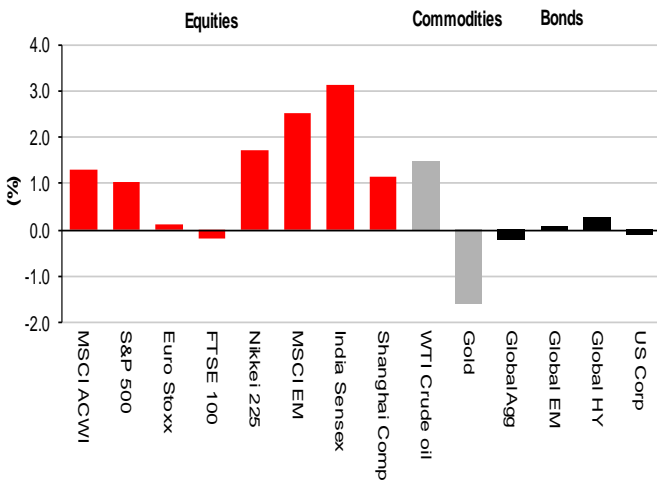


- ▶ Global equities were boosted this week by a reigniting of the Trump “reflation trade,” as the US President pushed ahead with a raft of executive orders, supporting optimism over the US economic outlook
- ▶ The first estimate of US Q4 GDP showed growth of 1.9% qoq annualised, down from 3.5% in Q3 and below expectations of 2.2%
- ▶ In the coming week, central bank meetings in the US, UK and Japan will be in focus

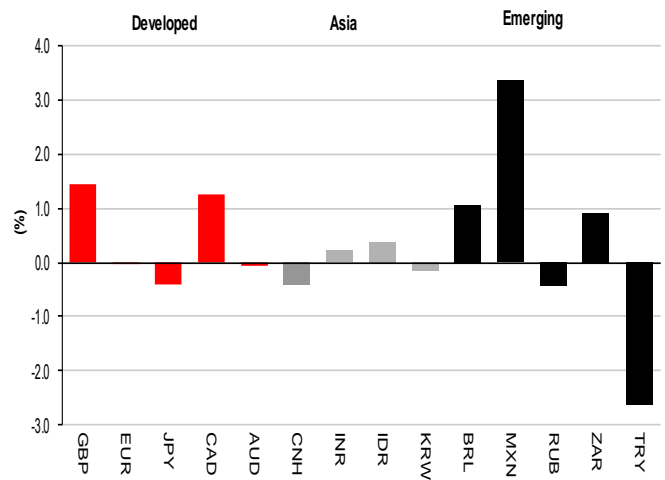
Movers and shakers

Global stocks rose as Trump-led “reflation trade” reignited

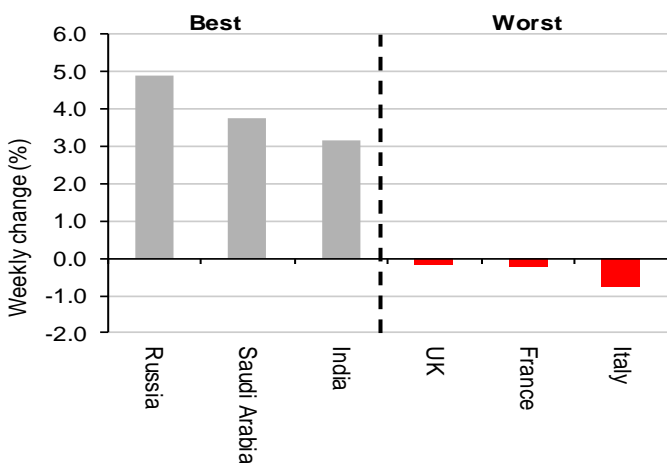


Currencies (versus US dollar)

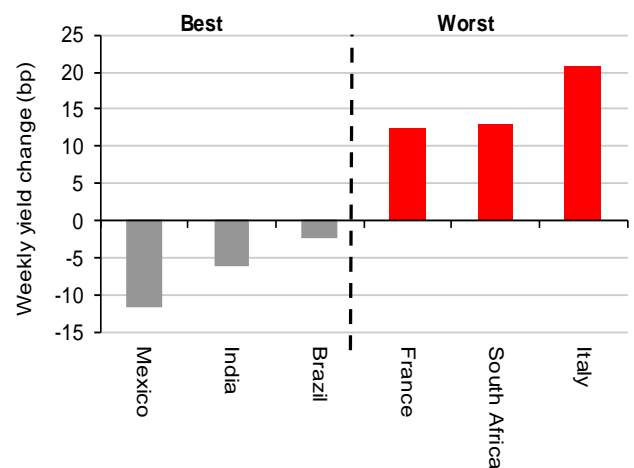
The British pound rose as the UK Parliament published Brexit bill



Equities



Bonds (10-year)



Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 27 January 2017. All the above charts relate to 20/01/2017 – 27/01/2017. Past performance is not an indication of future returns.

Macro Data and Key Events

Past Week (23-27 January 2017)

Date	Country	Indicator	Data as of	Survey	Actual	Prior
Monday 23 January	Eurozone	Consumer Confidence	Jan A	-4.8	-4.9	-5.1
Tuesday 24 January	South Africa	Reserve Bank Interest Rate Decision	Jan	7.00%	7.00%	7.00%
	Eurozone	Markit Composite PMI	Jan P	54.5	54.3	54.4
	Turkey	CBRT Interest Rate Decision (Overnight Lending Rate)	Jan	9.25%	9.25%	8.50%
	US	Existing Home Sales (mom)	Dec	-1.6%	-2.8%	1.4%
	Japan	Trade Balance Adjusted (JPY bn)	Dec	209.9	356.7	466.1
Wednesday 25 January	Germany	Ifo Business Climate Index	Jan	111.3	109.8	111.0
Thursday 26 January	UK	GDP (qoq)	Q4 A	0.5%	0.6%	0.6%
	US	New Home Sales (mom)	Dec	-0.7%	-10.4%	4.7%
Friday 27 January	Japan	National CPI, ex Fresh Food, Energy (yoy)	Dec	0.1%	0.1%	0.2%
	US	GDP Annualised (qoq)	Q4 A	2.2%	1.9%	3.5%
	US	Durable Goods Orders (mom)	Dec P	2.5%	-0.4%	-4.8%
	US	University of Michigan Index of Consumer Sentiment	Jan F	98.1	98.5	98.1 P

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

- ▶ The preliminary January **Markit Eurozone Composite PMI** edged slightly lower, by 0.1 pts to 54.3, against expectations of a small gain to 54.5. The deterioration was driven by a dip in the services component (-0.1 pts to 53.6). More positively, however, the manufacturing index rose to its highest level since April 2011 (+0.2 pts to 55.1), with a particularly large increase seen in the employment subcomponent. Meanwhile, a sharp rise in input prices (to 59.7 at the composite level) could indicate rising inflationary pressures in the region. Overall, the composite index remains firmly in expansionary territory and above the average for Q4 (53.9), indicating positive growth momentum. In **Germany**, the **Ifo Business Climate Index** for January dipped slightly (-1.2 pts to 109.8), disappointing consensus forecasts of a 0.3 pt gain. The deterioration was predominantly driven by the expectations component (-2.3 pts from a downwardly revised 105.5), which may reflect increasing concerns over the impact of rising headline inflation on domestic demand, upcoming European elections or a slowdown in global trade (amid Brexit and potential “Hard-Trump” protectionist trade policies). Positively, however, the current assessment component rose (+0.2 pts), and remains consistent with solid growth momentum in Europe’s largest economy. Meanwhile, the first estimate of **Q4 UK GDP** came in at 0.6% qoq, matching the rate of expansion in Q3, and above expectations of a slight deceleration to 0.5%. The resilient growth print was entirely driven by services, with no contribution from the smaller production and construction sectors. This leaves the overall growth estimate for 2016 at 2.0% yoy, marginally below the 2.2% registered in 2015.
- ▶ In the **US**, the first estimate of **Q4 GDP** showed growth of 1.9% qoq annualised, down from 3.5% in Q3 and below expectations of 2.2%. In line with recent trends, consumer spending remained a significant growth driver, expanding by 2.2% qoq (matching consensus expectations) and contributing 1.7 ppts to the headline. Meanwhile, business investment rose at its strongest rate since Q2 2014 (+10.7% qoq), also adding 1.7 ppts to GDP growth. The key constraint came from net exports, however, which subtracted 1.7 ppts (the biggest hit since Q2 2010), with a particularly large drag seen from goods imports (-1.3 ppts). December’s **existing home sales** fell 2.8% mom to 5,490,000 annualised (consensus 5,520,000). The breakdown showed weaker sales in both single-family and co-op categories, by 90,000 and 70,000, respectively. However, the decrease was against an upward revision to November’s print, already at the strongest level since February 2007, from 5,610,000 to 5,650,000. **New home sales** fell 10.4% mom (much greater than the expected 0.7% decline) to 536,000 annualised, their lowest level since February 2016. All regions saw lower sales, apart from the Northeast (+31,000 to 46,000). The drop was particularly sharp in the South (285,000 from 326,000). Inventory increased from 5.0 to 5.8 months’ worth of supply. While inventory levels are presently the highest since September 2009, they are notably below the historic average of 311,000. Overall, on a six-month moving average basis, sales remained broadly flat at the 575,000 annualised level. Generally speaking, US housing data remains robust, but investors are likely to pay close attention to further increases in mortgage interest rates and if they weigh on activity.
- ▶ **Japan’s headline CPI inflation** for December decelerated from +0.5% yoy in November to +0.3% (versus consensus expectations of +0.2%), almost entirely due to a steep decline in fresh food prices. Core inflation, as measured by CPI (excluding fresh food and energy), also slowed, from 0.2% yoy to 0.1% (in line with expectations). However, alternative gauges such as CPI (excluding fresh food) ticked higher (-0.4% to -0.2%), with a similar uptrend observed in the leading indicator for the region of Tokyo for January. This modest uptick increases the odds that the Bank of Japan keeps policy unchanged at its upcoming meeting.
- ▶ In line with consensus expectations, the **Turkish Central Bank (CBRT)** increased the overnight lending rate to 9.25% (+75 bps) and late liquidity window lending rate to 11.00% (+100 bps). However, the one-week repo rate remained unchanged at 8.00%, defying expectations of a 50 bps hike. To increase the cost of short lira positions, the CBRT has recently been using the so-called late liquidity window to increase the interbank overnight rate to 10%, while holding swap auctions to increase rates in the swap market. This continues the bank’s unorthodox policy mix.

Coming Week (30 January – 03 February 2017)

Date	Country	Indicator	Data as of	Survey	Prior
Monday 30 January	US	Personal Spending (mom)	Dec	0.5%	0.2%
	US	PCE Core (yoy)	Dec	1.7%	1.6%
	US	Pending Home Sales Index (mom)	Dec	1.5%	-2.5%
Tuesday 31 January	Japan	Industrial Production (yoy)	Dec P	3.0%	4.6%
	Japan	Bank of Japan Interest Rate Decision	Jan		-0.10%
	Eurozone	Unemployment Rate	Dec	9.8%	9.8%
	Eurozone	GDP (qoq Seasonally Adjusted)	Q4 A	0.4%	0.3%
	Eurozone	CPI Estimate (yoy)	Jan	1.5%	1.1%
	Mexico	GDP Seasonally Adjusted (qoq)	Q4 P		1.0%
Wednesday 01 February	US	S&P CoreLogic Case-Shiller 20-City Composite Home Price Index (yoy)	Nov	5.0%	5.1%
	US	Conference Board Consumer Confidence Index	Jan	112.5	113.7
	China	Official Manufacturing PMI	Jan	51.2	51.4
Thursday 02 February	US	ISM Manufacturing Index	Jan	55.0	54.5
	US	FOMC Interest Rate Decision (Upperbound)	Feb	0.75%	0.75%
Friday 03 February	UK	Bank of England Interest Rate Decision	Feb	0.25%	0.25%
Friday 03 February	Turkey	CPI (yoy)	Jan	8.6%	8.5%
	Eurozone	Markit Composite PMI	Jan F	54.3	54.3 P
	Russia	Central Bank of Russia Interest Rate Decision	Feb	10.00%	10.00%
	US	Change in Nonfarm Payrolls	Jan	170K	156K
	US	ISM Non-Manufacturing Index	Jan	57.0	56.6

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

US

- ▶ In a heavy US data week, the highlight will be the first **Federal Open Market Committee (FOMC) meeting** of 2017. The FOMC is expected to keep the Fed funds target range unchanged at 0.50%-0.75%. It will be interesting to see if the statement reflects the increase in hawkish Fed speak of late, in particular Fed Chair Janet Yellen's more balanced labour market outlook, where she highlighted that cyclical labour market weakness has largely disappeared. Meanwhile, there has been little real change in activity data since the last statement in December, but market and consumer inflation expectations have rebounded. Any dissents would also be of interest and may help set the tone for the March meeting.
- ▶ January's employment report is forecast to show **nonfarm payroll** growth at 170,000, after a gain of 156,000 in the prior month. The 12-month moving average has drifted down from 263,000 in February 2015 to 180,000 in December 2016, reflecting a maturing labour market recovery that is still benefiting from low initial jobless claims and an elevated Conference Board labour market differential. The unemployment rate is expected to remain at 4.7%, while average hourly earnings are anticipated to rise 0.3% mom (+2.8% yoy), slightly lower than the 0.4% mom and 2.9% yoy seen in December.
- ▶ Given that December's **ISM Manufacturing Index** saw an acceleration of new orders (to 60.3 compared to 54.8 prior), the January print is expected to tick higher to 55.0 compared to 54.5 in the prior month. This would be the highest level since November 2014. Of slight concern, however, is the continued acceleration in the prices paid index, which rose in December to its highest level since June 2011. Meanwhile, January's **ISM Non-Manufacturing Index** is anticipated to increase marginally (to 57.0 from 56.6), remaining at an elevated level, with both December's robust business activity (61.4) and new orders (61.6) subcomponents providing encouragement for this release.
- ▶ The **Conference Board Consumer Confidence Index** for January is anticipated to edge down slightly to 112.5 from 113.7 in December, although remaining at levels last seen in 2001. The surge in confidence since the US election may reflect consumers' greater optimism about their personal finances, possibly on the back of proposed tax cuts.
- ▶ November's **S&P CoreLogic Case-Shiller 20-City Composite Home Price Index** is expected to rise by 5.0% yoy, roughly where it has been since September 2014. The monthly growth rate is seen at 0.6% mom. There remains some notable regional divergence, with October showing that Seattle (+10.7% yoy) continues to grow strongly, while New York (+1.7% yoy) lags somewhat. Overall, US home price growth remains stable, supported by low mortgage rates, growing demand and a limited supply of for-sale homes amid below-average growth in building activity.

Europe

- ▶ At its February meeting, the **Bank of England** Monetary Policy Committee is expected to keep interest rates on hold. The resilience of UK activity data in the aftermath of last June's Brexit vote amid rising inflationary pressures should also mean the bank does not extend its soon to expire gilt purchase programme. Conversely, a near-term rate hike to fend off inflation is unlikely given heightened Brexit-related political uncertainty and downside risks to growth in the coming quarters.

- ▶ The flash estimate of January **Eurozone CPI inflation** is expected to show prices rising 1.5% yoy, the highest rate of expansion since July 2013, driven mainly by oil price effects. Underlying inflationary pressures are expected to remain subdued, however, with core inflation anticipated to remain at 0.9% yoy.
- ▶ The first estimate of **Q4 eurozone GDP** is projected for growth of 0.4% qoq, 0.1 pts faster than in Q3. Eurozone growth momentum remains underpinned by a gradually tightening labour market (supporting consumer spending), while the manufacturing sector has benefited from a recovery in eurozone fixed investment and a weaker euro.

Japan and emerging markets

- ▶ At its two-day **monetary policy meeting**, the **Bank of Japan (BoJ)** is likely to keep its policy – currently based on the yield curve control framework – unchanged. Inflation is expected to rebound during the first half of 2017 on heightened imported inflation and a gradual closing of the output gap. The BoJ will also update its economic forecasts, with a possible upward revision of its GDP growth numbers for the next two fiscal years.
- ▶ **Industrial production** for December is expected to increase for the fifth consecutive month (+0.3% mom) as rising machinery orders and a weaker yen, along with global restocking, benefit Japanese producers. The manufacturing PMI rose in December to its highest level since March 2014 and the Ministry of Economy, Trade and Industry survey of production forecast showed a 2.0% mom expected increase, followed by 2.2% in January.
- ▶ In **Turkey, CPI inflation** is expected to have risen to 8.6% yoy in January, up from 8.5% registered in December. A sharp increase in unprocessed food prices due to cold weather and a pass-through from a weaker lira are likely to be the main drivers of the uptick.

Market Moves

US and Asian stocks gained as investors assessed Trump rhetoric; European stocks ended broadly flat

- ▶ **US stocks** rose this week, with the Dow Jones Industrial Average index breaking through 20,000 for the first time and the S&P 500 Index also hitting a fresh record high. The gains came as investors assessed the latest corporate earnings releases and the most recent rhetoric from President Trump on issues concerning taxation, immigration and free trade. Overall, the S&P 500 Index closed the week up 1.0% to 2,295 and the Dow Jones ended 1.3% higher to 20,094.
- ▶ The **EURO STOXX 50 Index** closed the week little changed (+0.1%) as investors assessed the latest corporate earnings releases and economic data. The flash PMI surveys for January and data on broad money supply growth (M3) printed broadly in line with expectations, while financials outperformed as rising bond yields improved the outlook for net interest margins. Across national bourses, Germany's DAX bucked the regional trend, rallying 1.6% on the week, with all sectors gaining apart from IT and utilities. Meanwhile, the UK's FTSE 100 Index underperformed (-0.2%), with a stronger sterling weighing on the multinationals-heavy index.
- ▶ **Asian stock markets** rose over the week, ahead of the Lunar New Year holiday, buoyed by optimism about global growth and the Trump-led “reflation trade,” despite the US President's protectionist rhetoric. The depreciation of the yen benefited Japanese exporters, helping the Nikkei 225 Index to rise 1.7% over the week. Most other bourses in the region rose by 1% to 2%, including China's Shanghai Stock Exchange Composite Index (+1.2%). India's SENSEX 30 Index outperformed, gaining 3.1%, with strong performance among financials shares amid increased foreign inflows.

Higher inflation expectations weighed on US and European bonds; peripheral debt underperformed

- ▶ **US Treasuries** fell slightly (yields rose) over the week as optimism over President Trump's pro-growth initiatives supported risk appetite, weakening demand for perceived “safe-haven” assets. Meanwhile, a rise in market-based inflation expectations as measured by 10-year breakeven rates and the 5y5y inflation swap forward also weighed on fixed income assets. Overall, 10-year Treasury yields gained 2 bps to 2.48%, while two-year yields rose by 3 bps to close at 1.22%. Elsewhere, the primary market saw USD88 billion of new government debt supply, including USD28 billion in seven-year notes, which drew a record share of the issues from indirect bidders.
- ▶ Longer-dated **European government bonds** also weakened (yields rose) amid higher inflation expectations. Peripheral government bonds were the notable underperformers, with Portuguese 10-year bonds leading the losses. These moves came amid comments by a European Union (EU) official who claimed the situation in the country was “not good” with weaknesses remaining in the banking sector. Equivalent-maturity Italian bonds also sold off heavily, with yields closing 21 bps higher at 2.22% on political uncertainty after the nation's highest constitutional court ruling raised the prospect of early elections. Meanwhile, benchmark German 10-year bund yields closed 4 bps higher at 0.46%, the highest level since January 2015. Weak demand for German debt was also evident in the primary market as the country sold EUR811 million worth of 30-year bunds, with a bid-cover ratio (an indicator of demand) of 1.4, below the three- and six-auction moving average (around 1.6).

Sterling rose against the US dollar for the second week amid upbeat data and ahead of “Brexit” bill debate

- ▶ The **British pound** rallied against the US dollar this week (+1.5%) amid data showing that UK economic activity remained resilient in Q4 despite the Brexit uncertainty shock. The market also appeared relatively sanguine ahead of UK parliamentary debates next week over the draft bill that will allow the UK to start the process of leaving the EU. The **euro** fluctuated between gains and losses this week to close little changed against the US dollar. The eurozone data came in broadly in line with expectations over the week.

As such, moves in the euro were predominantly driven by the outlook for US policy as President Donald Trump issued executive orders on a range of issues including immigration and infrastructure projects.

- ▶ **Asian currencies** were little changed against the US dollar over the week, as markets remained prudent before the Lunar New Year holiday and on the back of “Hard Trump” protectionist rhetoric in the US. The yen saw the biggest depreciation ahead of the BoJ and Fed monetary policy meetings in the coming week.

WTI oil prices edge up on OPEC comments; gold prices dip

- ▶ WTI oil prices edged up this week, as investors continued to weigh the likelihood of pledged OPEC production cuts. Support came on Thursday as Algeria’s Energy Minister said that OPEC and other producers are due to reach the 1.8 million barrel per day reduction target in February, with an output monitoring committee to be established in mid-March. This echoed comments made by the Kuwaiti Oil Minister the previous day suggesting that cuts will be increased over the coming months and all producers are “highly committed” to the deal. Overall, WTI crude rose (+1.5% to USD53.2 per barrel), outperforming Brent (+0.0% to USD55.5 per barrel).
- ▶ This week, gold prices broke their strong run of gains since the beginning of the year, declining 1.6% to USD1,191. The precious metal was weighed on by upbeat risk appetite, as well as weak Asian demand ahead of the Lunar New Year holiday.

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)	436	1.3	3.0	5.8	18.7	3.3	438	351	16.2
North America									
US Dow Jones Industrial Average	20,094	1.3	0.7	10.6	26.0	1.7	20,126	15,503	16.8
US S&P 500 Index	2,295	1.0	1.1	7.6	21.9	2.5	2,301	1,810	17.7
US NASDAQ Composite Index	5,661	1.9	3.2	8.5	26.7	5.2	5,670	4,210	21.4
Canada S&P/TSX Composite Index	15,576	0.2	1.6	5.0	25.8	1.9	15,674	11,986	17.0
Europe									
MSCI AC Europe (USD)	412	1.4	4.1	5.4	7.5	2.9	415	354	14.6
Euro STOXX 50 Index	3,303	0.1	0.8	7.1	8.5	0.4	3,342	2,673	14.2
UK FTSE 100 Index	7,184	-0.2	1.6	2.8	19.9	0.6	7,354	5,500	14.6
Germany DAX Index*	11,814	1.6	3.0	10.2	19.6	2.9	11,893	8,699	13.8
France CAC-40 Index	4,840	-0.2	-0.2	6.8	10.5	-0.5	4,930	3,892	14.4
Spain IBEX 35 Index	9,504	1.3	1.4	3.3	8.7	1.6	9,624	7,580	13.9
Asia Pacific									
MSCI AC Asia Pacific ex Japan (USD)	454	2.1	7.9	2.1	22.8	6.4	459	362	13.5
Japan Nikkei-225 Stock Average	19,467	1.7	0.3	12.3	13.4	1.8	19,615	14,864	19.3
Australian Stock Exchange 200	5,714	1.0	1.5	7.9	15.5	0.9	5,828	4,707	16.1
Hong Kong Hang Seng Index	23,361	2.1	8.3	1.0	22.6	6.2	24,364	18,279	11.7
Shanghai Stock Exchange Composite Index	3,159	1.2	1.4	1.5	15.5	1.8	3,301	2,638	13.4
Hang Seng China Enterprises Index	9,804	0.9	6.8	2.0	23.2	4.4	10,210	7,499	8.0
Taiwan TAIEX Index	9,448	1.2	3.7	1.6	20.4	2.1	9,468	7,800	13.6
Korea KOSPI Index	2,084	0.9	2.0	2.9	9.8	2.8	2,091	1,818	9.8
India SENSEX 30 Index	27,882	3.1	6.4	-0.1	13.8	4.7	29,077	22,495	18.8
Indonesia Jakarta Stock Price Index	5,313	1.1	4.1	-1.9	15.9	0.3	5,492	4,545	14.9
Malaysia Kuala Lumpur Composite Index	1,686	1.3	4.1	1.0	3.4	2.7	1,729	1,612	15.9
Philippines Stock Exchange PSE Index	7,334	1.4	10.1	-1.5	12.7	7.2	8,118	6,499	17.5
Singapore FTSE Straits Times Index	3,065	1.8	6.2	8.3	20.4	6.4	3,065	2,528	14.2
Thailand SET Index	1,591	1.8	4.9	6.2	24.4	3.1	1,601	1,271	14.7
Latam									
Argentina Merval Index	19,216	0.9	17.3	6.4	78.1	13.6	19,721	10,562	15.4
Brazil Bovespa Index*	66,034	2.3	12.5	2.8	72.1	9.6	66,594	37,402	13.1
Chile IPSA Index	4,276	0.4	5.8	-0.6	20.6	3.0	4,326	3,529	15.3
Colombia COLCAP Index	1,373	1.3	2.5	0.9	19.0	1.5	1,419	1,142	12.2
Mexico Index	47,421	2.4	4.7	-1.4	12.6	3.9	48,956	41,757	17.1
EEMEA									
Russia MICEX Index	2,266	4.9	3.5	14.5	29.7	1.5	2,294	1,688	6.9
South Africa JSE Index	52,974	0.8	7.2	3.6	10.5	4.6	54,704	47,275	14.9
Turkey ISE 100 Index*	83,827	0.9	9.3	6.5	16.3	7.3	86,931	69,436	8.5

*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	6.2	3.4	21.3	17.8	52.4
US equities	8.0	2.8	24.0	34.1	87.3
Europe equities	5.6	2.8	10.7	-4.7	29.2
Asia Pacific ex Japan equities	2.4	6.2	26.2	11.7	21.2
Japan equities	2.8	3.5	15.7	15.5	46.4
Latam equities	-1.8	8.3	57.6	-5.5	-28.2
Emerging Markets equities	1.6	6.3	31.1	5.8	2.1

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 27 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 (%)
Bond indices - Total Return						
BarCap GlobalAgg (Hedged in USD)	496	-0.2	-0.1	-1.9	2.4	-0.6
JPM EMBI Global	748	0.1	1.5	-1.9	12.4	1.2
BarCap US Corporate Index (USD)	2,728	-0.1	0.9	-2.0	6.1	0.0
BarCap Euro Corporate Index (Eur)	240	-0.1	-0.5	-1.1	4.0	-0.6
BarCap Global High Yield (USD)	438	0.3	1.6	1.9	19.6	1.4
Markit iBoxx Asia ex-Japan Bond Index (USD)	187	0.0	1.0	-1.4	5.5	0.6
Markit iBoxx Asia ex-Japan High-Yield Bond Index (USD)	238	0.1	1.5	0.9	16.3	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.

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	1.07	1.05	1.09	1.09	1.05	1.16	1.03
GBP/USD	1.26	1.24	1.23	1.22	1.42	1.23	1.50	1.18
CHF/USD	1.00	1.00	0.97	1.01	0.99	0.98	1.06	0.97
CAD	1.32	1.33	1.36	1.34	1.41	1.34	1.41	1.25
JPY	115.10	114.62	117.43	105.29	118.68	116.96	121.69	99.02
AUD	1.32	1.32	1.39	1.32	1.42	1.39	1.43	1.28
NZD	1.38	1.40	1.45	1.40	1.55	1.44	1.55	1.34
Asia								
HKD	7.76	7.76	7.76	7.76	7.80	7.76	7.80	7.75
CNY	6.88	6.88	6.95	6.78	6.58	6.95	6.96	6.45
INR	68.04	68.18	68.06	66.87	68.05	67.92	68.86	66.07
MYR	4.43	4.45	4.48	4.19	4.25	4.49	4.50	3.84
KRW	1,171	1,169	1,207	1,143	1,202	1,206	1,245	1,090
TWD	31.53	31.53	32.27	31.66	33.60	32.33	33.68	31.01
Latam								
BRL	3.14	3.17	3.27	3.17	4.11	3.26	4.10	3.10
COP	2,933	2,921	2,998	2,960	3,355	3,002	3,453	2,817
MXN	20.89	21.59	20.76	18.84	18.47	20.73	22.04	17.05
EEMEA								
RUB	59.88	59.61	60.66	62.73	78.08	61.54	80.63	58.96
ZAR	13.47	13.60	13.93	13.87	16.44	13.74	16.44	13.17
TRY	3.87	3.77	3.52	3.11	3.00	3.52	3.94	2.79

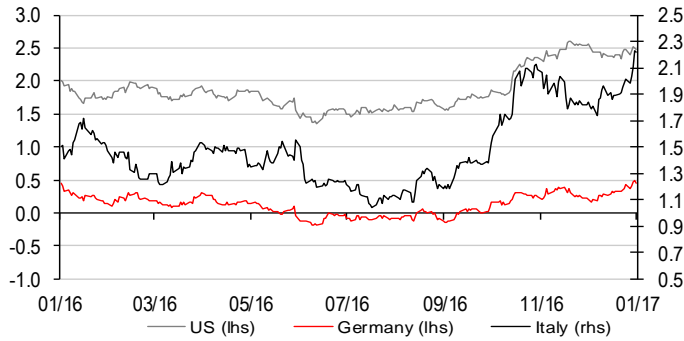
Bonds	Close	1-week Ago	1-month Ago	3-months Ago	1-year Ago	Year End 2016
US Treasury yields (%)						
3-Month	0.51	0.50	0.51	0.28	0.32	0.50
2-Year	1.22	1.19	1.23	0.89	0.83	1.19
5-Year	1.95	1.94	2.06	1.35	1.41	1.93
10-Year	2.48	2.47	2.56	1.85	2.00	2.44
30-Year	3.06	3.05	3.13	2.61	2.80	3.07
Developed market 10-year bond yields (%)						
Japan	0.08	0.06	0.06	-0.06	0.21	0.04
UK	1.47	1.43	1.34	1.25	1.71	1.24
Germany	0.46	0.42	0.20	0.17	0.44	0.20
France	1.03	0.90	0.66	0.45	0.75	0.68
Italy	2.22	2.01	1.84	1.53	1.50	1.81
Spain	1.58	1.50	1.39	1.19	1.61	1.38

Commodities	Latest	1-week ago (%)	1-month Change (%)	3-month Change (%)	1-year Change (%)	YTD Change (%)	52-week High	52-week Low
Gold	1,191	-1.6	4.6	-6.1	5.9	3.4	1,375	1,108
Brent Oil	55.5	0.0	-1.1	10.0	67.7	-2.3	58	30
WTI Crude Oil	53.2	1.5	-1.3	7.0	64.7	-1.0	55	26
R/J CRB Futures Index	193	-0.3	0.4	1.8	17.8	0.5	196	155
LME Copper	5,857	1.9	7.1	22.3	27.6	5.8	6,046	4,430

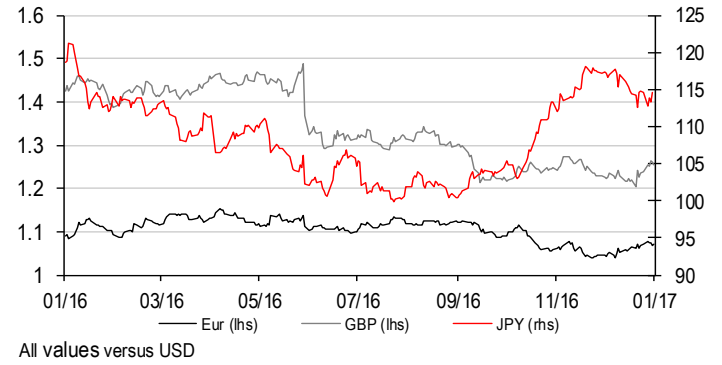
Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 27 January 2017.
Past performance is not an indication of future returns.

Market Trends

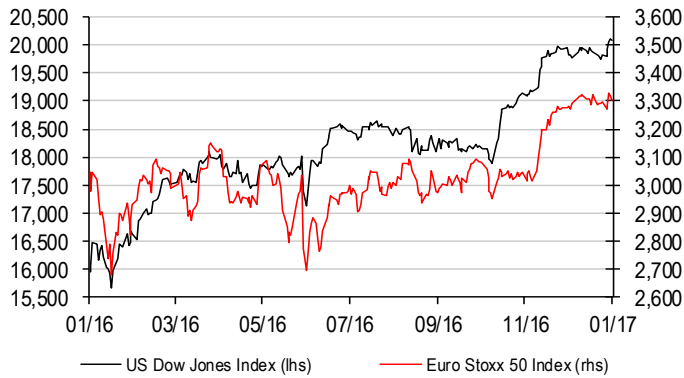
Government bond yields (%)



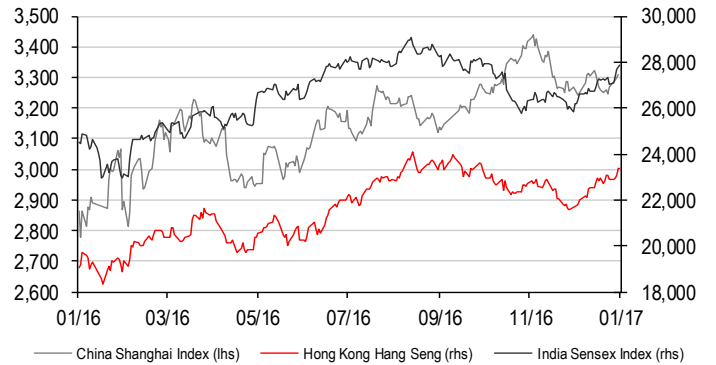
Major currencies (versus US dollar)



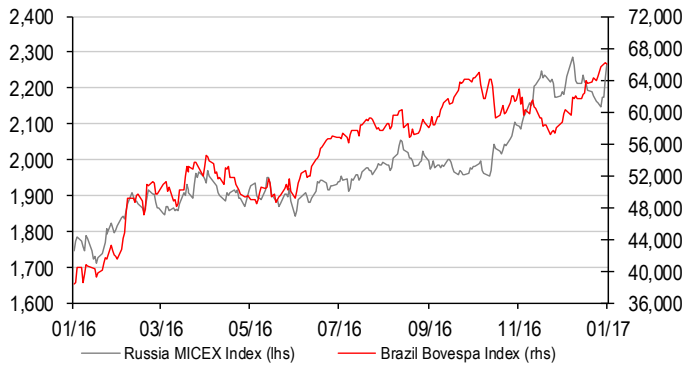
Global equities



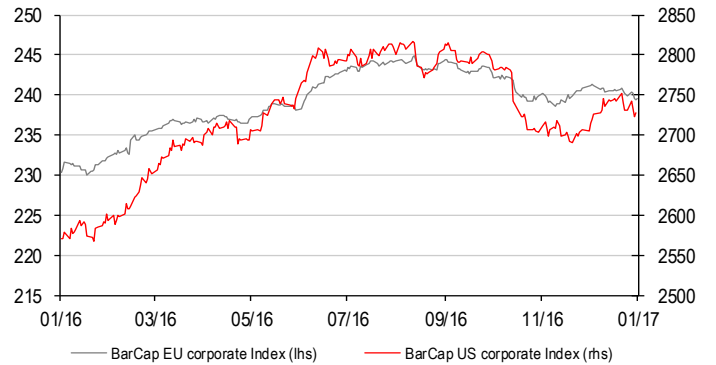
Emerging Asian equities



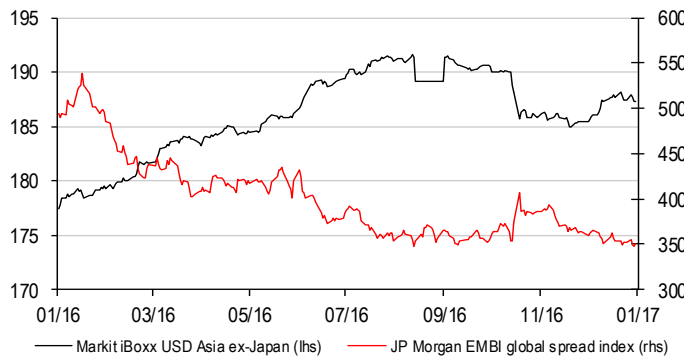
Other emerging equities



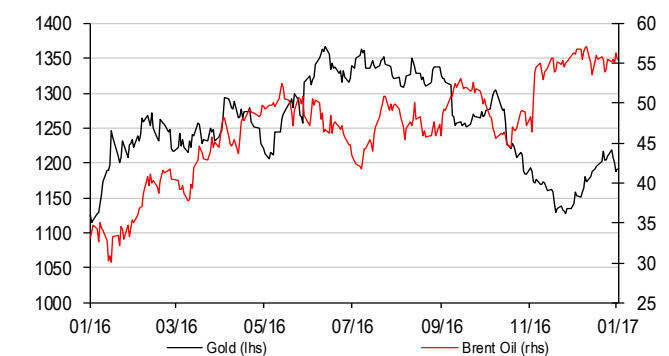
Global credit indices



Emerging markets spreads (USD indices)



Commodities (USD)



Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 27 January 2017.
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