IW

Investment Weekly

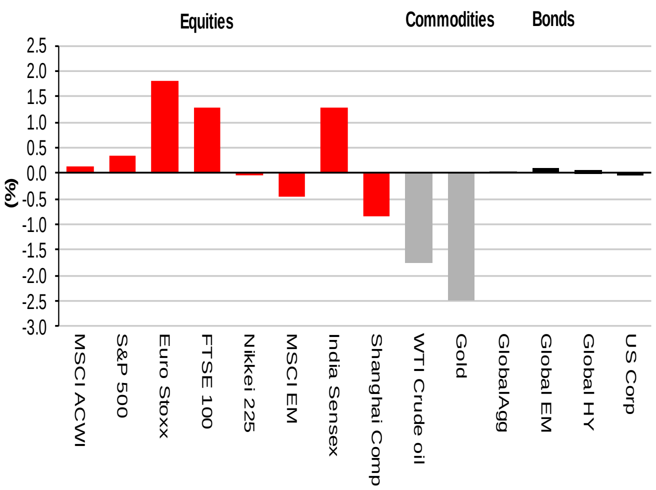
08 December 2017

For Professional Client and Institutional Investor Use Only

- European equities rallied as the final set of Basel rules boosted financial stocks; US equities were little changed
- Solid underlying momentum in the US labour market continues as nonfarm payrolls rose by 228,000 in November, beating expectations of a 195,000 rise
- The UK reached a historic deal on its European Union (EU) exit terms early on Friday and signed off a "progress report" that will allow EU negotiators to recommend opening a second phase of talks on post-Brexit relations
- In the coming week, the US Federal Reserve (Fed) is expected to raise interest rates while the European Central Bank (ECB) and Bank of England are both expected to stay on hold

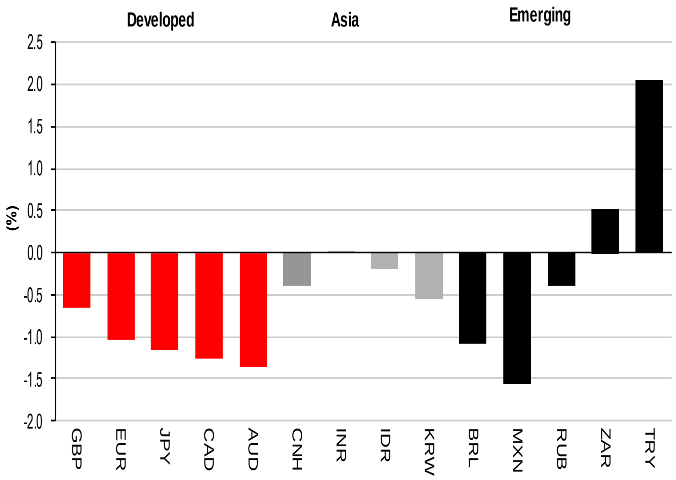
Movers and shakers

European stocks rallied this week

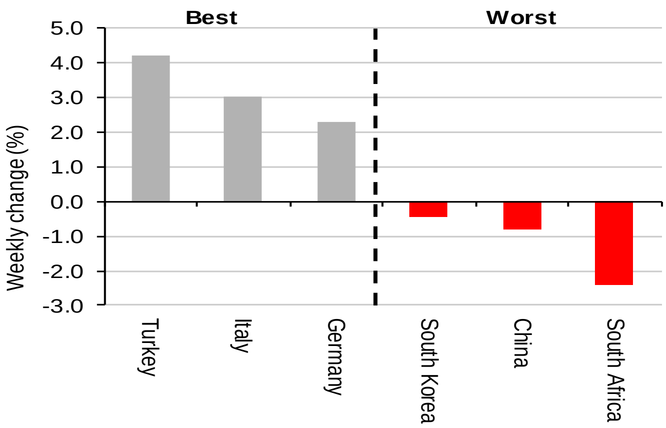


Currencies (versus US dollar)

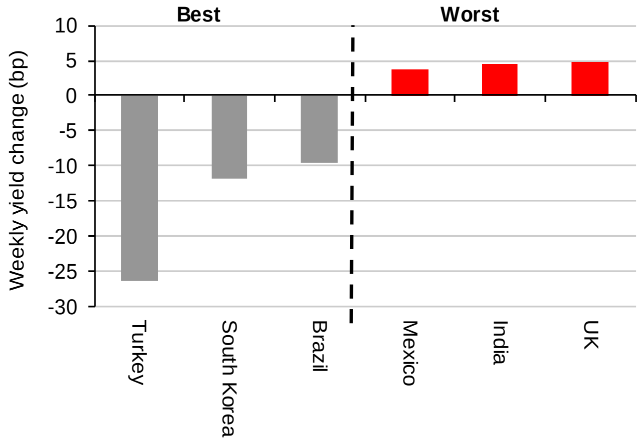
Most currencies fell against the US dollar



Equities



Bonds (10-year)



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Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 08 December 2017.
All the above charts relate to 01/12/2017 – 08/12/2017.

Past performance is not an indication of future returns.

HSBC Global Asset Management

Macro Data and Key Events

Past Week (04-08 December 2017)

Date	Country	Indicator	Data as of	Survey	Actual	Prior
Monday 04 December	Turkey	CPI (yoy)	Nov	12.5%	13.0%	11.9%
Tuesday 05 December	Eurozone	Markit Composite PMI	Nov F	57.5	57.5	57.5P
	US	ISM Non-Manufacturing Index	Nov	59.0	57.4	61.1
Wednesday 06 December	Brazil	COPOM Interest Rate Decision	Dec	7.0%	7.0%	7.5%
	Germany	Factory Orders (working day adjusted, yoy)	Oct	7.0%	6.9%	9.7%
	India	RBI Interest Rate Decision (repurchase rate)	Dec	6.0%	6.0%	6.0%
Thursday 07 December	Germany	Industrial Production (seasonally adjusted, mom)	Oct	0.9%	-1.4%	-0.9%
	Eurozone	GDP (seasonally adjusted, qoq)	Q3 F	0.6%	0.6%	0.6% P
Friday 08 December	Japan	GDP (seasonally adjusted, qoq annualised)	Q3 F	1.5%	2.5%	1.4%
	China	Trade Balance (USD bn)	Nov	35.0	40.2	38.1
	US	Change in Nonfarm Payrolls (000s)	Nov	195	228	244
	US	University of Michigan Index of Consumer Sentiment	Dec P	99.0	96.8	98.5

P – Preliminary, Q – Quarter, F – Final

- On Saturday 2 December, the **US Senate finally passed its own version of the tax reform bill** with 51-49 votes, with one Republican Senator, Robert Corker, dissenting. As the bill passed by the Senate is different from the one passed by the House, the two versions will need to be reconciled before the final version is presented to the President. The main differences include (i) the rate and timing of corporate tax cuts and (ii) whether some individual tax cuts will expire after 2026. Overall, the likelihood that tax reform legislation could be signed into law before the end of the year has increased markedly. Furthermore, a **partial US government shutdown** on 9 December has now been averted. Both the House (235-193) and the Senate (81-14) have voted in favour of extending government funding for two weeks until 22 December. In terms of data releases, the **US ISM Non-Manufacturing Index** dropped 2.7 points to 57.4 in November, missing an expected 59.0. The latest reading shows still healthy activity after being boosted by post-hurricane rebuilding in previous months. Within the detail, business activity remained at an elevated 61.4 while new orders and employment dipped to 58.7 and 55.3 respectively. Finally, **US nonfarm payrolls** rose by 228,000 in November, beating expectations of a 195,000 rise. The unemployment rate and the labour participation rate remained unchanged at 4.1% and 62.7%, respectively, as expected. However, average hourly earnings came in at 0.2% mom, modestly disappointing expectations for an advance of 0.3% mom. Overall, the latest report continues to show a solid labour market.
- On Friday, the **EU Commission and the UK government provisionally agreed to a divorce deal** in a 15-page joint report, locking in the progress of the negotiations so far. The main points from the deal are: (i) a commitment by the UK to pay into the EU budget for the years 2019 and 2020 "as if it had remained" in the EU (at the moment, the deal does not contain any numbers), (ii) EU citizens living in the UK will be able to claim permanent residency, and (iii) in case of "no deal", the UK agrees to maintain Single Market and Customs Union rules to avoid a hard border between Northern Ireland and the Republic of Ireland. Furthermore, no new regulatory barriers between Northern Ireland and the rest of the UK are promised in order to avoid a "wet border." At next week's summit (14/15 December), the EU will now tell EU leaders that "sufficient progress" has been made and recommend that negotiations should move on to discussing a new trading relationship.
- In terms of data releases, the final **Q3 eurozone GDP** confirmed the previous estimate of 0.6% qoq growth, following 0.7% qoq growth in Q2. Compared to the previous quarter, the expenditure breakdown showed a slightly weaker growth contribution from household spending (+0.2 ppts) and fixed investment (+0.3 ppts), although net trade was no longer a drag, adding 0.1 ppts to growth (-0.2 ppts previously). **Germany's factory orders** rose by 0.5% mom in October, slowing from September's 1.2% mom (upwardly revised from +1.0%) but beating expectations of a 0.2% decline. In year-on-year terms, factory orders rose 6.9% (+9.7% previously).
- In Asia, the **second estimate of Japan's GDP for Q3** beat consensus expectations, at 2.5% qoq annualised (consensus: +1.5%) and up from 1.4% in the preliminary estimate. Stronger private non-residential investment and inventory building explained the revision. **China's external trade data** for November showed exports rose 12.3% yoy, up from 6.8% in October. The increase was broad-based across major product groups as well as major markets. Imports rose 17.7% yoy. Overall, the trade surplus increased, up from USD38.1 billion in October to USD40.2 billion, with global demand continuing to support the Chinese economy. **The Reserve Bank of India** kept policy rates unchanged and its policy stance neutral in December.
- Finally, as expected, **Brazil's central bank** cut its SELIC rate by 50 bps from 7.50% to a record low of 7.00%. The central bank has been cutting interest rates since late-2016 (worth 7.25 percentage points) to support the economic recovery. The bank also signalled that if the trajectory of the economy does not change, it would reduce the pace of easing at the next meeting on 6-7 February 2018.

Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 08 December 2017.

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Coming Week (11-15 December 2017)

Date	Country	Indicator	Data as of	Survey	Prior
Tuesday 12 December	UK	CPI (yoy)	Nov	3.0%	3.0%
	Germany	ZEW Expectation of Economic Growth	Dec	18.0	18.7
	India	CPI (yoy)	Nov	4.3%	3.6%
	India	Industrial Production (yoy)	Oct	2.8%	3.8%
Wednesday 13 December	UK	ILO Unemployment Rate (3 months)	Oct	4.2%	4.3%
	US	CPI (yoy)	Nov	2.2%	2.0%
	US	FOMC Interest Rate Decision	Dec		
Thursday 14 December	China	Industrial Production (yoy)	Nov	6.2%	6.2%
	China	Retail Sales (yoy)	Nov	10.3%	10.0%
	Eurozone	Markit Composite PMI	Dec P	57.2	57.5
	Turkey	CBRT Interest Date Decision (overnight lending rate)	Dec	9.25%	9.25%
	UK	Bank of England Interest Rate Decision	Dec	0.50%	0.50%
	Eurozone	ECB Interest Date Decision	Dec	-0.40%	-0.40%
	US	Retail Sales Advance (mom)	Nov	0.3%	0.2%
	Mexico	Banco de Mexico Interest Rate Decision	Dec	7.25%	7.00%
Friday 15 December	Japan	Tankan Large Manufacturers Index	Q4	24.0	22.0
	US	Industrial Production (mom)	Nov	0.3%	0.9%

P – Preliminary, Q – Quarter, F – Final

US

- In the coming week, the **Fed's Federal Open Market Committee** (FOMC) is widely expected to raise the federal funds target range by 25 bps to 1.25%-1.50%. The move comes amid a strong jobs market and solid economic activity. Current Fed Chair Janet Yellen is likely to reiterate a prescription of gradually rising rates at her post-release interview. Released at the same time, the quarterly summary of economic projections will provide an update on the FOMC's assessment of near-term economic conditions and policy intentions.
- Headline **US CPI** is expected to accelerate to 2.2% yoy in November, up from 2.0% in October, continuing a steady uptrend since June. CPI ex-food and energy inflation is likely to remain unchanged at 1.8% yoy, after picking up in the prior month for the first time since January.
- **Retail sales** are expected to pick up to 0.3% mom in November, from the prior month's 0.2% growth. Meanwhile, the retail sales control group – a key measure used in personal consumption expenditure calculations – could grow by 0.3% mom.
- Finally, **industrial production** is projected to rise by 0.3% mom, reverting back to normal levels after a prior 0.9% reading. The latter was boosted by post-hurricane rebuilding efforts.

Europe

- The **ECB** is expected to keep monetary policy on hold on Thursday. The bulk of decisions around the bank's quantitative easing programme were communicated in October, with a commitment to extend asset purchases until at least September 2018. However, minutes from the October meeting expressed concerns that keeping the programme open-ended might generate expectations of further extensions that "did not appear justified" from the current perspective. Therefore, ECB President Mario Draghi is likely to face questions on the eventual exit from quantitative easing. Fresh ECB staff forecasts are also released at this meeting, including its first projections for inflation in 2020.
- The November **eurozone PMIs** unexpectedly surged higher, with the composite index rising to a six-and-a-half-year high of 57.5 from 56.0 in October. December's preliminary print is likely to see a slight moderation from these elevated levels, but nevertheless should leave the average for Q4 higher than that in Q3.
- **Germany's ZEW Expectation of Economic Growth** is expected to edge slightly lower in December (-0.7 pts to 18.0), although this would maintain the recent stable trend. German sentiment remains supported by continuing upbeat economic performance and, relevant to this survey (which is drawn from finance professionals) robust asset prices.
- The **Bank of England** is expected to keep monetary policy on hold at its final policy meeting of the year, having raised the Bank Rate by 25 bps last month. Although inflation remains above target, the bank's Monetary Policy Committee is likely to maintain a cautious stance amid a recent recovery in sterling (which could help keep a lid on inflation) as well as continuing soft data releases. Brexit uncertainty also lingers, despite a breakthrough in talks on 8 December.
- **UK CPI inflation** is likely to hold at 3.0% yoy in November, with the inflationary impact of higher oil prices possibly offset by a dip in clothing and recreational goods inflation.

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- The **UK unemployment rate** in the three months to October is expected to decline to 4.2%, its lowest rate since May 1975, supported by lower participation. Meanwhile, total wage growth over the same period is anticipated to increase to 2.5% yoy, above the recent trend rate. Further sustained gains in wage growth over the coming months could help justify further policy tightening by the Bank of England.

Japan and emerging markets

- Business confidence has improved since Q3 2016 in Japan, as exports and investment have gradually picked up and equity markets have rallied. The Bank of Japan's quarterly business conditions survey (also known as **Tankan)** for Q4 could reflect this continued optimism and the survey's main component (the business conditions for large manufacturers) is expected to rise from 22 in Q3 to 24. Confidence may also be supported by the prospect of more government fiscal stimulus after the snap elections.
- In **China, industrial production** growth is expected to stabilise at 6.2% yoy in November, unchanged from October, as the official and Markit manufacturing PMI surveys showed contradicting trends. Moreover, stringent environmental standards have continued to be enforced, limiting production in certain heavy industries, which may have offset the strong exports observed in November. Meanwhile, **retail sales** are expected to pick up in November, from 10.0% in October to 10.3%, as October sales were dampened by the Golden Week holiday. Moreover, online sales during Singles' Day were particularly strong. However, as the cooling property market dampens sentiment, the rebound should be muted.
- Rising food and energy prices have recently pushed **India's CPI inflation** gradually higher, with November's print expected to increase by 0.7 ppts to 4.3% yoy. The outlook for next year, however, suggests a cooling off may happen after the next harvest in March.
- **India's industrial production** growth is expected to slow in October from 3.8% yoy to 2.8%, after the relatively strong prints in August and September. This is in the context of the manufacturing PMI decelerating from 51.2 in September to 50.3 in October. However, growth of the eight core industries remained stable in October, at 4.7% yoy, suggesting the overall slowdown was limited.
- In Mexico, the **Bank of Mexico** is forecast to raise its overnight rate by 25 bps to 7.25% – the highest rate in eight years – amid a recent peso depreciation and a pickup in inflation. While inflation is expected to decelerate in the coming year towards the central bank's target range of 3% yoy (±1%), the latest CPI reading (+6.63% yoy) came in just shy of the 16-year high reached in August (+6.66%).

Market Moves

European equities rallied as the final set of Basel rules boosted financial stocks

- US equities edged up slightly this week, with the S&P 500 Index finishing 0.4% higher and the Dow Jones also rising 0.4%. Continued softness in technology shares at the global level and falling oil prices dampened investor sentiment, while incoming data (November ISM non-manufacturing and nonfarm payrolls) continue to signal robust US economic activity.
- European equities rose this week, benefiting from a rally in financial stocks and a breakthrough in Brexit negotiations. A weaker euro also supported exporter shares in the region. The Basel Committee on Banking Supervision released the final set of post-crisis banking regulations late Thursday, which is expected to cause "no significant increase" in capital requirements. Overall, the EURO STOXX 50 Index added 1.8%. At the country level, Spain's IBEX and Germany's DAX both rose 2.3%. Elsewhere, the UK's FTSE 100 Index edged up 1.3%.
- In Asia, most equity markets fell during the week amid lower crude oil prices and as technology stocks sold off at the beginning of the week. Losses were pared back in the second half of the week, partly fuelled by upbeat economic data in the region. In Japan, the Nikkei 225 Index ended the week flat, amid a weaker yen and an upward revision to Q3 GDP data. Hong Kong's Hang Seng Index underperformed, down 1.5%, as investors booked some of their profits after a 30% gain between January and November. Onshore Chinese stocks were also under pressure on concerns about credit and regulatory tightening. India's SENSEX 30 Index outperformed, gaining 1.3%, as the Reserve Bank of India (RBI) kept its policy unchanged.

US Treasuries little changed for a second week; European peripheral government bonds gained

- **US Treasuries** were little changed for a second consecutive week, with 10-year yields closing at 2.38%. Treasuries gained in the first half of the week (yields dropped) amid subdued risk appetite, although gains were subsequently pared back on reports suggesting that US President Donald Trump intends to release an infrastructure plan in January.
- Meanwhile, **German bunds** were also little changed over the week (10-year yields at 0.31%), although UK gilts fell (10-year yields were 5 bps higher at +1.28%) as a breakthrough in Brexit talks pushed expectations of future UK interest rates slightly higher. Peripheral bonds outperformed, with most gains occurring on Friday amid a Brexit-related increase in risk appetite.

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Most currencies fell against the US dollar this week

- The British pound depreciated 0.6% against the US dollar this week, with lingering uncertainty over the final outcome of Brexit despite significant progress this week on the first round of negotiations. Meanwhile, the euro slid 1.0%, as the US dollar steadily gained amid progress on tax reforms.
- Asian currencies depreciated against the US dollar over the week. The yen underperformed, down 1.2%, reflecting the widening yield differential between the US and Japan, even after the upward revision of Q3 GDP growth. The Indian rupee was little changed as the RBI kept its policy rates unchanged while reiterating its neutral stance. The Malaysian ringgit outperformed, gaining 0.1% as the extension of the OPEC output cut on 30 November was well received by investors.

Crude oil prices closed lower; gold also fell amid dollar strength

- **Crude oil** prices retreated, with much of the weakness occurring on Wednesday following the U.S. Energy Information Administration weekly report showing a stronger than expected increase in gasoline and distillate inventories last week, which offset the significant decline in crude inventories. Prices also fell as investors weighed the potential impact of last week's OPEC output cut extension until the end of 2018 on US shale oil production. Overall, WTI crude oil ended the week 1.8% lower to USD57.3 a barrel while Brent crude declined 0.6% to USD63.3 a barrel.
- **Gold prices** also closed lower this week (-2.5% to USD1,249 per troy ounce), marking a fifth consecutive week of losses. The precious metal was pressured by dollar strength amid expectations of higher policy rates in the US and investor optimism over the progress of US fiscal reform following the passing of the Senate version of the tax reform bill.

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Market Data

Equity Indices	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)
World									
MSCI AC World Index (USD)	504	0.1	0.7	5.1	19.1	19.5	507	421	17.5
North America									
US Dow Jones Industrial Average	24,329	0.4	3.2	11.6	24.0	23.1	24,534	19,528	19.4
US S&P 500 Index	2,652	0.4	2.2	7.7	18.0	18.4	2,665	2,234	19.8
US NASDAQ Composite Index	6,840	-0.1	0.8	7.5	26.3	27.1	6,914	5,372	24.2
Canada S&P/TSX Composite Index	16,096	0.4	-0.1	7.4	5.2	5.3	16,132	14,916	17.2
Europe									
MSCI AC Europe (USD)	477	0.5	0.0	1.3	21.7	19.2	484	390	15.6
Euro STOXX 50 Index	3,591	1.8	-1.7	4.2	12.7	9.1	3,709	3,141	15.6
UK FTSE 100 Index	7,394	1.3	-1.8	0.2	6.7	3.5	7,599	6,875	15.0
Germany DAX Index*	13,154	2.3	-1.7	6.9	17.7	14.6	13,526	10,991	14.9
France CAC-40 Index	5,399	1.5	-1.3	5.6	14.0	11.0	5,536	4,689	15.9
Spain IBEX 35 Index	10,321	2.3	0.9	1.9	12.9	10.4	11,184	8,993	14.5
Asia Pacific									
MSCI AC Asia Pacific ex Japan (USD)	550	-0.5	-1.9	3.0	25.0	28.8	570	419	14.7
Japan Nikkei-225 Stock Average	22,811	0.0	-0.4	18.3	21.6	19.3	23,382	18,225	19.2
Australian Stock Exchange 200	5,994	0.1	-0.4	5.7	8.1	5.8	6,052	5,510	16.3
Hong Kong Hang Seng Index	28,640	-1.5	-0.9	3.5	25.3	30.2	30,200	21,489	12.8
Shanghai Stock Exchange Composite Index	3,290	-0.8	-3.7	-2.2	2.3	6.0	3,450	3,017	14.5
Hang Seng China Enterprises Index	11,290	-1.4	-2.5	1.3	14.1	20.2	12,101	9,117	8.4
Taiwan TAIEX Index	10,399	-1.9	-3.9	-2.0	10.9	12.4	10,883	9,079	14.7
Korea KOSPI Index	2,464	-0.5	-3.5	5.1	21.3	21.6	2,562	2,016	10.6
India SENSEX 30 Index	33,250	1.3	0.1	4.9	24.6	24.9	33,866	25,754	21.8
Indonesia Jakarta Stock Price Index	6,031	1.3	-0.3	3.0	13.7	13.9	6,099	5,023	17.6
Malaysia Kuala Lumpur Composite Index	1,721	0.2	-1.3	-3.3	4.7	4.8	1,797	1,617	15.9
Philippines Stock Exchange PSE Index	8,305	2.0	-2.4	3.5	18.3	21.4	8,605	6,499	20.2
Singapore FTSE Straits Times Index	3,425	-0.7	0.1	6.1	15.7	18.9	3,463	2,858	15.7
Thailand SET Index	1,707	0.4	-0.5	4.3	11.9	10.6	1,730	1,502	17.0
Latam									
Argentina Merval Index	26,842	-0.4	-4.4	11.8	56.1	58.7	28,545	15,933	16.6
Brazil Bovespa Index*	72,732	0.6	-2.2	-0.5	19.9	20.8	78,024	56,829	13.9
Chile IPSA Index	4,887	-2.7	-10.9	-4.0	15.7	17.7	5,614	4,029	18.7
Colombia COLCAP Index	1,449	0.0	1.0	-3.3	10.3	7.2	1,509	1,312	16.5
Mexico Index	47,573	0.7	-2.6	-5.0	2.6	4.2	51,772	44,568	17.7
EEMEA									
Russia MICEX Index	2,105	0.0	-2.7	3.6	-4.6	-5.7	2,294	1,775	7.2
South Africa JSE Index	58,012	-2.4	-3.4	4.1	14.8	14.5	61,299	49,340	16.0
Turkey ISE 100 Index*	107,921	4.2	-3.6	-0.5	42.1	38.1	115,093	74,909	8.7

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

Equity Indices - Total Return	1-week Change (%)	1-month Change (%)	3-month Change (%)	YTD Change (%)	1-year Change (%)	3-year Change (%)	5-year Change (%)
Global equities	-0.4	0.4	4.9	21.1	20.8	26.2	65.8
US equities	-0.2	1.8	7.4	19.4	19.1	33.4	99.4
Europe equities	0.1	-0.2	1.2	22.0	24.6	14.3	39.1
Asia Pacific ex Japan equities	-1.4	-2.7	2.3	30.8	27.2	25.3	36.9
Japan equities	-0.4	-1.0	8.3	22.1	19.8	34.0	74.2
Latam equities	-1.3	-4.4	-8.1	17.4	18.7	3.6	-16.1
Emerging Markets equities	-1.4	-3.0	1.1	30.1	28.0	20.8	21.0

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 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.

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Market Data (continued)

Bond indices - Total Return	Close	1-week Change (%)	1-month Change (%)	3-month Change (%)	1-year Change (%)	YTD Change (%)
BarCap GlobalAgg (Hedged in USD)	515	0.0	0.1	0.2	3.5	3.1
JPM EMBI Global	805	0.1	1.0	-0.6	9.5	8.9
BarCap US Corporate Index (USD)	2,887	0.0	0.1	0.3	6.5	5.9
BarCap Euro Corporate Index (Eur)	248	0.1	-0.1	0.9	4.0	3.1
BarCap Global High Yield (USD)	467	0.0	0.3	0.7	9.0	8.0
Markit iBoxx Asia ex-Japan Bond Index (USD)	196	0.1	-0.1	-0.1	5.2	5.2
Markit iBoxx Asia ex-Japan High-Yield Bond Index (USD)	251	0.1	-0.2	1.0	7.0	7.0

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	1-week Change (%)
Developed markets									
EUR/USD	1.18	1.19	1.16	1.20	1.06	1.05	1.21	1.03	-1.0
GBP/USD	1.34	1.35	1.31	1.32	1.26	1.23	1.37	1.20	-0.6
CHF/USD	1.01	1.02	1.00	1.06	0.98	0.98	1.06	0.97	-1.7
CAD	1.28	1.27	1.27	1.22	1.32	1.34	1.38	1.21	-1.3
JPY	113.48	112.17	113.87	107.84	114.04	116.96	118.66	107.32	-1.2
AUD	1.33	1.31	1.30	1.24	1.34	1.39	1.40	1.23	-1.4
NZD	1.46	1.45	1.44	1.38	1.39	1.44	1.47	1.32	-0.8
Asia									
HKD	7.81	7.81	7.80	7.81	7.76	7.76	7.83	7.75	0.1
CNY	6.62	6.62	6.63	6.49	6.89	6.95	6.96	6.44	-0.1
INR	64.46	64.46	64.96	63.79	67.36	67.92	68.39	63.57	0.0
MYR	4.09	4.09	4.23	4.20	4.42	4.49	4.50	4.05	0.1
KRW	1,093	1,086	1,115	1,127	1,159	1,206	1,212	1,076	-0.6
TWD	30.01	30.01	30.18	30.00	31.70	32.33	32.45	29.88	0.0
Latam									
BRL	3.29	3.26	3.25	3.09	3.38	3.26	3.41	3.04	-1.1
COP	3,011	2,999	3,019	2,907	3,004	3,002	3,103	2,831	-0.4
MXN	18.93	18.63	19.09	17.71	20.32	20.73	22.04	17.45	-1.6
EEMEA									
RUB	59.13	58.90	59.23	57.37	63.32	61.54	63.87	55.70	-0.4
ZAR	13.67	13.74	14.15	12.93	13.66	13.74	14.57	12.31	0.5
TRY	3.84	3.91	3.87	3.41	3.44	3.52	3.98	3.39	2.0

Bonds	Close	1-week Ago	1-month Ago	3-months Ago	1-year Ago	Year End 2016	1-week Basis Point Change
US Treasury yields (%)							
3-Month	1.27	1.26	1.22	1.04	0.50	0.50	1
2-Year	1.79	1.77	1.65	1.26	1.11	1.19	2
5-Year	2.14	2.11	2.01	1.63	1.84	1.93	3
10-Year	2.38	2.36	2.33	2.05	2.41	2.44	1
30-Year	2.77	2.76	2.79	2.67	3.11	3.07	1
10-year bond yields (%)							
Japan	0.05	0.03	0.02	-0.01	0.04	0.04	2
UK	1.28	1.23	1.22	0.99	1.38	1.24	5
Germany	0.31	0.30	0.33	0.31	0.38	0.20	0
France	0.63	0.61	0.70	0.61	0.80	0.68	2
Italy	1.65	1.71	1.74	1.95	1.99	1.81	-6
Spain	1.40	1.41	1.48	1.53	1.50	1.38	-2
China	3.95	3.92	3.90	3.64	3.09	3.06	2
Australia	2.53	2.53	2.57	2.58	2.73	2.77	0
Canada	1.86	1.91	1.92	1.98	1.66	1.72	-5

*Numbers may not add up due to rounding

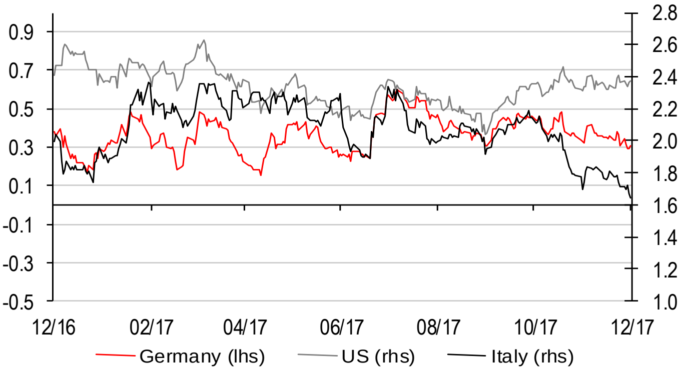
Commodities	Latest	1-week Change (%)	1-month Change (%)	3-month Change (%)	1-year Change (%)	YTD Change (%)	52-week High	52-week Low
Gold	1,249	-2.5	-2.6	-7.3	6.6	8.4	1,358	1,121
Brent Oil	63.3	-0.6	-0.3	17.7	17.5	11.4	65	44
WTI Crude Oil	57.3	-1.8	0.9	20.7	12.8	6.7	59	42
R/J CRB Futures Index	185	-3.0	-3.6	2.1	-3.3	-3.9	196	166
LME Copper	6,564	-3.9	-4.2	-1.9	13.5	18.6	7,177	5,420

Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 08 December 2017.

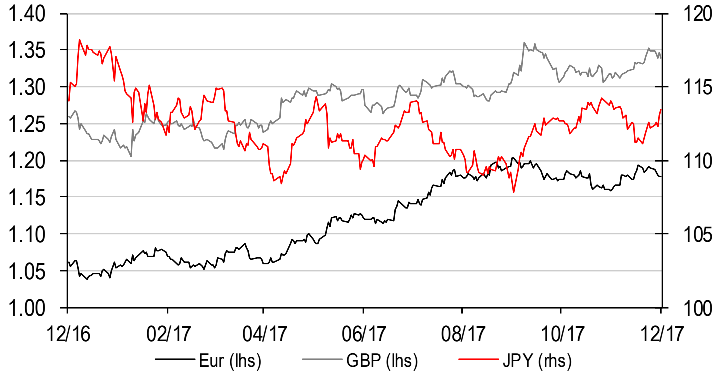
Past performance is not an indication of future returns.

Market Trends

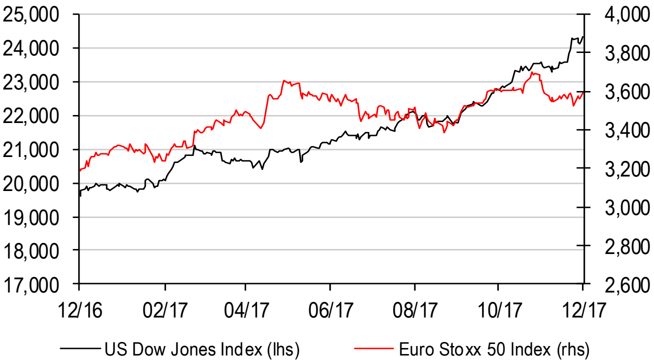
Government bond yields (%)



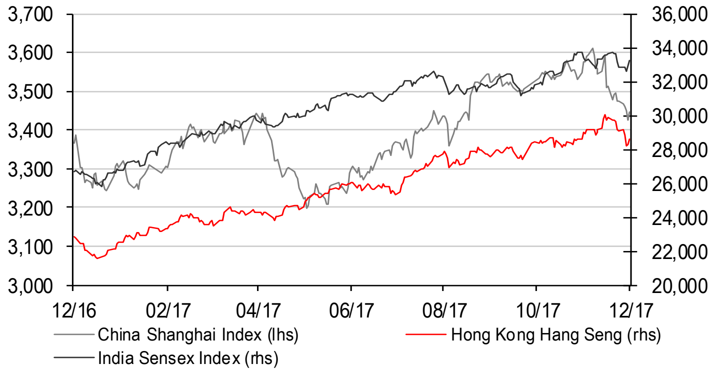
Major currencies (versus USD)



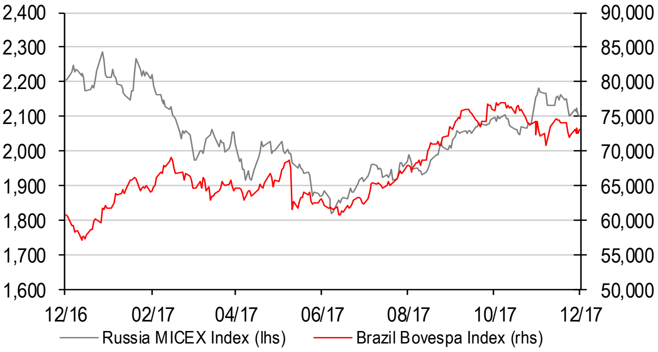
Global equities



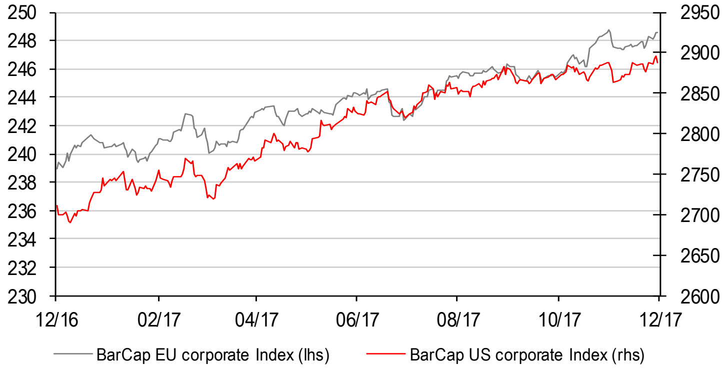
Emerging Asian equities



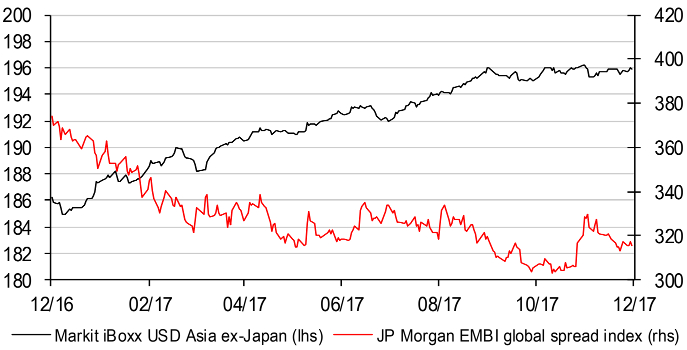
Other emerging equities



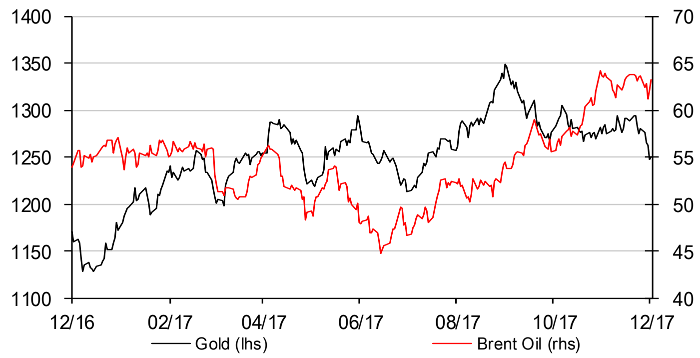
Global credit indices



Emerging markets spreads (USD indices)



Commodities (USD)



Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 08 December 2017.

Past performance is not an indication of future returns.

Expiry: 5 January 2018

DK1700537A

Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 08 December 2017.

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