9	-4.9	-5.0	30.3
Asia Pacific ex Japan equities	11.4	9.8	11.8	3.5	23.1
Japan equities	7.9	0.3	5.9	10.0	38.6
Latam equities	11.5	27.7	15.2	-24.9	-30.9
Emerging Markets equities	11.9	13.7	10.2	-5.0	2.6

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 16 September 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)	508	-0.2	-0.6	0.5	6.6	5.6
JPM EMBI Global	760	-1.1	-1.2	4.8	13.1	13.4
BarCap US Corporate Index (USD)	2,777	-0.3	-0.8	1.1	8.5	8.1
BarCap Euro Corporate Index (Eur)	243	-0.2	-0.2	1.9	6.6	5.7
BarCap Global High Yield (USD)	423	-0.6	0.0	5.1	10.1	13.2
Markit iBoxx Asia ex-Japan Bond Index (USD)	190	-0.4	-0.4	2.3	9.0	7.6
Markit iBoxx Asia ex-Japan High-Yield Bond Index (USD)	234	-0.5	-0.2	4.3	13.6	12.1

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	1.12	1.12	1.13	1.12	1.13	1.09	1.16	1.05
GBP/USD	1.30	1.33	1.30	1.42	1.55	1.47	1.57	1.28
CHF/USD	1.02	1.03	1.04	1.04	1.03	1.00	1.06	0.97
CAD	1.32	1.30	1.29	1.30	1.32	1.38	1.47	1.25
JPY	102.29	102.69	100.31	104.26	120.57	120.22	123.76	99.02
AUD	1.33	1.33	1.30	1.36	1.39	1.37	1.46	1.28
NZD	1.38	1.37	1.37	1.42	1.57	1.46	1.60	1.34
<b>Asia</b>								
HKD	7.76	7.76	7.75	7.76	7.75	7.75	7.83	7.75
CNY	6.67	6.69	6.63	6.59	6.37	6.49	6.70	6.32
INR	66.99	66.68	66.77	67.28	66.46	66.15	68.79	64.70
MYR	4.13	4.07	3.98	4.10	4.24	4.29	4.48	3.84
KRW	1,122	1,098	1,092	1,171	1,176	1,175	1,245	1,090
TWD	31.63	31.53	31.26	32.38	32.47	32.86	33.79	31.01
<b>Latam</b>								
BRL	3.26	3.27	3.20	3.47	3.83	3.96	4.25	3.11
COP	2,958	2,919	2,902	3,016	2,966	3,175	3,453	2,785
MXN	19.61	18.90	18.06	18.95	16.55	17.21	19.78	16.33
<b>EEMEA</b>								
RUB	65.29	64.83	63.85	65.71	65.40	72.52	85.96	60.59
ZAR	14.18	14.42	13.42	15.35	13.27	15.47	17.92	13.01
TRY	2.98	2.97	2.93	2.93	3.00	2.92	3.10	2.76

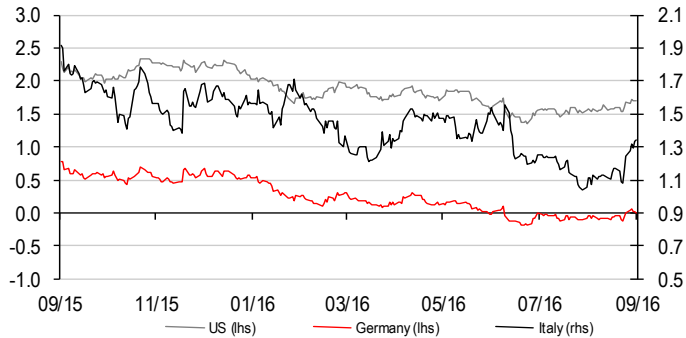
<b>Bonds</b>	Close	1-week Ago	1-month Ago	3-months Ago	1-year Ago	Year End 2015
<b>US Treasury yields (%)</b>						
3-Month	0.28	0.34	0.27	0.25	0.05	0.16
2-Year	0.76	0.78	0.75	0.69	0.81	1.05
5-Year	1.20	1.22	1.16	1.09	1.61	1.76
10-Year	1.69	1.67	1.57	1.58	2.29	2.27
30-Year	2.45	2.39	2.30	2.40	3.08	3.02
<b>Developed market 10-year bond yields (%)</b>						
Japan	-0.04	-0.02	-0.10	-0.20	0.37	0.26
UK	0.87	0.86	0.58	1.11	1.94	1.96
Germany	0.01	0.01	-0.03	-0.03	0.77	0.63
France	0.31	0.30	0.19	0.40	1.17	0.99
Italy	1.34	1.25	1.12	1.54	1.92	1.59
Spain	1.08	1.08	0.98	1.59	2.12	1.77

<b>Commodities</b>	Latest	1-week ago (%)	1-month Change (%)	3-month Change (%)	1-year Change (%)	YTD Change (%)	52-week High	52-week Low
Gold	1,310	-1.3	-2.7	2.5	17.0	23.4	1,375	1,046
Brent Oil	46.1	-4.1	-6.5	-2.4	-7.4	23.5	54	27
WTI Crude Oil	43.0	-6.2	-7.6	-6.9	-8.7	16.2	52	26
R/J CRB Futures Index	181	-1.0	-3.1	-4.3	-9.1	2.6	204	155
LME Copper	4,781	3.2	-0.6	5.4	-11.1	1.6	5,441	4,318

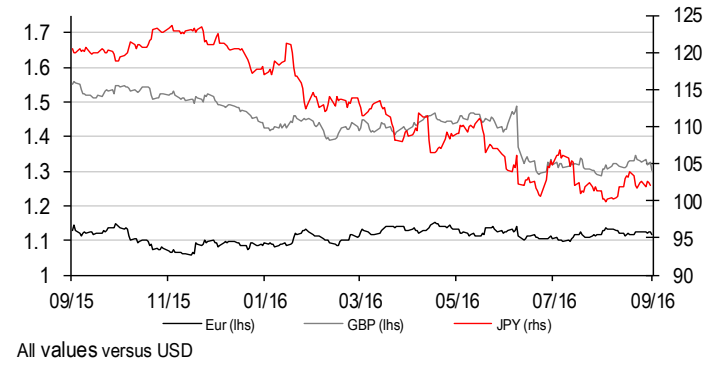
Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 16 September 2016.  
Past performance is not an indication of future returns.

# Market Trends

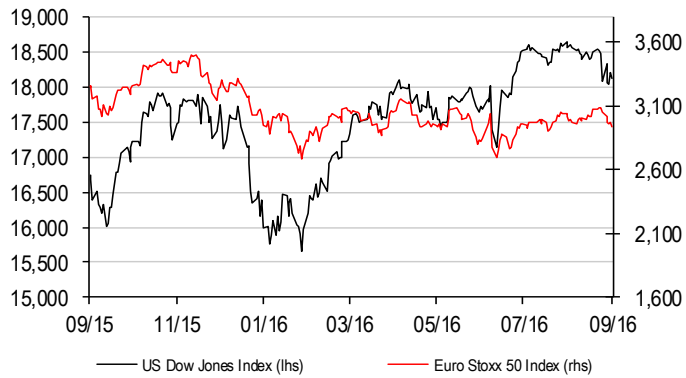
## Government bond yields (%)



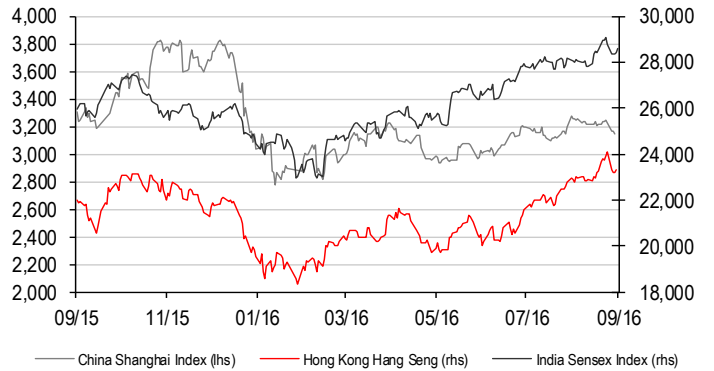
## Major currencies (versus US dollar)



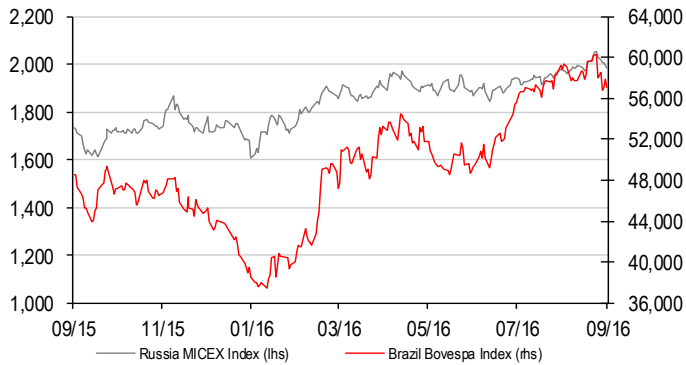
## Global equities



## Emerging Asian equities



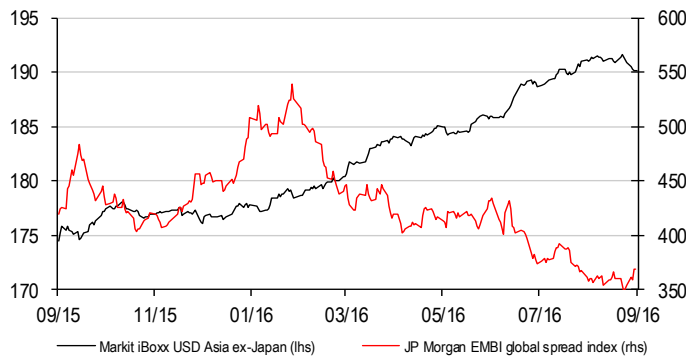
## Other emerging equities



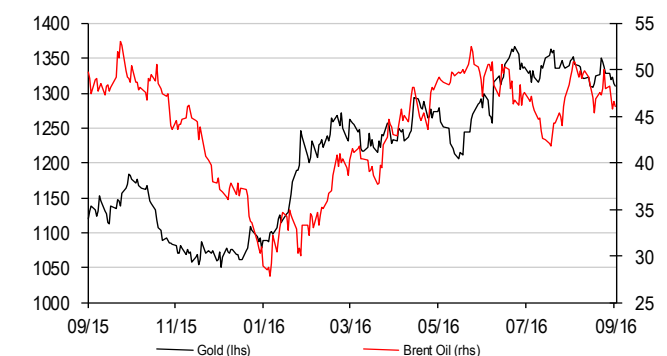
## Global credit indices



## Emerging markets spreads (USD indices)



## Commodities (USD)



Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 16 September 2016.  
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