# Investment Weekly

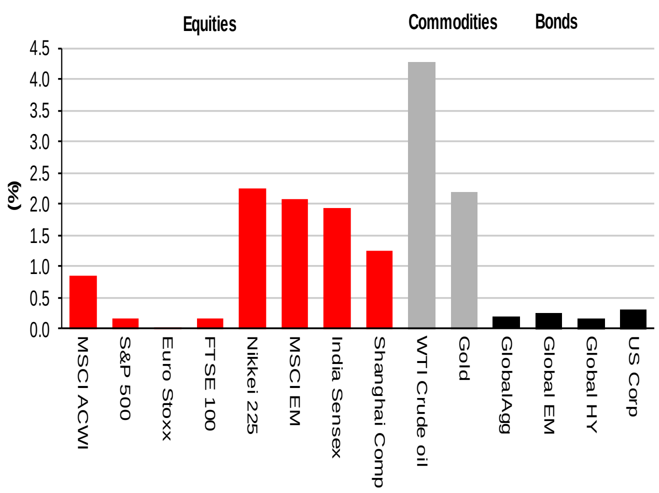
**13 October 2017**

**For Professional Client and Institutional Investor Use Only**

- European stocks edged up this week on easing Catalonia concerns. Japan's Nikkei 225 Index rose to a 21-year high on prospects of continuing ultra-loose monetary policy, less fiscal austerity after the 22 October general elections, and robust earnings and sales releases
- The minutes from the US Federal Reserve's (Fed) September meeting showed that most policymakers supported another rate hike by year-end, but were concerned that recent inflation softness could persist
- US headline CPI accelerated to 2.2% yoy in September from 1.9% in August. Energy prices drove most of the change, however, as core CPI remained at a 1.7% yoy pace for the fifth consecutive month
- In the coming week, a raft of UK activity data will be in focus ahead of next month's Bank of England meeting. In China, the 19th Party Congress kicks off in the same week as Q3 GDP and September activity data releases

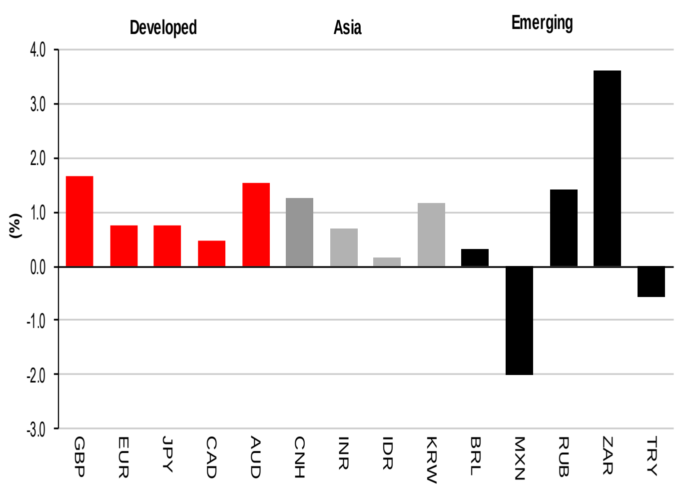
## Movers and shakers

Japan's Nikkei 225 Index rallied to a 21-year high

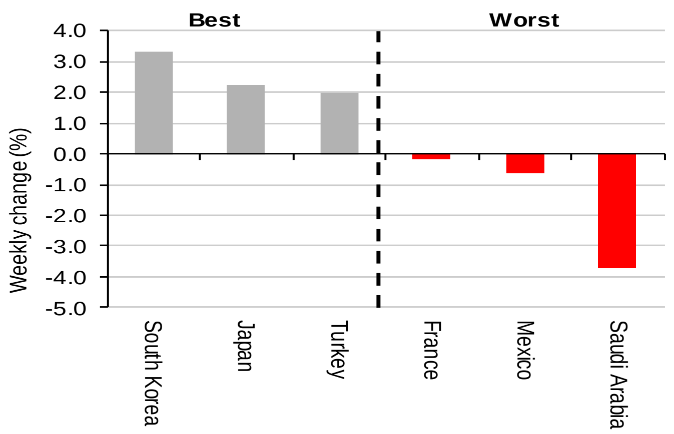



## Currencies (vs. USD)

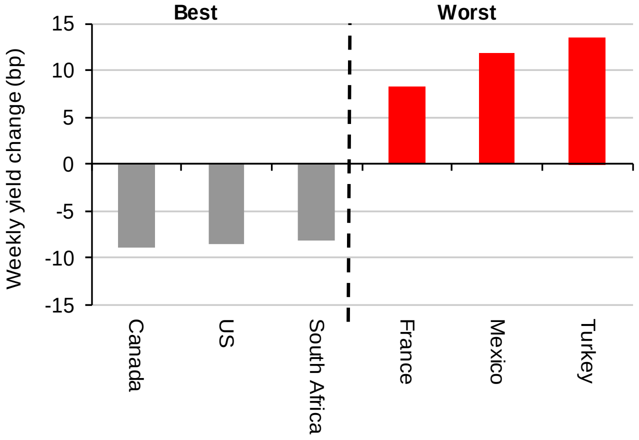
US dollar sold off amid a weaker-than-expected CPI print




## Equities




## Bonds (10-year)






Source: Bloomberg, HSBC Global Asset Management. Data as at close of business 13 October 2017.
All the above charts relate to 06/10/2017 – 13/10/2017
**Past performance is not an indication of future returns**

HSBC Global Asset Management

# Macro Data and Key Events

## Past Week (9–13 October 2017)

| Date | Country | Indicator | Data as of | Survey | Actual | Prior |
|---|---|---|---|---|---|---|
| Monday 09 October | Germany | Industrial production (seasonally adjusted, mom) | Aug | 0.9% | 2.6% | -0.1% |
| | Mexico | CPI (yoy) | Sep | 6.5% | 6.4% | 6.7% |
| Wednesday 11 October | US | FOMC minutes from September meeting | | | | |
| Thursday 12 October | Eurozone | Industrial production (seasonally adjusted, mom) | Aug | 0.6% | 1.4% | 0.3% |
| | India | CPI (yoy) | Sep | 3.5% | 3.3% | 3.3% |
| | India | Industrial production (yoy) | Aug | 2.6% | 4.3% | 0.9% |
| Friday 13 October | China | Trade balance (USD bn) | Sep | 38.0 | 28.5 | 41.9 |
| | US | CPI (yoy) | Sep | 2.3% | 2.2% | 1.9% |
| | US | Retail sales advance (mom) | Sep | 1.7% | 1.6% | -0.1% |
| | US | Uni. of Michigan consumer sentiment | Oct P | 95.0 | 101.1 | 95.1 |

P – Preliminary

- In the US, the September **Federal Open Market Committee (FOMC) meeting minutes** showed that "*many*" policymakers supported another rate hike in 2017 given labour market strength and improving economic activity. The majority of participants continued to believe that recent soft inflation prints were due to one-time factors but left room for "*patience in removing policy accommodation*" if the tepid trend proves stubborn. On balance, the comments were largely consistent with the gradual tightening cycle previously communicated. Meanwhile, the minutes gave more colour regarding the committee's economic activity projections, indicating that most members assumed either no fiscal stimulus or had marked down its expected magnitude. This could imply a more hawkish stance if there was a successful passage of tax reforms. Turning to pricing pressures, headline **CPI** accelerated to 2.2% yoy in September from 1.9% in August, a tick below expectations (2.3%). Energy prices drove most of the change, however, as core CPI remained at a 1.7% yoy pace for the fifth consecutive month. Meanwhile, headline **US retail sales** rose 1.6% mom, modestly missing expectations for 1.7%. As expected, the headline was supported by an auto sales surge (+3.6% mom) and gasoline station sales (+5.8% mom). Stripping out these two volatile components, core sales gained 0.5% mom (consensus +0.4% mom). Lastly, October's **University of Michigan Index of Consumer Sentiment** jumped to 101.1 from 95.1 in September (consensus 95.0). Consumers' near-future assessment also ticked up to 91.3.
- **Eurozone industrial production** rose by 1.4% mom in August, well above consensus expectations (+0.6%) and the largest monthly increase since November 2016. This pushes the trend growth rate to 3.0% yoy (on a six-month moving average basis), the fastest rate of expansion in six years, and echoes the elevated level of recent manufacturing PMIs. Despite recent strength in the euro, upbeat global demand conditions are providing a key pillar of support to Europe's manufacturers.
- **China's trade surplus** dropped from USD41.9 billion in August to USD28.5 billion as imports continued to accelerate more rapidly than exports. Imports rose 18.7% yoy, up from 13.5% previously, stimulated by robust domestic demand. Meanwhile, exports advanced by 8.1% yoy (5.6% in August), as the appreciation of the Chinese yuan over the summer somewhat weighed on Chinese overseas shipments.
- **India headline CPI** inflation was 3.3% yoy in September, unchanged from the downwardly revised August print, and below consensus expectations of 3.5% yoy. Looking at the major subcomponents, food and beverages inflation fell to 1.75% from 1.96%, while housing and fuels inflation recorded their largest increases, +0.5ppts to 6.10% yoy and +0.6ppts to 5.56% yoy, respectively.

## Coming Week (16–20 October 2017)

| Date | Country | Indicator | Data as of | Survey | Prior |
|---|---|---|---|---|---|
| Monday 16 October | China | CPI (yoy) | Sep | 1.6% | 1.8% |
| | Japan | Industrial production (mom) | Aug F | | 2.1% P |
| Tuesday 17 October | UK | CPI (yoy) | Sep | 3.0% | 2.9% |
| | UK | BoE Governor Carney testifies to lawmakers | | | |
| | Eurozone | CPI (yoy) | Sep F | 1.5% | 1.5% P |
| | Germany | Zew survey expectations | Oct | 20.0 | 17.0 |
| | US | Industrial production (mom) | Sep | 0.3% | -0.9% |
| | US | NAHB housing market index | Oct | 64.0 | 64.0 |
| Wednesday 18 October | UK | ILO unemployment rate (3 months) | Aug | 4.3% | 4.3% |
| | US | Housing starts (mom) | Sep | -0.4% | -0.8% |
| | Eurozone | ECB President Draghi speaks in Frankfurt | | | |
| Thursday 19 October | Japan | Trade balance adjusted (JPY bn) | Sep | 309.3 | 367.3 |
| | China | GDP (yoy) | Q3 | 6.8% | 6.9% |
| | China | Industrial production (yoy) | Sep | 6.4% | 6.0% |
| | China | Retail sales (ytd yoy) | Sep | 10.2% | 10.4% |
| | UK | Retail sales ex auto fuel (yoy) | Sep | 2.2% | 2.8% |
| Friday 20 October | US | Existing home sales (mom) | Sep | -0.9% | -1.7% |

P – Preliminary, Q – Quarter, F – Final

Source: Bloomberg, HSBC Global Asset Management. Data as at close of business 13 October 2017.
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### US

- **US industrial production** is expected to grow 0.3% mom in September, although weather-related disruptions may continue to dampen results. The prior month's reading had slipped 0.9% mom as Hurricane Harvey forced a shutdown of oil production facilities and petrochemical plants. Underneath the headline, the manufacturing sector is anticipated to tick up 0.1% mom.
- Turning to the housing sector, the **NAHB/Wells Fargo Housing Market Index** may hold unchanged at 64. The homebuilder sentiment survey`s result has eased recently amid worries about labor shortages and rising material costs but remains near the 11-year highs (71) reached in March.
- Meanwhile, **housing starts** are projected to decline 0.4% mom to a seasonally adjusted annualized rate of 1,175,000. Hurricane Irma's landfall in Florida may have held down home construction although this should rebound as rebuilding activity gets underway.
- Elsewhere, **existing home sales** are estimated to have declined 0.9% mom in September. Weather impacts are partially to blame but home re-sales have been slowing due to climbing prices and low inventory. Overall, however, the housing market remains supported by labor market strength and relatively low borrowing costs.

### Europe

- September **UK CPI inflation** is anticipated to edge up to 3.0% yoy from 2.9% yoy in August, and is likely to be driven by higher fuel prices. Core CPI is expected to remain unchanged at 2.7% yoy. Meanwhile, September **retail sales excluding auto fuel** are expected to decline 0.2% mom, leaving the annual growth rate at 2.2% yoy – well below the six-month moving average of 2.6% yoy. A deteriorating trend in UK high street spending since the start of 2017 comes amid negative real wage growth and a clampdown on unsecured lending.
- Market consensus expectations are for the **UK unemployment rate** in the three months to August to hold at 4.3%. Meanwhile, total wage growth over the same period is also anticipated to stabilise, at 2.0% yoy. Any signs of further tightening of the UK labour market should help boost the probability of a Bank of England rate hike in November.
- **Germany's ZEW survey of expectations** is expected to edge up by 3.0 points in September to 20.0, comfortably above the recent trend. The survey which draws its sample mainly from finance professionals should be supported by buoyant German asset prices, as well as positive hard data releases in recent weeks.

### Japan and Emerging markets

- **Japan's trade surplus** is expected to decrease in September, to JPY309.3 billion seasonally adjusted. The recent pickup in domestic consumption and a likely acceleration in investment should have provided a strong support to imports, while exports may have decelerated more rapidly (although the manufacturing PMI new export orders index rose in September to its highest level in seven months).
- **China's** Q3 **GDP** growth is expected to slow down marginally, from 6.9% yoy in Q2 to 6.8%, as fixed asset investment slowed during the summer on the back of renewed efforts by Chinese authorities to enforce ecological regulations. Nevertheless, private consumption and external trade remained resilient over the quarter. In terms of data releases for September, **CPI inflation** is expected to slow slightly to 1.6% from 1.8% yoy in August, mostly due to lower food prices. However, cost-push inflation has been gaining traction since the end of last year, with the Producer Price Index (PPI) rising by more than 5% yoy since December. Meanwhile, **industrial production** is expected to rebound after two consecutive months of deceleration, from 6.0% yoy in August to 6.4%, as suggested by the strong rebound of the official manufacturing PMI survey. Finally, **fixed assets investment** and **retail sales** growth are likely to be little changed.

# Market Moves

### European stocks ticked up as Catalonia suspended independence; Japan's Nikkei rose to 21-year highs

- **US stocks** ended the week little changed. These moves came amid the release of the September FOMC meeting minutes that showed many policymakers saw another rate hike as warranted this year, despite concerns that low inflation might not only reflect transitory factors. Investors also focused on the start of the Q3 earnings season on Thursday. Overall, the S&P 500 Index edged up 0.2%.
- In **Europe**, the EURO STOXX 50 Index stayed flat at 0.0%. Broader risk sentiment was supported by upbeat industrial production prints (for Germany, the UK and eurozone) and easing political concerns as Catalonia's President avoided an immediate declaration of independence. At the country level, Spain's IBEX 35 outperformed (+0.7 %) in the region. Most other major European bourses also closed up, including the UK'S FTSE 100 Index (+0.2%) and Germany's DAX (+0.3%), while French CAC 40 fell 0.2%.
- In **Asia, most equity markets** rose during the week as concerns about geopolitical tensions in the region continued to ease and amid upbeat investor sentiment surrounding the global economic outlook. Japan's Nikkei rose (+2.2%) to reach a 21-year high, boosted by the prospect of continuing ultra-loose monetary policy, less fiscal austerity after the 22 October general elections and robust expected earnings and sales, especially by multinationals. Korean stocks caught up after a week-long holiday, with the KOSPI up 3.3%. Most other bourses in the region also rose.

### US Treasury yields fell on somewhat dovish FOMC minutes and a weaker-than-expected CPI print

- In a shortened trading week, following the **US Treasury market** closure on Monday for Columbus Day, 10-year Treasury yields closed the week lower (-9bp to 2.27%). The price action occurred as the FOMC minutes from the September meeting highlighted growing concerns over low inflation. A weaker-than-expected CPI print for September also put downward pressures on yields on

Source: Bloomberg, HSBC Global Asset Management. Data as at close of business 13 October 2017.
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Friday. Meanwhile, the Treasury Department auctioned USD12 billion of a 30-year bond on Thursday which drew strong demand.

- In **Europe**, Spain's Prime Minister Mariano Rajoy gave the Catalan President Carles Puigdemont until Monday 16 October to formally clarify whether he has declared independence or not. The formal request for clarity is a necessary step if Rajoy decides to trigger legal procedures (Article 155 of the constitution) which could lead to the suspension of the Catalan Government. Spanish markets responded positively, with 10-year bond yields down 10bp to 1.60% on the week. Other peripheral bond yields also ended the week lower. However, with Brexit negotiations in stalemate, UK 10-year bond yields were slightly higher at 1.37%.

### US dollar also fell after the release of the FOMC minutes and September CPI data

- **The euro** rebounded from a two-week losing streak to close up by 0.8% against the US dollar. Support came from strong industrial production data showing continued upbeat economic activity, with a somewhat dovish FOMC minutes and soft CPI print for September also weighing on the greenback. US dollar weakness also helped the British pound gain 1.6% this week, shrugging off disappointing news from the latest round of "Brexit" talks.
- **Asian currencies** appreciated against the US dollar over the week. The greenback weakened against most currencies as investors weighed uncertainties about US future monetary policy and tax reforms. The Korean won outperformed on capital inflows as Korean equities rose sharply after the week-long holiday in early October. The Chinese yuan also gained more than 1% over the week, and the yen ended 0.7% higher as markets await the outcome of the 22 October snap election.

### Oil prices rose amid signs of strong global demand; gold prices also rose

- **Crude oil** rose this week as OPEC Secretary-General Mohammad Barkindo said more nations may join production limits the group hammered out with Russia and other exporters in late 2016. Data showing strong Chinese imports in September and another decline in US inventories last week also boosted sentiment. Meanwhile, further support came from expectations that US President Donald Trump would disavow the nuclear deal with Iran (that had allowed it to boost oil exports). Overall, WTI closed the week up 4.3% to USD51.4 per barrel and Brent rose 2.8% to USD57.2 per barrel.
- Meanwhile, **gold** prices also rose (+2.2% to USD1,305 per troy ounce) amid upbeat safe-haven demand following diplomatic tensions between Turkey and the US. A disappointing September US CPI print, slightly denting expectations of another Fed rate hike this year, also lifted the non yield-generating asset.

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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) | 495 | 0.9 | 2.1 | 5.1 | 20.8 | 17.4 | 496 | 403 | 17.3 |
| **North America** | | | | | | | | | |
| US Dow Jones Industrial Average | 22,872 | 0.4 | 3.2 | 6.1 | 26.4 | 15.7 | 22,905 | 17,884 | 18.5 |
| US S&P 500 Index | 2,553 | 0.2 | 2.2 | 4.3 | 19.7 | 14.0 | 2,558 | 2,084 | 19.4 |
| US NASDAQ Composite Index | 6,606 | 0.2 | 2.3 | 5.3 | 26.7 | 22.7 | 6,617 | 5,034 | 24.1 |
| Canada S&P/TSX Composite Index | 15,807 | 0.5 | 4.5 | 4.4 | 7.9 | 3.4 | 15,943 | 14,473 | 17.6 |
| **Europe** | | | | | | | | | |
| MSCI AC Europe (USD) | 483 | 1.4 | 1.9 | 5.3 | 24.9 | 20.8 | 484 | 374 | 15.8 |
| Euro STOXX 50 Index | 3,605 | 0.0 | 2.3 | 2.2 | 21.2 | 9.5 | 3,667 | 2,938 | 15.5 |
| UK FTSE 100 Index | 7,535 | 0.2 | 2.1 | 1.6 | 8.0 | 5.5 | 7,599 | 6,677 | 15.4 |
| Germany DAX Index* | 12,992 | 0.3 | 3.5 | 2.8 | 24.8 | 13.2 | 13,037 | 10,175 | 14.5 |
| France CAC-40 Index | 5,352 | -0.2 | 2.6 | 2.2 | 21.5 | 10.1 | 5,442 | 4,345 | 15.8 |
| Spain IBEX 35 Index | 10,258 | 0.7 | -1.1 | -3.8 | 19.2 | 9.7 | 11,184 | 8,512 | 14.4 |
| **Asia Pacific** | | | | | | | | | |
| MSCI AC Asia Pacific ex Japan (USD) | 550 | 2.1 | 2.1 | 6.8 | 24.1 | 28.9 | 551 | 419 | 14.9 |
| Japan Nikkei-225 Stock Average | 21,155 | 2.2 | 6.5 | 5.3 | 26.1 | 10.7 | 21,211 | 16,112 | 18.2 |
| Australian Stock Exchange 200 | 5,814 | 1.8 | 1.2 | 1.3 | 7.0 | 2.6 | 5,957 | 5,052 | 16.0 |
| Hong Kong Hang Seng Index | 28,476 | 0.1 | 2.1 | 8.1 | 23.6 | 29.4 | 28,626 | 21,489 | 13.0 |
| Shanghai Stock Exchange Composite Index | 3,391 | 1.2 | 0.2 | 5.4 | 10.8 | 9.2 | 3,410 | 3,017 | 14.8 |
| Hang Seng China Enterprises Index | 11,520 | 0.5 | 3.0 | 7.9 | 21.3 | 22.6 | 11,554 | 9,117 | 8.8 |
| Taiwan TAIEX Index | 10,724 | 1.8 | 1.8 | 2.5 | 16.3 | 15.9 | 10,724 | 8,880 | 15.1 |
| Korea KOSPI Index | 2,474 | 3.3 | 4.8 | 2.7 | 22.7 | 22.1 | 2,480 | 1,931 | 10.6 |
| India SENSEX 30 Index | 32,433 | 1.9 | 0.8 | 1.2 | 17.3 | 21.8 | 32,686 | 25,718 | 20.9 |
| Indonesia Jakarta Stock Price Index | 5,924 | 0.3 | 1.3 | 1.6 | 10.9 | 11.8 | 5,967 | 5,023 | 17.5 |
| Malaysia Kuala Lumpur Composite Index | 1,755 | -0.5 | -1.7 | 0.1 | 5.4 | 6.9 | 1,797 | 1,614 | 16.4 |
| Philippines Stock Exchange PSE Index | 8,448 | 1.6 | 4.9 | 6.4 | 15.5 | 23.5 | 8,448 | 6,499 | 20.5 |
| Singapore FTSE Straits Times Index | 3,319 | 0.8 | 2.7 | 2.6 | 18.3 | 15.2 | 3,355 | 2,761 | 15.1 |
| Thailand SET Index | 1,712 | 1.0 | 4.2 | 8.4 | 21.2 | 11.0 | 1,720 | 1,357 | 17.0 |
| **Latam** | | | | | | | | | |
| Argentina Merval Index | 27,141 | 1.3 | 13.9 | 23.5 | 57.5 | 60.4 | 27,369 | 15,189 | 15.2 |
| Brazil Bovespa Index* | 76,990 | 1.2 | 2.9 | 18.1 | 26.0 | 27.8 | 78,024 | 56,829 | 14.9 |
| Chile IPSA Index | 5,460 | -0.5 | 5.8 | 9.5 | 32.4 | 31.5 | 5,493 | 4,029 | 21.0 |
| Colombia COLCAP Index | 1,486 | -0.3 | -0.4 | -0.4 | 9.7 | 10.0 | 1,509 | 1,271 | 16.4 |
| Mexico Index | 49,982 | -0.6 | -0.4 | -1.9 | 4.7 | 9.5 | 51,772 | 43,999 | 18.3 |
| **EEMEA** | | | | | | | | | |
| Russia MICEX Index | 2,099 | 0.2 | 2.2 | 7.1 | 6.2 | -6.0 | 2,294 | 1,775 | 7.3 |
| South Africa JSE Index | 57,877 | 1.1 | 3.1 | 8.6 | 14.6 | 14.3 | 57,921 | 48,936 | 16.1 |
| Turkey ISE 100 Index* | 106,226 | 2.0 | -1.8 | 1.9 | 38.3 | 35.9 | 110,531 | 71,793 | 8.8 |

*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 | 0.6 | 2.0 | 5.3 | 19.0 | 22.8 | 31.9 | 65.6 |
| US equities | 0.0 | 2.2 | 4.5 | 15.3 | 21.3 | 41.8 | 91.9 |
| Europe equities | 1.2 | 1.8 | 5.5 | 23.5 | 28.1 | 20.9 | 45.6 |
| Asia Pacific ex Japan equities | 1.7 | 1.8 | 7.1 | 31.3 | 26.9 | 28.6 | 43.7 |
| Japan equities | 2.0 | 3.7 | 7.3 | 17.4 | 18.0 | 33.9 | 75.4 |
| Latam equities | -0.1 | -0.1 | 10.1 | 28.2 | 22.4 | -3.1 | -8.7 |
| Emerging Markets equities | 1.7 | 2.1 | 8.3 | 32.5 | 28.8 | 21.3 | 26.8 |

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.

Source: Bloomberg, HSBC Global Asset Management. Data as at close of business 13 October 2017.
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# Market Data (cont)

| Bond indices - Total Return | Close | 1-week Change (% ) | 1-month Change (% ) | 3-month Change (% ) | 1-year Change (% ) | YTD Change (% ) |
|---|---|---|---|---|---|---|
| BarCap GlobalAgg (Hedged in USD) | 511 | 0.2 | -0.1 | 1.0 | 0.6 | 2.3 |
| JPM EMBI Global | 806 | 0.3 | -0.2 | 2.6 | 5.1 | 9.0 |
| BarCap US Corporate Index (USD) | 2,876 | 0.3 | 0.5 | 1.6 | 2.8 | 5.5 |
| BarCap Euro Corporate Index (Eur) | 246 | 0.4 | 0.4 | 1.3 | 1.5 | 2.2 |
| BarCap Global High Yield (USD) | 467 | 0.2 | 0.7 | 2.5 | 8.9 | 8.0 |
| Markit iBoxx Asia ex-Japan Bond Index (USD) | 196 | 0.4 | 0.1 | 1.7 | 2.9 | 5.2 |
| Markit iBoxx Asia ex-Japan High-Yield Bond Index (USD) | 251 | 0.3 | 0.4 | 2.6 | 6.3 | 6.6 |

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

| 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 | 1.17 | 1.19 | 1.14 | 1.11 | 1.05 | 1.21 | 1.03 | 0.8 |
| GBP/USD | 1.33 | 1.31 | 1.32 | 1.29 | 1.23 | 1.23 | 1.37 | 1.20 | 1.6 |
| CHF/USD | 1.03 | 1.02 | 1.04 | 1.03 | 1.01 | 0.98 | 1.06 | 0.97 | 0.3 |
| CAD | 1.25 | 1.25 | 1.22 | 1.27 | 1.32 | 1.34 | 1.38 | 1.21 | 0.5 |
| JPY | 111.82 | 112.65 | 110.49 | 113.28 | 103.71 | 116.96 | 118.66 | 101.20 | 0.7 |
| AUD | 1.27 | 1.29 | 1.25 | 1.29 | 1.32 | 1.39 | 1.40 | 1.23 | 1.5 |
| NZD | 1.39 | 1.41 | 1.38 | 1.37 | 1.41 | 1.44 | 1.47 | 1.32 | 1.3 |
| **Asia** | | | | | | | | | |
| HKD | 7.81 | 7.81 | 7.81 | 7.81 | 7.76 | 7.76 | 7.83 | 7.75 | 0.0 |
| CNY | 6.58 | 6.65 | 6.54 | 6.78 | 6.73 | 6.95 | 6.96 | 6.44 | 1.1 |
| INR | 64.93 | 65.37 | 64.00 | 64.45 | 66.94 | 67.92 | 68.86 | 63.57 | 0.7 |
| MYR | 4.22 | 4.24 | 4.19 | 4.29 | 4.21 | 4.49 | 4.50 | 4.14 | 0.4 |
| KRW | 1,129 | 1,142 | 1,128 | 1,136 | 1,136 | 1,206 | 1,212 | 1,111 | 1.1 |
| TWD | 30.14 | 30.39 | 30.06 | 30.36 | 31.78 | 32.33 | 32.45 | 29.90 | 0.8 |
| **Latam** | | | | | | | | | |
| BRL | 3.15 | 3.16 | 3.14 | 3.21 | 3.18 | 3.26 | 3.51 | 3.04 | 0.3 |
| COP | 2,935 | 2,940 | 2,912 | 3,045 | 2,918 | 3,002 | 3,208 | 2,831 | 0.2 |
| MXN | 18.91 | 18.53 | 17.75 | 17.68 | 18.93 | 20.73 | 22.04 | 17.45 | -2.1 |
| **EEMEA** | | | | | | | | | |
| RUB | 57.34 | 58.15 | 57.94 | 59.80 | 63.02 | 61.54 | 66.87 | 55.70 | 1.4 |
| ZAR | 13.27 | 13.75 | 13.13 | 13.21 | 14.25 | 13.74 | 14.65 | 12.31 | 3.5 |
| TRY | 3.64 | 3.61 | 3.46 | 3.57 | 3.09 | 3.52 | 3.94 | 3.05 | -0.6 |

| 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 | 1.07 | 1.06 | 1.03 | 1.03 | 0.28 | 0.50 | 1 |
| 2-Year | 1.49 | 1.50 | 1.35 | 1.36 | 0.83 | 1.19 | -1 |
| 5-Year | 1.90 | 1.96 | 1.77 | 1.89 | 1.26 | 1.93 | -6 |
| 10-Year | 2.27 | 2.36 | 2.19 | 2.34 | 1.74 | 2.44 | -9 |
| 30-Year | 2.81 | 2.89 | 2.79 | 2.92 | 2.48 | 3.07 | -9 |
| **10-year bond yields (%)** | | | | | | | |
| Japan | 0.06 | 0.05 | 0.02 | 0.08 | -0.06 | 0.04 | 1 |
| UK | 1.37 | 1.36 | 1.14 | 1.30 | 1.02 | 1.24 | 0 |
| Germany | 0.40 | 0.46 | 0.40 | 0.60 | 0.04 | 0.20 | -6 |
| France | 0.82 | 0.73 | 0.68 | 0.88 | 0.33 | 0.68 | 8 |
| Italy | 2.08 | 2.14 | 2.04 | 2.32 | 1.38 | 1.81 | -6 |
| Spain | 1.60 | 1.70 | 1.57 | 1.70 | 1.11 | 1.38 | -10 |
| China | 3.68 | 3.62 | 3.64 | 3.57 | 2.72 | 3.06 | 6 |
| Australia | 2.79 | 2.82 | 2.67 | 2.69 | 2.25 | 2.77 | -2 |
| Canada | 2.04 | 2.13 | 2.07 | 1.91 | 1.18 | 1.72 | -9 |

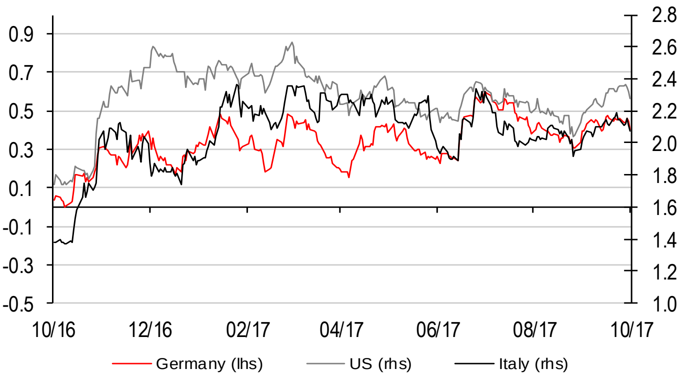
*Numbers may not add up due to rounding

| Commodities | Latest | 1-week Change (% ) | 1-month Change (% ) | 3-month Change (% ) | 1-year Change (% ) | YTD Change (% ) | 52-week High | 52-week Low |
|---|---|---|---|---|---|---|---|---|
| Gold | 1,305 | 2.2 | -1.4 | 7.1 | 3.7 | 13.2 | 1,358 | 1,121 |
| Brent Oil | 57.2 | 2.8 | 3.7 | 18.1 | 9.9 | 0.7 | 59 | 44 |
| WTI Crude Oil | 51.4 | 4.3 | 4.2 | 11.5 | 1.9 | -4.3 | 55 | 42 |
| R/J CRB Futures Index | 185 | 2.1 | 1.1 | 6.0 | -2.3 | -4.0 | 196 | 166 |
| LME Copper | 6,887 | 3.3 | 5.1 | 17.2 | 46.2 | 24.4 | 6,970 | 4,633 |

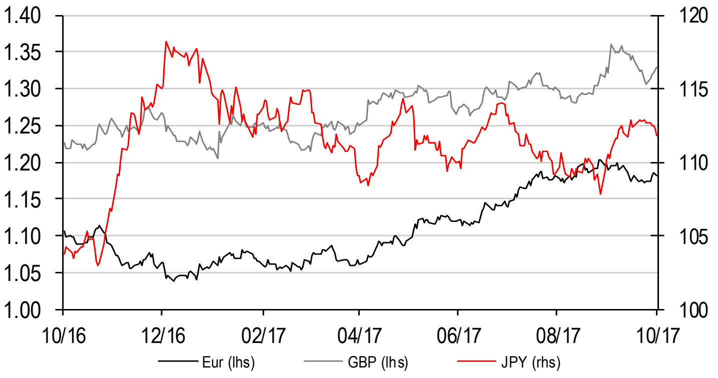
Source: Bloomberg, HSBC Global Asset Management. Data as at close of business 13 October 2017.
**Past performance is not an indication of future returns**

# Market Trends

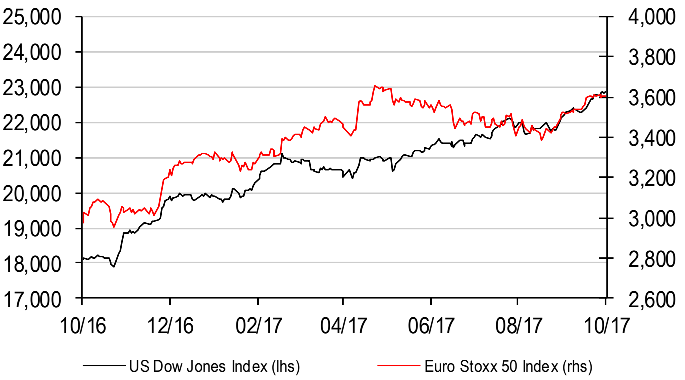
## Government bond 10-year yields (%)



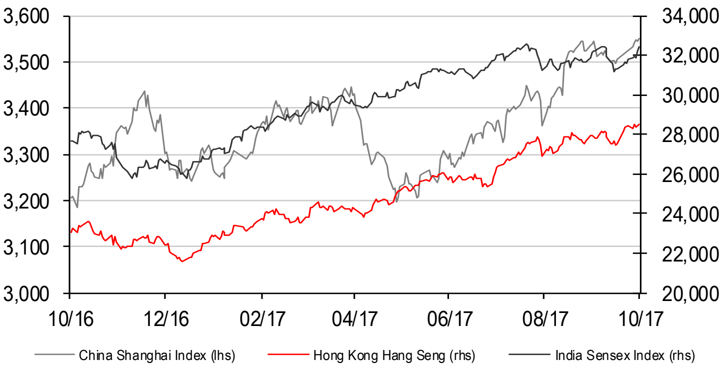

## Major currencies (vs.USD)



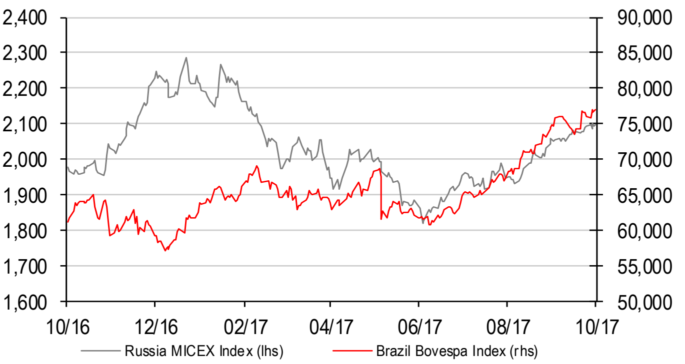

## Global equities



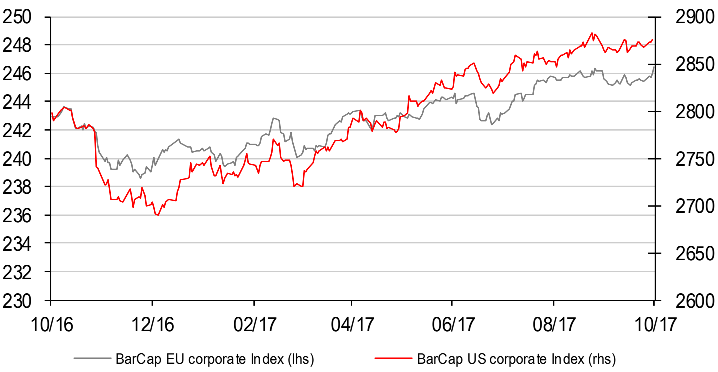

## Emerging Asian equities



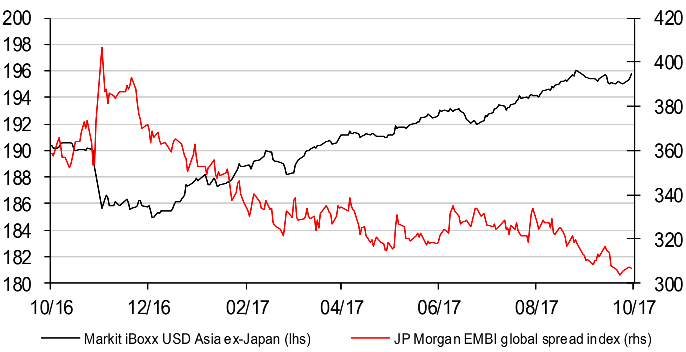

## Other emerging equities



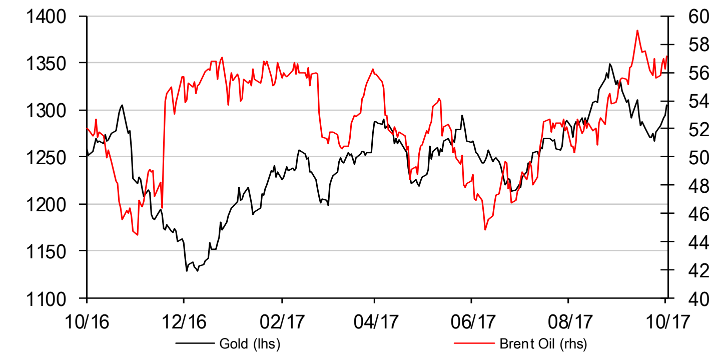

## Global credit indices




## Emerging markets spreads (USD indices)




## Commodities (USD)




Source: Bloomberg, HSBC Global Asset Management. Data as at close of business 13 October 2017.
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Expiry: November 10, 2017
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Source: Bloomberg, HSBC Global Asset Management. Data as at close of business 13 October 2017.
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