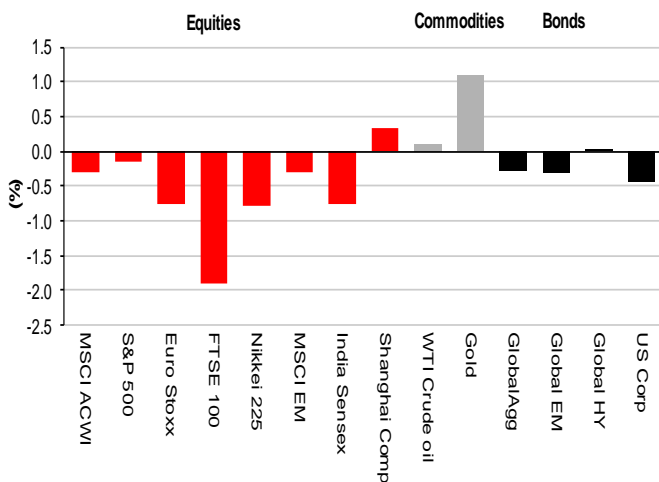


- ▶ Global equity markets fell this week, despite generally robust data, amid investor caution ahead of Donald Trump's inauguration as President of the United States. The UK's FTSE 100 Index underperformed as sterling strengthened
- ▶ In a long-awaited speech, British Prime Minister Theresa May confirmed the UK would seek to exit the European Single Market and that "a new, comprehensive, bold and ambitious Free Trade Agreement" would be sought with the European Union
- ▶ The January European Central Bank (ECB) meeting saw policy left on hold, as expected. ECB President Mario Draghi struck a dovish tone at the press conference, stating that "there are no signs yet of a convincing upward trend in underlying inflation"
- ▶ The UK and US's advance releases of Q4 GDP data are the highlight of next week's calendar. Central banks in Turkey and South Africa also hold their January policy meetings

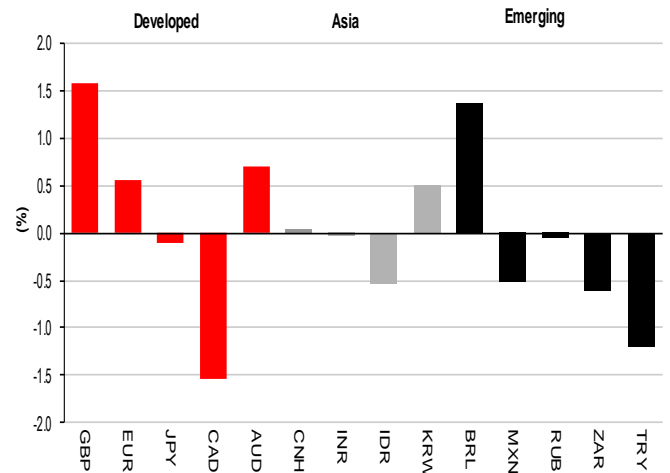
### Movers and shakers

The FTSE 100 Index underperformed as sterling rebounded

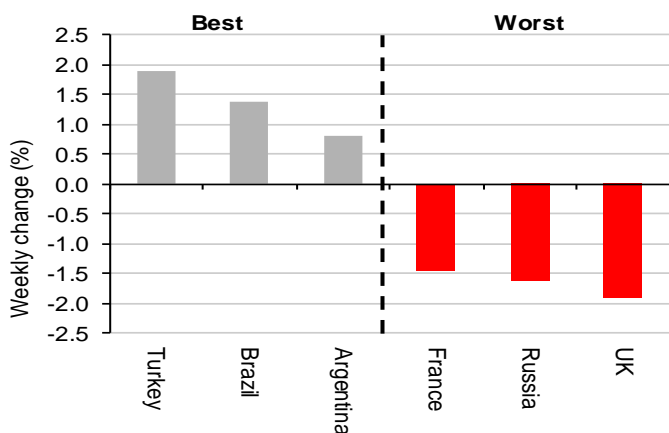


### Currencies (versus the US dollar)

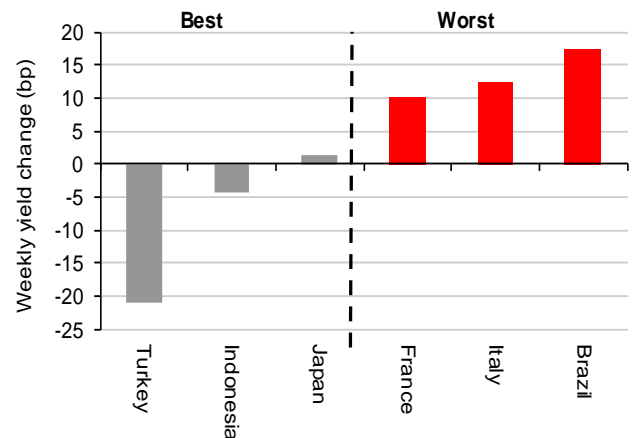
The Canadian dollar tumbled on dovish central bank remarks



### Equities



### Bonds (10-year)



Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 20 January 2017. All the above charts relate to 13/01/2017 – 20/01/2017. Past performance is not an indication of future returns.

# Macro Data and Key Events

Past Week (16-20 January 2017)

Date	Country	Indicator	Data as of	Survey	Actual	Prior
Monday 16 January	UK	BoE Governor Carney Speaks at London School of Economics				
Tuesday 17 January	Japan	Industrial Production (yoy)	Nov F		4.6%	4.6% P
	UK	CPI (yoy)	Dec	1.4%	1.6%	1.2%
	UK	PM Theresa May Delivers a Speech on Brexit Plan				
Wednesday 18 January	Germany	ZEW Expectation of Economic Growth	Jan	18.4	16.6	13.8
	UK	ILO Unemployment Rate (3 Months)	Nov	4.8%	4.8%	4.8%
	Eurozone	CPI (yoy)	Dec F	1.1%	1.1%	0.6%
	US	CPI (yoy)	Dec	2.1%	2.1%	1.7%
	US	Industrial Production (mom)	Dec	0.6%	0.8%	-0.7%
	Canada	Bank of Canada Interest Rate Decision	Jan	0.50%	0.50%	0.50%
	US	NAHB/Wells Fargo Housing Market Index	Jan	69	67	69
Thursday 19 January	US	Fed Chair Janet Yellen Speaks in San Francisco				
	Eurozone	ECB Interest Rate Decision	Jan	-0.40%	-0.40%	-0.40%
	US	Housing Starts (mom)	Dec	9.0%	11.3%	-16.5%
Friday 20 January	China	Industrial Production (yoy)	Dec	6.1%	6.0%	6.2%
	China	Retail Sales (yoy)	Dec	10.7%	10.9%	10.8%
	China	GDP (yoy)	Q4	6.7%	6.8%	6.7%
	UK	Retail Sales ex Auto Fuel (yoy)	Dec	7.5%	4.9%	6.4%
	US	Fed Chair Janet Yellen Speaks at Stanford				

P – Preliminary, Q – Quarter, F – Final

- ▶ In a highly anticipated **speech aimed at outlining the UK government's approach to Brexit**, British Prime Minister Theresa May confirmed that the UK would seek to exit the European Single Market and that "a new, comprehensive, bold and ambitious Free Trade Agreement" would be sought with the European Union (EU). May struck a conciliatory tone, stating she did not want to see an "unravelling of the EU," adding that it was "overwhelmingly and compellingly in Britain's national interest that the EU should succeed." She also confirmed that the final deal agreed between the UK and the EU would be voted on by both Houses of Parliament before coming into force. In terms of immigration, the PM reiterated the UK would aim to control "the number of people coming to Britain from the EU" but also sought to "guarantee the rights of EU citizens who are already living in Britain." May highlighted that her emphasis on striking new trade deals across the globe "has led to questions about whether Britain seeks to remain a member of the EU's Customs Union" and that her desire for "tariff-free trade with Europe" and "frictionless" cross-border trade meant that some form of customs agreement with the EU would be sought. In terms of the negotiation process, May stated it was not in the UK's interests to have a "cliff edge" where the country suddenly exits without any agreements in place, and that she therefore would want to have reached an agreement "by the time the two-year Article Fifty process has concluded" before "a phased process of implementation" of new UK-EU arrangements. May concluded the speech arguing that the EU seeking a "punitive deal" with Britain would be "calamitous" for the rest of Europe, stating that "no deal for Britain is better than a bad deal for Britain." In terms of economic data, **the ILO unemployment** rate for the three months to November held steady at 4.8% (for the third consecutive month), reflecting generally buoyant economic activity of late. Positively, total wage growth during this period accelerated by a more rapid than expected 2.8% yoy, the firmest rate of expansion since September 2015 (while pay excluding bonuses also beat expectations at +2.7% yoy). Also encouraging, the change in jobless claims in December (-10,100) came in significantly better than forecast (+5,000). **CPI inflation** rose to a two-and-a-half year high of 1.6% yoy in December, beating expectations of 1.4% and up from 1.2% in the previous month. Transport was the largest contributor to the 0.4 ppt increase in yoy inflation over the month (adding 0.2 ppt), driven by easing deflation in airfares and rising fuel prices (with the latter increasing +10.0% yoy, the highest rate since November 2011). The food component contributed 0.1 ppts to the increase, mainly driven by higher vegetable prices (likely reflecting higher import costs due to weaker sterling), although prices in this category remain in deflation overall (-1.0% yoy). Lastly, December **retail sales (excluding auto fuel)** declined by 2.0% mom, lower than expectations of a 0.4% dip. Sales at household goods stores fell sharply (-7.3% mom), the most since January 2010, while non-store retailing – which includes online sales – declined 5.3% mom, likely reflecting some pullback following Black Friday discounting in November. Overall, however, given the previous month's strong gains, the annual rate of growth remains a healthy 4.9%, and on a six-month moving average basis, annual growth edged up to its highest since November 2004 (+5.7%).
- ▶ In the **US**, December's **housing starts** continued their recent volatile run, rising 11.3% mom, stronger than the expected 9.0%. This improvement was magnified further by the prior month's upward revision to -16.5% mom, up from -18.7% mom in the initial release. Despite recent volatility, the three-month moving average of total annualised starts rose to its highest level since October 2007. Regarding the housing market, **homebuilders' confidence**, measured by the NAHB/Wells Fargo Housing Market Index, fell two points from 69 to 67 in January (consensus: 69). The underlying details showed slightly weaker readings in all three components, namely, current conditions for single-family home sales (-3 points to 72), future expectations for such sales (-2 points to 76) and prospective buyers traffic (-1 point to 51). Nevertheless, all readings remained strong and above their six-month moving averages.

Overall, strong underlying economic fundamentals (including a strengthening labour market), low (albeit gradually rising) mortgage rates and high affordability continues to support housing market activity. Meanwhile, December **inflation** data was in line with consensus expectations. Headline **CPI** rose 0.3% mom (+0.2% previously), driven by higher energy price growth (+1.5% mom versus +1.2% previously), with food prices flat, while core inflation remained at 0.2% mom. In year-on-year terms, the headline rate rose by 0.4 ppts to 2.1%, while the gain in the core was more modest (+0.1 ppts to 2.2%). Interestingly, this is the first time since April 2012 that both the headline and core measures broke the 2.0% yoy mark. However, the core Personal Consumption Expenditure Index, preferred by the US Federal Reserve (Fed), is currently sitting at only 1.6% yoy.

- ▶ As expected, the **ECB** kept policy on hold at its January meeting (main refinancing rate at 0.00%, deposit facility at -0.40%). As confirmed at last month's meeting, the Asset Purchase Programme will be extended for a period of nine months to December 2017 (albeit at a reduced pace of EUR60 billion per month). At the press conference, ECB President Mario Draghi struck a dovish tone, stating that the recent build-up in eurozone inflationary pressures "reflected mainly a strong increase in annual energy inflation, while there are no signs yet of a convincing upward trend in underlying inflation," also brushing aside concerns about different rates of inflation across eurozone countries. Meanwhile, in response to a question about the detrimental impact of ultra-low rates on savers, Draghi argued "low rates are necessary now to get higher rates in the future." In Germany, the **ZEW survey** of the current situation for January surged by 13.8 points to 77.3, its highest level since July 2011. This beat expectations of a smaller increase to 65.0 and likely reflects robust activity data as of late, as well as the country's equity markets hovering at multi-year highs. Meanwhile, the **expectations** component also rose, albeit less significantly, by 2.8 points to 16.6. The index also remains below its average over the long term (23.4).
- ▶ **China's** Q4 2016 GDP and monthly activity data suggest the economy ended 2016 on a solid footing. **Real GDP growth** edged higher to 6.8% yoy in Q4 2016 from the 6.7% expected and seen during the previous three quarters. Nominal GDP growth accelerated for a fifth straight quarter to 9.9% in Q4 from 7.8% in Q3 as the GDP deflator turned higher. For 2016 as a whole, the economy grew by 6.7%, meeting the government's 6.5%-7.0% growth target, supported by fiscal stimulus and strong credit growth. Meanwhile, December activity indicators came in mixed but remained broadly stable. **Industrial production** growth eased to 6.0% yoy (versus market consensus of +6.1%) from 6.2% in November. An improvement in mining growth, albeit remaining in contraction, was offset by lower manufacturing and utility industrial production growth. Nominal **retail sales** rose 10.9% yoy versus 10.8% previously, while real retail sales growth was stable at 9.2%. Urban **fixed asset investment** (FAI) slowed to 8.1% yoy (ytd) in December from 8.3% in November, slightly below the consensus forecast of 8.2%, led by a notable slowdown in infrastructure FAI. Manufacturing FAI picked up amid a lower base, also likely helped by improving industrial profits and lower real interest rates. Real estate FAI growth also accelerated, while home sales and new housing starts both reported higher yoy growth.

### Coming Week (23-27 January 2017)

Date	Country	Indicator	Data as of	Survey	Prior
Monday 23 January	Eurozone	Consumer Confidence	Jan A	-4.8	-5.1
Tuesday 24 January	South Africa	Reserve Bank Interest Rate Decision	Jan	7.00%	7.00%
	Eurozone	Markit Composite PMI	Jan P	54.5	54.4
	Turkey	CBRT Interest Rate Decision (Overnight Lending Rate)	Jan	9.25%	8.50%
	US	Existing Home Sales (mom)	Dec	-1.4%	0.7%
	Japan	Trade Balance Adjusted (JPY bn)	Dec	222.5	536.1
Wednesday 25 January	Germany	Ifo Business Climate Index	Jan	111.2	111.0
Thursday 26 January	UK	GDP (qoq)	Q4 A	0.5%	0.6%
	US	New Home Sales (mom)	Dec	-1.2%	5.2%
Friday 27 January	Japan	National CPI ex Fresh Food, Energy (yoy)	Dec	0.1%	0.2%
	US	GDP Annualised (qoq)	Q4 A	2.1%	3.5%
	US	Durable Goods Orders (mom)	Dec P	2.7%	-4.5%
	US	University of Michigan Index of Consumer Sentiment	Jan F	98.1	98.1 P

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

### US

- ▶ December's **existing home sales** are expected to fall by 1.4% mom (5,530,000 annualised against 5,610,000 previously). This release has been quite volatile over the last couple of years, but the general trend is one of improvement. The prior release took the series to its strongest level since February 2007. Similarly, December's **new home sales** are expected to dip by 1.2%, having risen 5.2% in the prior month (585,000 annualised against 592,000 prior). This series has been trending higher since early 2011, but still sits around half of the pre-crisis peak. Both series continue to see positive underlying momentum as a robust labour market and still historically low mortgage rates remain supportive of housing market activity.
- ▶ The first estimate of **Q4 GDP** is forecast to show growth of 2.1% qoq annualised, down from 3.5% qoq annualised in Q3. The consumer is likely to be the main growth driver, in line with recent trends. Strong PMI numbers also support expectations for a continued improvement in business investment, which is anticipated to rise at its strongest rate since Q1 2015. Less positively, higher imports and lower exports should see net exports act as a drag on growth.

- ▶ January's final release of the **University of Michigan Consumer Sentiment Index** is expected to remain at 98.1. Importantly, this is very close to December's 13-year high, although the recent improvement has yet to translate into an acceleration in consumer spending. The preliminary release saw long-term consumer inflation expectations (over the next five to 10 years) rebound from their all-time low of 2.3% yoy in December to 2.6% yoy, its highest level since July 2016. A further increase may be a cause of concern for the Fed.

## Europe

- ▶ The preliminary **eurozone PMIs** for January are expected to remain broadly stable, with the composite indicator edging slightly higher to 54.5. The eurozone economy remains supported by continued employment growth and low financing costs, while manufacturing is benefiting from euro weakness and improved global demand. However, rising headline inflation has the scope to crimp activity (via lower consumption and reducing firm's profit margins), and rising political risks in the shape of ongoing Brexit developments and upcoming general elections also pose downside risks to sentiment.
- ▶ The first estimate of **UK Q4 GDP** is expected to show growth of 0.5% qoq, representing a 0.1 ppt decline from Q3's outturn, although still robust. The resilience of the UK economy post-June 2016's Brexit vote has been predominantly driven by the services sector, in particular household consumption.
- ▶ Having risen sharply over the course of Q4 2016, **Germany's Ifo Business Climate Index** is anticipated to stabilise, gaining just 0.2 points to 111.2, driven mainly by an improvement in the current assessment component, buoyed by recent positive momentum in German economic activity indicators. Amid headwinds to the economic outlook (rising headline inflation and elevated political uncertainty), the expectations component is expected to remain flat.

## Japan and emerging markets

- ▶ In November, **Japan's trade surplus** reached its highest level (JPY536.1 billion seasonally adjusted) since July 2010. The surplus for December is expected to decline to JPY222.5 billion as higher commodity prices continue to support import growth (consensus at -0.8% yoy, -8.8% previously). Meanwhile, exports should have remained relatively stable (+1.2% yoy expected versus -0.4% previously), boosted by a weaker yen, with the PMI manufacturing new export order component rising for a fourth month in December.
- ▶ **Japan's core inflation** (CPI ex-fresh food and energy) has been on a slowing trend since the end of 2015, mostly reflecting the absence of momentum in personal consumption despite tight labour market conditions. The depreciation of the yen in the second half of 2016 should, later on this year, increase imported inflation and generate some pickup in core inflation. However, in the near term, core inflation is expected to slow down further, from 0.2% yoy in November to 0.1% in December. Headline inflation is also expected to slow (from +0.5% to +0.2%) as suggested by the leading index for the region of Tokyo (declining from +0.5% to 0.0% in December).
- ▶ On the back of recent lira weakness, the **Central Bank of Turkey (CBT)** is anticipated to significantly hike the overnight lending rate at its January policy meeting, to 9.25% from 8.50%. Recently, the Central Bank has cut lira liquidity previously provided by the one-week repos (at 8.00%) and overnight lending (8.50%), channelling banks to the late liquidity window (at 10.00%). Hence, as it waits to see the results of its new unorthodox policy experiment, the CBT may not meet expectations for such a sharp hike.

## Market Moves

### Global markets fell as investors remained cautious ahead of Trump's inauguration

- ▶ In a holiday-shortened week, **US equities** edged lower as investors continued to assess the implications of a Trump presidency. Economic data suggests an improvement in activity, with industrial production, housing starts and initial jobless claims all beating consensus expectations. However, this upbeat macro momentum failed to substantially boost investor risk appetite. Overall, the S&P 500 Index closed the week little changed (-0.1%).
- ▶ **European equities** fluctuated between gains and losses this week to end slightly lower, despite ECB President Mario Draghi's relatively dovish comments at the ECB monetary policy meeting. Overall, the EURO STOXX 50 Index closed the week down 0.7%. At the country level, the UK's FTSE 100 Index underperformed (-1.9%) as sterling strength weighed on the outlook for earnings generated by multinational corporates.
- ▶ Most **Asian stock markets** fell this week, as investors remained cautious ahead of Donald Trump's inauguration as US President, with Brexit-related concerns also weighing on risk appetite. Japan's Nikkei 225 Index swung with the yen through the week to end 0.8% lower. India's SENSEX 30 Index also posted a weekly loss (-0.7%), amid mixed earnings results, while Hong Kong's Hang Seng Index ended 0.2% lower. Bucking the trend, China's Shanghai Stock Exchange Composite Index rose 0.3%, with concerns about an accelerating pace of IPOs offset by a slew of upbeat economic data and as the central bank announced a 28-day "temporary liquidity facility" to some major banks to help ease cash shortages before the Lunar New Year holiday. Support also came from news that the regulator plans to relax rules on stock-index futures trading.

## US Treasuries curve bear steepened on Yellen's comments and upbeat data; most European bonds also fell

- ▶ **US Treasuries** fell (yields rose) this week after Fed Chair Janet Yellen signalled that the Fed could hike policy rates “a few times a year” through the end of 2019. Moreover, demand for fixed income assets was further weakened by upbeat economic data releases that included last week's initial jobless claims and December's housing starts. Overall, 10-year Treasury yields gained 7 bps to 2.47%, while two-year yields remained unchanged at 1.19%.
- ▶ Most **European government bonds** also weakened (yields rose) over the week, with benchmark German 10-year bund yields closing 8 bps higher at 0.42% despite ECB President Mario Draghi's dovish tone at the ECB press conference where he stated “there are no signs yet of a convincing upward trend in underlying inflation.” Equivalent maturity UK gilt yields finished up 7 bps to 1.43%, although there was little reaction following Prime Minister Theresa May's outline of the UK government's approach to Brexit. Portuguese bonds were the notable outperformer, with 10-year yields declining, as the Prime Minister commented that the budget deficit was the narrowest in 40 years.

## US dollar weighed on by remarks from US President and Treasury Secretary Nominee

- ▶ The **British pound** snapped a two-week losing streak against the US dollar (+1.6%). Support came from US President Donald Trump who called the US dollar “too strong,” causing traders to retrace their recent bullish bets on the greenback. Meanwhile, UK PM Theresa May's outline of the government's stance towards Brexit on Tuesday helped remove uncertainty that has recently weighed on the pound. Meanwhile, the euro ended up slightly (+0.6%), amid ECB President Mario Draghi's dovish remarks at the post-meeting press conference on Thursday, reiterating the bank's commitment to accommodative monetary policy.
- ▶ In **Asia**, the Korean won, Malaysian ringgit, Taiwanese dollar and Thai baht all rose against the US dollar this week as Fed Chair Janet Yellen made the case for gradual interest rate hikes, and Treasury Secretary nominee Steven Mnuchin commented on Thursday that the dollar was “very, very strong.” However, the Japanese yen, Indonesian rupiah and Philippines peso weakened.

## Oil prices stable amid supportive OPEC comments; gold prices higher for fourth week

- ▶ Oil prices were little changed this week. Support came from the Saudi Minister of Energy and Industry, who argued that the rebalancing of the global oil market could be completed by the end of June, and the OPEC Secretary General, who suggested that the production deal could be extended if needed. However, sentiment was hit by concerns over rising US production – reflected in comments by the International Energy Agency on Wednesday – as well as the weekly U.S. Energy Information Administration report showing a larger than expected increase in US crude and gasoline inventories last week. Overall, WTI crude rose slightly (+0.1% to USD52.2 per barrel) and Brent remained unchanged (0.0% to USD55.5 per barrel).
- ▶ Gold prices rose for the fourth consecutive week (+1.1% to USD1,211), supported by continuing uncertainty over US President Trump's economic policy agenda, although gains were pared following relatively hawkish comments by Fed Chair Janet Yellen on Wednesday.

## 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)
<b>Equity Indices</b>									
<b>World</b>									
MSCI AC World Index (USD)	430	-0.3	1.6	3.9	20.4	2.0	432	351	16.0
<b>North America</b>									
US Dow Jones Industrial Average	19,827	-0.3	-0.7	9.2	25.8	0.3	20,000	15,451	16.6
US S&P 500 Index	2,271	-0.1	0.0	6.1	22.2	1.5	2,282	1,810	17.5
US NASDAQ Composite Index	5,555	-0.3	1.3	6.0	24.2	3.2	5,584	4,210	21.0
Canada S&P/TSX Composite Index	15,548	0.3	1.7	4.7	31.3	1.7	15,621	11,531	17.0
<b>Europe</b>									
MSCI AC Europe (USD)	406	-0.5	3.1	3.2	11.9	1.5	415	354	14.3
Euro STOXX 50 Index	3,299	-0.7	0.6	7.2	14.5	0.3	3,334	2,673	14.2
UK FTSE 100 Index	7,198	-1.9	2.2	2.4	26.9	0.8	7,354	5,500	14.6
Germany DAX Index*	11,630	0.0	1.4	8.7	23.8	1.3	11,692	8,699	13.6
France CAC-40 Index	4,851	-1.5	0.0	6.8	17.6	-0.2	4,930	3,892	14.4
Spain IBEX 35 Index	9,380	-1.4	-0.3	3.5	13.3	0.3	9,552	7,580	13.8
<b>Asia Pacific</b>									
MSCI AC Asia Pacific ex Japan (USD)	444	-0.3	4.6	-1.5	23.5	4.1	459	357	13.4
Japan Nikkei-225 Stock Average	19,138	-0.8	-1.8	11.0	16.6	0.1	19,615	14,864	19.0
Australian Stock Exchange 200	5,655	-1.2	1.1	3.9	16.8	-0.2	5,828	4,707	16.1
Hong Kong Hang Seng Index	22,886	-0.2	5.3	-2.1	21.2	4.0	24,364	18,279	11.5
Shanghai Stock Exchange Composite Index	3,123	0.3	0.7	1.3	4.9	0.6	3,301	2,638	13.2
Hang Seng China Enterprises Index	9,716	-0.7	4.7	0.3	21.2	3.4	10,210	7,499	7.9
Taiwan TAIEX Index	9,331	-0.5	1.0	0.2	21.2	0.8	9,431	7,706	13.4
Korea KOSPI Index	2,066	-0.5	1.2	1.2	11.9	1.9	2,091	1,818	9.8
India SENSEX 30 Index	27,035	-0.7	2.8	-3.9	12.4	1.5	29,077	22,495	18.8
Indonesia Jakarta Stock Price Index	5,254	-0.4	1.8	-2.8	18.7	-0.8	5,492	4,421	14.7
Malaysia Kuala Lumpur Composite Index	1,665	-0.5	1.9	-0.1	2.8	1.4	1,729	1,609	15.7
Philippines Stock Exchange PSE Index	7,233	-0.1	8.6	-6.2	15.5	5.7	8,118	6,116	17.3
Singapore FTSE Straits Times Index	3,011	-0.5	3.4	5.9	17.6	4.5	3,027	2,528	13.9
Thailand SET Index	1,563	-0.8	3.4	4.7	25.1	1.3	1,583	1,255	14.5
<b>Latam</b>									
Argentina Merval Index	19,039	0.8	18.5	4.9	102.5	12.5	19,057	9,200	15.6
Brazil Bovespa Index*	64,521	1.4	12.0	1.1	71.4	7.1	65,291	37,046	12.9
Chile IPSA Index	4,258	0.6	1.6	0.5	23.2	2.6	4,326	3,419	15.2
Colombia COLCAP Index	1,354	-1.1	0.6	-0.5	22.1	0.2	1,419	1,087	12.0
Mexico Index	46,332	0.3	3.1	-4.0	13.4	1.5	48,956	39,924	16.8
<b>EEMEA</b>									
Russia MICEX Index	2,160	-1.6	-3.0	10.4	32.5	-3.3	2,294	1,602	6.5
South Africa JSE Index	52,532	-0.5	4.3	2.2	13.4	3.7	54,704	45,976	14.8
Turkey ISE 100 Index*	83,067	1.9	6.8	4.8	19.3	6.3	86,931	68,230	8.4

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

<b>Equity Indices - Total Return</b>	3-month Change (%)	YTD Change (%)	1-year Change (%)	3-year Change (%)	5-year Change (%)
Global equities	3.9	1.7	22.6	12.1	51.4
US equities	6.1	1.3	23.8	28.1	84.9
Europe equities	3.0	0.9	14.7	-9.4	28.9
Asia Pacific ex Japan equities	-0.6	4.6	27.6	6.6	22.2
Japan equities	1.4	2.4	17.1	10.3	46.5
Latam equities	-5.6	3.7	57.2	-14.0	-30.3
Emerging Markets equities	-1.7	3.8	32.2	-0.9	1.8

All total returns quoted in US dollar 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.

Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 20 January 2017.

Past performance is not an indication of future returns.

## Market Data (continued)

	Close	1-week Change (%)	1-month Change (%)	3-month Change (%)	1-year Change (%)	YTD Change (%)
<b>Bond indices - Total Return</b>						
BarCap GlobalAgg (Hedged in USD)	498	-0.3	0.3	-2.1	2.8	-0.3
JPM EMBI Global	747	-0.3	1.9	-2.7	14.1	1.1
BarCap US Corporate Index (USD)	2,731	-0.4	1.2	-2.6	6.0	0.1
BarCap Euro Corporate Index (Eur)	240	-0.3	-0.3	-1.6	4.7	-0.5
BarCap Global High Yield (USD)	437	0.0	1.7	1.4	21.1	1.1
Markit iBoxx Asia ex-Japan Bond Index (USD)	187	-0.1	1.2	-1.6	5.6	0.7
Markit iBoxx Asia ex-Japan High-Yield Bond Index (USD)	238	0.2	1.5	1.0	15.5	1.4

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

<b>Currencies (vs USD)</b>	Latest	1-week Ago	1-month Ago	3-months Ago	1-year Ago	Year End 2016	52-week High	52-week Low
<b>Developed markets</b>								
EUR/USD	1.07	1.06	1.04	1.09	1.09	1.05	1.16	1.03
GBP/USD	1.24	1.22	1.24	1.23	1.42	1.23	1.50	1.18
CHF/USD	1.00	0.99	0.97	1.01	1.00	0.98	1.06	0.97
CAD	1.33	1.31	1.34	1.32	1.45	1.34	1.43	1.25
JPY	114.62	114.49	117.86	103.95	116.94	116.96	121.69	99.02
AUD	1.32	1.33	1.38	1.31	1.45	1.39	1.44	1.28
NZD	1.40	1.40	1.45	1.39	1.56	1.44	1.56	1.34
<b>Asia</b>								
HKD	7.76	7.75	7.77	7.76	7.82	7.76	7.82	7.75
CNY	6.88	6.90	6.95	6.74	6.58	6.95	6.96	6.45
INR	68.18	68.16	68.04	66.81	67.96	67.92	68.86	66.07
MYR	4.45	4.46	4.48	4.18	4.40	4.49	4.50	3.84
KRW	1,169	1,175	1,193	1,127	1,214	1,206	1,245	1,090
TWD	31.53	31.57	32.04	31.54	33.70	32.33	33.72	31.01
<b>Latam</b>								
BRL	3.17	3.22	3.35	3.14	4.10	3.26	4.16	3.10
COP	2,921	2,947	2,995	2,930	3,395	3,002	3,453	2,817
MXN	21.59	21.48	20.46	18.62	18.53	20.73	22.04	17.05
<b>EEMEA</b>								
RUB	59.61	59.58	61.44	62.43	81.43	61.54	82.94	58.96
ZAR	13.60	13.52	14.00	13.95	16.76	13.74	16.65	13.17
TRY	3.77	3.72	3.53	3.06	3.04	3.52	3.94	2.79

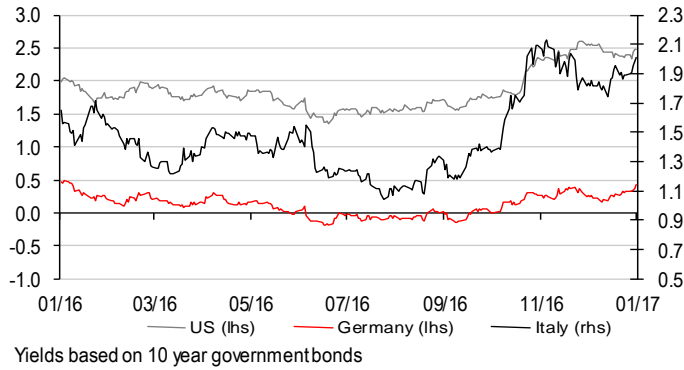
<b>Bonds</b>	Close	1-week Ago	1-month Ago	3-months Ago	1-year Ago	Year End 2016
<b>US Treasury yields (%)</b>						
3-Month	0.50	0.52	0.51	0.33	0.26	0.50
2-Year	1.19	1.19	1.22	0.82	0.82	1.19
5-Year	1.94	1.90	2.04	1.25	1.42	1.93
10-Year	2.47	2.40	2.56	1.76	1.98	2.44
30-Year	3.05	2.99	3.14	2.50	2.75	3.07
<b>Developed market 10-year bond yields (%)</b>						
Japan	0.06	0.05	0.07	-0.07	0.21	0.04
UK	1.43	1.36	1.41	1.08	1.62	1.24
Germany	0.42	0.34	0.27	0.00	0.48	0.20
France	0.90	0.80	0.71	0.28	0.82	0.68
Italy	2.01	1.89	1.84	1.37	1.65	1.81
Spain	1.50	1.42	1.33	1.10	1.78	1.38

<b>Commodities</b>	Latest	1-week ago (%)	1-month Change (%)	3-month Change (%)	1-year Change (%)	YTD Change (%)	52-week High	52-week Low
Gold	1,211	1.1	6.9	-4.4	10.0	5.1	1,375	1,081
Brent Oil	55.5	0.0	0.2	7.9	98.9	-2.4	58	27
WTI Crude Oil	52.4	0.1	0.4	3.9	97.4	-2.4	55	26
R/J CRB Futures Index	194	-0.3	1.8	2.8	24.1	0.8	196	155
LME Copper	5,740	-2.9	4.3	23.4	31.7	3.7	6,046	4,348

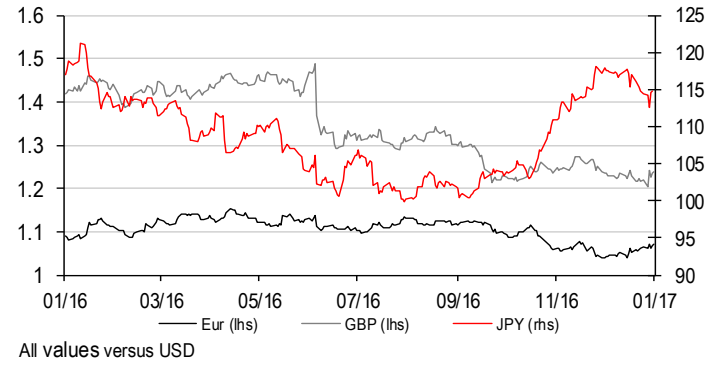
Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 20 January 2017.  
Past performance is not an indication of future returns.

# Market Trends

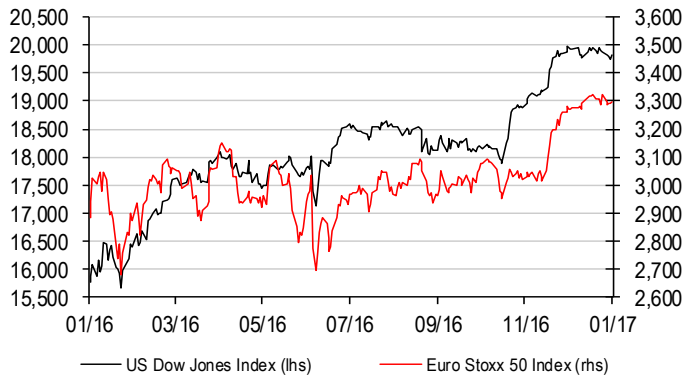
## Government bond yields (%)



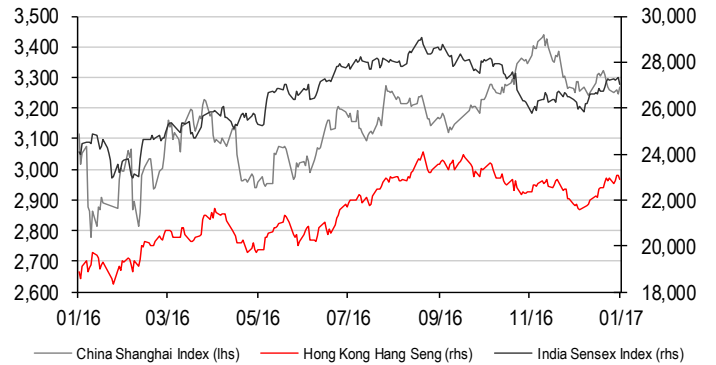
## Major currencies (versus USD)



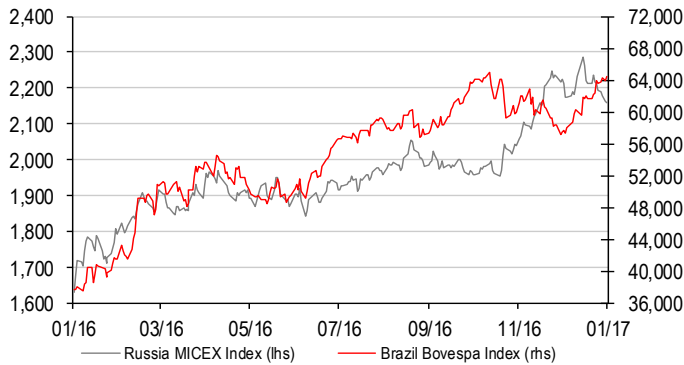
## Global equities



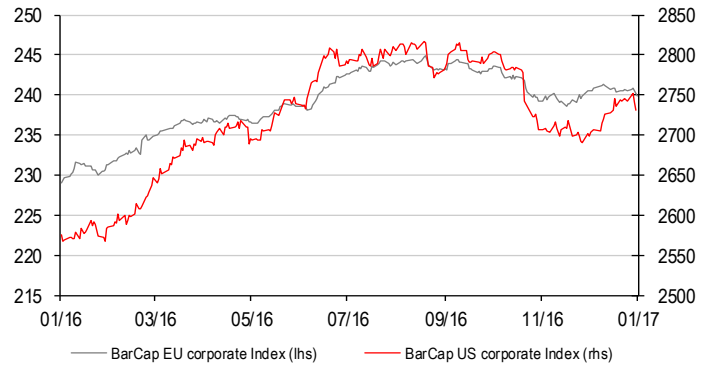
## Emerging Asian equities



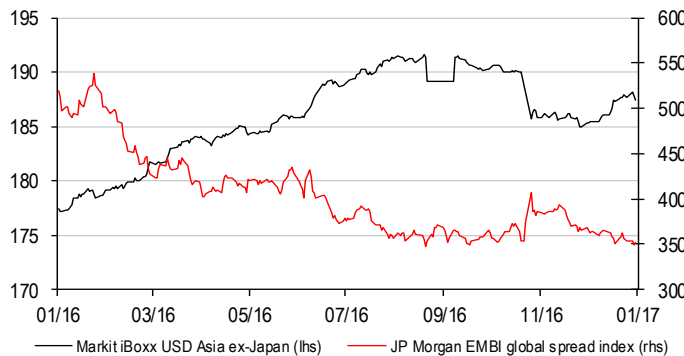
## Other emerging equities



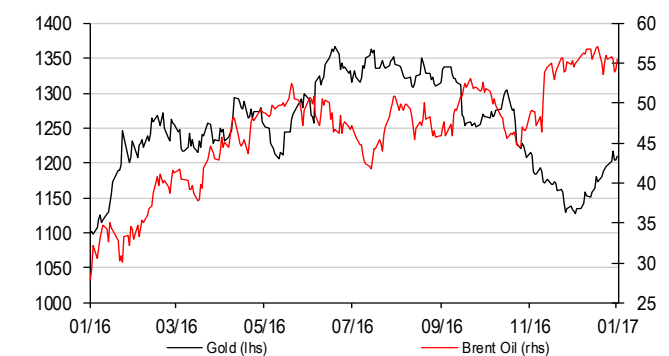
## Global credit indices



## Emerging markets spreads (USD indices)



## Commodities (USD)



Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 20 January 2017.  
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