IW
Investment Weekly

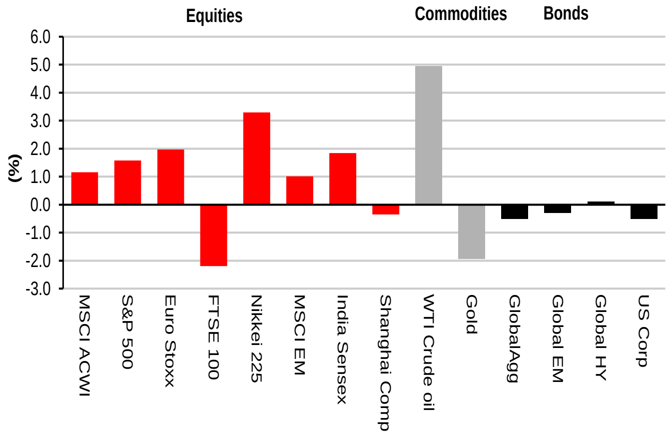
15 September 2017

For Professional Client and Institutional Investor Use Only

- Global equities rose amid eased geopolitical and weather related concerns. Financials and energy stocks led gains supported by higher bond yields and crude oil price gains, respectively
- As expected, the Bank of England's (BoE) September meeting left monetary policy on hold. However, its statement and the meeting minutes struck a hawkish tone as it opened the door to a possible "withdrawal of monetary stimulus" in the coming months
- In the coming week, investors' attention will focus on the central bank policy meetings in the US and Japan

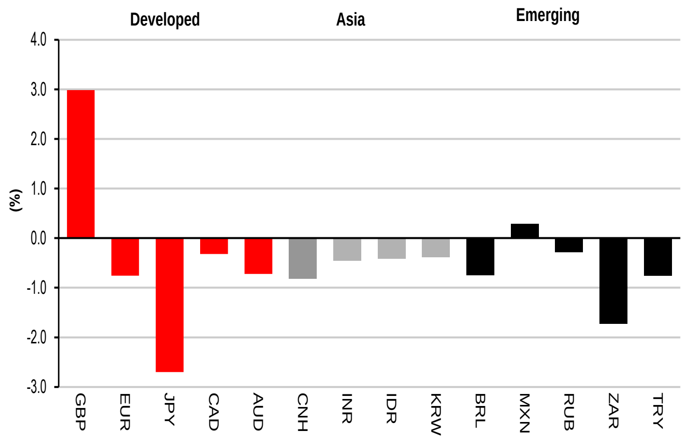
Movers and shakers

UK's FTSE 100 underperformed amid hawkish BoE

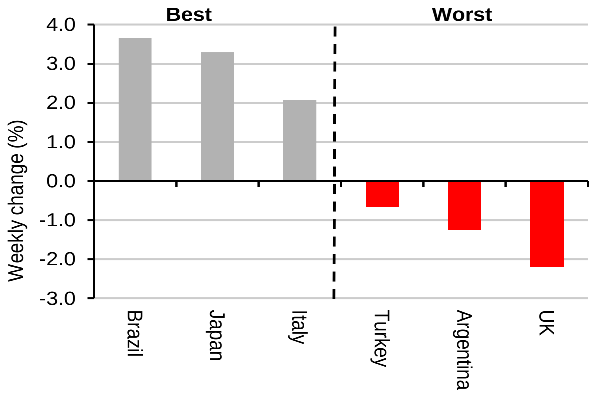


Currencies (versus USD)

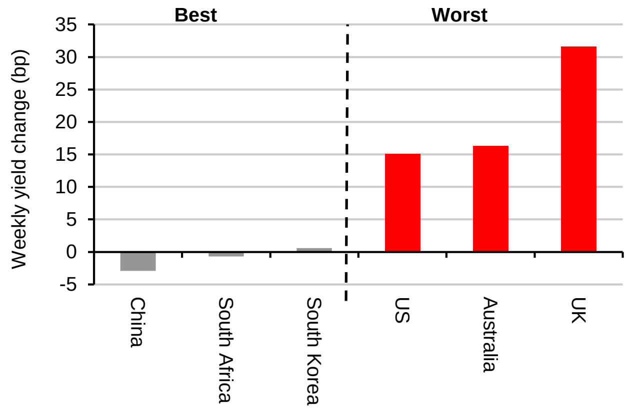
Most currencies weakened against the US dollar, except for sterling



Equities



Bonds (10-year)



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Source: Bloomberg, HSBC Global Asset Management. Data as at close of business 15 September 2017.
All the above charts relate to 08/09/2017 – 15/09/2017
Past performance is not an indication of future returns

HSBC Global Asset Management

Macro Data and Key Events

Past Week (09–15 September 2017)

Date	Country	Indicator	Data as of	Survey	Actual	Prior
Saturday 09 September	China	CPI (yoy)	Aug	1.6%	1.8%	1.4%
Tuesday 12 September	UK	CPI (yoy)	Aug	2.8%	2.9%	2.6%
	India	CPI (yoy)	Aug	3.2%	3.4%	2.4%
	India	Industrial Production (yoy)	Jul	1.6%	1.2%	-0.2%
Wednesday 13 September	UK	ILO Unemployment Rate (3 months)	Jul	4.4%	4.3%	4.4%
	Eurozone	Industrial Production (seasonally adjusted, mom)	Jul	0.1%	0.1%	-0.6%
Thursday 14 September	China	Industrial Production (yoy)	Aug	6.6%	6.0%	6.4%
	China	Retail Sales (yoy)	Aug	10.5%	10.1%	10.4%
	Japan	Industrial Production (mom)	Jul F	-0.3%	-0.8%	0.022
	UK	Bank of England Interest Rate Decision	Sep	0.25%	0.25%	0.25%
	US	Initial Jobless Claims (000s)	Sep 9	300	284	298
	US	CPI (yoy)	Aug	1.8%	1.9%	1.7%
Friday 15 September	Russia	Central Bank of Russia Interest Rate Decision	Sep	8.50%	8.50%	9.00%
	US	Retail Sales Advance (mom)	Aug	0.1%	-0.2%	0.3%
	US	Industrial Production (mom)	Aug	0.1%	-0.9%	0.4%
	US	University of Michigan Consumer Sentiment	Sep P	95.0	95.3	96.8

P – Preliminary, F – Final

- In the **US**, **headline inflation** rose 1.9% yoy in August, up from 1.7% in July and higher than expected (+1.8% yoy). Core CPI (excluding food and energy) remained at 1.7% yoy for a fourth consecutive month, although was higher than consensus forecasts for a deceleration to 1.6% yoy. The latest report mirrors earlier observations in the US Federal Reserve (Fed) Beige Book, which only found modest evidence of pricing pressures. According to the Bureau of Labor Statistics, the August release was little impacted by Hurricane Harvey's late-month landfall. Meanwhile, **retail sales** unexpectedly fell 0.2% mom in August (consensus +0.1% mom). Motor vehicle sales continued to be weak and ex-autos retail sales only edged up by 0.2% mom, missing an anticipated growth of 0.5% mom. Non-store (i.e. online) retail and clothing sales also declined, although the former component was helped by one-time special promotions in July (e.g. Amazon Prime Day). Retail sales within the control group, which feeds into GDP calculations, also unexpectedly declined 0.2% mom (consensus: +0.2% mom).
- In the **UK**, as expected, the **BoE** kept monetary policy on hold at its September meeting but its statement and the minutes struck a hawkish tone. The monetary policy committee voted 7:2 vote to maintain the bank rate at 0.25%. However, the policy statement pointed out that robust demand growth was eroding limited spare capacity and that inflation was likely to overshoot its 2% target over the next three years. Further, the minutes conveyed that "a majority of members judged that" if the economy evolved as expected "some withdrawal of monetary stimulus was likely to be appropriate over the coming months." On the data front, **CPI inflation** rose to 2.9% yoy in August (consensus: +2.8% and up from +2.6% in July) led by higher energy costs and clothing and footwear prices. Core CPI (excluding energy, food, alcohol and tobacco) also surged, reaching 2.7% yoy in August, from 2.4% in July. Meanwhile, the **ILO unemployment** rate dropped to 4.3% in the three months to July, below expectations of 4.4% and reaching its lowest level since 1975.
- **Chinese activity data** for August came in weaker than expected. **Industrial production** slowed down from 6.4% yoy in July to 6.0% in August (consensus at +6.6%), mainly due to slowdown in metal and energy (coal, electricity) production. Soft data was mostly in polluting industries, possibly due to the ramping up of environmental regulations in certain parts of China. Higher value-added industries like computers, industrial robots and transport equipment all gathered pace. **Fixed assets investment** decelerated on a year-to-date basis, particularly among services industries, from an 8.3% growth as of July to 7.8% in August, the lowest level since early 2000. Property investment held up in August, coming in higher at 7.8% yoy. Lastly, **retail sales** slowed down from 10.4% yoy to 10.1% (consensus: +10.5%) due to weaker sales in cars, construction materials, household electronics and restaurants & catering.
- **India's CPI inflation** rose further to 3.4% yoy in August, above consensus expectations of 3.2% and up from 2.4% in July. The acceleration was led by higher food price inflation (+2.0%, up from +0.4% in July), retail fuel prices, and core inflation. The latter mainly reflected the impact of the housing rent allowance and the transition to the Goods and Services Tax (GST) regime. Meanwhile, **industrial production** grew 1.2% yoy in July (consensus: +1.6%), better than a 0.2% fall in June, largely due to a favorable base effect. However, the sequential growth momentum remained weak, likely reflecting the transitory impact of GST implementation.
- The **Central Bank of Russia (CBR)** cut its interest rate by 50 basis points (bps) to 8.5% in line with consensus expectations. This brings total cuts this year to 150bps and an acceleration in the cutting cycle compared with the 100bps delivered in the whole of 2016. In the accompanying statement, the CBR stressed that it sees the current fall in inflation as partially temporary and that it continues to see medium-term risks to inflation as skewed to the upside relative to its 4% inflation target.

Source: Bloomberg, HSBC Global Asset Management. Data as at close of business 15 September 2017.
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Coming Week (18–22 September 2017)

Date	Country	Indicator	Data as of	Survey	Prior
Monday 18 September	Eurozone	CPI (yoy)	Aug F	1.5%	1.3%
	US	NAHB Housing Market Index	Sep	67	68
Tuesday 19 September	Germany	Zew Survey Expectations	Sep	12.0	10.0
	US	Housing Starts (mom)	Aug	1.7%	-4.8%
Wednesday 20 September	Japan	Trade Balance Adjusted (JPY billion)	Aug	404.7	337.4
	UK	Retail Sales Ex-auto Fuel (yoy)	Aug	1.4%	1.5%
	US	Existing Home Sales (mom)	Aug	0.4%	-1.3%
	US	Federal Open Market Committee Interest Rate Decision	Sep	1.25%	1.25%
Thursday 21 September	South Africa	Reserve Bank Interest Rate Decision	Sep	6.50%	6.75%
	Japan	Bank of Japan Interest Rate Decision	Sep	-0.10%	-0.10%
Friday 22 September	Eurozone	Markit Composite PMI	Sep P	55.6	55.7

P – Preliminary, F – Final

US

- In the coming week, the **Federal Open Market Committee (FOMC)** is widely expected keep interest rates on hold but to announce the tapering of its USD4.5 trillion balance sheet. Details on the asset reduction program were released earlier in June and policymakers are set to initially decrease reinvestment in Treasuries (UST) by USD6 billion and in mortgage-backed securities (MBS) by USD4 billion, which will be gradually increased every three months, until USD50 billion (USD30 billion USTs and USD20 billion MBS) is reached. The aim is to reduce the balance sheet gradually and predictably. Of particular interest will be the press conference with Fed Chair Janet Yellen and an update of the “dot plot” of individual FOMC members’ interest rate forecasts. Yellen could make balanced comments and reiterate that policy is “data dependent.” The “dot plot” will be particularly interesting, because there is a risk that the majority may signal no further rate rise this year, which would be seen as a dovish signal by the markets.
- Meanwhile, the data front will provide a number of fresh observations on the US housing market, starting with the **National Association of Home Builders/Wells Fargo Housing Market Index**, a homebuilder sentiment survey. The headline current conditions index is expected to come in at 67 in September. While this is modestly lower than the prior month’s level of 68, the index remains near the post-recession peak (71) reached in March.
- **Housing starts** are projected to increase by 1.7% mom in August, to an annualised 1.18 million. Last month’s report had shown a sharp -4.8% mom decline but this was primarily due to the smaller and more volatile multi-family component. Elsewhere, **existing home sales** may show a 0.4% mom rise in August to a 5.5 million annualised level.

Europe

- The preliminary **Eurozone Composite PMI** is expected to edge slightly lower to 55.6 in September, from 55.7 in August. Export orders in the manufacturing PMI survey have remained resilient despite the euro appreciation in recent months, but there are signs that services activity could be losing some momentum. However, the preliminary September PMI surveys are expected to continue signalling strong economic performance. At the sector level, manufacturing PMI could drop to 57.2 from 57.4 in August while services PMI is expected to increase to 54.8 in September, from 54.7.
- **The preliminary eurozone inflation** rose to 1.5% yoy in August, up from 1.3% yoy in July and was driven almost entirely by energy base effects, as the energy component rose from 2.2% to 4.0% yoy. However, core inflation was unchanged at 1.2% yoy. The final inflation numbers for Germany, was confirmed at 1.8% yoy, while in France it was also confirmed at 1.0% yoy. Therefore, the flash aggregate Eurozone CPI estimate of 1.5% yoy is expected to be confirmed.
- At the country level**,** the **German ZEW survey expectations** are expected at 12.0 in September, up from 10.0 in August.
- Finally, **UK retail sales** including auto fuel started Q3 on a positive note, rising by 0.3% mom in July. The August report is likely to provide further insight on how consumers are faring in the third quarter. While consumer confidence picked up last month, it remains close to recent lows. Therefore, the headline retail sales number is expected to moderate slightly to 0.1% mom (+1.1% yoy) when excluding auto fuel, it is expected to come in at 1.4% yoy.

Japan and emerging markets

- The **Bank of Japan (BoJ)** is expected to conclude its two-day policy meeting on Thursday by leaving its Policy Balance Rate and the 10-year Japanese government bond (JGB) yield target unchanged, at -0.1% and around 0%, respectively. The continuation of ultra-loose monetary policy is likely given the stagnation in underlying inflation (CPI ex-fresh food and energy rose +0.1% yoy only in July) and the recent decline in wages. However, a possible surprise may come from a change in the target amount of JGB buying. For the moment, the BoJ maintains its JPY80 trillion annual target, but the pace of actual buying has slowed down since April, consistent with an annual increase of around JPY65 trillion.

Source: Bloomberg, HSBC Global Asset Management. Data as at close of business 15 September 2017.
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- **Japan's trade surplus** is expected to increase further in August to JPY404.7 billion seasonally adjusted from JPY337.4 billion in July. The pickup in domestic consumption and a likely acceleration in investment provide a strong support to imports (consensus at +11.6% yoy, +16.3% previously). Export growth is expected to have accelerated slightly to 13.7% yoy for August from 13.4% in July, as the PMI new export orders rose modestly in August with manufacturers noting higher sales to clients based in China.
- In July, **South Africa's Reserve Bank** cut its repo rate by 25bps to 6.75%, for the first time in five years, motivated by declining inflation and the need to support economic activity. Looking ahead, the central bank is expected to conclude its September meeting with a further reduction in the policy rate by another 25bps in September.

Market Moves

Global equities rose on easing geopolitical and weather concerns; UK's FTSE 100 fell on a stronger sterling

- In the US, the **S&P 500** rose 1.6% after reaching fresh all-time highs earlier in the week. The rally was supported by Hurricane Irma's milder-than-feared impact on the US and some easing of geopolitical concerns. Energy sector stocks led the advance, helped by a rebound in oil prices. Meanwhile, financial sector companies rallied on the back of higher treasury yields.
- Most **European equities** rallied this week, supported by receding geopolitical and weather concerns. Financial shares led gains across bourses on the back of higher government bond yields. The EURO STOXX 50 Index closed 2.0% higher, its best weekly performance since early May this year. At the country level, Germany's export-sensitive DAX index rose 1.7%, also supported by a weaker euro versus the US dollar. The UK's FTSE100 Index underperformed (-2.2%), weighed by a stronger sterling on a hawkish BoE.
- In **Asia stock markets**, Japan outperformed as the yen depreciated sharply against the US dollar and on the back of somewhat eased concerns about North Korea. The Nikkei 225 Index rose 3.3%, even after Pyongyang launched another missile over Japan on Friday morning. Looking ahead, investor focus will be on the upcoming BoJ meeting on 21 September, with the BoJ likely to maintain its ultra-loose policy stance. Similarly, Korean stocks rose (KOSPI up +1.8%) amid strong expected earnings growth for 2017. Indian equities also rallied 1.8% on a positive economic outlook while most other markets closed little changed.

UK gilts sold off on a hawkish BoE; US Treasuries and other European government bonds also retreated

- **US treasuries** sold off (yields increased) amid soft auction results and diminished investor appetite for perceived safe haven assets. Investors also increased the probability of a rate hike before the end of 2017 to near 50%, amid upbeat data including August CPI releases and solid jobs openings and labour turnover survey (JOLTS) readings. The yield curve bear steepened with 2-year yields increasing by 12bps to 1.38% while 10-year yields rose by 15bps to 2.20%.
- In **European bond markets**, the most significant yield moves occurred in the UK market where 10-year gilt yields rose 32bps to 1.31% (prices fell) after the BoE signaled the possibility of a rate hike is somewhat greater than what the market is currently anticipating. A stronger-than-expected inflation reading for August also weighed on gilts. Elsewhere, bond yields also rose as improving investor risk appetite reduced demand for fixed income assets. Benchmark German 10-year bund yields added 12bps to 0.43%. In the periphery, Spanish and Italian 10-year bond yields finished 7bps and 12bps higher to 1.60% and 2.07%, respectively.

Pound sterling rose against the US dollar; most other currencies weakened

- **UK sterling** rallied (+2.9%) against the US dollar this week, climbing to levels last since just after the Brexit referendum. The strong performance was driven by a more hawkish-than-expected statement from the BoE's monetary policy meeting. Meanwhile, the euro depreciated against the greenback (-0.8%). The majority of the fall occurred on Wednesday, on the back of US dollar strength after US House Speaker Paul Ryan said that the goal is to have tax reform enacted by year-end.
- Most **Asian currencies** weakened against the US dollar over the week, with the exception of the yen. The Japanese currency depreciated sharply, down 2.8%, erasing its strong appreciation of the previous week, as eased concerns about geopolitical risks and Hurricane Irma reduced demand for perceived safe assets. The Philippines peso lost 0.8% despite better than expected trade data and overseas worker remittances. Meanwhile, the Chinese yuan also dropped 0.9% following the decision of the People's Bank of China to reduce the reserve requirement that financial intermediaries pay for foreign exchange forward trading from 20% to 0% to stabilise the Chinese currency. The Malaysian ringgit continued to rally (+0.1%) on improved economic outlook.

Crude oil prices rose on improved demand forecasts; gold weakened amid increased US rate hike expectations

- **Crude oil** prices rose for a second consecutive week supported by stronger demand from US refiners as they restarted after the disruption caused by Hurricane Harvey. Moreover, the upgrade in demand forecasts by both the International Energy Agency (IEA) and OPEC further added to price gains. In particular, the IEA sees global oil demand rising this year by the most since 2015. Meanwhile, OPEC and its allies are said to be considering a six-month extension of their output-cut deal from the end of March. Overall, WTI increased 4.9% to USD49.8 per barrel and Brent closed the week up 3.2% to USD55.5 per barrel.
- In contrast, **gold** prices retreated (-2.0% to USD1,320 per troy ounce) amid the broader dampened appetite for perceived safe haven assets. Moreover, increased Fed rate hike expectations amid upbeat CPI data, and a stronger US dollar, also dragged the non-yielding asset lower.

Source: Bloomberg, HSBC Global Asset Management. Data as at close of business 15 September 2017.
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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)	485	1.2	2.3	4.4	17.4	15.0	486	403	17.0
North America									
US Dow Jones Industrial Average	22,268	2.2	1.2	4.3	22.3	12.7	22,275	17,884	18.3
US S&P 500 Index	2,500	1.6	1.4	2.8	16.4	11.7	2,500	2,084	19.1
US NASDAQ Composite Index	6,448	1.4	1.8	4.6	22.8	19.8	6,464	5,034	24.1
Canada S&P/TSX Composite Index	15,173	1.3	0.5	0.1	4.6	-0.7	15,943	14,383	17.0
Europe									
MSCI AC Europe (USD)	475	0.8	3.3	5.9	19.2	18.7	477	374	15.4
Euro STOXX 50 Index	3,516	2.0	1.5	-0.3	18.2	6.8	3,667	2,923	15.0
UK FTSE 100 Index	7,215	-2.2	-2.3	-2.7	7.2	1.0	7,599	6,655	15.0
Germany DAX Index*	12,519	1.7	2.8	-1.4	20.0	9.0	12,952	10,175	13.7
France CAC-40 Index	5,214	2.0	1.4	-0.1	19.2	7.2	5,442	4,311	15.4
Spain IBEX 35 Index	10,317	1.9	-1.6	-3.6	18.3	10.3	11,184	8,512	14.5
Asia Pacific									
MSCI AC Asia Pacific ex Japan (USD)	538	0.9	3.4	7.4	22.3	26.2	540	419	14.5
Japan Nikkei-225 Stock Average	19,910	3.3	0.8	0.4	21.4	4.2	20,318	16,112	17.1
Australian Stock Exchange 200	5,695	0.4	-1.1	-1.2	8.7	0.5	5,957	5,052	15.9
Hong Kong Hang Seng Index	27,808	0.5	2.3	8.8	19.2	26.4	28,128	21,489	12.6
Shanghai Stock Exchange Composite Index	3,354	-0.3	3.1	7.1	11.7	8.1	3,392	2,969	14.7
Hang Seng China Enterprises Index	11,068	-0.7	3.1	7.0	15.3	17.8	11,462	9,117	8.4
Taiwan TAIEX Index	10,580	-0.3	2.6	4.9	18.9	14.3	10,656	8,880	15.0
Korea KOSPI Index	2,386	1.8	2.2	1.0	19.3	17.7	2,453	1,931	10.1
India SENSEX 30 Index	32,273	1.8	2.6	3.9	13.6	21.2	32,686	25,718	21.0
Indonesia Jakarta Stock Price Index	5,872	0.3	0.6	1.7	11.5	10.9	5,917	5,023	16.8
Malaysia Kuala Lumpur Composite Index	1,786	0.4	0.8	-0.2	8.1	8.8	1,797	1,614	16.7
Philippines Stock Exchange PSE Index	8,181	2.0	2.1	2.7	6.1	19.6	8,181	6,499	19.6
Singapore FTSE Straits Times Index	3,210	-0.6	-2.6	-0.7	14.4	11.4	3,355	2,761	14.7
Thailand SET Index	1,661	1.5	6.0	5.5	13.5	7.6	1,663	1,343	16.5
Latam									
Argentina Merval Index	23,716	-1.3	4.5	12.9	49.6	40.2	24,266	15,189	13.9
Brazil Bovespa Index*	75,757	3.7	10.8	22.3	30.8	25.8	75,820	56,794	14.6
Chile IPSA Index	5,202	2.2	2.7	7.3	27.9	25.3	5,214	4,007	20.0
Colombia COLCAP Index	1,493	-0.4	2.8	2.5	8.7	10.5	1,509	1,271	16.2
Mexico Index	49,922	-0.3	-2.8	1.6	8.7	9.4	51,772	43,999	18.4
EEMEA									
Russia MICEX Index	2,054	1.0	5.3	13.0	2.9	-8.0	2,294	1,775	7.0
South Africa JSE Index	55,645	-0.1	1.2	9.5	6.7	9.9	56,897	48,936	15.9
Turkey ISE 100 Index*	107,742	-0.7	0.8	9.1	39.8	37.9	110,531	71,793	9.1

*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	1.0	2.2	4.7	16.5	19.5	20.8	57.6
US equities	1.4	1.5	3.0	12.8	17.8	31.0	83.0
Europe equities	0.4	2.9	5.9	21.0	22.1	8.7	37.4
Asia Pacific ex Japan equities	0.9	3.8	8.6	28.9	25.5	18.1	40.5
Japan equities	0.0	0.9	2.6	12.8	16.1	22.7	61.0
Latam equities	0.6	6.8	17.3	28.5	30.1	-6.9	-11.2
Emerging Markets equities	0.8	4.7	10.8	29.9	26.5	11.8	22.2

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.

Source: Bloomberg, HSBC Global Asset Management. Data as at close of business 15 September 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	-0.5	0.3	0.5	0.8	2.4
JPM EMBI Global	807	-0.3	1.7	2.0	6.1	9.2
BarCap US Corporate Index (USD)	2,865	-0.5	0.7	1.0	3.2	5.1
BarCap Euro Corporate Index (Eur)	245	-0.3	0.0	0.6	1.0	1.8
BarCap Global High Yield (USD)	464	0.1	1.1	1.8	9.7	7.4
Markit iBoxx Asia ex-Japan Bond Index (USD)	196	-0.3	0.8	1.3	3.4	5.0
Markit iBoxx Asia ex-Japan High-Yield Bond Index (USD)	250	0.2	1.4	1.9	6.9	6.2

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 (versus 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	1.19	1.20	1.17	1.11	1.12	1.05	1.21	1.03	-0.8
GBP/USD	1.36	1.32	1.29	1.28	1.32	1.23	1.36	1.18	2.9
CHF/USD	1.04	1.06	1.03	1.03	1.03	0.98	1.06	0.97	-1.6
CAD	1.22	1.22	1.28	1.33	1.32	1.34	1.38	1.21	-0.3
JPY	110.83	107.84	110.67	110.93	102.10	116.96	118.66	100.09	-2.8
AUD	1.25	1.24	1.28	1.32	1.33	1.39	1.40	1.23	-0.7
NZD	1.37	1.38	1.38	1.39	1.37	1.44	1.47	1.32	0.5
Asia									
HKD	7.82	7.81	7.82	7.80	7.76	7.76	7.83	7.75	-0.1
CNY	6.55	6.49	6.69	6.81	6.67	6.95	6.96	6.44	-0.9
INR	64.08	63.79	64.12	64.54	67.03	67.92	68.86	63.57	-0.5
MYR	4.19	4.20	4.30	4.27	4.14	4.49	4.50	4.09	0.1
KRW	1,132	1,127	1,135	1,124	1,127	1,206	1,212	1,092	-0.4
TWD	30.05	30.00	30.30	30.26	31.81	32.33	32.45	29.90	-0.2
Latam									
BRL	3.11	3.09	3.17	3.28	3.30	3.26	3.51	3.04	-0.8
COP	2,897	2,907	2,966	2,952	2,929	3,002	3,208	2,831	0.3
MXN	17.66	17.71	17.81	18.04	19.35	20.73	22.04	17.45	0.3
EEMEA									
RUB	57.53	57.37	59.71	57.85	64.73	61.54	66.87	55.70	-0.3
ZAR	13.16	12.93	13.32	12.88	14.25	13.74	14.65	12.31	-1.8
TRY	3.44	3.41	3.54	3.51	2.97	3.52	3.94	2.94	-0.8

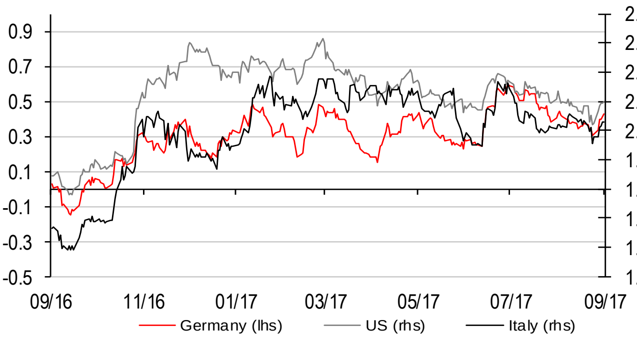
Bonds	Close	1-week Ago	1-month Ago	3-months Ago	1-year Ago	Year End 2016	1-week Basis Point Change
US Treasury yields (%)							
3-Month	1.03	1.04	1.02	1.00	0.28	0.50	-1
2-Year	1.38	1.26	1.35	1.35	0.73	1.19	12
5-Year	1.81	1.63	1.83	1.76	1.18	1.93	17
10-Year	2.20	2.05	2.27	2.16	1.69	2.44	15
30-Year	2.77	2.67	2.85	2.79	2.46	3.07	10
10-year bond yields (%)							
Japan	0.02	-0.01	0.04	0.05	-0.04	0.04	3
UK	1.31	0.99	1.08	1.03	0.89	1.24	32
Germany	0.43	0.31	0.43	0.28	0.03	0.20	12
France	0.71	0.61	0.72	0.63	0.33	0.68	9
Italy	2.07	1.95	2.04	1.96	1.33	1.81	12
Spain	1.60	1.53	1.46	1.41	1.07	1.38	7
China	3.61	3.64	3.61	3.57	2.77	3.06	-3
Australia	2.74	2.58	2.65	2.36	2.11	2.77	16
Canada	2.09	1.98	1.91	1.53	1.20	1.72	11

Commodities	Latest	1-week Change (%)	1-month Change (%)	3-month Change (%)	1-year Change (%)	YTD Change (%)	52-week High	52-week Low
Gold	1,320	-2.0	3.8	5.3	0.4	14.6	1,358	1,121
Brent Oil	55.5	3.2	9.2	18.3	19.1	-2.3	58	44
WTI Crude Oil	49.8	4.9	4.8	12.1	13.5	-7.2	55	42
R/J CRB Futures Index	184	1.6	4.4	6.5	1.9	-4.4	196	166
LME Copper	6,498	-2.9	1.9	14.8	35.9	17.4	6,970	4,633

Source: Bloomberg, HSBC Global Asset Management. Data as at close of business 15 September 2017.
Past performance is not an indication of future returns

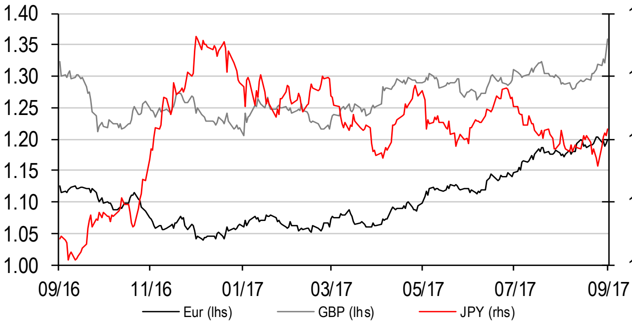
Market Trends

Government bond yields (%)



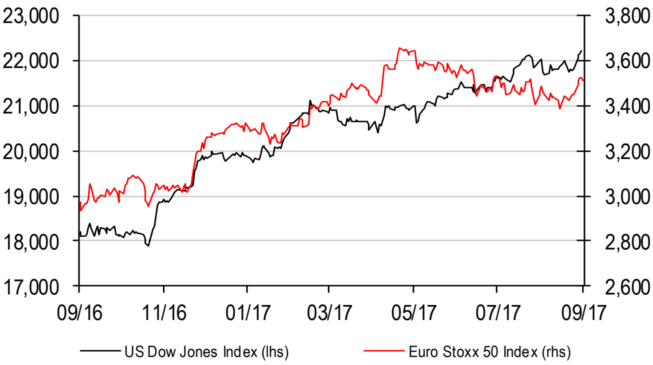
Yields based on 10 year government bonds

Major currencies (versus USD)

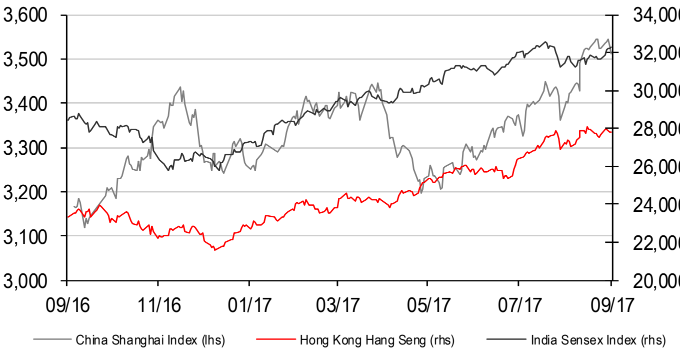


All values versus USD

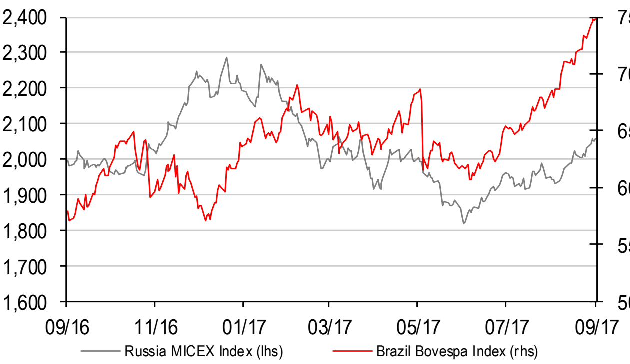
Global equities



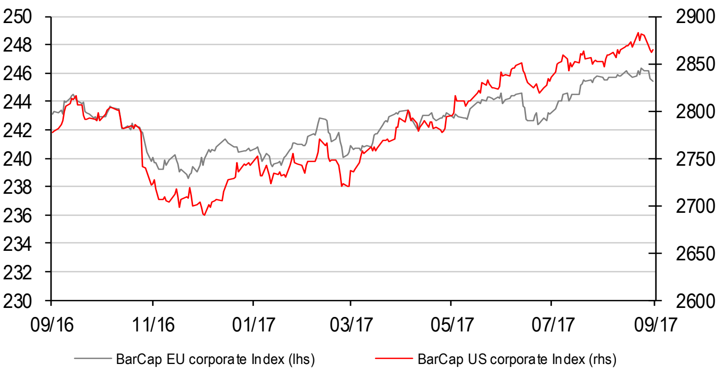
Emerging Asian equities



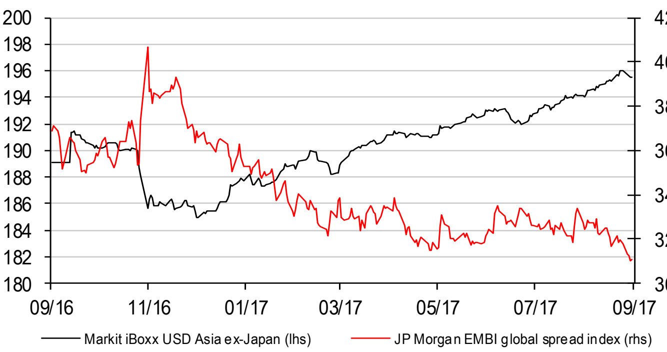
Other emerging equities



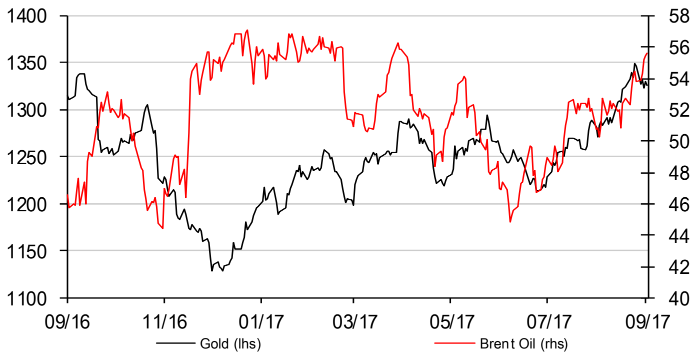
Global credit indices



Emerging markets spreads (USD indices)



Commodities (USD)



Source: Bloomberg, HSBC Global Asset Management. Data as at close of business 15 September 2017.
Past performance is not an indication of future returns

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Expiry: October 13, 2017
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