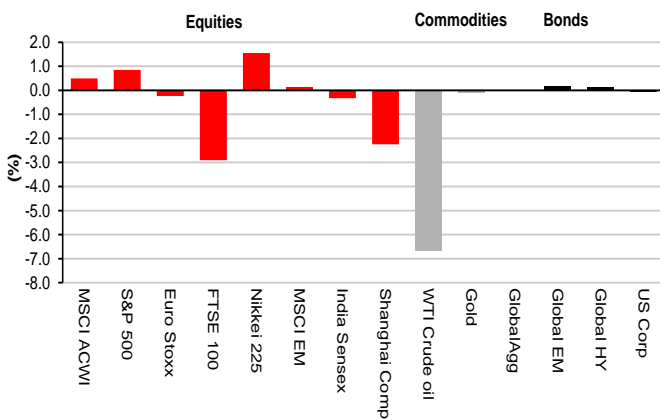


- ▶ Global equities edged up this week on renewed fiscal stimulus hopes in the US and easing global geopolitical tensions
- ▶ UK Prime Minister Theresa May's unexpected call for a snap general election for 8 June received overwhelming support in the House of Commons. Sterling appreciated on the announcement as investors saw this as supportive for a softer Brexit
- ▶ In the coming week, the European Central Bank (ECB) and the Bank of Japan (BoJ) will announce their latest interest rate decisions. Advance Q1 GDP releases in both the US and UK will also be in focus

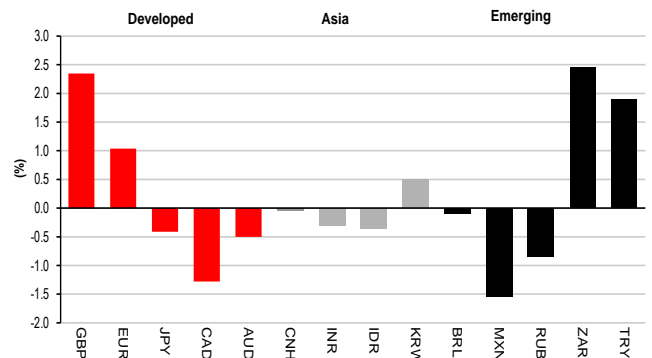
Movers and shakers

UK equities underperformed on snap election call

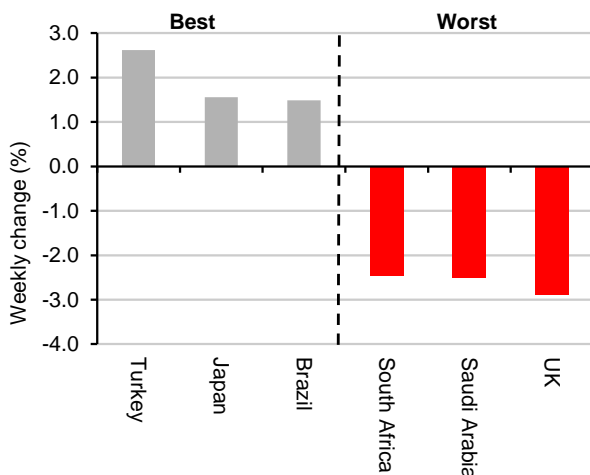


Currencies (versus US dollar)

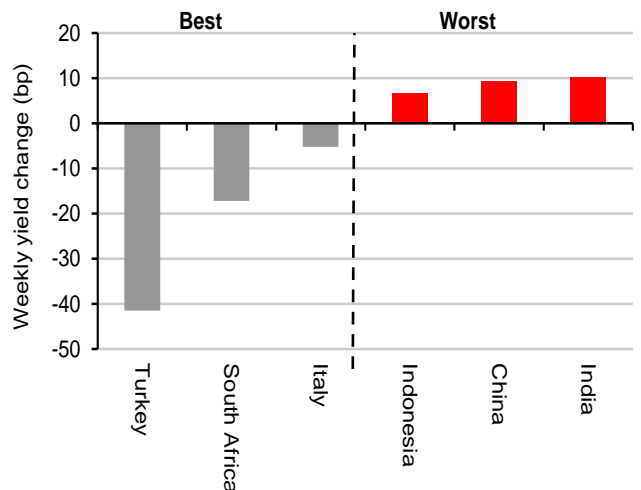
The sterling and euro rose against the US dollar



Equities



Bonds (10-year)



Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 21 April 2017. All the above charts relate to 14/04/2017 – 21/04/2017. Past performance is not an indication of future returns.

Macro Data and Key Events

Past Week (17-21 April 2017)

| Date | Country | Indicator | Data as of | Survey | Actual | Prior |
|--------------------|----------|---------------------------------------|------------|--------|--------|-------|
| Monday 17 April | China | Industrial Production (yoy) | Mar | 6.3% | 7.6% | 6.0% |
| | China | Retail Sales (YTD yoy) | Mar | 9.6% | 10.0% | 9.5% |
| | China | GDP (yoy) | Q1 | 6.8% | 6.9% | 6.8% |
| Tuesday 18 April | US | NAHB/Wells Fargo Housing Market Index | Apr | 70.0 | 68.0 | 71.0 |
| | US | Housing Starts (mom) | Mar | -3.0% | -6.8% | 5.0% |
| Wednesday 19 April | US | Industrial Production (mom) | Mar | 0.5% | 0.5% | 0.1% |
| | Eurozone | CPI (yoy) | Mar F | 1.5% | 1.5% | 2.0% |
| Thursday 20 April | Japan | Trade Balance, Adjusted (JPY bn) | Mar | 172.0 | 172.2 | 609.0 |
| Friday 21 April | Eurozone | Markit Composite PMI | Apr P | 56.4 | 56.7 | 56.4 |
| | UK | Retail Sales, ex Auto Fuel (yoy) | Mar | 3.8% | 2.6% | 4.1% |
| | US | Existing Home Sales (mom) | Mar | 2.2% | 4.4% | -3.9% |

P – Preliminary, Q – Quarter, F – Final

- ▶ In the **US, housing starts** fell by 6.8% mom in March to 1,215,000 annualised, the lowest level since November 2016. This was below consensus expectations of -3.0%, although it follows an upwardly revised 5.0% mom gain in the prior month. The breakdown showed single-family starts declined by 54,000 to 821,000, while the multifamily category dipped by 34,000. More positively, the latest reading pushes the six-month moving average to 1,250,500 – the highest since late-2007. Furthermore, building permits, which tend to lead housing starts by a couple of months, rose more than expected to 1,260,000 annualised. Overall, amid elevated house builder confidence, continuing labour market strength and historically low mortgage rates, the US housing market remains on a solid footing. This sentiment was further supported by March's **existing home sales** coming in better than expected at 4.4% mom, following a 3.9% contraction previously.
- ▶ April's **preliminary Eurozone Composite PMI** came in at 56.7, better than consensus forecasts for a stabilisation at 56.4. The breakdown showed an unexpected improvement in the manufacturing and services components, at 56.8 (versus consensus at 56.0 and 56.2 in the previous month) and 56.2 (versus consensus at 55.9 and following from 56.0 in the previous month) respectively.
- ▶ **UK Prime Minister Theresa May** unexpectedly called for a **snap election** on 8 June. In her statement, May remarked that this was “necessary to secure the strong and stable leadership the country needs to see us through Brexit and beyond.” Following this announcement, the PM won overwhelming backing with MPs voting 522 to 13 in favour of overriding the Fixed-term Parliaments Act, thereby enabling an early general election. Meanwhile, the March release of **UK retail sales** excluding auto fuel fell by 1.5% mom (consensus -0.5% and +1.6% previously), leaving the annual rate at 2.6% yoy. This translates to a quarterly growth rate of -1.2%, the first contraction since Q1 2013. Including auto fuel, retail sales fell -1.8% mom. The latest prints will not bode well for UK Q1 GDP growth, with the advance release expected to show 0.4% qoq annualised, against 0.7% in Q4 2016. UK consumer spending power has been eroded by sluggish nominal wage growth and rising inflation amid sterling weakness.
- ▶ **Japan's trade balance** recorded a seasonally adjusted surplus of JPY172.2 billion in March, in line with expectations, with exports maintaining a relatively steady growth of 12.0% yoy (+11.3% in February) and imports accelerating sharply from 1.2% yoy to 15.8%, essentially due to the end of the seasonal biases (Lunar New Year) that significantly distorted February's trade data. However, the bulk of the unexpected increase in imports is explained by a significant surge in prices, with the unit value of imports up 11.2% yoy, implying a volume of imports up by 4.1%, in line with what prevailed in Q4 and January.
- ▶ **China's Q1 GDP** growth beat market expectations, coming in at 6.9% yoy (consensus at +6.8%), continuing the remarkable lack of volatility in GDP growth data observed over the last two years (growth fluctuations have been contained in a 6.7%-6.9% range since mid-2015). However, on a qoq, seasonally adjusted basis, GDP growth came in lower than expected, at 1.3%, one of the lowest readings since the National Bureau of Statistics started to publish the data. The uptick in yoy growth was primarily due to robust investment, particularly in property, and stronger industrial production, especially among heavy industries. Monthly data for March showed broad-based economic improvement after somewhat softer January and February prints. **Industrial production** rose 7.6% yoy (expectations at +6.3%) while **fixed asset investment** gathered pace slightly from 8.9% yoy year-to-date to 9.2%. However, it is worth noting that the fixed investment growth figures are in nominal terms. Investment growth in real terms should be more modest considering the recent rise in the Producer Price Index.

Coming Week (24-28 April 2017)

| Date | Country | Indicator | Data as of | Survey | Prior |
|--------------------|----------|---|------------|--------|--------|
| Monday 24 April | Germany | Ifo Business Climate Index | Apr | 112.4 | 112.3 |
| Tuesday 25 April | US | S&P/Case-Shiller 20-City Composite Home Price Index (yoy) | Feb | 5.7% | 5.7% |
| | US | Conference Board Consumer Confidence Index | Apr | 123.3 | 125.6 |
| | US | New Home Sales (mom) | Mar | -1.0% | 6.1% |
| Wednesday 26 April | Turkey | CBRT Interest Rate Decision (overnight lending rate) | Apr | 9.25% | 9.25% |
| Thursday 27 April | Japan | Bank of Japan Interest Rate Decision | Apr | -0.10% | -0.10% |
| | Sweden | Riksbank Interest Rate Decision | Apr | -0.50% | -0.50% |
| | Eurozone | ECB Interest Rate Decision | Apr | -0.40% | -0.40% |
| | US | Durable Goods Orders (mom) | Mar P | 1.4% | 1.8% |
| | US | Pending Home Sales (mom) | Mar | -0.8% | 5.5% |
| Friday 28 April | Japan | National CPI ex Fresh Food, Energy (yoy) | Mar | 0.0% | 0.1% |
| | Japan | Jobless Rate | Mar | 2.9% | 2.8% |
| | Japan | Industrial Production (mom) | Mar P | -0.8% | 3.2% |
| | UK | GDP (qoq) | Q1 A | 0.4% | 0.7% |
| | Eurozone | CPI Estimate (yoy) | Apr | 1.7% | 1.5% |
| | Russia | Central Bank of Russia Interest Rate Decision | Apr | 9.50% | 9.75% |
| | US | GDP Annualised (qoq) | Q1 A | 1.3% | 2.1% |
| | Mexico | GDP Seasonally Adjusted (qoq) | Q1 P | 0.1% | 0.7% |
| | US | University of Michigan Index of Consumer Sentiment | Apr F | 98.0 | 98.0 |

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

US

- ▶ Housing market releases will feature heavily in next week's US calendar. At the aggregate, they are expected to show a steady housing market recovery, characterised by moderate sales and stable home price increases, although rising mortgage rates could weigh going forward. In particular, **new home sales** are expected to decline by 1.0% mom to 585,000 homes annualised, following solid prints in January and February, at 592,000 and 558,000, respectively. Similarly, **pending home sales** are expected to fall 0.8% mom after January saw sales shoot up by 5.5% mom, the highest rate in seven years. Meanwhile, February home prices in 20 major cities, as measured by the **S&P/Case-Shiller 20-City Composite Home Price Index**, are expected to increase by the same rate as in January, at 5.7% yoy. This would end the five-month streak of acceleration in the rate of increase in home prices.
- ▶ The March release of the **Conference Board Consumer Confidence Index** rallied to a 16-year high. All subcomponents rose to elevated levels, with the labour market differentials coming in at 12% – the highest since September 2001. Nevertheless, it remains to be seen whether this will translate into meaningful spending growth, as retail sales (excluding auto) during the same month were flat. Following the recent strong run, the index is expected to tick down slightly, by 2.3 points to 123.3, in April. Meanwhile, the final reading of the **University of Michigan Index of Consumer Sentiment** for April is expected to remain unchanged at 98.0.
- ▶ Economists expect the advance release of **US Q1 GDP** at 1.3% qoq annualised, down from the 2.1% registered in Q4 last year. This could be chiefly attributed to the slowdown in real consumer spending. Nevertheless, GDP growth tends to be relatively benign in Q1, and is generally followed by a strong pickup in Q2. Since 2010, the average growth rate for Q1 GDP has been just 1.0% qoq annualised, compared to 2.5% for Q2.

Europe

- ▶ The **ECB** is expected to keep policy on hold at its **April meeting**. ECB President Mario Draghi struck a hawkish tone at the last policy meeting in March, mainly reflecting improved economic data and higher headline inflation, with the Bank dropping the sentence that it "will act by using all the instruments available within its mandate." Nevertheless, underlying inflationary pressures in the region remain muted, with wage growth also struggling to gain significant traction amid overall eurozone labour market slack.
- ▶ The preliminary estimate for April **eurozone headline inflation** is expected to come in at 1.7% yoy, following March's dip to 1.5% from February's 2.0% print. The past year's increase in inflation, which previously had stood as low as -0.2% yoy in April 2016, was driven by oil price base effects that peaked in February 2017. Similarly, pressure from food price inflation, which spiked due to a particularly cold winter, is anticipated to ease further. Underlying inflationary pressures are expected to remain broadly stable, with core inflation seen ticking up by 0.2 ppts to 0.9%. This would maintain the 0.7%-1.0% yoy range seen over the last year.

Having edged up during the first quarter of 2017, the April **German Ifo Business Climate Index** is anticipated to edge up to 112.4 from 112.3, its highest level since July 2011. The expectations component is expected to tick higher (106.0 versus 105.7 prior) while the current assessment (119.2 versus 119.3) could move very slightly lower. While German data has broadly performed better than expected over the past month, the stock market could see its first down month in five.

- ▶ The first estimate of **Q1 UK GDP** is expected to show growth of 0.4% qoq, moderating slightly from Q4's 0.7%, and the annual rate of expansion is expected to tick up by 0.3 ppts to 2.2% yoy. The slowdown in quarterly growth comes amid signs of decelerating momentum in UK retail sales as real incomes are squeezed by higher inflation and softer consumer credit growth.

Japan and Emerging Markets

- ▶ The **BoJ** will conclude its two-day **monetary policy meeting** on Thursday. The BoJ is likely to keep its policy, based on the yield curve control framework, unchanged, as inflation is expected to rebound during the first half of 2017 on heightened imported inflation and a gradual closing of the output gap. Moreover, BoJ Governor Haruhiko Kuroda recently said that the current pace of asset purchases and monetary base increase would continue for some time given that **core inflation** (CPI excluding fresh food and energy) has been on a declining 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 increase imported inflation and generate some pickup in core inflation later this year. But, in the near term, core inflation is expected to slow down further, from 0.1% yoy in February to 0.0% in March. Headline inflation is expected to remain unchanged at 0.3%. In the near term, the BoJ is unlikely to change its opinion that inflation is gradually converging, on a trend basis, to its 2% target.
- ▶ **Japan's jobless rate** is seen increasing to 2.9%, up from 2.8% in February, although survey-based signals during the month were relatively strong, with the employment component of the Shoko Chukin Bank's Monthly Survey of small and medium enterprises and EPA consumer confidence survey rising. The job-to-applicant ratio is expected to remain unchanged for a fourth consecutive month, at 1.43 (a 25-year high). Meanwhile, **industrial production** for March is expected to decline (-0.8% mom) after the strong and probably unsustainable gain observed in February (+3.2%). A downward correction in industrial production would be consistent with the modest drop in manufacturing PMI observed in March. Moreover, the Ministry of Economy, Trade and Industry survey of production forecast for March showed a 2.0% mom expected decline, followed by a sharp rebound of 8.3% in April.
- ▶ Elsewhere, economists' expectations are that Q1 2017 **Mexican GDP** growth decelerated to 0.1% qoq seasonally adjusted in Q1 2017, from 0.7% qoq in the prior quarter. With recent weakness seen in activity data, particularly in consumer and government spending, there is minimal comfort that net trade should be a firm addition. The economic outlook remains highly uncertain.
- ▶ At its April policy meeting, the **Central Bank of Russia** is anticipated to cut its key rate by 25 bps to 9.50%, having surprised markets by cutting by the same amount last month. At that meeting, the tone of the accompanying statement was relatively dovish, and highlighted that there is a "possibility of cutting the key rate gradually in coming Q2-Q3" amid inflation gradually declining towards the Bank's 4% target.
- ▶ **Turkey's central bank** is expected to keep its policy rates unchanged, with the exception of the late liquidity window lending rate for which the market is currently anticipating an increase to 12.00% following from the 75 bp hike to 11.75% in the March meeting. This comes after the recent statement by the bank where it reiterated its commitment to a tight monetary policy stance until the inflation outlook displays a significant improvement.

Market Moves

US stocks gained on renewed fiscal stimulus optimism; UK equities fell following snap general election call

- ▶ **US equities** rose this week, with much of the gains coming on Thursday following renewed optimism surrounding the much mooted US fiscal stimulus after Treasury Secretary Steven Mnuchin said tax reform plans have progressed. Positive corporate earnings releases and some easing in geopolitical tensions were also supportive for risk appetite. Overall, the S&P 500 Index added 0.8% as consumer discretionary and financials outperformed. This helped offset the weakness in energy shares that tracked the fall in crude oil prices.
- ▶ **UK equities** underperformed this week (-2.9%) after Prime Minister Theresa May unexpectedly called a snap general election for June, which was later approved by the House of Commons. The foreign-earnings-heavy FTSE 100 Index was weighed on by a stronger sterling as investors saw the announcement as supportive of a softer Brexit stance. Meanwhile, both the **regional EURO STOXX 50 Index** and France's CAC 40 ended the week -0.2% with financials outperforming and as investor focus turned to this weekend's first-round French presidential election.
- ▶ Most **Asian stock markets** retreated over the week as regional risk aversion remained fairly elevated. Chinese shares underperformed as better than expected economic data for March and robust property prices fuelled concerns about a possible tightening of credit conditions. The Shanghai Stock Exchange Composite Index fell 2.2%. Japanese and Korean equities bucked the trend, with the former benefiting from positive macro data and a weaker yen and the latter seeing an improvement in market sentiment after concerns about North Korea eased slightly. The Nikkei 225 Index closed up 1.6% and the KOSPI was up 1.4%.

Longer-dated US Treasuries closed flat; most core European bonds rose ahead of French presidential election

- ▶ **US Treasuries** were little changed this week as global political uncertainty continued to dominate sentiment. Investors continued to digest the referendum result in Turkey and looked ahead to the first round of the French presidential elections. Buying pressure alleviated later in the week after Treasury Secretary Steven Mnuchin said plans to reform taxes had progressed. Meanwhile, economic data released this week came broadly in line with expectations, with housing starts slipping slightly and industrial production growth accelerating in March. Overall, US Treasury two-year yields fell 3 bps to 1.19% and five-year yields were unchanged at 1.77%. At the longer end, 10- and 30-year yields closed little changed at 2.25% and 2.90% respectively.
- ▶ In a holiday-shortened week, **eurozone government bond yield spreads to German bunds narrowed** as investors assessed the

likely outcomes of the first round of the French presidential election. On the data front, preliminary estimates of the PMI surveys for April modestly beat expectations, exerting an upward pressure on yields. Overall, German 10-year bund yields rose 7 bps to 0.25% while French 10-year bond yields added 2 bps to 0.93%. In the UK, 10-year yields closed the week little changed at 1.03% despite Prime Minister Theresa May calling a surprise snap general election. Elsewhere, riskier peripheral debt largely outperformed the core with Italian 10-year yields closing 5 bps lower at 2.25% while Spanish 10-year yields retreated 1 bps to 1.68%.

Sterling gains followed PM May's unexpected call for early general election; the euro gained on positive data

- ▶ This week both the **euro** (+1.0%) and the **pound sterling** (+2.3%) appreciated against the US dollar. Sterling's gains came after UK Prime Minister Theresa May called a snap election for 8 June. The anticipated intention is that this could allow PM May to neutralise eurosceptic members in her party and deliver a softer Brexit. In the eurozone, better than expected data and a decline in concern over the forthcoming French elections provided support.
- ▶ Most **Asian currencies** held in a narrow range against the US dollar. The Korean won outperformed, appreciating by 0.5% as market sentiment improved after a North Korea missile test failed during the weekend. Elsewhere, the yen depreciated (-0.4%) as BoJ Governor Haruhiko Kuroda reiterated that Japan's monetary policy will remain accommodative for some time and that the question of an exit from quantitative easing is premature. The Philippine peso also lost 0.5% of its value against the US dollar.

Supply glut concerns weighed on crude oil prices; gold prices edged lower

- ▶ After three straight weekly increases, **oil prices** fell on excess supply concerns. The key driver was data from the U.S. Energy Information Administration showing an unexpected increase in gasoline inventories and a continued rise in crude output. This offset reports that officials in Saudi Arabia and Kuwait expect the OPEC agreement to curb supply to be extended into the second half of the year. OPEC and non-OPEC countries meet on 25 May to discuss this extension. Overall, WTI crude oil prices fell 6.7% to USD49.6 per barrel and Brent crude fell 7.0% to USD52.0 per barrel.
- ▶ **Gold prices** fell slightly this week (-0.1% to 1,284), as simmering geopolitical tensions were offset by renewed optimism about US tax reform. A second weekly decline in the US dollar also provided support to the precious metal.

Market Data

| | Close | 1-week Change (%) | 1- month Change (%) | 3-month Change (%) | 1-year Change (%) | YTD Change (%) | 52-week High | 52-week Low | Fwd P/E (X) |
|---|--------|-------------------------|------------------------------|--------------------------|-------------------------|----------------------|-----------------|----------------|-------------------|
| Equity Indices | | | | | | | | | |
| World | | | | | | | | | |
| MSCI AC World Index (USD) | 447 | 0.5 | -0.3 | 3.8 | 9.4 | 5.9 | 453 | 379 | 16.2 |
| North America | | | | | | | | | |
| US Dow Jones Industrial Average | 20,548 | 0.5 | -0.6 | 3.6 | 14.3 | 4.0 | 21,169 | 17,063 | 17.1 |
| US S&P 500 Index | 2,349 | 0.8 | 0.2 | 3.4 | 12.3 | 4.9 | 2,401 | 1,992 | 18.2 |
| US NASDAQ Composite Index | 5,911 | 1.8 | 2.0 | 6.4 | 19.5 | 9.8 | 5,936 | 4,574 | 22.6 |
| Canada S&P/TSX Composite Index | 15,614 | 0.5 | 2.0 | 0.4 | 12.5 | 2.1 | 15,943 | 13,536 | 17.0 |
| Europe | | | | | | | | | |
| MSCI AC Europe (USD) | 422 | -0.1 | -0.8 | 3.9 | 2.4 | 5.4 | 429 | 354 | 14.7 |
| Euro STOXX 50 Index | 3,440 | -0.2 | 0.3 | 4.3 | 9.2 | 4.6 | 3,508 | 2,678 | 14.7 |
| UK FTSE 100 Index | 7,115 | -2.9 | -3.6 | -1.2 | 11.5 | -0.4 | 7,447 | 5,789 | 14.5 |
| Germany DAX Index* | 12,049 | -0.5 | 0.7 | 3.6 | 15.5 | 4.9 | 12,376 | 9,214 | 13.7 |
| France CAC-40 Index | 5,059 | -0.2 | 1.1 | 4.3 | 10.4 | 4.0 | 5,143 | 3,956 | 14.9 |
| Spain IBEX 35 Index | 10,377 | 0.5 | 1.6 | 10.6 | 12.8 | 11.0 | 10,535 | 7,580 | 14.7 |
| Asia Pacific | | | | | | | | | |
| MSCI AC Asia Pacific ex Japan (USD) | 479 | -0.4 | -0.9 | 7.7 | 12.0 | 12.2 | 484 | 394 | 13.6 |
| Japan Nikkei-225 Stock Average | 18,621 | 1.6 | -4.3 | -2.7 | 7.2 | -2.6 | 19,668 | 14,864 | 16.3 |
| Australian Stock Exchange 200 | 5,854 | -0.6 | 1.4 | 3.5 | 11.0 | 3.3 | 5,950 | 5,051 | 16.1 |
| Hong Kong Hang Seng Index | 24,042 | -0.9 | -2.2 | 5.1 | 11.2 | 9.3 | 24,657 | 19,595 | 12.0 |
| Shanghai Stock Exchange Composite Index | 3,173 | -2.2 | -2.7 | 1.6 | 7.5 | 2.2 | 3,301 | 2,781 | 13.7 |
| Hang Seng China Enterprises Index | 10,050 | -1.5 | -5.6 | 3.4 | 8.7 | 7.0 | 10,698 | 8,176 | 8.1 |
| Taiwan TAIEX Index | 9,717 | -0.2 | -2.6 | 4.1 | 13.4 | 5.0 | 9,977 | 8,000 | 13.6 |
| Korea KOSPI Index | 2,165 | 1.4 | -0.6 | 4.8 | 7.1 | 6.8 | 2,182 | 1,893 | 9.7 |
| India SENSEX 30 Index | 29,365 | -0.3 | -0.4 | 8.6 | 13.5 | 10.3 | 30,007 | 25,058 | 17.2 |
| Indonesia Jakarta Stock Price Index | 5,664 | 0.9 | 2.2 | 7.8 | 15.5 | 6.9 | 5,680 | 4,691 | 16.1 |
| Malaysia Kuala Lumpur Composite Index | 1,756 | 1.4 | 0.1 | 5.5 | 2.0 | 7.0 | 1,760 | 1,612 | 16.5 |
| Philippines Stock Exchange PSE Index | 7,578 | -0.7 | 3.5 | 4.8 | 4.4 | 10.8 | 8,118 | 6,499 | 18.4 |
| Singapore FTSE Straits Times Index | 3,140 | -0.9 | -0.6 | 4.3 | 6.0 | 9.0 | 3,190 | 2,703 | 14.5 |
| Thailand SET Index | 1,570 | -1.2 | 0.1 | 0.4 | 10.3 | 1.8 | 1,601 | 1,343 | 15.3 |
| Latam | | | | | | | | | |
| Argentina Merval Index | 20,769 | -0.2 | 6.3 | 9.1 | 49.2 | 22.8 | 21,051 | 12,351 | 8.9 |
| Brazil Bovespa Index* | 63,761 | 1.5 | 1.2 | -1.2 | 18.9 | 5.9 | 69,488 | 48,067 | 12.0 |
| Chile IPSA Index | 4,809 | -1.0 | 3.0 | 12.9 | 20.6 | 15.9 | 4,905 | 3,847 | 18.0 |
| Colombia COLCAP Index | 1,362 | -1.2 | 1.4 | 0.6 | -1.0 | 0.8 | 1,419 | 1,271 | 12.5 |
| Mexico Index | 48,968 | 0.0 | 0.8 | 5.7 | 7.5 | 7.3 | 49,754 | 43,902 | 18.3 |
| EEMEA | | | | | | | | | |
| Russia MICEX Index | 1,945 | 1.5 | -5.0 | -10.0 | -0.3 | -12.9 | 2,294 | 1,842 | 6.0 |
| South Africa JSE Index | 52,195 | -2.5 | -1.1 | -0.6 | -2.1 | 3.0 | 54,704 | 48,936 | 14.4 |
| Turkey ISE 100 Index* | 92,424 | 2.6 | 2.0 | 11.3 | 7.9 | 18.3 | 92,909 | 70,426 | 9.2 |

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

| | 3-month Change (%) | YTD Change (%) | 1-year Change (%) | 3-year Change (%) | 5-year Change (%) |
|--------------------------------------|--------------------------|----------------------|-------------------------|-------------------------|-------------------------|
| Equity Indices - Total Return | | | | | |
| Global equities | 4.5 | 6.7 | 11.8 | 15.5 | 52.4 |
| US equities | 4.2 | 5.9 | 14.6 | 31.0 | 83.5 |
| Europe equities | 5.5 | 7.1 | 6.2 | -5.2 | 31.7 |
| Asia Pacific ex Japan equities | 7.7 | 12.2 | 14.7 | 7.8 | 25.8 |
| Japan equities | 2.6 | 5.0 | 8.0 | 22.4 | 46.1 |
| Latam equities | 6.8 | 12.1 | 18.9 | -14.1 | -24.3 |
| Emerging Markets equities | 7.7 | 11.5 | 14.9 | 1.8 | 6.0 |

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 21 April 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 (%) |
|--|-------|-------------------------|--------------------------|--------------------------|-------------------------|----------------------|
| Bond indices - Total Return | | | | | | |
| BarCap GlobalAgg (Hedged in USD) | 505 | 0.0 | 1.1 | 1.5 | 1.7 | 1.2 |
| JPM EMBI Global | 777 | 0.2 | 1.5 | 4.0 | 8.1 | 5.1 |
| BarCap US Corporate Index (USD) | 2,790 | -0.1 | 1.4 | 2.2 | 3.6 | 2.3 |
| BarCap Euro Corporate Index (Eur) | 243 | -0.3 | 0.9 | 1.2 | 2.6 | 0.7 |
| BarCap Global High Yield (USD) | 448 | 0.2 | 1.2 | 2.5 | 12.8 | 3.7 |
| Markit iBoxx Asia ex-Japan Bond Index (USD) | 191 | 0.1 | 0.8 | 2.1 | 4.1 | 2.8 |
| Markit iBoxx Asia ex-Japan High-Yield Bond Index (USD) | 245 | 0.1 | 0.7 | 2.7 | 11.1 | 4.1 |

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

| Currencies (vs USD) | Latest | 1-week Ago | 1-month Ago | 3-months Ago | 1-year Ago | Year End 2016 | 52-week High | 52-week Low |
|----------------------------|--------|---------------|----------------|-----------------|---------------|------------------|-----------------|----------------|
| Developed markets | | | | | | | | |
| EUR/USD | 1.07 | 1.06 | 1.08 | 1.07 | 1.13 | 1.05 | 1.16 | 1.03 |
| GBP/USD | 1.28 | 1.25 | 1.25 | 1.24 | 1.43 | 1.23 | 1.50 | 1.18 |
| CHF/USD | 1.00 | 0.99 | 1.01 | 1.00 | 1.03 | 0.98 | 1.06 | 0.97 |
| CAD | 1.35 | 1.33 | 1.34 | 1.33 | 1.27 | 1.34 | 1.36 | 1.25 |
| JPY | 109.09 | 108.64 | 111.71 | 114.62 | 109.46 | 116.96 | 118.66 | 99.02 |
| AUD | 1.33 | 1.32 | 1.30 | 1.32 | 1.29 | 1.39 | 1.40 | 1.29 |
| NZD | 1.42 | 1.43 | 1.42 | 1.40 | 1.45 | 1.44 | 1.50 | 1.34 |
| Asia | | | | | | | | |
| HKD | 7.78 | 7.77 | 7.77 | 7.76 | 7.76 | 7.76 | 7.78 | 7.75 |
| CNY | 6.89 | 6.89 | 6.89 | 6.88 | 6.48 | 6.95 | 6.96 | 6.46 |
| INR | 64.61 | 64.41 | 65.28 | 68.18 | 66.40 | 67.92 | 68.86 | 64.16 |
| MYR | 4.40 | 4.41 | 4.43 | 4.45 | 3.89 | 4.49 | 4.50 | 3.88 |
| KRW | 1,134 | 1,140 | 1,120 | 1,169 | 1,133 | 1,206 | 1,212 | 1,090 |
| TWD | 30.34 | 30.37 | 30.45 | 31.53 | 32.29 | 32.33 | 32.82 | 30.15 |
| Latam | | | | | | | | |
| BRL | 3.15 | 3.14 | 3.09 | 3.17 | 3.53 | 3.26 | 3.67 | 3.04 |
| COP | 2,878 | 2,867 | 2,918 | 2,921 | 2,942 | 3,002 | 3,208 | 2,817 |
| MXN | 18.81 | 18.52 | 19.10 | 21.59 | 17.47 | 20.73 | 22.04 | 17.05 |
| EEMEA | | | | | | | | |
| RUB | 56.67 | 56.18 | 57.69 | 59.61 | 66.75 | 61.54 | 67.70 | 55.80 |
| ZAR | 13.12 | 13.44 | 12.68 | 13.60 | 14.31 | 13.74 | 15.98 | 12.31 |
| TRY | 3.64 | 3.71 | 3.63 | 3.77 | 2.83 | 3.52 | 3.94 | 2.79 |

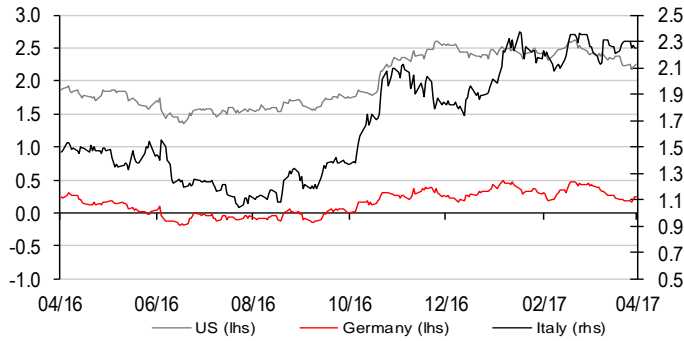
| Bonds | Close | 1-week Ago | 1-month Ago | 3-months Ago | 1-year Ago | Year End 2016 |
|---|-------|---------------|----------------|-----------------|---------------|------------------|
| US Treasury yields (%) | | | | | | |
| 3-Month | 0.77 | 0.80 | 0.76 | 0.50 | 0.23 | 0.50 |
| 2-Year | 1.18 | 1.21 | 1.26 | 1.19 | 0.81 | 1.19 |
| 5-Year | 1.77 | 1.77 | 1.95 | 1.94 | 1.33 | 1.93 |
| 10-Year | 2.25 | 2.24 | 2.42 | 2.47 | 1.86 | 2.44 |
| 30-Year | 2.90 | 2.89 | 3.03 | 3.05 | 2.68 | 3.07 |
| Developed market 10-year bond yields (%) | | | | | | |
| Japan | 0.01 | 0.00 | 0.06 | 0.06 | -0.12 | 0.04 |
| UK | 1.03 | 1.04 | 1.25 | 1.43 | 1.59 | 1.24 |
| Germany | 0.25 | 0.19 | 0.46 | 0.42 | 0.24 | 0.20 |
| France | 0.93 | 0.91 | 1.10 | 0.90 | 0.57 | 0.68 |
| Italy | 2.25 | 2.30 | 2.31 | 2.01 | 1.46 | 1.81 |
| Spain | 1.68 | 1.69 | 1.80 | 1.50 | 1.59 | 1.38 |

| | Latest | 1-week ago (%) | 1-month Change (%) | 3-month Change (%) | 1-year Change (%) | YTD Change (%) | 52-week High | 52-week Low |
|-----------------------|--------|----------------------|--------------------------|--------------------------|-------------------------|----------------------|-----------------|----------------|
| Commodities | | | | | | | | |
| Gold | 1,284 | -0.1 | 3.2 | 6.1 | 2.9 | 11.4 | 1,375 | 1,121 |
| Brent Oil | 52.0 | -7.0 | 2.0 | -6.3 | 16.7 | -8.5 | 58 | 42 |
| WTI Crude Oil | 49.6 | -6.7 | 4.8 | -5.3 | 14.9 | -7.6 | 55 | 39 |
| R/J CRB Futures Index | 182 | -3.1 | -1.3 | -6.3 | 1.1 | -5.5 | 196 | 177 |
| LME Copper | 5,623 | -1.2 | -2.6 | -2.2 | 12.5 | 1.6 | 6,204 | 4,484 |

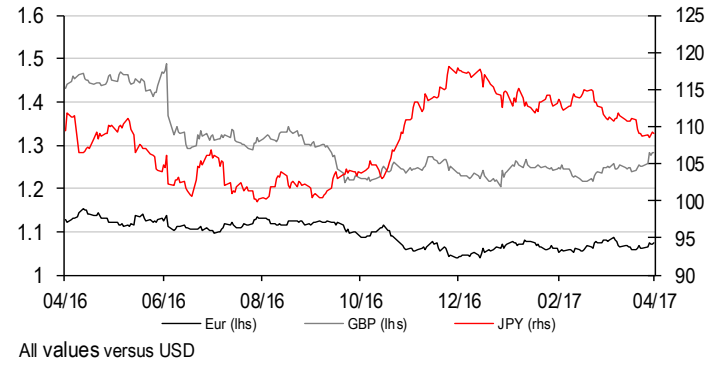
Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 21 April 2017.
Past performance is not an indication of future returns.

Market Trends

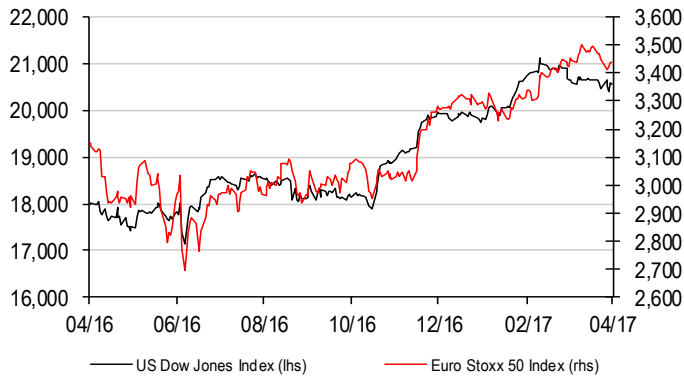
Government bond yields (%)



Major currencies (versus USD)



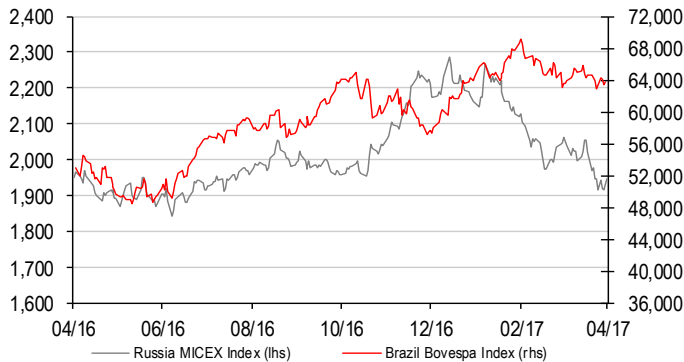
Global equities



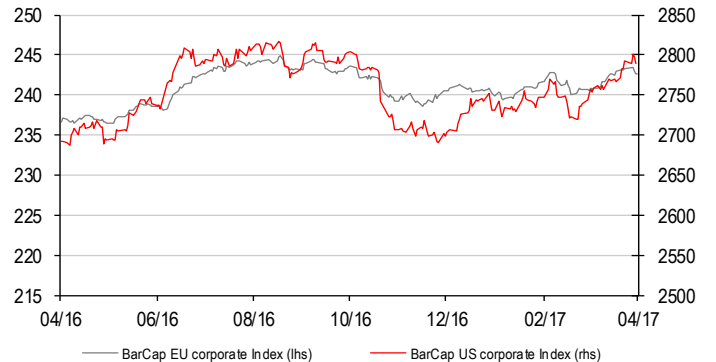
Emerging Asian equities



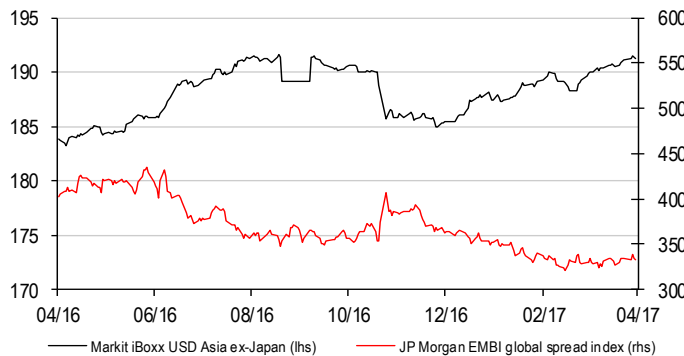
Other emerging equities



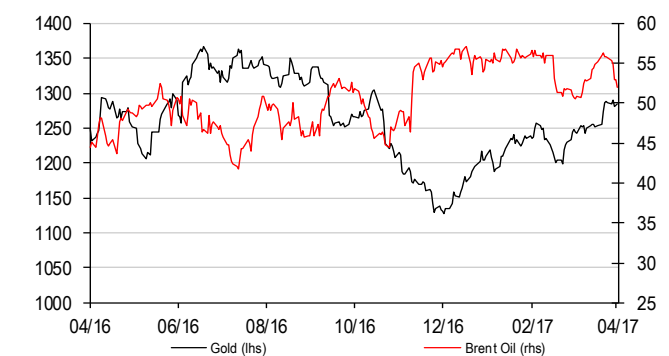
Global credit indices



Emerging markets spreads (USD indices)



Commodities (USD)



Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 21 April 2017.
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DK1700192A
Expiry: May 19, 2017