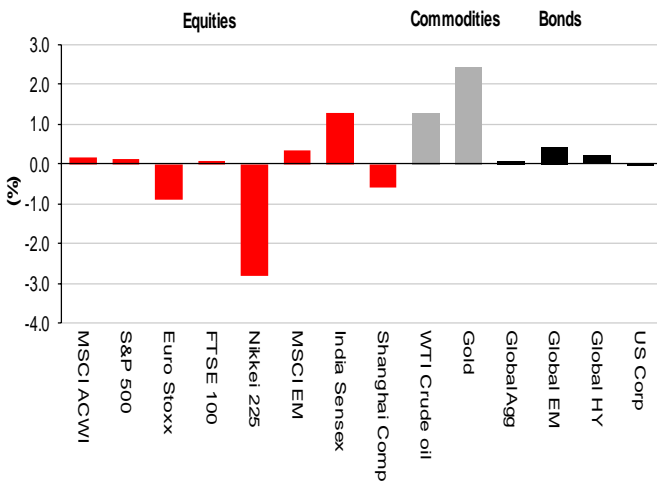


- ▶ Global equities fell this week as US foreign policy concerns weighed on risk appetite. A weaker US dollar also hit non-US export-sensitive bourses
- ▶ All G4 central banks, apart from the European Central Bank (ECB), held their respective February meetings with policy outcomes largely in line with expectations
- ▶ January's US employment report was mixed. Although the economy added more jobs than expected (227,000 compared to a consensus of 180,000 and 157,000 previously), average hourly earnings growth dipped to 2.5% yoy from December's downwardly revised 2.8%
- ▶ In the coming week, investor focus will shift to central bank meetings in Australia, India and Mexico as well as China trade data

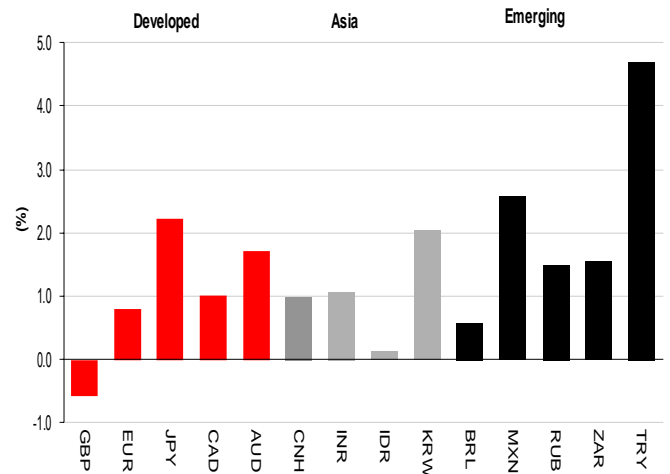
Movers and shakers

A stronger yen weighed on the export-sensitive Japanese Nikkei

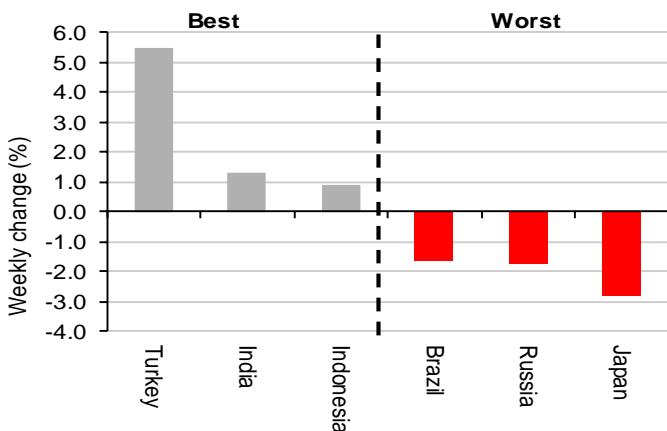


Currencies (versus. US dollar)

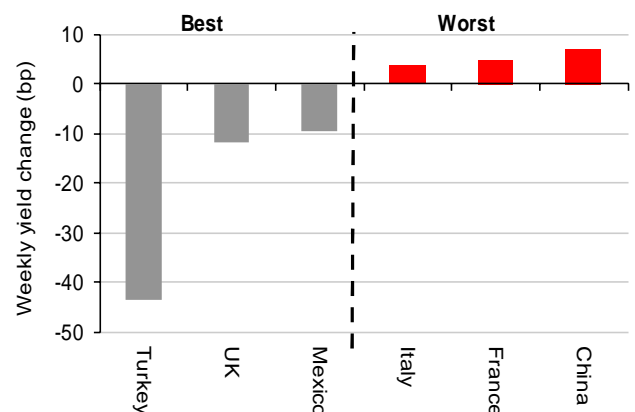
Sterling underperformed on Bank of England dovishness



Equities



Bonds (10-year)



Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 03 February 2017. All the above charts relate to 27/01/2017 – 03/02/2017.

Past performance is not an indication of future returns.

Macro Data and Key Events

Past Week (30 January – 03 February 2017)

Date	Country	Indicator	Data as of	Survey	Actual	Prior
Monday 30 January	US	Personal Spending (mom)	Dec	0.5%	0.5%	0.2%
	US	Core PCE Price Index (yoy)	Dec	1.7%	1.7%	1.7%
	US	Pending Home Sales Index (mom)	Dec	1.0%	1.6%	-2.5%
Tuesday 31 January	Japan	Industrial Production (yoy)	Dec P	3.0%	3.0%	4.6%
	Japan	Bank of Japan Interest Rate Decision	Jan	-0.10%	-0.10%	-0.10%
	Eurozone	Unemployment Rate	Dec	9.8%	9.6%	9.7%
	Eurozone	GDP (qoq seasonally adjusted)	Q4 A	0.5%	0.5%	0.4%
	Eurozone	CPI Estimate (yoy)	Jan	1.5%	1.8%	1.1%
	Mexico	GDP Seasonally Adjusted (qoq)	4Q P	0.6%	0.6%	1.0%
	US	S&P CoreLogic Case Shiller 20 City Composite Home Price Index (yoy)	Nov	5.0%	5.3%	5.1%
Wednesday 01 February	US	Conference Board Consumer Confidence Index	Jan	112.8	111.8	113.3
	China	Official Manufacturing PMI	Jan	51.2	51.3	51.4
	US	ISM Manufacturing Index	Jan	55.0	56.0	54.5
	US	FOMC Interest Rate Decision	Feb	0.75%	0.75%	0.75%
Thursday 02 February	UK	Bank of England Interest Rate Decision	Feb	0.25%	0.25%	0.25%
Friday 03 February	Turkey	CPI (yoy)	Jan	8.6%	9.2%	8.5%
	Eurozone	Markit Composite PMI	Jan F	54.3	54.4	54.3 P
	Russia	Central Bank of Russia Interest Rate Decision	Feb	10.00%	10.00%	10.00%
	US	Change in Nonfarm Payrolls	Jan	180k	227k	157k
	US	ISM Non-Manufacturing Index	Jan	56.8	56.5	56.6

A – Adjusted, P – Preliminary, Q – Quarter, F – Final

- ▶ In the US, the most anticipated release this week was the **January employment report**, which showed nonfarm payrolls adding 227,000, more than the expected 180,000; with the revisions from the prior two months seeing an additional 39,000 jobs created. The unemployment rate rose to 4.8%, driven by the rise in the participation rate to 62.9% from 62.7%, comfortably in the 62.4%-63.0% range seen over the last two-and-a-half years. Less encouraging was anemic rise in average hourly earnings (+2.5% yoy) less than expected (+2.7% yoy). The lack of wage growth remains a key hurdle to a more aggressive tone from the US Federal Reserve (Fed), with this release seeing the probability of a March rate increase decline. As expected the Fed concluded its two-day February **FOMC meeting**, leaving the federal funds target rate at 0.50%-0.75% in a unanimous vote. The policy statement showed that the Fed is comfortable with the progress made on the labour market and inflation, and sees risks to the economic outlook as roughly balanced. The statement reiterated the Federal Open Market Committee (FOMC) expectation that, with gradual adjustments in the stance of monetary policy, economic activity will expand at a moderate pace, without making any reference to potential fiscal stimulus, suggesting FOMC participants are still waiting for clarification on President Donald Trump's trade and fiscal policies.
- ▶ January saw the US manufacturing sector expand at its fastest pace in over two years, with the **ISM Manufacturing Index** adding 1.5pts to 56.0 (consensus 55.0). The underlying details were also encouraging, with all five key sub-components higher than in December. Most notably, the employment sub-index rose for the fifth straight month to 56.1 (its highest since August 2014), evidence of continued labour market strength. Overall, the latest readings point to continued momentum in US manufacturing activity, in stark contrast to the beginning of last year when recession was a key concern. Meanwhile, the **ISM Non-Manufacturing Index** release (56.5) rose less than expected (56.8), but was little changed from December (56.6). However, the new orders subcomponent remained strong (58.6 versus 60.7 prior), while employment firmed (54.7 versus 52.7 prior). Business activity stayed above 60 for the third straight month, a feat last achieved in August 2015.
- ▶ November house prices in 20 major US cities, measured by the **S&P CoreLogic Case-Schiller City Composite Home Price Index**, accelerated for the fifth consecutive month at 5.3% yoy (consensus +5.0%, +5.1% prior). As a lagging indicator, the series reflects a housing market supported by limited new supply and solid demand amid further labour market tightening. Meanwhile, December saw **pending home sales** stage a better-than-expected comeback (+1.6% mom compared to a consensus of 1.0%), following November's 2.5% slump. The regional breakdown showed sales in the South and in the West rebounding strongly (by +2.4% mom and +5.0% mom, respectively), while the Northeast and the Midwest fell (by 1.6% and 0.8%, respectively). Overall, despite a recent pick up in mortgage rates, this release adds to a string of positive US housing market data.
- ▶ The **Conference Board Consumer Confidence Index** fell to 111.8 in January, from a 15-year high of 113.3 previously, against expectations of a smaller dip to 112.8. This was driven by a decline in the expectations component (-6.6pts to 99.8), which makes

up 60% of the index, while the optimism around the present situation added 6.2pts to 129.7. Positively, the labour market differential, measured by the percentage point difference of participants reporting jobs are plentiful versus hard to get, recovered from December's dip, rising to 5.9%. **Personal income** rose 0.3% mom in December, 0.1ppts below expectations but against an upwardly revised November growth figure (to +0.1% from 0.0%). **Personal spending** growth came in at 0.5% mom (matching consensus expectations and +0.2% previously), leaving the savings rate at 5.4%, the lowest since March 2015. Higher spending growth can be attributed to a rebound in durable goods spending (+1.4% mom versus -0.8% previously) as motor vehicle and parts outlays jumped 2.8% mom from -3.0% in November. Adjusted for inflation, real personal spending growth was 0.3% mom, its highest in three months, while November's print was also revised upwards to 0.2%. The same report also showed **Core PCE**, the Fed's preferred gauge of inflation, steady at 1.7% yoy – within the 1.6%-1.8% range it occupied for all of 2016.

- ▶ The flash estimate of January eurozone CPI inflation came in at 1.8% yoy, well above expectations of 1.5% and 0.7ppts higher than the December print. This represents the fastest pace of inflation since February 2013, with a particularly sharp increase seen in Spain (+1.4ppts to 3.0% yoy). The bulk of the increase in headline prices was driven by oil price effects, with energy inflation accelerating to over a five-year high of 8.1% yoy, while a weaker euro is likely to have boosted food, alcohol and tobacco inflation (reaching a three-year high of 1.7%). Underlying inflationary pressures remain subdued, however, with core inflation remaining at 0.9% yoy. The first estimate of Q4 eurozone GDP showed growth of 0.5% qoq, in-line with expectations and 0.1 ppts faster than Q3's upwardly revised print. This translates to growth of 1.7% for 2016 as a whole, below the 2.0% expansion registered in 2015, although above the recent trend. Eurozone growth momentum remains underpinned by a gradually tightening labour market, reflected in a significantly lower-than-expected eurozone unemployment print for December (falling 0.1ppts to 9.6% from a downwardly revised 9.7% in the prior month), predominantly driven by a decline in the Spanish rate (-0.3ppts to 18.4%).
- ▶ At its February meeting, the **Bank of England (BoE)** Monetary Policy Committee (MPC) voted unanimously to keep policy on hold, leaving the Bank Rate at 0.25%, the total asset purchase target at GBP435 billion and the total corporate bond purchase target at GBP10 billion. The February Inflation Report saw a significant upward revision to the 2017 GDP growth forecast (+0.6ppts to 2.0%), while the outlook for 2018 and 2019 edged up only slightly, by 0.1ppts in both years (to +1.6% and +1.7% respectively). The MPC cited the bulk of the upward revision was due to “fiscal stimulus announced in the Chancellor's Autumn Statement, firmer momentum in global activity, higher global equity prices and more supportive credit conditions, particularly for households”. Meanwhile, the Bank's inflation forecasts were little changed versus November, with CPI inflation remaining above target throughout the forecast period, peaking at 2.8% in Q2 2018. The minutes emphasise this overshoot is “entirely” due to a weaker sterling, although some members were “a little closer” to “the limits to the degree to which above-target inflation could be tolerated”. The bank also revised down its equilibrium rate of unemployment assumption (to 4.5% from 5%), implying a greater degree of slack in the UK economy than previously thought, also potentially raising the bar for any near-term policy tightening.
- ▶ As expected, the **Bank of Japan (BoJ)** kept policy unchanged at its January meeting, keeping the short-term policy rate at -0.1%, capping 10-year bond yields at around 0% and purchasing JPY80 trillion worth of Japanese government bonds per year. The decision was voted for by a majority of 7-2. Interestingly, the BoJ significantly raised its GDP growth forecasts from 1.0% to 1.4% for the year to March 2017 and from 1.3% to 1.5% for the following year, with the bank stating the higher projections mainly reflected an “improvement in overseas economies and the yen's depreciation”. Inflation forecasts were left broadly unchanged, with CPI inflation (excluding fresh food) expected to accelerate to 1.5% in the year to March 2018, and 1.7% in the year to March 2019. The bank also said the “risks to both economic activity and prices are skewed to the downside”. **Japanese industrial production** expanded by 0.5% mom in December, beating expectations of a 0.3% rise, leaving the annual growth rate at 3.0% (also pushing the three-month moving average to +2.1%, its highest level since June 2014). Output is likely to have been supported by recent yen weakness and the government's recent fiscal stimulus package.
- ▶ Preliminary data showed **Mexican GDP growth** decelerated to 0.6% qoq seasonally adjusted in Q4 2016, from 1.0% qoq in the prior quarter, in line with expectations. Activity in all three main sectors slowed, but most worryingly, the industrial sector registered barely any growth, weighed by falling oil production.
- ▶ In Turkey, **January CPI inflation** rose 2.5% mom, the fastest pace since October 2011, leaving the non-seasonally adjusted annual rate at 9.2% yoy (consensus 8.6%, 8.5% prior). Food and non-alcoholic beverages rose 7.8% yoy, up from 5.7% registered in December. The core index, which excludes energy, non-alcoholic beverages, tobacco and gold rose 7.7% yoy (consensus +7.6%, +7.5% previously). The weaker lira was likely the main contributing factor to upward price pressures.

Coming Week (06 – 10 February 2017)

Date	Country	Indicator	Data as of	Survey	Prior
Monday 06 February	Germany	Factory Orders (Working Day Adjusted, yoy)	Dec	4.1%	3.0%
Tuesday 07 February	Australia	Reserve Bank of Australia Interest Rate Decision	Feb	1.50%	1.50%
	Germany	Industrial Production (Seasonally Adjusted, mom)	Dec	0.3%	0.4%
Wednesday 08 February	India	RBI Interest Rate Decision (Repurchase Rate)	Feb	6.00%	6.25%
	Brazil	IBGE Inflation IPCA (yoy)	Jan	5.5%	6.3%
Thursday 09 February	Mexico	CPI (yoy)	Jan		3.4%
	Mexico	Banco de Mexico Interest Rate Decision	Feb	6.25%	5.75%
Friday 10 February	China	Trade Balance (USD billion)	Jan	48.9	40.7
	India	Industrial Production (yoy)	Dec	1.4%	5.7%
	US	University of Michigan Consumer Sentiment	Feb P	97.5	98.5

P – Preliminary

US

- ▶ February's preliminary release of the **University of Michigan Index of Consumer Sentiment** is expected to tick-down by 1.2 points to 97.5, retreating marginally from its highest level since January 2004. Continued strength in both the current conditions and future expectations are yet to be reflected in a further consumer spending acceleration. A further firming of longer-term consumer inflation expectations (5-10 years) away from the December all-time low would be of interest, as would any continued improvement in household financial position expectations.

Europe

- ▶ **German industrial production** is expected to register a third consecutive month of expansion in December (+0.3% mom) on the back of supportive global demand conditions, a recovery in regional fixed investment and the lagged effects of euro weakness. This would leave annual growth at 2.5%, the fastest rate of expansion since January 2016.

Emerging markets

- ▶ **China's export growth** (in US dollar terms) is expected to have rebounded to 3.0% yoy in January (versus -6.2% in December 2016), partly due to a lower comparison base. External demand is expected to improve, as indicated by a higher PMI export order sub-index. Import growth is also forecast to accelerate to 9.6% in January from December's 3.1%, reflecting base effects, higher import price inflation, and broadly stable domestic demand. On balance, the trade surplus probably widened to USD48.9 billion in January from USD40.7 billion in December.
- ▶ **The Reserve Bank of India (RBI)** is expected to cut the repo rate by 25bp to 6.00%. This move should be supported by weak domestic demand and credit growth, a benign inflation trajectory (currently running below the RBI's target of +5.00% for March 2017), better transmission of monetary policy post-demonetisation, and the government's prudent budget. However, the decision is not clear cut. The pickup in global oil and commodity prices, bottoming out of headline inflation as favourable base effects fade, sticky core inflation and continued global uncertainty may see the RBI remain on hold.
- ▶ India's **industrial production** growth is forecast to have eased to 1.4% yoy in December from a strong 5.7% in November (boosted by a major rebound in the volatile insulated rubber and cables segment and partly due to base effects). The infrastructure industries index/core-sector output grew 5.6% yoy in December compared 4.9% in November, but auto production dropped and the manufacturing PMI slipped into contractionary territory in December. On balance, industrial production growth likely stayed subdued due to short-term demand disruption following demonetisation.
- ▶ January's **Brazilian IPCA inflation** is expected to slow to 5.5% yoy from 6.3% in December. This represents a near halving from the 10.7% peak seen in January 2016. The most recent Central Bank of Brazil Monetary Policy Committee minutes point to an expectation that inflation will continue to decline, to below 5% by the end of 2017 and towards mid-target (+4.5%) by 2018. This continued inflationary slowdown is likely to provide further room for policy rate cuts; especially given the worsening unemployment situation. The Q4 2016 jobless rate rose to its highest level since Q2 2004 at 11.9% up from 7.4% a year ago.
- ▶ The January **Mexican CPI** release is anticipated to see a further acceleration in prices, rising for the seventh straight month. Furthermore, this is the fourth straight month that CPI inflation has been above the central bank's 3% target. Inflation is likely to see upside pressures from energy price liberalisation, pass-through from depreciation of the Mexican peso and the recent rise in the minimum wage. These pressures are forecast to see **Banxico** raise **interest rates** by 50bps to 6.25%, with the continued aim of halting recent inflationary pressures, and to settle the rise in inflation expectations seen since the election of US President Donald Trump.

Market Moves

Developed market equity bourses fell on US foreign policy jitters; stronger currencies also weighed

- ▶ **US equities** sold off in the early part of the week as global risk appetite suffered in the wake of US President Donald Trump's introduction of immigration controls. The S&P 500 Index fell 0.6% on Monday, the biggest one day loss of the year, while the VIX, a measure of equity market volatility, jumped to its highest level in almost two weeks. However, equity markets settled as the week progressed. Overall, the S&P 500 Index closed the week down 0.2%.
- ▶ **European equities** fell modestly this week amid subdued risk appetite as investors continued to assess the implications of US foreign policy, with the Euro STOXX 50 index closing the week down 0.9%. Germany's export-sensitive DAX underperformed, slipping 1.4%, as the euro appreciated against the dollar. Meanwhile, France's CAC 40 closed the week little changed. After a choppy trading week, the UK's FTSE 100 Index closed the week slightly higher (+0.1%) as the UK parliament approved the "Brexit Bill", paving the way for Prime Minister Theresa May to trigger Article 50 next month.
- ▶ **India's SENSEX 30 Index** advanced this week, after the fiscal year 2018 Union Budget showed the government striking a balance between fiscal prudence and stimulus, together with reforms. Japan's Nikkei Index 225 fell 2.8%, as the yen strengthened versus the US dollar. The move followed the BoJ's decision on Tuesday to keep interest rates and its pace of asset purchases unchanged while maintaining yield curve control.

US Treasuries gained amid mixed labour market report; UK gilts outperformed on dovish Bank of England

- ▶ **US Treasuries** rose (yields fell) over the week, with much of the gains following Friday's mixed US labour market report. Demand for fixed income assets was supported by lower than expected wage growth for January, although the change in nonfarm payrolls was notably better than consensus expectations. This week also saw the FOMC keep interest rates on hold and delivering a little-changed statement. Overall, 10-year Treasury yields fell 2bps to 2.46%, while two-year yields ended 2bps lower to close at 1.20%.

- ▶ Most **core European government bonds** also gained (yields fell) with UK 10-year gilts outperforming in the region (yields closed 12bp lower to 1.35%) after the BoE signalled no urgency in raising interest rates, despite upgrading its growth forecasts for 2017-2019. Meanwhile, benchmark German 10-year bund yields closed 5bp lower at 0.41% and equivalent-maturity French bond yields added 5bp to close at 1.08%, with the latter coming under pressure on political uncertainty.

Most currencies rose against the US dollar; sterling tumbled after BoE Governor reiterated neutral stance

- ▶ This week saw a stronger **euro** versus the US dollar (+0.8%), after the new US Director of the National Trade Council, Navarro, called the common currency "*grossly undervalued*". US policy jitters and disappointing wage growth in Friday's US nonfarm payrolls report also weighed on the greenback. Meanwhile, the British pound snapped a two-week winning streak (-0.6%). It tumbled on Thursday following dovish post-meeting comments by the BoE Governor Mark Carney.
- ▶ **Asian currencies** strengthened against the US dollar last week, after the Fed statement did little to alter market expectations for the pace of US interest rate hikes and amid signs that US President Donald Trump and his administration favour a weaker dollar. The Korean won, Japanese yen, Taiwan dollar and Singapore dollar led gains. The Indian rupee advanced to its highest level since mid-November 2016 against the US dollar as foreign inflows returned to India given better earnings; this was further supported by a government budget showing fiscal prudence coupled with growth-supportive and business-friendly measures. The yen pared weekly gains versus the US dollar after the BoJ took action to ease doubts on its commitment to yield-curve control policy, but still ended the week higher.

WTI oil prices advanced on OPEC deal optimism; gold prices rose

- ▶ **WTI oil prices** edged up again this week, with prices supported by a weaker US dollar, a continuing run of robust global economic data and expectations that OPEC members are meeting their production-cut targets. However, this was dampened somewhat by the US Energy Information Administration weekly report showing a bigger than expected increase in crude stockpiles last week (+6.5 million barrels, consensus at +2.6 million). Evidence of higher production from OPEC member states not part of the production deal (Nigeria, Libya and Iran) also weighed on sentiment. Overall, WTI crude rose (+1.3% to USD53.9 per barrel), underperforming Brent (+2.2% to USD56.7 per barrel).
- ▶ **Gold prices** rose this week (+2.4% to USD1,220), also supported by dollar weakness and broad-based risk aversion amid Trump related geopolitical uncertainty.

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)	436	0.1	3.0	7.8	18.2	3.5	438	351	16.2
North America									
US Dow Jones Industrial Average	20,071	-0.1	1.0	11.9	22.9	1.6	20,126	15,503	16.7
US S&P 500 Index	2,297	0.1	1.8	10.0	20.1	2.6	2,301	1,810	17.6
US NASDAQ Composite Index	5,667	0.1	4.4	12.0	25.8	5.3	5,670	4,210	21.3
Canada S&P/TSX Composite Index	15,476	-0.6	0.5	6.1	22.9	1.2	15,674	11,986	16.9
Europe									
MSCI AC Europe (USD)	412	0.1	3.3	7.1	9.3	3.0	415	354	14.5
Euro STOXX 50 Index	3,273	-0.9	-1.3	10.1	13.0	-0.5	3,342	2,673	14.0
UK FTSE 100 Index	7,188	0.1	0.1	5.9	23.1	0.6	7,354	5,500	14.6
Germany DAX Index*	11,651	-1.4	0.6	12.8	23.5	1.5	11,893	8,699	13.5
France CAC-40 Index	4,825	-0.3	-1.5	9.4	14.2	-0.8	4,930	3,892	14.4
Spain IBEX 35 Index	9,463	-0.4	-0.3	6.6	13.8	1.2	9,624	7,580	13.7
Asia Pacific									
MSCI AC Asia Pacific ex Japan (USD)	454	0.1	5.8	3.9	23.2	6.5	459	362	13.5
Japan Nikkei-225 Stock Average	18,918	-2.8	-1.0	10.4	10.0	-1.0	19,615	14,864	18.3
Australian Stock Exchange 200	5,622	-1.6	-1.9	7.6	15.3	-0.8	5,828	4,707	15.8
Hong Kong Hang Seng Index	23,129	-1.0	4.4	2.0	21.8	5.1	24,364	18,279	11.6
Shanghai Stock Exchange Composite Index	3,140	-0.6	0.1	0.4	14.6	1.2	3,301	2,639	13.3
Hang Seng China Enterprises Index	9,683	-1.2	2.4	2.1	23.2	3.1	10,210	7,499	7.9
Taiwan TAIEX Index	9,456	0.1	2.0	4.3	17.3	2.2	9,521	7,954	13.6
Korea KOSPI Index	2,073	-0.5	1.4	4.5	9.7	2.3	2,092	1,818	9.7
India SENSEX 30 Index	28,241	1.3	6.0	3.0	16.6	6.1	29,077	22,495	19.1
Indonesia Jakarta Stock Price Index	5,361	0.9	1.6	0.6	16.6	1.2	5,492	4,628	15.0
Malaysia Kuala Lumpur Composite Index	1,685	-0.1	3.0	2.2	3.2	2.6	1,729	1,612	15.9
Philippines Stock Exchange PSE Index	7,227	-1.5	5.3	0.9	10.8	5.6	8,118	6,499	17.3
Singapore FTSE Straits Times Index	3,042	-0.7	4.9	8.6	19.3	5.6	3,073	2,532	14.1
Thailand SET Index	1,583	-0.5	2.6	6.0	22.5	2.6	1,601	1,271	14.7

Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 03 February 2017.
Past performance is not an indication of future returns.

Latam									
Argentina Merval Index	19,201	-0.1	7.2	14.9	72.6	13.5	19,721	10,856	15.3
Brazil Bovespa Index*	64,954	-1.6	5.1	5.2	64.1	7.8	66,594	38,597	12.9
Chile IPSA Index	4,262	-0.3	2.7	0.5	18.7	2.7	4,326	3,573	15.1
Colombia COLCAP Index	1,370	-0.2	1.1	1.0	16.0	1.3	1,419	1,163	12.2
Mexico Index	47,225	-0.4	2.4	1.2	9.2	3.5	48,956	41,757	17.2

EEMEA									
Russia MICEX Index	2,227	-1.7	-2.6	13.4	27.5	-0.3	2,294	1,688	6.8
South Africa JSE Index	52,265	-1.3	2.4	4.0	7.7	3.2	54,704	47,275	13.8
Turkey ISE 100 Index*	88,390	5.4	15.4	15.3	20.6	13.1	88,390	69,436	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	7.6	3.0	20.0	19.6	48.2
US equities	9.6	2.2	21.4	36.2	82.0
Europe equities	7.0	2.6	12.2	-2.6	24.6
Asia Pacific ex Japan equities	4.3	6.5	26.8	11.9	19.5
Japan equities	1.9	3.4	14.6	17.2	46.1
Latam equities	3.6	8.4	51.2	-2.9	-30.8
Emerging Markets equities	3.8	6.2	29.8	6.2	-1.2

All total returns quoted in USD terms.

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

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

Market Data (cont)

	Close	1-Week Change (%)	1-Month Change (%)	3-Month Change (%)	1-Year Change (%)	YTD Change (%)
Bond indices - Total Return						
BarCap GlobalAgg (Hedged in USD)	497	0.1	-0.2	-1.8	1.9	-0.4
JPM EMBI Global	753	0.4	1.7	-0.8	12.8	1.9
BarCap US Corporate Index (USD)	2,733	0.0	0.2	-1.7	6.1	0.2
BarCap Euro Corporate Index (Eur)	240	0.2	-0.3	-0.8	3.8	-0.4
BarCap Global High Yield (USD)	440	0.2	1.5	3.0	19.9	1.7
Markit iBoxx Asia ex-Japan Bond Index (USD)	188	0.2	0.7	-1.2	5.1	0.9
Markit iBoxx Asia ex-Japan High-Yield Bond Index (USD)	239	0.1	1.4	1.3	15.7	1.6

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 2016	52-Week High	52-Week Low
Currencies (vs USD)								
Developed markets								
EUR/USD	1.08	1.07	1.04	1.11	1.11	1.05	1.16	1.03
GBP/USD	1.25	1.26	1.22	1.25	1.46	1.23	1.50	1.18
CHF/USD	1.01	1.00	0.97	1.03	1.00	0.98	1.06	0.97
CAD	1.30	1.32	1.34	1.34	1.38	1.34	1.40	1.25
JPY	112.61	115.10	117.75	102.98	117.90	116.96	118.66	99.02
AUD	1.30	1.32	1.39	1.30	1.40	1.39	1.43	1.28
NZD	1.37	1.38	1.45	1.36	1.50	1.44	1.53	1.34
Asia								
HKD	7.76	7.76	7.76	7.76	7.80	7.76	7.80	7.75
CNY	6.87	6.88	6.96	6.77	6.58	6.95	6.96	6.45
INR	67.32	68.04	68.33	66.75	68.07	67.92	68.86	66.07
MYR	4.43	4.43	4.49	4.18	4.22	4.49	4.50	3.84
KRW	1,148	1,171	1,203	1,139	1,219	1,206	1,245	1,090
TWD	31.02	31.53	32.26	31.48	33.58	32.33	33.51	30.99
Latam								
BRL	3.12	3.14	3.27	3.24	3.90	3.26	4.08	3.10
COP	2,852	2,933	2,984	3,073	3,375	3,002	3,453	2,817
MXN	20.36	20.89	21.11	19.17	18.17	20.73	22.04	17.05
EEMEA								
RUB	59.00	59.88	60.92	63.61	76.80	61.54	80.63	58.55
ZAR	13.27	13.47	13.83	13.46	15.92	13.74	16.31	13.17

Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 03 February 2017.

Past performance is not an indication of future returns.

TRY	3.70	3.87	3.59	3.11	2.92	3.52	3.94	2.79
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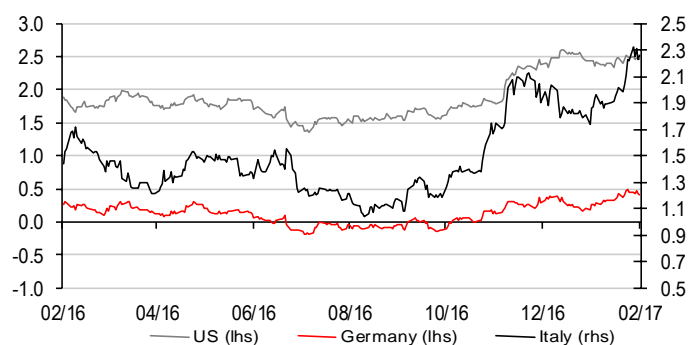
Bonds	Close	1-Week Ago	1-Month Ago	3-Months Ago	1-Year Ago	Year End 2016
US Treasury yields (%)						
3-Month	0.50	0.51	0.49	0.37	0.33	0.50
2-Year	1.20	1.22	1.21	0.81	0.72	1.19
5-Year	1.91	1.95	1.94	1.26	1.27	1.93
10-Year	2.46	2.48	2.44	1.81	1.89	2.44
30-Year	3.09	3.06	3.05	2.60	2.71	3.07

Developed market 10-year bond yields (%)						
Japan	0.10	0.08	0.04	-0.07	0.06	0.04
UK	1.35	1.47	1.33	1.20	1.53	1.24
Germany	0.41	0.46	0.26	0.16	0.27	0.20
France	1.08	1.03	0.77	0.47	0.61	0.68
Italy	2.26	2.22	1.86	1.69	1.44	1.81
Spain	1.67	1.58	1.42	1.23	1.55	1.38

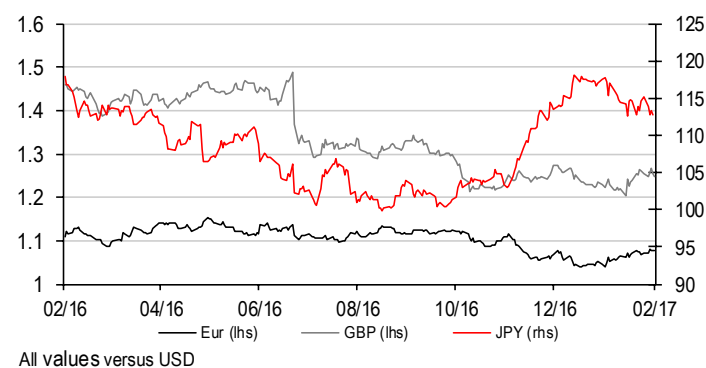
Commodities	Latest	1-Week ago (%)	1-Month Change (%)	3-Month Change (%)	1-Year Change (%)	YTD Change (%)	52-Week High	52-Week Low
Gold	1,220	2.4	5.3	-6.3	6.8	5.9	1,375	1,121
Brent Oil	56.7	2.2	2.3	22.4	61.9	-0.1	58	30
WTI Crude Oil	53.9	1.3	2.9	20.6	66.8	0.2	55	26
R/J CRB Futures Index	193	-0.1	1.6	5.4	17.7	0.4	196	155
LME Copper	5,886	-0.2	7.0	18.7	27.0	6.3	6,046	4,430

Market Trends

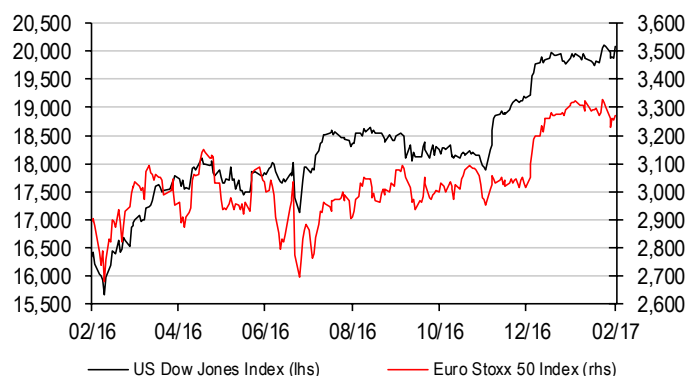
Government bond yields (%)



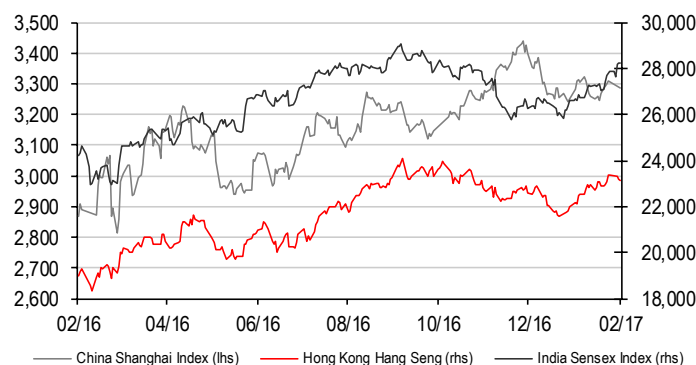
Major currencies (versus US dollar)



Global equities

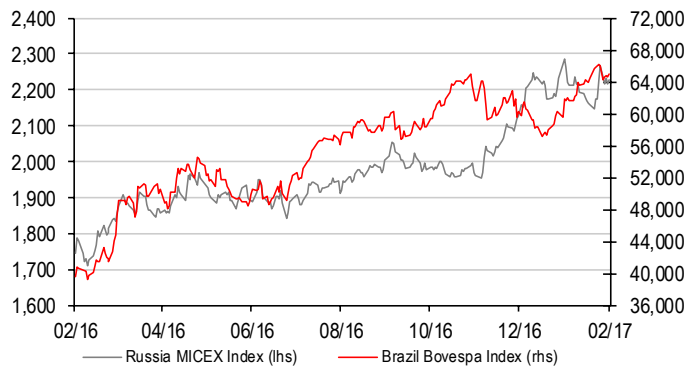


Emerging Asian equities

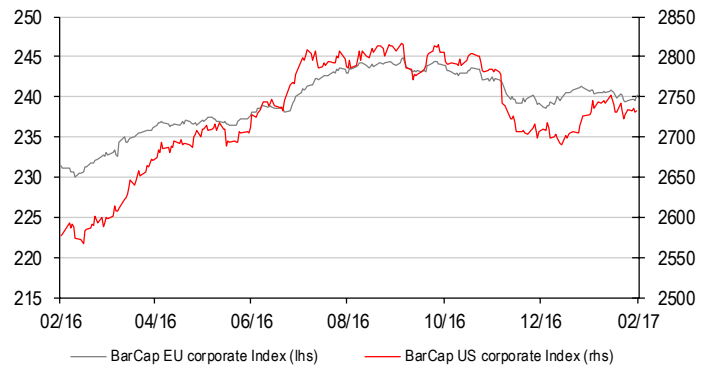


Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 03 February 2017.
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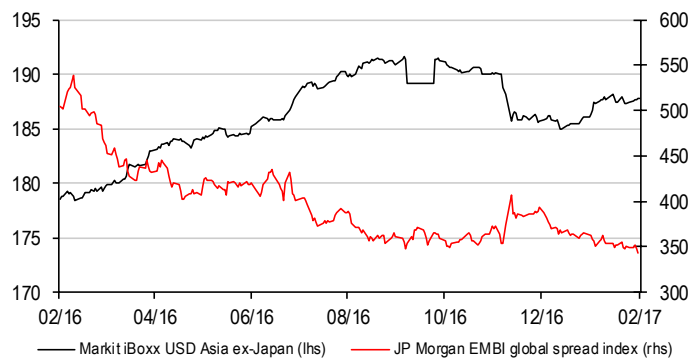
Other emerging equities



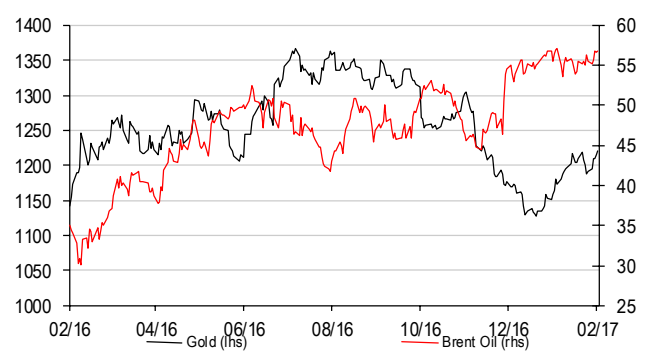
Global credit indices



Emerging markets spreads (USD indices)



Commodities (USD)



Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 03 February 2017.
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