

This week in detail .....

Central bank meetings in the US and Japan saw policy on hold, while the Bank of England raised interest rates

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The week ahead .....

In the coming week, US inflation data will be in focus, along with Q2 GDP releases in the UK and Japan

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Equities .....

Global equities pressured by ongoing US-China trade tensions; Chinese stocks underperformed

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Bonds .....

US Treasuries and German bunds little changed; Italian yields spiked up on heightened budget concerns

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Currencies .....

The US dollar rose against most major currencies; the pound sterling also hit by comments from Bank of England Governor Mark Carney

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Commodities .....

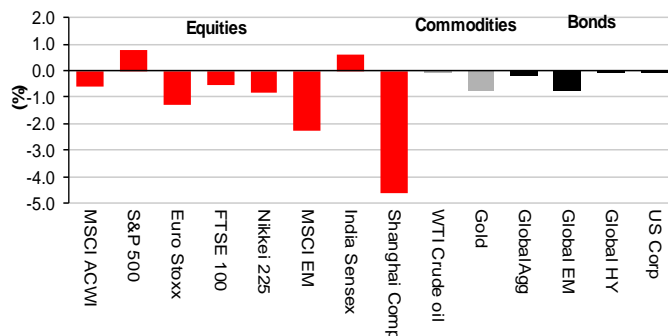
Oil prices hit by concerns over increasing supply

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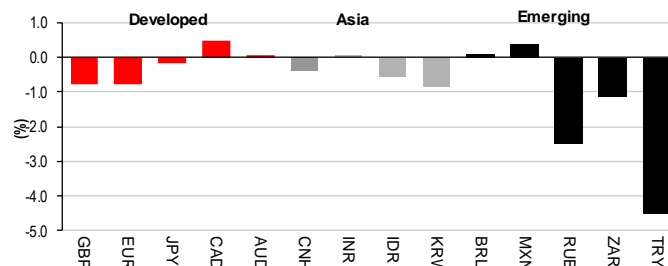
Market data .....

Market trends .....

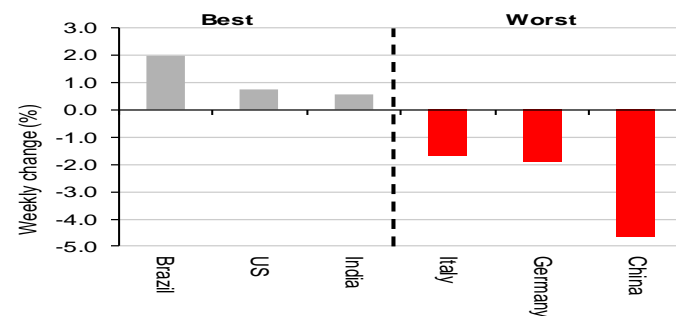
## Movers and shakers



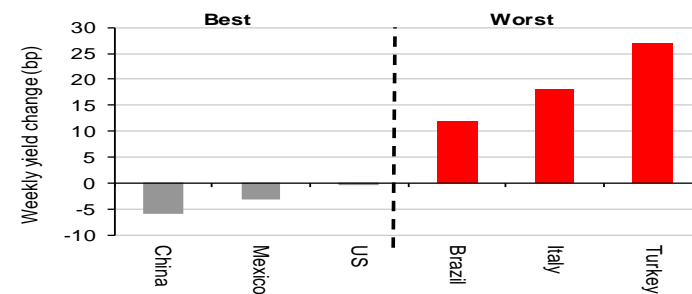
## Currencies (versus USD)



## Equities



## Bonds (10-year yields)



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Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 3 August 2018. All the above charts relate to 27/07/2018 – 03/08/2018.

**Past performance is not an indication of future returns.**

# This week in detail

## Macro data and key events

Date	Country	Indicator	Data as of	Survey	Actual	Prior
Monday 30 July	US	Pending Home Sales (mom)	Jun	0.1%	0.9%	-0.5%
Tuesday 31 July	Japan	Bank of Japan Interest Rate Decision	Jul	-0.10%	-0.10%	-0.10%
	Japan	Industrial Production (mom)	Jun P	-0.3%	-2.1%	-0.2%
	China	Official Manufacturing PMI	Jul	51.3	51.2	51.5
	Eurozone	GDP (seasonally adjusted, qoq)	Q2 A	0.4%	0.3%	0.4%
	Eurozone	CPI Estimate (yoy)	Jul	2.0%	2.1%	2.0%
	US	PCE Core (yoy)	Jun	2.0%	1.9%	1.9%
	US	S&P CoreLogic Case-Shiller 20-City Composite Home Price NSA Index (yoy)	May	6.4%	6.5%	6.7%
	Mexico	GDP (seasonally adjusted, qoq)	Q2 P	0.3%	-0.1%	1.1%
Wednesday 01 August	Brazil	COPOM Interest Rate Decision	Aug	6.50%	6.50%	6.50%
	India	RBI Interest Rate Decision (repurchase rate)	Aug	6.50%	6.50%	6.25%
	US	ISM Manufacturing Index	Jul	59.4	58.1	60.2
	US	FOMC Interest Rate Decision (upper bound)	Aug	2.00%	2.00%	2.00%
Thursday 02 August	UK	Bank of England Interest Rate Decision	Aug	0.75%	0.75%	0.50%
	US	Durable Goods Orders (mom)	Jun F	-	0.8%	1.0%
	Mexico	Banco de Mexico Interest Rate Decision	Aug	7.75%	7.75%	7.75%
Friday 03 August	Eurozone	Markit Composite PMI	Jul F	54.3	54.3	54.3
	US	Change in Nonfarm Payrolls (000s)	Jul	193	157	248
	US	ISM Non-Manufacturing Index	Jul	58.6	55.7	59.1

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

The US economy added 157,000 jobs in July, and the Fed's preferred inflation gauge held at 1.9% yoy

Central bank meetings in the US and Japan saw policy on hold, and the Bank of England raised interest rates to 0.75%

Eurozone GDP growth slowed to 0.3% qoq in Q2, from 0.4% in the previous quarter

**In the US**, as expected, the **Federal Open Market Committee (FOMC)** left the federal funds target range unchanged at 1.75%-2.0%. In a broadly unchanged statement, policymakers reiterated further gradual increases in interest rates while acknowledging the strong rate of recent economic activity. **Nonfarm payrolls** rose by 157,000 jobs in July, below a forecasted 193,000. However, this was after June's release was upwardly revised by 35,000 to 248,000 and a two-month prior upward revision of 59,000. Meanwhile, despite persistent observations of a tight labour market from surveys, monthly wage growth rose a steady 0.3% mom (as expected), with the annual growth rate remaining at 2.7% yoy. The unemployment rate returned to 3.9%, also in line with forecasts, and the participation rate stayed at 62.9%. The US Federal Reserve's (Fed) preferred inflation gauge, the **PCE core deflator**, remained at 1.9% yoy in June (+2.0% yoy expected) after a 0.1 percentage point (ppt) downward revision in the prior month's release. Despite missing expectations of an uptick to 2.0% yoy, US core inflation remains on an upward trend. The **ISM Non-Manufacturing Index** declined 3.4 points to 55.7 (versus 58.6 expected), suggesting an easing of growth for July. However, the employment component increased 2.5 pts to 56.1. Meanwhile, the **ISM Manufacturing Index** declined to 58.1 in the same month from 60.2 in June (59.4 anticipated), but remained broadly consistent with a positive outlook for the sector. In terms of housing market data, the **S&P CoreLogic Case-Shiller 20-City Composite Home Price NSA Index** rose 6.5% yoy in May, more than an anticipated gain of 6.4%. US house prices have been on a gradually rising trend since late 2014 amid robust demand and a shortage of available listings. **Pending home sales** rose 0.9% mom in June, better than an expected 0.1% increase. Nevertheless, the trend in pending sales remains negative amid still-low inventory, although data releases suggest that buyer demand remains firm, for now. Finally, in terms of trade developments, US President Donald Trump requested that US Trade Representative Robert Lighthizer consider **raising proposed tariffs** on a further USD200 billion of imports from China to 25% from the 10% announced last month. The proposed tariffs remain subject to a public comment period with no decision yet taken on whether or not to implement them.

**In Europe**, the first estimate of **eurozone Q2 GDP** growth came in at 0.3% qoq, disappointing expectations of 0.4%, which would have matched the previous quarter's rate of expansion. Based on country-level data already released, it is likely that household consumption growth slowed, weighed on by higher headline inflation eating into disposable income. Indeed, **eurozone** headline **CPI inflation** accelerated by 0.1 ppt to 2.1% yoy in July, beating market expectations of no change from 2.0% in June. The upward surprise came amid higher regulated prices of gas in France and Italy. Core inflation also surprised to the upside, rising

## The Reserve Bank of India raised interest rates, as expected

by 0.2 ppt to 1.1%, although remaining in the 0.6%-1.2% range occupied since early 2013.

The **Bank of England's (BoE)** Monetary Policy Committee (MPC) hiked UK interest rates (also known as the "Bank Rate") by 25 bps to 0.75% at its August meeting. In the bank's August Inflation Report, the MPC painted a marginally more bullish outlook for the UK economy than in the last report in May. GDP growth is now forecast to be 1.4% in 2018 (unchanged), 1.8% in 2019 (versus +1.7% previously) and 1.7% in 2020. Meanwhile, unemployment forecasts were also nudged slightly lower, to 3.9%, over the forecast period. Inflation is now expected to end this year at 2.3% (+2.2% previously), 2.2% in 2019 (up from +2.1%) and 2.0% in 2020 (unchanged). Overall, the MPC continues to emphasise that future UK interest rate hikes will be "gradual and limited."

The **Bank of Japan (BoJ)** kept its policy broadly unchanged, keeping the yield curve flat with short term yields at -0.1% and the 10-year Japanese government bond (JGB) yield at "about 0%," with the JGB buying target at an annual pace of "about JPY80 trillion." The BoJ reiterated its intention to maintain its extremely accommodative policy "for an extended period of time," also making it explicit that monetary policy should be conducted in a "more flexible manner" with the possibility that 10-year JGB yields could move upward or downward "to some extent." Policymakers also discussed extensively the recent sluggishness in inflation, concluding that it will "take more time than expected to achieve the price stability target of 2%." Consistent with the discussion, the BoJ downgraded its inflation forecast for the next three fiscal years by 0.2 ppts (from +1.3% to +1.1% for the current fiscal year and from +1.8% to +1.6% for FY2020 excluding the effect of the consumption tax hike of October 2019).

**Japan's industrial production** in June was much weaker than expected, down 2.1% mom (consensus at -0.3%), resulting in the first yoy decline in almost two years (-1.2%). However, the Ministry of Economy, Trade and Industry survey of production forecasts suggests that the weakness observed in June could be transitory.

In the context of lingering trade war concerns, **China's official manufacturing PMI** for July dropped to its lowest level in five months (51.2), with weak foreign trade indicators.

In a 5-1 vote, the Reserve Bank of **India (RBI)** decided, as expected, to raise the repurchase and reverse repo rate by 25 bps, to 6.50% and 6.25% respectively, to anchor inflation expectations as inflationary pressures remained elevated during the intermeeting period. The RBI is expecting inflation to accelerate in the next few quarters, from 4.6% in the July-September quarter to 5.0% in April-June next year. However, risks to inflation and economic growth are seen as evenly balanced, and the emphasis was on upside risks in the June policy statement. The more neutral and balanced stance adopted by the RBI implies that future policy actions will be data dependent.

In Latin America, **Mexican Q2 GDP** declined by 0.1% qoq, missing projections for a modest increase of 0.3% qoq, with weakness in the agricultural and industrial sectors weighing on activity. The result followed two quarters of relatively strong prints, helped by earthquake rebuilding efforts. As expected, the **Bank of Mexico** kept its overnight rate unchanged at 7.75%. A peso recovery and positive NAFTA renegotiation developments gave policymakers scope to pause their two-and-a-half year tightening cycle, although their tone remained hawkish given an upwards bias to inflation risks. The **Brazilian central bank's** monetary policy committee (COPOM) kept the **Selic rate** at a record low of 6.50%, as anticipated. The latest CPI print (IBGE IPCA) had jumped to the middle of the target range in June on the back of shortages caused by a nationwide truckers' strike. However, policymakers cited low levels of underlying pricing pressure and high economic slack in making their unanimous decision. The overall tone was dovish, with conditions continuing to prescribe an accommodative policy to support a slower than expected recovery in activity.

# The week ahead

## Macro data and key events

Date	Country	Indicator	Data as of	Survey	Prior
Monday 06 August	Germany	Factory Orders (working day adjusted, yoy)	Jun	3.4%	4.4%
Tuesday 07 August	Australia	Reserve Bank of Australia Interest Rate Decision	Aug	1.50%	1.50%
	Germany	Industrial Production (seasonally adjusted, mom)	Jun	-0.5%	2.6%
Wednesday 08 August	China	Trade Balance (USD bn)	Jul	39.0	41.5
	Brazil	IBGE Inflation IPCA (yoy)	Jul	4.4%	4.4%
Thursday 09 August	China	CPI (yoy)	Jul	2.0%	1.9%
	Mexico	CPI (yoy)	Jul	4.8%	4.7%
Friday 10 August	Japan	GDP (seasonally adjusted, qoq annualised)	Q2 P	1.4%	-0.6%
	UK	GDP (qoq)	Q2 P	0.4%	0.2%
	India	Industrial Production (yoy)	Jun	-	3.2%
	US	CPI (yoy)	Jul	3.0%	2.9%

P – Preliminary, Q – Quarter

In the coming week, US inflation data will be in focus, along with Q2 GDP releases in the UK and Japan

Inflation in China and Mexico is expected to edge up slightly in July

## US

With Fed officials having said they're comfortable with a modest inflation overshoot, market participants are monitoring for further pricing pressures that may change the gradual tightening outlook. **US CPI inflation** is expected to tick up 0.1 ppt to 3.0% yoy in July. Stripping out food and energy prices, core inflation is anticipated to remain at 2.3%.

## Europe

The first estimate of **Q2 UK GDP growth** is anticipated at 0.4% qoq, following 0.2% in the previous quarter. The bulk of the pickup in activity growth is expected to have been driven by a recovery in household consumption

**German industrial data** for June is expected to show a monthly contraction in both output and orders, following strong gains in the prior month. The underlying trend in industrial activity has been negative since the beginning of 2018 amid a moderation of global economic activity, trade concerns and the lagged impact of euro strength (having accelerated markedly on a trade-weighted basis in mid-2017).

## Emerging markets and Japan

**China's CPI inflation** for July is expected to accelerate slightly, from 1.9% yoy in May to 2.0%, mostly due to higher food prices, particularly pork, as suggested by high-frequency data. However, alternative indicators, especially based on online shopping prices, suggests some consumer price acceleration in July. However, cost-push inflation is expected to slow down a bit in July with the Producer Price Index decelerating slightly from 4.7% yoy to 4.5%.

**China's external trade data** for July is likely to show a slight deceleration in exports while imports could have picked up a bit, resulting in a moderate decline in the trade balance. Exports are expected to grow by 10.0% yoy, down from 11.2% in May, as both the official and Markit PMI surveys new export orders dropped in June and July. Overall, a trade surplus of USD39.0 billion is expected, down from USD41.5 billion.

After eight consecutive quarters of growth, **Japan's GDP** dropped in Q1 (-0.6% qoq annualized). A modest rebound likely took place in Q2 (+1.4%) as personal consumption and business investment are expected to gather pace, as suggested by the sharp acceleration in capex plans in the Tankan survey for this year and the steady decline in unemployment. Moreover, exports of goods rose in volume terms in Q2 and imports retreated slightly, suggesting a positive contribution of net exports.

In **Brazil**, the nationwide truckers' strike caused shortages that pushed June's **IBGE-IPCA inflation** within the central bank range (3%-6% yoy) for the first time in a year. Underlying pricing pressures remain low, but inflation is expected to hold steady at 4.4% yoy in July.

Elsewhere, Banxico policymakers are looking for **Mexican CPI** to reach the top end of the target range (2%-4% yoy) by the end of this year, but biweekly data suggests inflation will grow faster than 4% yoy in July. Market consensus is at 4.8% yoy.

# Market moves

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## Equities

Global equities pressured by ongoing US-China trade tensions; Chinese stocks underperformed

## Bonds

US Treasuries and German bunds little changed; Italian yields spiked up on heightened budget concerns

## Currencies

The US dollar rose against most major currencies

## Commodities

Oil prices hit by concerns over increasing supply

## Equities

**US stocks** swung between gains and losses this week, amid some softer than expected Q2 corporate earnings reports, ongoing trade tensions between the US and China, and macroeconomic data highlighting the strength of the US economy. Overall the S&P 500 Index finished the week up 0.8%, and the NASDAQ gained 1.0%.

**European equities** fell this week. Fresh concerns over the global trade outlook took its toll on industrial and material stocks in the region. Overall, the regional EURO STOXX 50 Index closed down 1.3%. Elsewhere, the export-sensitive German DAX index fell 1.9%, and the UK's materials-heavy FTSE 100 Index slid 0.5%.

In **Asia, stock markets** fell as tensions between the US and China on import tariffs continued, and most economic activity indicators in the region came in weaker than expected. Onshore Chinese shares retreated the most (the Shanghai Stock Exchange Composite Index was down 4.6%) followed by Hong Kong's Hang Seng Index (-3.9%). Most other markets dropped by less than 1% over the week. In Japan, the Nikkei 225 Index closed down (-0.8%) as the Bank of Japan let 10-year yields rise modestly. India's SENSEX 30 Index rose slightly (+0.6%).

## Bonds

Longer dated **US Treasuries** ended broadly flat over the week amid strong ADP employment data and as the Treasury raised its estimate borrowing over the second half of 2018. Most of the weakness occurred on Wednesday with 10-year yields rising above the 3% level as the FOMC meeting confirmed that the Fed will continue to hike rates as the economy shows strength. However, a weaker than expected ISM Manufacturing Index and nonfarm payrolls print helped pare back these losses. Overall, 10-year Treasury yields closed little changed at 2.95% and two-year yields ended slightly lower at 2.64%.

In **Europe**, benchmark German 10-year bund **yields** were little changed, ending slightly higher at 0.41% amid increased supply as the government auctioned EUR2.4 billion in equivalent-maturity bonds. UK 10-year bonds continued to underperform in the core (yields increased 5 bps to 1.33%) as the Bank of England hiked rates, although Governor Mark Carney did subsequently imply caution on further rate rises. Italian bonds sold off sharply (10-year yields spiked up 18 bps to +2.92%) on rising fiscal concerns as the leaders of the governing coalition insisted the new budget must include a series of spending and tax cut initiatives. Ten-year Greek bond yields also rose sharply, on the back of a downbeat assessment of prospective growth by the IMF.

## Currencies

The **British pound** was little changed for most of this week, before falling sharply on Thursday after Bank of England Governor Mark Carney acknowledged that policy could loosen in the event of a hard Brexit. Eventually, the sterling closed the week down 0.8% against the US dollar. Similarly, the **euro** rose at the beginning of the week before closing down 0.8% against the greenback, with the US dollar supported by perceived "safe-haven" demand amid trade tensions and an upbeat assessment of the US economy by the Fed.

Most **Asian currencies** depreciated against the US dollar over the week, as investors remained concerned about the trade disputes between the US and China and after the Bank of Japan tweaked its monetary policy by marginally increasing the flexibility of its market operations. Meanwhile, the Fed made an upbeat economic assessment of the US economy at its FOMC meeting, pointing to the continuation of the gradual rate hikes. The Korean won, a currency particularly sensitive to trade war concerns, saw the biggest depreciation (-0.9%). The yen fell 0.2% while the Philippine peso bucked the regional trend, appreciating over the week.

## Commodities

**Brent crude oil** prices fell this week (-1.8% to USD73.4 per barrel) amid concerns about supply as Saudi Arabia produced at near record levels in July and Russia increased its output. US crude inventories unexpectedly rose by 3.8 million barrels last week, according to official data. Reports that US inventories declined this week supported a recovery on Thursday, which saw WTI outperform (little changed at USD68.7 per barrel).

**Gold prices** also declined (-0.8% to USD1,214 per troy ounce), pressured by gains in the US dollar.

# 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)	518	-0.6	2.9	2.5	8.0	0.9	551	470	15.6
<b>North America</b>									
US Dow Jones Industrial Average	25,463	0.0	5.3	6.4	15.6	3.0	26,617	21,600	16.4
US S&P 500 Index	2,840	0.8	4.7	8.0	14.9	6.2	2,873	2,417	17.7
US NASDAQ Composite Index	7,812	1.0	4.1	10.2	23.2	13.2	7,933	6,177	23.4
Canada S&P/TSX Composite Index	16,420	0.2	1.0	5.1	8.1	1.3	16,586	14,786	15.9
<b>Europe</b>									
MSCI AC Europe (USD)	467	-1.7	1.4	-2.5	-0.5	-4.3	524	452	14.2
Euro STOXX 50 Index	3,482	-1.3	2.2	-1.3	0.5	-0.6	3,709	3,262	14.2
UK FTSE 100 Index	7,659	-0.5	0.9	2.1	2.5	-0.4	7,904	6,867	13.8
Germany DAX Index*	12,616	-1.9	2.2	-0.6	3.8	-2.3	13,597	11,727	13.4
France CAC-40 Index	5,479	-0.6	3.1	-0.4	6.8	3.1	5,657	4,995	14.8
Spain IBEX 35 Index	9,740	-1.3	0.8	-3.0	-7.7	-3.0	10,758	9,328	12.9
<b>Asia Pacific</b>									
MSCI AC Asia Pacific ex Japan (USD)	532	-2.4	-0.2	-5.5	0.8	-6.5	617	515	13.1
Japan Nikkei-225 Stock Average	22,525	-0.8	3.4	0.2	12.5	-1.1	24,129	19,240	16.4
Australian Stock Exchange 200	6,235	-1.0	0.4	2.2	8.7	2.8	6,306	5,639	16.1
Hong Kong Hang Seng Index	27,676	-3.9	-3.0	-8.7	0.5	-7.5	33,484	26,864	11.6
Shanghai Stock Exchange Composite Index	2,740	-4.6	-1.7	-11.6	-16.3	-17.1	3,587	2,691	11.5
Hang Seng China Enterprises Index	10,694	-3.2	-1.6	-11.0	-2.8	-8.7	13,963	10,405	7.9
Taiwan TAIEX Index	11,012	-0.6	2.8	4.7	5.2	3.5	11,270	10,189	14.1
Korea KOSPI Index	2,288	-0.3	0.7	-8.0	-4.2	-7.3	2,607	2,244	9.1
India SENSEX 30 Index	37,556	0.6	6.2	7.0	16.5	10.3	37,369	31,082	19.8
Indonesia Jakarta Stock Price Index	6,008	0.3	6.6	2.5	3.9	-5.5	6,693	5,558	15.4
Malaysia Kuala Lumpur Composite Index	1,780	0.6	5.9	-3.9	0.5	-0.9	1,896	1,658	16.9
Philippines Stock Exchange PSE Index	7,819	1.5	7.6	3.8	-0.7	-8.6	9,078	6,924	17.7
Singapore FTSE Straits Times Index	3,266	-1.8	0.9	-8.7	-2.3	-4.0	3,642	3,176	13.3
Thailand SET Index	1,712	0.6	5.3	-4.4	8.5	-2.4	1,853	1,556	15.6
<b>Latam</b>									
Argentina Merval Index	29,216	-0.1	7.8	-1.0	34.1	-2.8	35,462	20,845	8.3
Brazil Bovespa Index*	81,435	2.0	10.5	-2.2	22.0	6.6	88,318	64,953	12.0
Chile IPSA Index	5,405	0.7	2.9	-4.2	6.5	-2.9	5,895	4,847	16.0
Colombia COLCAP Index	1,532	-0.3	-1.9	-1.4	3.7	1.2	1,598	1,415	15.4
Mexico S&P/BMV IPC Index	49,303	-0.7	4.8	4.7	-3.9	-0.1	51,722	44,429	17.6
<b>EEMEA</b>									
Russia MOEX Index	2,298	0.2	-0.2	1.1	16.9	8.9	2,379	1,904	5.8
South Africa JSE Index	57,118	-0.1	-0.6	-0.3	2.6	-4.0	61,777	53,027	14.2
Turkey ISE 100 Index*	95,610	0.0	-1.0	-7.1	-10.8	-17.1	121,532	88,169	7.0

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

	1-week Change (%)	1-month Change (%)	3-month Change (%)	YTD Change (%)	1-year Change (%)	3-year Change (%)	5-year Change (%)
<b>Equity Indices - Total Return</b>							
Global equities	-0.6	3.0	3.1	2.1	10.1	29.2	51.0
US equities	0.4	4.2	7.9	6.8	16.1	40.1	77.3
Europe equities	-1.7	1.5	-1.5	-2.2	2.3	11.3	23.8
Asia Pacific ex Japan equities	-2.3	0.3	-4.4	-5.0	3.5	29.7	38.5
Japan equities	-1.8	2.5	-2.9	-1.4	7.6	20.3	35.4
Latam equities	-1.5	9.3	-4.8	-3.4	-0.7	28.0	-4.6
Emerging Markets equities	-2.2	1.4	-5.1	-6.3	2.6	28.5	25.8

All total returns quoted in US dollar terms and subject to one-day lag.

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.

<b>Bond indices - Total Return</b>	Close	1-week Change (%)	1-month Change (%)	3-month Change (%)	1-year Change (%)	YTD Change (%)
BarCap GlobalAgg (Hedged in USD)	514	-0.2	-0.3	0.3	0.7	-0.1
JPM EMBI Global	777	-0.8	1.2	0.6	-2.2	-3.8
BarCap US Corporate Index (USD)	2,826	-0.1	0.5	0.9	-1.3	-2.6
BarCap Euro Corporate Index (Eur)	246	0.0	0.4	0.1	0.4	-0.2
BarCap Global High Yield (Hedged in USD)	467	-0.1	1.5	0.7	1.4	-0.4
Markit iBoxx Asia ex-Japan Bond Index (USD)	192	-0.2	0.6	0.0	-1.1	-2.1
Markit iBoxx Asia ex-Japan High-Yield Bond Index (USD)	244	-0.5	1.6	-1.5	-0.7	-3.2

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

<b>Currencies (vs USD)</b>	Latest	1-week Ago	1-month Ago	3-months Ago	1-year Ago	Year End 2017	52-week High	52-week Low	1-week Change (%)
<b>Developed markets</b>									
EUR/USD	1.16	1.17	1.17	1.20	1.19	1.20	1.26	1.15	-0.8
GBP/USD	1.30	1.31	1.32	1.36	1.31	1.35	1.44	1.28	-0.8
CHF/USD	1.01	1.01	1.01	1.00	1.03	1.03	1.09	0.99	0.0
CAD	1.30	1.31	1.31	1.28	1.26	1.26	1.34	1.21	0.5
JPY	111.25	111.05	110.59	109.19	110.05	112.69	114.73	104.56	-0.2
AUD	1.35	1.35	1.35	1.33	1.26	1.28	1.37	1.23	0.0
NZD	1.48	1.47	1.48	1.42	1.35	1.41	1.50	1.33	-0.7
<b>Asia</b>									
HKD	7.85	7.85	7.85	7.85	7.82	7.81	7.85	7.79	0.0
CNY	6.83	6.81	6.64	6.35	6.72	6.51	6.84	6.24	-0.2
INR	68.62	68.66	68.58	66.65	63.69	63.87	69.13	63.25	0.1
MYR	4.08	4.06	4.05	3.93	4.28	4.05	4.30	3.85	-0.5
KRW	1,128	1,118	1,119	1,076	1,129	1,067	1,150	1,054	-0.9
TWD	30.72	30.60	30.55	29.70	30.22	29.73	30.74	28.96	-0.4
<b>Latam</b>									
BRL	3.71	3.71	3.90	3.53	3.11	3.31	3.97	3.08	0.1
COP	2,892	2,887	2,908	2,858	2,954	2,986	3,080	2,685	-0.2
MXN	18.56	18.63	19.46	19.06	17.84	19.66	20.96	17.57	0.4
<b>EEMEA</b>									
RUB	64.31	62.71	63.13	63.00	60.35	57.69	65.04	55.56	-2.5
ZAR	13.32	13.17	13.68	12.59	13.40	12.38	14.57	11.51	-1.1
TRY	5.08	4.85	4.67	4.21	3.54	3.80	4.97	3.39	-4.7

<b>Bonds</b>	Close	1-week Ago	1-month Ago	3-months Ago	1-year Ago	Year End 2017	1-week Basis Point Change *
<b>US Treasury yields (%)</b>							
3-Month	2.00	1.98	1.96	1.82	1.07	1.38	2
2-Year	2.64	2.67	2.52	2.48	1.34	1.88	-3
5-Year	2.81	2.84	2.72	2.78	1.79	2.21	-3
10-Year	2.95	2.95	2.83	2.95	2.22	2.41	-1
30-Year	3.09	3.08	2.96	3.12	2.80	2.74	1
<b>10-year bond yields (%)</b>							
Japan	0.10	0.10	0.03	0.04	0.06	0.04	0
UK	1.33	1.28	1.24	1.39	1.15	1.19	5
Germany	0.41	0.40	0.29	0.53	0.45	0.42	0
France	0.74	0.70	0.64	0.76	0.72	0.78	4
Italy	2.92	2.74	2.63	1.74	1.98	2.01	18
Spain	1.42	1.37	1.29	1.25	1.44	1.56	5
China	3.46	3.52	3.50	3.65	3.64	3.90	-6
Australia	2.73	2.64	2.62	2.81	2.67	2.63	8
Canada	2.35	2.30	2.14	2.33	1.89	2.05	6

\*Numbers may not add up due to rounding

<b>Commodities</b>	Latest	1-week Change (%)	1-month Change (%)	3-month Change (%)	1-year Change (%)	YTD Change (%)	52-week High	52-week Low
Gold	1,214	-0.8	-3.1	-7.5	-4.3	-6.9	1,366	1,211
Brent Oil	73.4	-1.8	-5.2	1.8	39.2	14.0	80	51
WTI Crude Oil	68.7	0.0	-4.1	2.2	38.1	16.3	73	48
R/J CRB Futures Index	193	-0.5	-2.1	-4.4	7.0	-0.3	207	175
LME Copper	6,140	-2.5	-5.4	-10.1	-3.3	-15.3	7,348	5,988

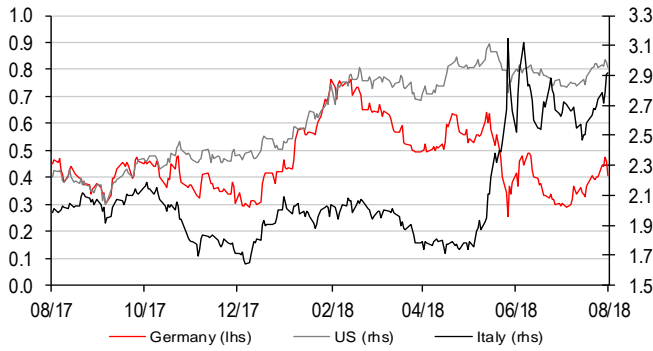
Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 3 August 2018.

Past performance is not an indication of future returns.

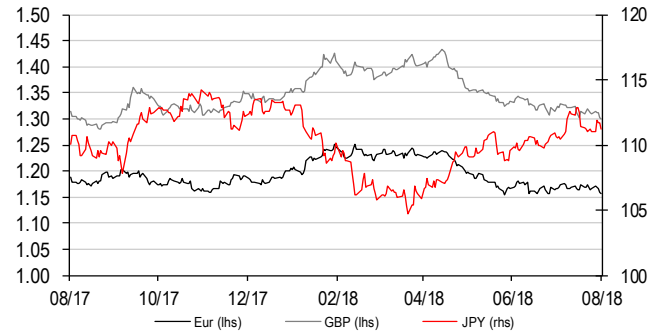
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# Market Trends

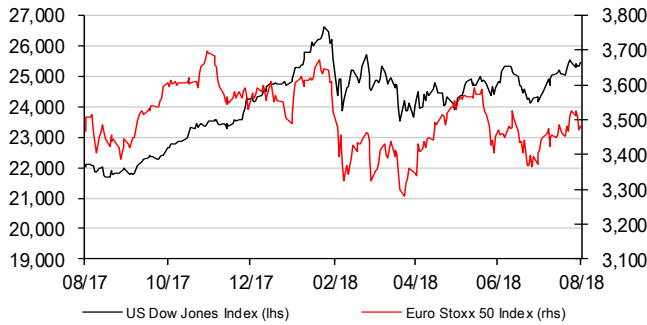
## Government bond yields (%)



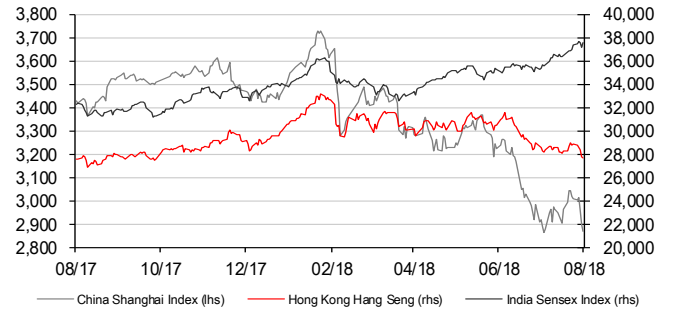
## Major currencies (versus USD)



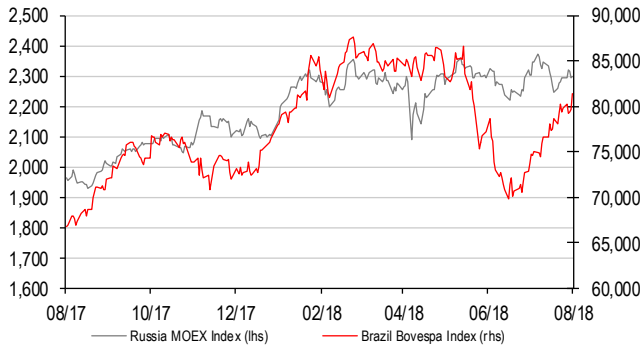
## Global equities



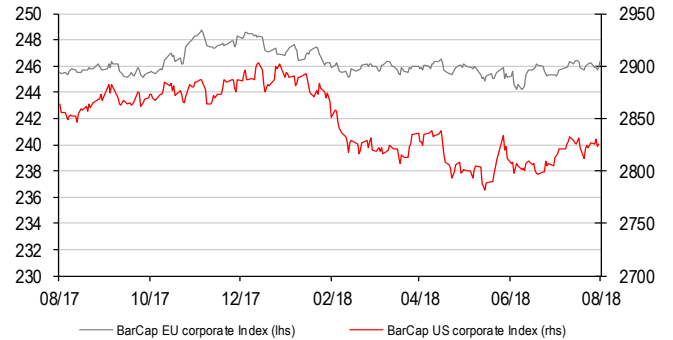
## Emerging Asian equities



## Other emerging equities



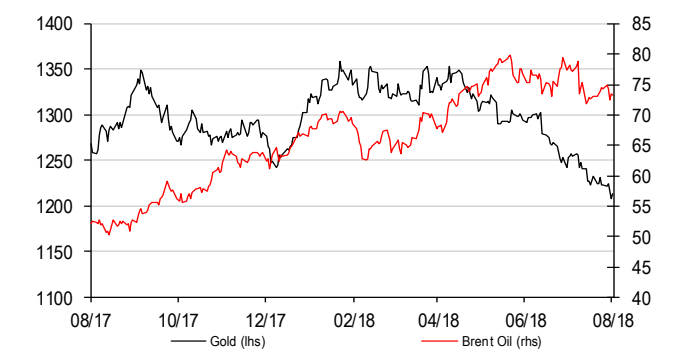
## Global credit indices



## Emerging markets spreads (USD indices)



## Commodities (USD)





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