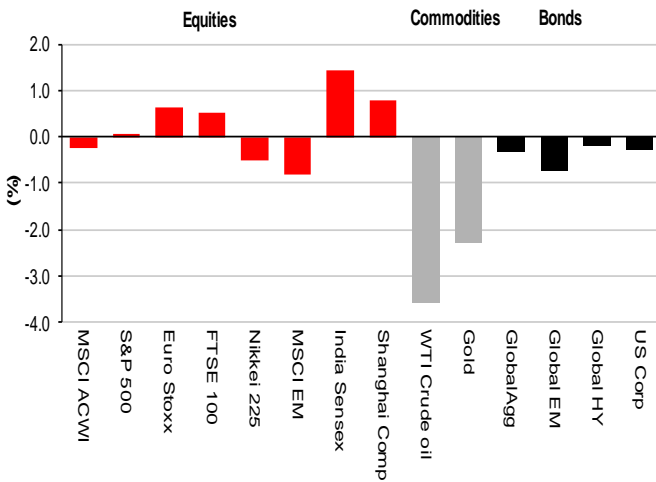


- ▶ Global equities were little changed this week as concerns over tighter global monetary policy were offset by upbeat economic data releases and financial sector outperformance amid rising government bond yields
- ▶ The minutes from the June Federal Open Market Committee (FOMC) meeting showed that “most participants” felt that the recent softness was driven by “idiosyncratic factors” and would therefore have “little bearing on inflation over the medium term”
- ▶ The June employment report showed the monthly change in nonfarm payrolls accelerated to 222,000 during the month
- ▶ In the coming week, highlights of the calendar are US Federal Reserve Chair (Fed) Janet Yellen’s semi-annual testimony before the House Financial Services Committee, along with US inflation and retail sales data releases

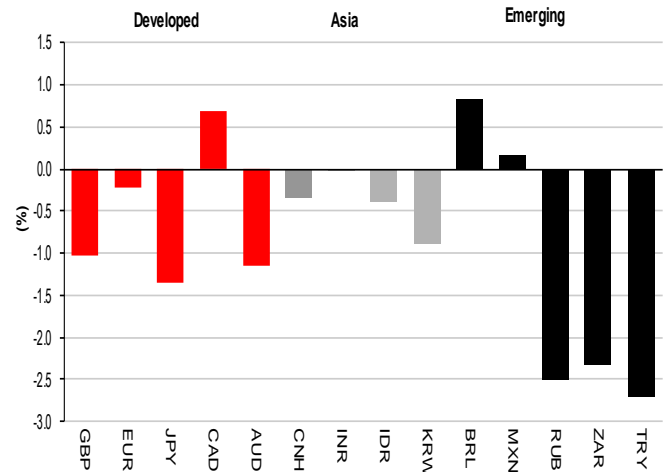
Movers and shakers

Oil prices fell on doubts over effectiveness of OPEC cuts

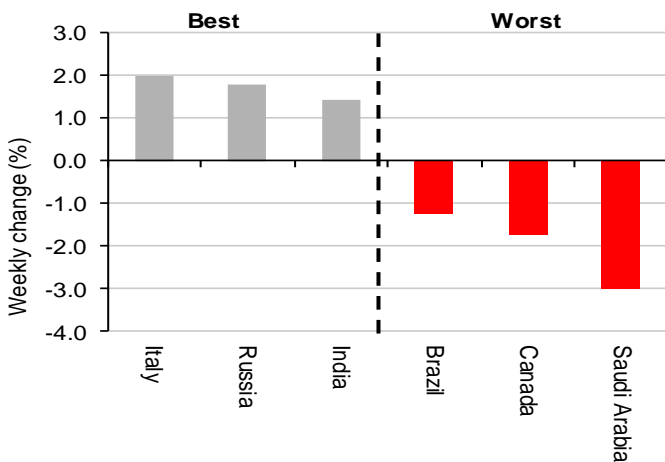


Currencies (vs. USD)

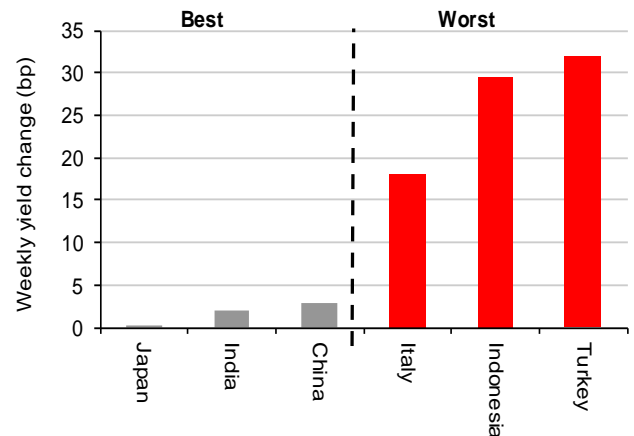
The US dollar rebounded this week against most currencies



Equities



Bonds (10-year)



This commentary provides a high level overview of the recent economic environment, and is for information purposes only. It is a marketing communication and does not constitute investment advice or a recommendation to any reader of this content to buy or sell investments nor should it be regarded as investment research. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of its dissemination.

Macro Data and Key Events

Past Week (3–7 July 2017)

Date	Country	Indicator	Data as of	Survey	Actual	Prior
Monday 03 July	Japan	Tankan Large Manufacturing Index	Q2	15.0	17.0	12.0
	Turkey	CPI (yoy)	Jun	11.2%	10.9%	11.7%
	Eurozone	Unemployment Rate	May	9.3%	9.3%	9.3%
Tuesday 04 July	US	ISM Manufacturing	Jun	55.3	57.8	54.9
	Australia	Reserve Bank of Australia interest rate decision	Jul	1.5%	1.5%	1.5%
Wednesday 05 July	Sweden	Riksbank interest rate decision	Jul	-0.5%	-0.5%	-0.5%
	Eurozone	Markit Composite PMI	Jun F	55.7	56.3	55.7
Thursday 06 July	US	Durable goods orders (mom)	May F	-0.8%	-0.8%	-0.8%
	US	FOMC minutes from June meeting	Jun			
	Germany	Factory orders (working day adjusted, yoy)	May	4.5%	3.7%	3.3%
Friday 07 July	Eurozone	ECB Account of June monetary policy meeting	Jun			
	US	ISM Non-Manufacturing Index	Jun	56.5	57.4	56.9
	Germany	Industrial Production (seasonally adjusted, mom)	May	0.2%	1.2%	0.7%
	Brazil	IBGE Inflation IPCA (yoy)	Jun	3.1%	3.0%	3.6%
	US	Change in nonfarm payrolls (000s)	Jun	178K	222K	152K
	Mexico	CPI (yoy)	Jun	6.3%	6.3%	6.2%

Q – Quarter, F – Final

- ▶ In the US, the release of the **minutes from the June FOMC meeting** showed that the committee had not reached consensus on the timing of the Fed's balance sheet reduction. Some preferred to start within a couple of months and others argued it should be deferred until later this year. On the inflation assessment, "*most participants*" felt that the recent softness was driven by "*idiosyncratic factors*" and would therefore have "*little bearing on inflation over the medium term*". On the data front, the June release of the **ISM Manufacturing Index** was better than expected at 57.8 (consensus: 55.3), hitting its highest level since August 2014, and moving up from 54.9 in May. There was broad based strength across most components, led by production and new orders. Similarly, the **ISM Non-Manufacturing Index** for June was also ahead of consensus expectations, coming in at 57.4 with the acceleration in activity driven by an increase in the new orders component and faster inventory building. Finally, the June employment report showed the monthly change in **nonfarm payrolls** accelerated to 222,000 during the month, from an upwardly revised 152,000 in May (with a total +47,000 revision over April and May), suggesting a gain in labour market activity momentum. However, the unemployment rate ticked up to 4.4%, as the labour force participation rate rose to 62.8%, although it remains below the Fed's estimated range for the natural rate. Furthermore, average hourly earnings growth disappointed market consensus expectations, rising +0.2% mom, translating to +2.5% yoy and remaining in the 2.4 – 2.8% yoy range occupied since later-2015.
- ▶ The release of the **minutes of the European Central Bank's (ECB) June monetary policy meeting** confirmed that the central bank's policy makers believed deflation risks had "*largely vanished*" and reiterated a more upbeat assessment of the economy. There was also recognition that subdued inflation meant there were no imminent plans for the ECB to scale back its asset purchase programme. Moving to data, the **eurozone unemployment rate** held steady at an eight-year low of 9.3% in May. Although there are signs of a moderation in the pace of job creation, the broad trend in the eurozone labour market remains one of improvement. The final reading of the **Markit Eurozone Composite PMI** survey for June was revised up 0.6pts from the initial estimate to 56.3, leaving the index firmly in expansionary territory. At the country level, **German factory orders** growth accelerated to 3.7% yoy in May, from a downwardly revised 3.3% in April. Domestic orders actually slipped in May, but this was more than offset by an increase in orders from foreign countries, particularly those outside of the eurozone. **German industrial production** came in much stronger than expected, gaining 1.2% mom in June, led by improvements in capital goods production. This marks the fifth consecutive monthly increase and brings the annual growth rate to 5.0% (up from 2.8% in April), hitting its highest rate since August 2011.
- ▶ The **Bank of Japan's Tankan survey** of business conditions for Q2 confirmed that economic activity improved between March and June, both in terms of domestic and overseas demand. The survey's main component, the Large Manufacturing Index, came in stronger than expected at 17, up from 12 in Q1. Software and fixed investment plans for the current fiscal year were revised up, from 1.5% to 5.7%, due to seasonal factors. Nevertheless, this is one of the smallest upward revisions since the inception of the index, suggesting Japanese firms remain prudent regarding their capital expenditures despite improved supply and demand conditions.
- ▶ In **Turkey**, **CPI inflation** decelerated by more than expected to 10.9% yoy in June (consensus: 11.2%), from 11.7% in May, weighed by the decline in food inflation. The central bank of Turkey's preferred core inflation gauge also eased to 9.2% from 9.4%. **Brazil's CPI inflation** fell to 3.0% yoy (consensus: 3.1%) in June from 3.6% in the previous month and **Mexico's CPI inflation** edged up to 6.3% yoy in June, in line with expectations, and following from 6.2% in May.

Coming Week (10–14 July 2017)

Date	Country	Indicator	Data as of	Survey	Prior
Monday 10 July	China	CPI (yoy)	Jun	1.6%	1.5%
Tuesday 11 July	US	NFIB Small Business Optimism	Jun	104.5	104.5
Wednesday 12 July	UK	ILO Unemployment Rate (3 months)	May	4.6%	4.6%
	Eurozone	Industrial production (seasonally adjusted, mom)	May	1.0%	0.5%
	India	CPI (yoy)	Jun		2.2%
	India	Industrial production (yoy)	May		3.1%
	Canada	Bank of Canada interest rate decision	Jul	0.75%	0.50%
	US	Fed Chair Yellen's semi-annual testimony to Congress			
Thursday 13 July	China	Trade balance (USD bn)	Jun	43.0	40.8
Friday 14 July	Japan	Industrial production (mom)	May F		-3.3%
	US	CPI (yoy)	Jun	1.7%	1.9%
	US	Retail sales advance (mom)	Jun	0.1%	-0.3%
	US	Industrial production (mom)	Jun	0.3%	0.0%
	US	Uni. of Michigan Consumer Sentiment	Jul P	95.0	95.1

P – Preliminary, F – Final

US and Canada

- ▶ In the **US**, the **NFIB Index of Small Business Optimism index** for June is expected to be unchanged from May's 104.5 reading. The sentiment gauge surged following the US elections last year and has remained at elevated levels as business owners saw an increased likelihood of tax and regulatory policy changes. Meanwhile, the preliminary July print of the **University of Michigan Index of Consumer Sentiment** should show stable (and elevated) consumer confidence, remaining at around the 95 level. Perhaps of greater interest in this release will be any shifts in consumer inflation expectations.
- ▶ The June FOMC meeting minutes showed FOMC participants agreeing that it would be appropriate to start balance sheet normalisation this year but the committee is divided over when to start the process. Therefore at **Fed Chair Janet Yellen** may receive questions on the precise timing of the start of normalisation and how this interacts with the Fed hiking cycle at her **semi-annual testimony before the House Financial Services Committee**.
- ▶ **US CPI inflation** is expected to slow to 1.7% yoy in June from 1.9% yoy in May, with declines in gasoline prices contributing to downward pressure on headline inflation. Core inflation (excluding food and energy) is expected to remain unchanged at its May value of 1.7%. There has been a decelerating trend since March owing to a number of factors such as falling cell phone plan prices, which the Fed has interpreted as transitory.
- ▶ **US nominal retail sales** may have increased 0.1% mom in June, edging up from a decline of 0.3% mom in May. While sales figures disappointed expectations last month, previous months' numbers were revised up and US consumer confidence levels continue to stay at elevated levels.
- ▶ Meanwhile, the **Bank of Canada** will actively consider a 0.25% rate hike at its **July meeting**. While low oil prices continue to present a net drag to growth, recent economic data has shown rising business investment, a positive trend in consumer spending and an improving labour market. Slowing a robust housing sector may also be a consideration at this meeting. Bank officials have been communicating the hawkish change in tone and market participants have largely priced in the move.

Europe

- ▶ Following a robust 0.5% mom gain in April, **eurozone industrial production** is expected to expand again in May (by 1.0% mom). This would push the annual growth rate up to 3.5% yoy, or around 2.0% on a 6-month moving average basis. Despite signs of gathering momentum in the region's industrial output, hard data continues to lag elevated sentiment indicators such as the eurozone manufacturing PMI (currently running at a 6-year high).
- ▶ The **UK ILO unemployment rate** for the three months to May is expected to remain steady at 4.6% for the third consecutive month. Although this is the lowest rate since 1975, UK wage growth remains soft, hitting a one-year low in the last release, and expected to dip further (to 1.8% yoy) in the three months to May – well below the recent trend. Nevertheless, despite a lack of wage pressures, any further decline in the unemployment rate may embolden the hawks on the Bank of England Monetary Policy Committee (MPC), especially given that the Bank's estimate of the equilibrium rate is 4.5%.

China

- ▶ **China's CPI inflation** for June is expected to edge up from 1.5% yoy in May to 1.6%, amid rising output prices in the manufacturing and non-manufacturing PMI surveys for June. However, inflationary pressures are likely to have been contained by weak food prices, a slowing of producer prices since February (suggesting a weakening in cost-push inflation), and lower crude oil prices. Meanwhile, **external trade** data for June is likely to come in little changed compared to the previous month, following the modest uptick in new export orders in both the official and Caixin PMI surveys. Imports are expected to slow down marginally (to 14.0% yoy) while exports are anticipated to gather pace (to 9.0%). Overall, the trade balance is expected to rise from USD40.8 billion to USD43.0 billion.

Market Moves

Equity markets little changed as concerns over tighter global monetary policy offset by upbeat economic data releases and financial sector outperformance

- ▶ In the US, the S&P 500 Index was little changed over the week (+0.1%). Support came from upbeat macroeconomic data releases – including better-than-expected June ISM survey data and an upbeat nonfarm payrolls print – as well as a resurgent information technology sector. However, this was offset by concerns about tighter monetary policy. The financial sector was the notable gainer for the week, helped by rising yields.
- ▶ **European stocks** gained moderately this week, despite investor concerns about tighter monetary policy following the release of the minutes from the ECB's June meeting. At the sector level, financials outperformed as higher bond yields supported optimism on the earnings outlook for banks. Energy stocks underperformed on the pullback in crude oil prices. Overall, the Euro STOXX 50 Index ended the week 0.6% higher. All other major indices rose.
- ▶ **Asian stock markets** mostly retreated this week amid the more hawkish ECB minutes and as falling commodity prices weighed on risk sentiment. At the country level, Hong Kong's financial-heavy Hang Seng index led losses (-1.6%), and Australia's S&P/ASX 200 erased early-week gains, after the Reserve Bank of Australia's decision to leave monetary policy unchanged, to end the week 0.3% lower. More positively, India's SENSEX 30 Index rose 1.4% as investors welcomed the official launch of the Goods and Services Tax, effective from 1 July.

European bonds sold off amid hawkish ECB minutes; Treasuries also dipped

- ▶ **US Treasuries** fell (yields rose) for the second consecutive week as upbeat economic data and concerns about tighter monetary policy weighed on bond market sentiment. The yield curve bear-steepened, with 2-year yields closing up 2bp to 1.40% and 10-year yields rising 8bp to 2.39%.
- ▶ Longer-dated **European government bonds** also sold off this week (yields rose), with most of the weakness occurring on Thursday after the latest ECB minutes showed easing concerns about the risk of deflation, which then prompted further speculation of an earlier than anticipated removal of policy stimulus. Benchmark German 10-year yields rose 11bp to 0.57%, the highest since early 2016. Sovereign curves bear-steepened in all other major European countries, including the UK.

Euro and sterling depreciate against the US dollar amid upbeat data in the US

- ▶ The **euro** depreciated in the early part of the week against the US dollar, largely driven by better-than-expected activity data in the US. However, after the minutes of the ECB's June monetary policy meeting were released on Thursday, the euro pared back some of its losses to finish 0.2% lower. Meanwhile, the **pound sterling** fell 1.0% against the US dollar amid soft economic data releases including the latest industrial production, PMI and new car registration figures.
- ▶ **Asian currencies** continued to depreciate against the US dollar over the week, as the greenback was supported by the prospect of more Fed rate hikes to come. The decline in Asia was led by the yen (-1.4%), after the ruling Liberal Democrat Party lost the Tokyo assembly election on 2 July, fuelling market concerns about Prime Minister Shinzo Abe's reform agenda. The Korean won fell 0.9% on the back of North Korea's missile test. Most other currencies dropped by less than 0.5%. The Indian rupee outperformed, ending little changed, as the launch of the Goods and Services Tax on 1 July was perceived favourably by investors.

Oil prices dipped on doubts over OPEC effectiveness; gold fell on US dollar recovery

- ▶ **Crude oil prices** resumed their downward trend this week amid continuing doubts about the effectiveness of OPEC-led output cuts to stabilise the market after Russia said on Tuesday it will oppose deeper cuts. This came as the US Energy Information Administration (EIA) weekly report showed another pickup in US oil production last week. Overall, WTI and Brent fell 3.7% and 2.3% to USD44.4 per barrel and USD46.8 per barrel, respectively.
- ▶ Meanwhile, **gold prices** also fell this week (-2.3% to USD1,213), with the bulk of losses coming on Monday amid a recovery in the US dollar. Higher bond yields over the week and a robust June nonfarm payrolls print also weighed 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)
Equity Indices									
World									
MSCI AC World Index (USD)	464	-0.2	-0.8	3.7	16.9	10.0	470	396	16.6
North America									
US Dow Jones Industrial Average	21,414	0.3	1.1	3.7	19.7	8.4	21,563	17,817	17.7
US S&P 500 Index	2,425	0.1	-0.3	3.0	15.6	8.3	2,454	2,084	18.6
US NASDAQ Composite Index	6,153	0.2	-2.3	4.7	26.2	14.3	6,342	4,854	23.1
Canada S&P/TSX Composite Index	15,027	-1.0	-2.2	-4.1	6.3	-1.7	15,943	14,103	16.6
Europe									
MSCI AC Europe (USD)	451	0.0	-1.2	6.5	20.8	12.7	461	372	15.1
Euro STOXX 50 Index	3,464	0.6	-2.4	-0.9	24.6	5.3	3,667	2,768	14.7
UK FTSE 100 Index	7,351	0.5	-1.7	0.0	12.5	2.9	7,599	6,464	15.1
Germany DAX Index*	12,389	0.5	-2.2	1.3	31.5	7.9	12,952	9,389	13.7
France CAC-40 Index	5,145	0.5	-2.3	0.2	24.9	5.8	5,442	4,103	15.2
Spain IBEX 35 Index	10,489	0.4	-3.5	-0.4	31.0	12.2	11,184	7,961	14.7
Asia Pacific									
MSCI AC Asia Pacific ex Japan (USD)	500	-0.9	-0.5	4.4	20.8	17.3	510	411	14.0
Japan Nikkei-225 Stock Average	19,929	-0.5	-0.3	6.8	30.5	4.3	20,318	15,107	17.3
Australian Stock Exchange 200	5,704	-0.3	0.6	-2.7	9.1	0.7	5,957	5,052	15.6
Hong Kong Hang Seng Index	25,341	-1.6	-2.4	4.4	22.4	15.2	26,090	20,469	12.2
Shanghai Stock Exchange Composite Index	3,218	0.8	2.5	-2.1	6.7	3.7	3,301	2,932	14.1
Hang Seng China Enterprises Index	10,252	-1.1	-3.4	-0.2	19.2	9.1	10,727	8,483	8.2
Taiwan TAIEX Index	10,297	-0.9	0.9	4.3	19.2	11.3	10,546	8,605	14.6
Korea KOSPI Index	2,380	-0.5	0.8	10.6	20.6	17.4	2,403	1,931	10.2
India SENSEX 30 Index	31,361	1.4	0.3	5.6	15.3	17.8	31,523	25,718	19.2
Indonesia Jakarta Stock Price Index	5,815	-0.3	1.7	2.9	17.0	9.8	5,910	4,972	16.6
Malaysia Kuala Lumpur Composite Index	1,760	-0.2	-1.5	1.0	6.6	7.2	1,797	1,614	16.2
Philippines Stock Exchange PSE Index	7,889	0.6	-1.4	4.0	1.8	15.3	8,118	6,499	19.1
Singapore FTSE Straits Times Index	3,229	0.1	0.0	1.6	12.8	12.1	3,275	2,761	14.7
Thailand SET Index	1,569	-0.3	0.2	-0.9	7.7	1.7	1,601	1,343	15.4
Latam									
Argentina Merval Index	22,028	0.5	-0.9	6.3	50.0	30.2	22,624	14,690	16.8
Brazil Bovespa Index*	62,322	-0.9	-1.3	-3.5	19.8	3.5	69,488	51,888	11.6
Chile IPSA Index	4,855	2.3	-0.7	-0.7	21.4	16.9	4,920	3,994	18.3
Colombia COLCAP Index	1,470	0.5	1.3	7.4	12.9	8.8	1,491	1,271	14.5
Mexico Index	50,059	0.4	1.6	1.4	10.3	9.7	50,340	43,999	18.3
EEMEA									
Russia MICEX Index	1,912	1.8	2.4	-5.3	1.6	-14.3	2,294	1,775	6.4
South Africa JSE Index	51,900	0.6	-0.4	-1.8	1.6	2.5	54,717	48,936	14.4
Turkey ISE 100 Index*	100,084	-0.4	2.5	13.1	27.7	28.1	101,416	70,426	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 (%)
Equity Indices - Total Return					
Global equities	4.2	11.1	19.0	13.9	65.0
US equities	2.6	8.6	16.6	26.8	91.2
Europe equities	8.2	15.3	24.5	-1.5	51.9
Asia Pacific ex Japan equities	5.8	19.4	24.5	9.0	40.3
Japan equities	4.2	8.1	17.1	14.6	54.3
Latam equities	-3.7	9.5	17.9	-19.6	-18.4
Emerging Markets equities	5.6	18.1	24.4	1.5	19.8

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)	505	-0.3	-0.7	0.4	-1.3	1.1
JPM EMBI Global	779	-0.7	-1.5	1.0	3.6	5.4
BarCap US Corporate Index (USD)	2,823	-0.3	-0.2	2.0	0.8	3.5
BarCap Euro Corporate Index (Eur)	242	-0.1	-0.8	-0.2	0.6	0.6
BarCap Global High Yield (USD)	454	-0.2	-0.4	1.6	10.8	5.0
Markit iBoxx Asia ex-Japan Bond Index (USD)	192	-0.1	-0.3	0.9	1.7	3.2
Markit iBoxx Asia ex-Japan High-Yield Bond Index (USD)	244	0.3	-0.2	-0.2	6.7	3.7

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

Currencies (vs USD)	Latest	1-week Ago	1-month Ago	3-months Ago	1-year Ago	Year End 2016	52-week High	52-week Low
Developed markets								
EUR/USD	1.14	1.14	1.13	1.06	1.11	1.05	1.14	1.03
GBP/USD	1.29	1.30	1.30	1.24	1.29	1.23	1.35	1.18
CHF/USD	1.04	1.04	1.04	0.99	1.02	0.98	1.05	0.97
CAD	1.29	1.30	1.35	1.34	1.30	1.34	1.38	1.28
JPY	113.92	112.39	109.82	111.09	100.77	116.96	118.66	99.54
AUD	1.32	1.30	1.32	1.33	1.34	1.39	1.40	1.29
NZD	1.37	1.36	1.39	1.44	1.38	1.44	1.47	1.34
Asia								
HKD	7.81	7.81	7.79	7.77	7.76	7.76	7.81	7.75
CNY	6.81	6.78	6.80	6.90	6.68	6.95	6.96	6.62
INR	64.60	64.58	64.33	64.28	67.40	67.92	68.86	63.93
MYR	4.30	4.29	4.26	4.44	4.01	4.49	4.50	3.93
KRW	1,154	1,144	1,124	1,134	1,155	1,206	1,212	1,090
TWD	30.59	30.43	30.10	30.60	32.28	32.33	32.56	29.93
Latam								
BRL	3.28	3.31	3.27	3.15	3.37	3.26	3.51	3.04
COP	3,088	3,046	2,916	2,863	2,987	3,002	3,208	2,822
MXN	18.09	18.12	18.23	18.67	18.83	20.73	22.04	17.81
EEMEA								
RUB	60.38	58.87	57.09	57.27	64.60	61.54	67.45	55.70
ZAR	13.38	13.07	12.83	13.76	14.76	13.74	14.82	12.31
TRY	3.62	3.52	3.55	3.73	2.94	3.52	3.94	2.88

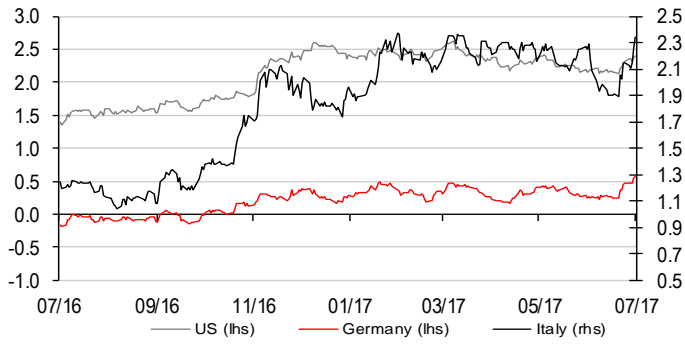
Bonds	Close	1-week Ago	1-month Ago	3-months Ago	1-year Ago	Year End 2016
US Treasury yields (%)						
3-Month	1.03	1.01	0.99	0.81	0.28	0.50
2-Year	1.40	1.38	1.31	1.29	0.59	1.19
5-Year	1.95	1.89	1.74	1.92	0.96	1.93
10-Year	2.39	2.30	2.17	2.38	1.39	2.44
30-Year	2.93	2.83	2.84	3.01	2.13	3.07
10-year bond yields (%)						
Japan	0.08	0.08	0.04	0.06	-0.28	0.04
UK	1.30	1.26	1.00	1.07	0.78	1.24
Germany	0.57	0.47	0.27	0.23	-0.17	0.20
France	0.94	0.81	0.69	0.89	0.13	0.68
Italy	2.34	2.15	2.29	2.21	1.24	1.81
Spain	1.72	1.52	1.56	1.60	1.18	1.38
China	3.60	3.57	3.65	3.30	2.84	3.06
Australia	2.73	2.60	2.38	2.55	1.87	2.77
Canada	1.88	1.76	1.41	1.60	0.98	1.72

Commodities	Latest	1-week ago (%)	1-month Change (%)	3-month Change (%)	1-year Change (%)	YTD Change (%)	52-week High	52-week Low
Gold	1,213	-2.3	-5.7	-3.3	-10.8	5.3	1,375	1,121
Brent Oil	46.8	-2.3	-2.5	-15.2	0.9	-17.6	58	42
WTI Crude Oil	44.4	-3.7	-3.0	-15.1	-1.8	-17.4	55	39
R/J CRB Futures Index	173	-1.3	-1.7	-7.8	-7.1	-10.4	196	166
LME Copper	5,851	-1.4	4.1	0.3	24.8	5.7	6,204	4,582

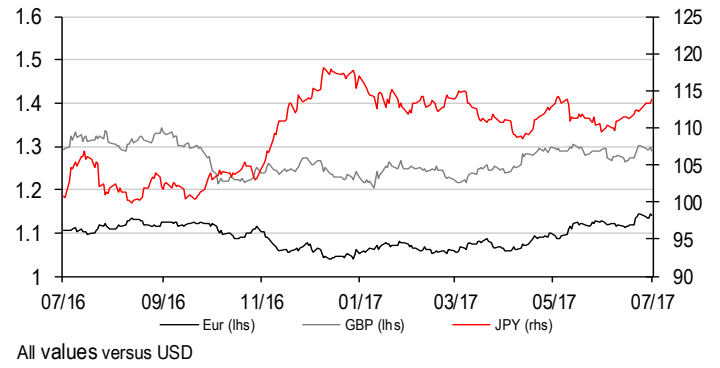
Source: Bloomberg, HSBC Global Asset Management. Data as at close of business 07 July 2017.
Past performance is not an indication of future returns

Market Trends

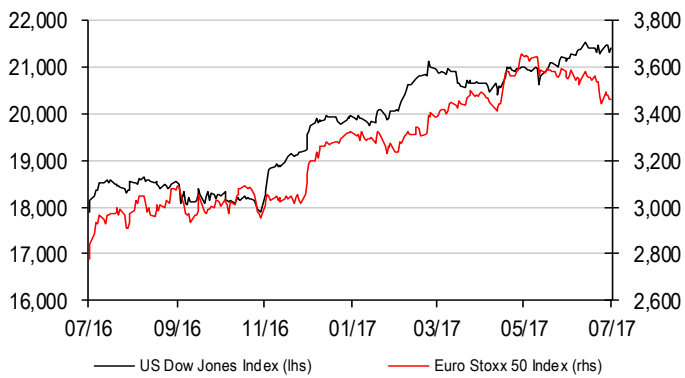
Government bond yields (%)



Major currencies (vs.USD)



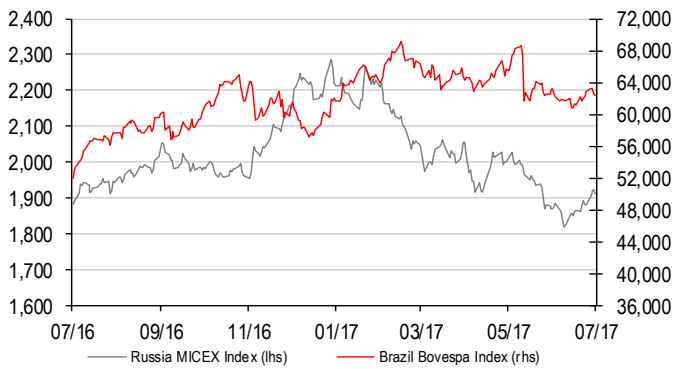
Global equities



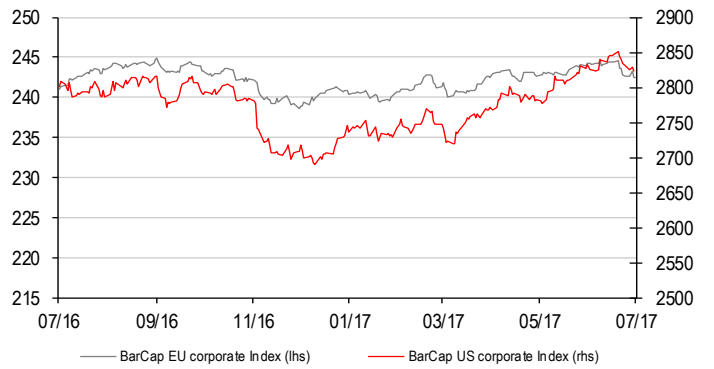
Emerging Asian equities



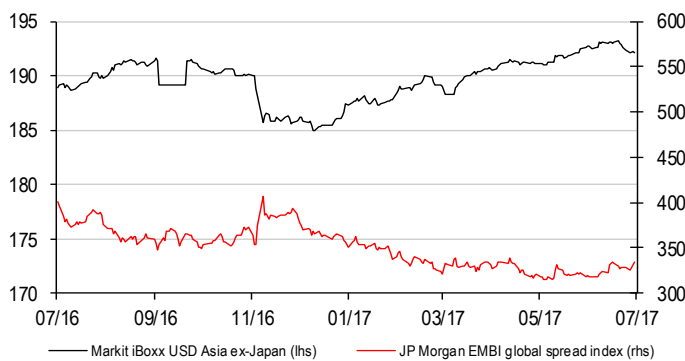
Other emerging equities



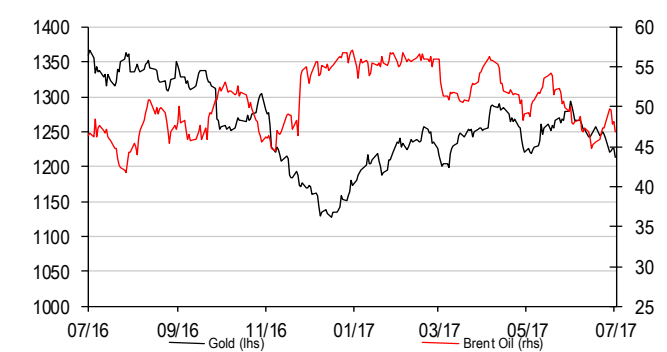
Global credit indices



Emerging markets spreads (USD indices)



Commodities (USD)



Source: Bloomberg, HSBC Global Asset Management. Data as at close of business 07 July 2017.
Past performance is not an indication of future returns

For Professional Clients and intermediaries within countries set out below; and for Institutional Investors and Financial Advisors in Canada and the US. This document should not be distributed to or relied upon by Retail clients/investors.

The contents of this document may not be reproduced or further distributed to any person or entity, whether in whole or in part, for any purpose. All non-authorized reproduction or use of this document will be the responsibility of the user and may lead to legal proceedings. The material contained in this document is for general information purposes only and does not constitute advice or a recommendation to buy or sell investments. Some of the statements contained in this document may be considered forward looking statements which provide current expectations or forecasts of future events. Such forward looking statements are not guarantees of future performance or events and involve risks and uncertainties. Actual results may differ materially from those described in such forward-looking statements as a result of various factors. We do not undertake any obligation to update the forward-looking statements contained herein, or to update the reasons why actual results could differ from those projected in the forward-looking statements. This document has no contractual value and is not by any means intended as a solicitation, nor a recommendation for the purchase or sale of any financial instrument in any jurisdiction in which such an offer is not lawful. The views and opinions expressed herein are those of HSBC Global Asset Management Global Investment Strategy Unit at the time of preparation, and are subject to change at any time. These views may not necessarily indicate current portfolios' composition. Individual portfolios managed by HSBC Global Asset Management primarily reflect individual clients' objectives, risk preferences, time horizon, and market liquidity.

The value of investments and the income from them can go down as well as up and investors may not get back the amount originally invested. Past performance contained in this document is not a reliable indicator of future performance whilst any forecasts, projections and simulations contained herein should not be relied upon as an indication of future results. Where overseas investments are held the rate of currency exchange may cause the value of such investments to go down as well as up. Investments in emerging markets are by their nature higher risk and potentially more volatile than those inherent in some established markets. Economies in Emerging Markets generally are heavily dependent upon international trade and, accordingly, have been and may continue to be affected adversely by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be affected adversely by economic conditions in the countries in which they trade. Mutual fund investments are subject to market risks, read all scheme related documents carefully.

We accept no responsibility for the accuracy and/or completeness of any third party information obtained from sources we believe to be reliable but which have not been independently verified.

HSBC Global Asset Management is a group of companies in many countries and territories throughout the world that are engaged in investment advisory and fund management activities, which are ultimately owned by HSBC Holdings Plc. HSBC Global Asset Management is the brand name for the asset management business of HSBC Group. The above communication is distributed by the following entities: in the UK by HSBC Global Asset Management (UK) Limited, who are authorised and regulated by the Financial Conduct Authority; in France by HSBC Global Asset Management (France), a Portfolio Management Company authorised by the French regulatory authority AMF (no. GP99026); in Germany by HSBC Global Asset Management (Deutschland) GmbH which is regulated by BaFin; in Switzerland by HSBC Global Asset Management (Switzerland) Ltd whose activities are regulated in Switzerland and which activities are, where applicable, duly authorised by the Swiss Financial Market Supervisory Authority. Intended exclusively towards qualified investors in the meaning of Art. 10 para 3, 3bis and 3ter of the Federal Collective Investment Schemes Act (CISA); in Hong Kong by HSBC Global Asset Management (Hong Kong) Limited, which is regulated by the Securities and Futures Commission; in Canada by HSBC Global Asset Management (Canada) Limited which is registered in all provinces of Canada except Prince Edward Island; in Bermuda by HSBC Global Asset Management (Bermuda) Limited, of 6 Front Street, Hamilton, Bermuda which is licensed to conduct investment business by the Bermuda Monetary Authority; in India by HSBC Asset Management (India) Pvt Ltd. which is regulated by the Securities and Exchange Board of India; In the United Arab Emirates, Qatar, Bahrain & Kuwait by HSBC Bank Middle East Limited which are regulated by relevant local Central Banks for the purpose of this promotion and lead regulated by the Dubai Financial Services Authority. In Oman by HSBC Bank Oman S.A.O.G regulated by Central Bank of Oman and Capital Market Authority of Oman. In Taiwan by HSBC Global Asset Management (Taiwan) Limited which is regulated by the Financial Supervisory Commission R.O.C. (Taiwan); in the US by HSBC Global Asset Management (USA) Inc. is an investment advisor registered with the US Securities and Exchange Commission;

INVESTMENT PRODUCTS:

- Are not a deposit or other obligation of the bank or any of its affiliates;
- Not FDIC insured or insured by any federal government agency of the United States;
- Not guaranteed by the bank or any of its affiliates; and
- Are subject to investment risk, including possible loss of principal invested.

and in Singapore by HSBC Global Asset Management (Singapore) Limited, which is regulated by the Monetary Authority of Singapore. HSBC Global Asset Management (Singapore) Limited is also an Exempt Financial Adviser and has been granted specific exemption under Regulation 36 of the Financial Advisers Regulation from complying with Sections 25 to 29, 32, 34 and 36 of the Financial Advisers Act, Chapter 110 of Singapore.

Copyright © HSBC Global Asset Management Limited 2017. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, on any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of HSBC Global Asset Management Limited.

Expiry: July 28, 2017
DK1700308A