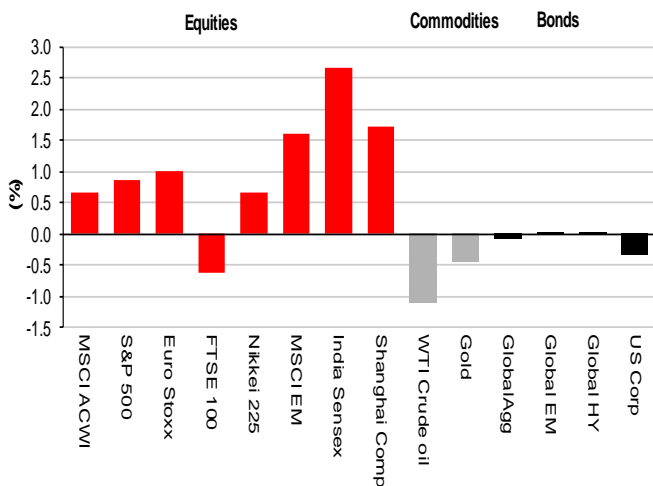


- ▶ Global equities rose this week, amid investor optimism over corporate earnings and the global economic outlook; US 10-year Treasury yields rose above 2.60%
- ▶ In the US, temporary government funding runs out at midnight on Friday (19 January) and the House and Senate are seeking an agreement on a temporary extension. The Senate has until midnight to vote
- ▶ In the coming week, investor attention will turn to monetary policy meetings for the Bank of Japan and the European Central Bank (ECB). No change in policy is expected. Q4 GDP data will also be released for the US and UK

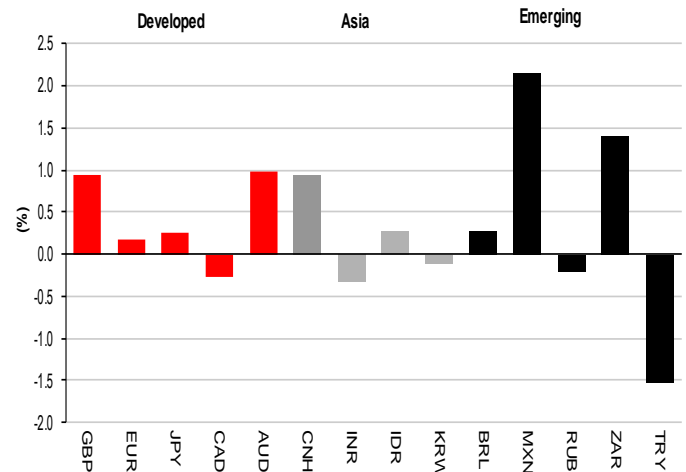
Movers and shakers

Global equities rose and oil prices fell this week

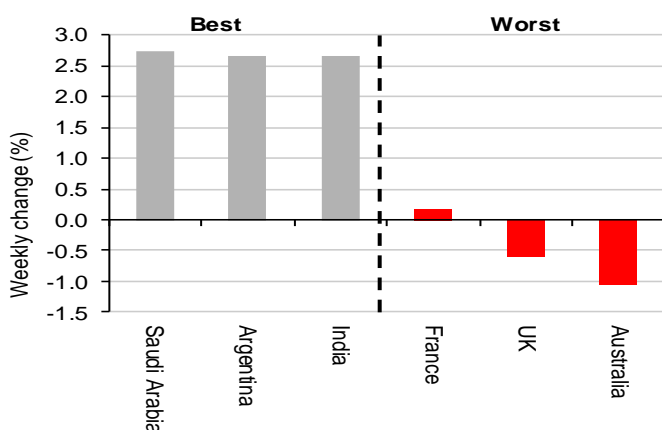


Currencies (versus USD)

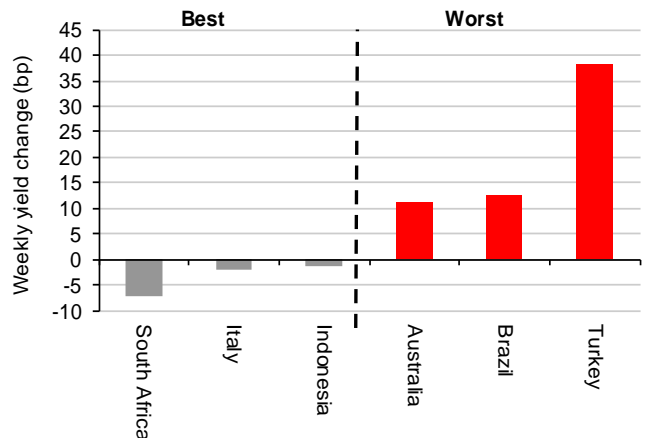
Most currencies rose against the US dollar



Equities



Bonds (10-year)



This commentary provides a high-level overview of the recent economic environment, and is for information purposes only. It is a marketing communication and does not constitute investment advice or a recommendation to any reader of this content to buy or sell investments; nor should it be regarded as investment research. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of its dissemination.

Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 19 January 2018. All the above charts relate to 12/01/2018 – 19/01/2018.

Macro Data and Key Events

Past Week (15-19 January 2018)

Date	Country	Indicator	Data as of	Survey	Actual	Prior
Tuesday 16 January	UK	CPI (yoy)	Dec	3.0%	3.0%	3.1%
Wednesday 17 January	Eurozone	CPI (yoy)	Dec F	1.4%	1.4%	1.4% P
	US	Industrial Production (mom)	Dec	0.5%	0.9%	-0.1%
	US	NAHB/Wells Fargo Housing Market Index	Jan	72	72	74
	Canada	Bank of Canada Interest Rate Decision	Jan	1.25%	1.25%	1.00%
Thursday 18 January	South Africa	Reserve Bank Interest Rate Decision	Jan	6.75%	6.75%	6.75%
	China	GDP (yoy)	Q4	6.7%	6.8%	6.8%
	China	Industrial Production (yoy)	Dec	6.1%	6.2%	6.1%
	China	Retail Sales (yoy)	Dec	10.2%	9.4%	10.2%
	Turkey	CBRT Interest Rate Decision (overnight lending rate)	Jan	9.25%	9.25%	9.25%
	US	Housing Starts (mom)	Dec	-1.7%	-8.2%	3.0%
Friday 19 January	US	University of Michigan Index of Consumer Sentiment	Jan P	97.0	94.4	95.9

P – Preliminary, Q – Quarter, F – Final

- ▶ In the US, **temporary government funding runs out at midnight on Friday (19 January)** and the House and Senate are seeking an agreement on a temporary extension. Democrats are demanding that spending legislation include a provision permanently shielding about 690,000 undocumented immigrants brought to the US as children from deportation, while Republicans want to keep that issue separate from funding and budget negotiations. On Thursday, the House voted 230-197 to pass a spending bill to avoid the US government shutdown and extend funding until 16 February. Looking ahead, the Senate has taken an initial vote to advance the bill, but needs an additional procedural step that requires 60 votes, meaning Republicans require the help of at least nine Democrat votes to pass the bill. If funding were to lapse at midnight, it would be the first government shutdown in the modern budgeting era – dating back to the 1970s – that is overseen by a party that controls the House, Senate and the White House.
- ▶ In terms of US data releases this week, **industrial production** rose 0.9% mom in December (consensus +0.5% mom), following a downwardly revised -0.1% mom (from +0.2% mom) in November. The largest gain was in utilities (+5.6% mom) amid a cold snap late last year. Manufacturing edged up only 0.1% mom, but this still equates to a solid 2.4% yoy growth rate and follows October's post-hurricane surge of 1.5% mom. Overall, business investment is likely to accelerate as economic activity continues to pick up, supporting the goods-producing segment of the economy. The **NAHB/Wells Fargo Housing Market Index** came in at 72, matching expectations. The homebuilder survey cooled slightly after reaching its highest level in 18 years (74) in the prior month. Robust employment levels and low mortgage rates are fuelling healthy housing demand, although recent tax reforms have made home ownership marginally less attractive for some market segments. **US housing starts** fell 8.2% mom in December (consensus -1.7% mom). The drop followed solid gains in the prior two months, boosted by post-hurricane activity, and some reversion was not unexpected. Meanwhile, headline building permits declined a modest 0.1% mom. Finally, the **University of Michigan Index of Consumer Sentiment** came in at 94.4 in January, disappointing expectations of 97.0. This was due to a drop in respondents' assessment of current conditions (a 4.6 ppt decline to 109.2), which missed a projected level of 114.4. However, the latest result still continues to hover at elevated levels.
- ▶ The **Bank of Canada** raised its overnight rate by 25 bps to 1.25%, as expected. Citing an economy operating at capacity, with labour slack being absorbed at a faster than expected rate, policymakers said a gradual increase of interest rates would be warranted over time. However, they remain aware that accommodation is needed to keep the expansion and inflation on target. Although NAFTA uncertainties continue to weigh on the central bank's outlook, 2018 GDP growth projections were modestly revised upwards in the latest monetary policy report, and inflation is expected to be around 2% yoy.
- ▶ **China's GDP growth** for Q4 came out at 6.8% yoy, beating market consensus (+6.7%) but still hovering in the very narrow range (6.7%-6.9%) observed since mid-2015. Premier Li Keqiang said that annual growth for 2017 reached 6.9%, up from 6.7% in 2016, due to better than expected exports, household income and corporate profitability. The National Bureau of Statistics also released **industrial production** data for December (+6.2% yoy), broadly in line with expectations. Utilities and metal smelting industries showed stronger momentum than in November while IT products slowed down slightly from the high levels the previous month. The biggest surprise came from **retail sales**, which came out significantly lower than expected in December (at +9.4% yoy, consensus +10.2%), partly due to relatively low car sales at the end of the year. Lastly, year-to-date **fixed asset investment** growth was unchanged, at 7.2%.

Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 19 January 2018.

Past performance is not an indication of future returns.

Coming Week (22-26 January 2018)

Date	Country	Indicator	Data as of	Survey	Prior
Tuesday 23 January	Japan	Bank of Japan Interest Rate Decision	Jan	-0.1%	-0.1%
	Germany	ZEW Expectation of Economic Growth	Jan	17.7	17.4
Wednesday 24 January	Japan	Trade Balance (adjusted) (JPY bn)	Dec	264.3	364.1
	Eurozone	Markit Composite PMI	Jan P	57.9	58.1
	UK	ILO Unemployment Rate (3 months)	Nov	4.3%	4.3%
	US	Existing Home Sales (mom)	Dec	-1.9%	5.6%
Thursday 25 January	Germany	Ifo Business Climate Index	Jan	117.0	117.2
	Eurozone	ECB Interest Rate Decision	Jan	-0.4%	-0.4%
	US	New Home Sales (mom)	Dec	-7.9%	17.5%
	Japan	National CPI, ex Fresh Food and Energy (yoy)	Dec	0.4%	0.3%
Friday 26 January	UK	GDP (qoq)	Q4 A	0.4%	0.4%
	US	GDP Annualised (qoq)	Q4 A	3.0%	3.2%
	US	Durable Goods Orders (mom)	Dec P	0.9%	1.3%

P – Preliminary, Q – Quarter, A - Advance

US

- ▶ On Tuesday, the US Senate Banking Committee will hold a hearing to consider the nomination of Marvin Goodfriend as a governor of the Federal Reserve Board in Washington.
- ▶ In the US, **Q4 GDP** growth is expected at 3.0% qoq on a seasonally adjusted annualised (SAAR) basis. This follows back-to-back quarterly gains of over 3.0% qoq SAAR and would represent solid momentum in the economy. Supported by strong holiday sales, Q4 consumption could rise to 3% qoq SAAR (from +2.2% qoq SAAR in Q3), while government expenditure is pencilled in to increase 1.1% qoq SAAR (+0.7% qoq SAAR in Q3). This is tempered by an anticipated deceleration in private investment to 6% qoq SAAR (+7.3% qoq SAAR in Q3) and negative net export growth (-1.2% qoq SAAR projected).
- ▶ Meanwhile, headline **durable goods orders** are likely to rise by 0.9% mom in December, supported by a notable increase in new commercial jet contracts. Non-defense capital goods orders (excluding aircraft) could grow by 0.5% mom. If confirmed, the core measure rose by more than 1.0% qoq in Q4, a solid result for underlying activity after Q3's 5.0% qoq jump.
- ▶ Turning to the housing market, December **existing home sales** are expected to decline 1.9% mom to a seasonally adjusted rate of 5.70 million. The drop in re-sales comes after a 5.6% mom surge in November and the anticipated level would still be above the current 12-month trailing annualised average rate of 5.54 million.
- ▶ Finally, **new home sales** are projected to fall 7.9% in December, following a 17.5% mom spike in November. The latter was the strongest monthly reading in 25 years and a reversal is normal. Overall, residential purchases are likely to be supported by a robust labour market and relatively low mortgage costs, although recent surveys have highlighted lean inventory potentially weighing on near-term activity.

Europe

- ▶ The minutes from the **ECB's** December meeting showed that policymakers discussed tweaking the bank's forward guidance "early" this year, potentially paving the way for an exit from the bank's quantitative easing programme. However, the **January meeting** is probably too early for this happen, given that quantitative easing is scheduled to run until September. Furthermore, recent large gains in the euro present a headwind to the bank's aim to push inflation closer towards target, and could see ECB President Mario Draghi adopt an overall dovish tone at the meeting.
- ▶ The preliminarily **Eurozone PMIs** for January are anticipated to moderate, following strong gains seen at the end of 2017. The composite index could drop 0.2 pts to a still healthy 57.9, while the manufacturing index may fall back to 60.3 from an all-time high of 60.6.
- ▶ **Germany's ZEW** survey numbers are expected to edge higher in January (+0.3 pts to 17.7 for the expectations index). This reflects both continuing strength in the German economy and – given this survey is predominantly drawn from respondents in the finance sector – robust financial market conditions. Nevertheless, sentiment may surprise to the downside given recent gains in the euro and domestic political uncertainty following last year's federal elections. Indeed, consensus market expectations are for January's **Ifo prints** to edge slightly lower, with the headline business climate index potentially declining 0.2 pts to 117.0, having hit a record high of 117.6 in November.
- ▶ The first estimate of Q4 **UK GDP** is expected to show growth of 0.4% over the quarter, matching Q3's pace of expansion. The bulk of UK growth remains driven by the services sector; while manufacturing output has been robust in recent quarters, construction output fell in Q4.

Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 19 January 2018.

Past performance is not an indication of future returns.

- ▶ The **UK unemployment rate** in the three months to November is expected to hold at 4.3%, remaining at its lowest rate since June 1975. In greater focus will be total wage growth over the same period, which is also anticipated to remain unchanged (at +2.5% yoy), a touch above the recent trend rate. Any signs of softness in other labour market indicators (e.g., employment growth, claimant count rate) could help support a more dovish stance by the Bank of England's Monetary Policy Committee at their next meeting on 8 February.

Japan

- ▶ The **Bank of Japan (BoJ)** is expected to leave monetary policy unchanged at its **January meeting**. The economy has been solid recently and, although core inflation (based on all items less fresh food) has been rising, it remains far from the bank's 2% target, suggesting there is little justification for changes to monetary policy. Furthermore, core inflation is expected to remain range-bound between 0% and 1% until the end of the year, as imported inflation remains subdued and the gradual closing of the output gap is not strong enough to create meaningful inflationary pressures in the near term. The announcement by the BoJ earlier this month of a cut in purchase plans of long-dated bonds fuelled speculation of an earlier than expected normalisation of policy. However, Governor Haruhiko Kuroda is expected to play down this prospect, at least for the near term, as inflation remains much lower than target.
- ▶ **Japan's trade surplus** is expected to shrink from JPY364.1 billion in November to JPY264.3 billion seasonally adjusted in December, dragged down by higher energy prices. The gradual pickup in domestic consumption and a likely acceleration in investment provide a strong support to imports (consensus at +12.4% yoy, +17.2% previously). Meanwhile, exports could have decelerated further (+9.9% yoy expected, +16.2% previously), although the PMI new export orders continued to rise in December, suggesting some positive surprise in terms of exports.
- ▶ **Japan's headline CPI inflation** is expected to rise 1.1% yoy in December, up from 0.6% yoy in November, driven by an increase in gasoline and utility prices. Core CPI (CPI ex-fresh food and energy) is also expected to tick up slightly from 0.3% yoy in November to 0.4% yoy in December. Overall, inflation is still way below the BoJ's 2% inflation target as household spending is subdued, while companies are reluctant to raise their prices.

Market Moves

Global equity markets rose amid investor optimism over the global economic outlook

- ▶ **US equities** rose again this week, with indices reaching fresh record highs on the back of continuing optimism over the economic outlook. This was supported by upbeat data releases over the week (including December industrial production and initial jobless claims hitting a 45-year low). This offset a drag from the energy sector amid a pullback in oil prices. Overall, the S&P 500 Index rose 0.9%.
- ▶ The **EURO STOXX 50 Index** rose this week (+1.0%). Strong gains were recorded in the IT and industrial sectors, while energy shares stumbled on the back of falling oil prices. At the country level, Germany's DAX rallied by 1.4%, thanks to strong performance of consumer discretionary stocks. Elsewhere, both France's CAC and Spain's IBEX were little changed. Meanwhile, the UK's FTSE 100 Index fell 0.6%, weighed on by a stronger pound.
- ▶ **Asian stock markets** advanced this week amid investor optimism over corporate earnings and the global economic outlook. Data showing China's GDP growth accelerated in 2017 for the first time since 2010 also supported sentiment. Both Hong Kong's Hang Seng Index and India's SENSEX 30 Index reached record highs. The latter index was also boosted by news that the government is considering raising banks' foreign ownership limits, has cut its additional borrowing requirement for the current financial year by 60%, and has decided to cut Goods and Services tax rates on certain products and services. Bucking the regional trend, Australia's ASX 200 fell 1.1%.

US Treasury yields rose, with 10-year yields rising above 2.60% – the highest since 2014

- ▶ **US Treasuries** continued their 2018 sell-off this week (yields rose), with benchmark 10-year yields rising 11 bps to 2.66%, the highest rate since 2014. Apart from continuing upbeat data, the sell-off was driven by concerns over a possible government shutdown at the end of the week.
- ▶ Core **European government bond** yields were little changed this week, unscathed from a sell-off in US Treasuries and hawkish comments from ECB Governing Council member Ardo Hansson. Benchmark German 10-year bund yields closed flat at 0.57%. UK equivalents also finished flat at 1.34%, despite December retail sales data coming in much weaker than expected.

US dollar softness continued for another week amid lingering concerns over a US government shutdown

- ▶ **US dollar** softness continued for another week amid lingering concerns over a US government shutdown. This boosted the euro and British pound, which both appreciated against the greenback for the fifth consecutive week, by 0.2% and 0.9%, respectively. The British pound also benefited from hawkish comments by Bank of England's Michael Saunders, who argued that interest rates could "rise further over time" if the labour market continues to tighten.

Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 19 January 2018.

Past performance is not an indication of future returns.

- ▶ Most **Asian currencies** appreciated against a broadly weaker US dollar this week, led by the renminbi, Malaysian ringgit and Taiwanese dollar. The offshore renminbi strengthened beyond 6.4 per US dollar for the first time since November 2015. The Malaysian ringgit posted a fourth week of gains versus the US dollar amid market expectations of a possible policy rate hike by the central bank next week and with oil prices staying high. The Taiwanese dollar advanced to its highest level since November 2013 against the US dollar, amid foreign equity fund inflows. Meanwhile, the Philippine peso weakened against the US dollar, continuing to be weighed down by data showing the trade deficit widened to a record high in December and slower overseas worker remittances.

Crude oil prices fell this week despite a decline in US inventories; gold prices also fell

- ▶ **Crude oil prices fell** this week, halting the consecutive gains seen over the past four weeks as investors took profits. Meanwhile, a mixed U.S. Energy Information Administration report did little to support prices as the significant decline in US crude inventories (-6.86 million barrels) was weighed against an increase in US oil production last week. Overall, WTI crude oil ended the week 1.1% lower to USD63.6 a barrel, while Brent crude shed 1.6% to close at USD68.8 a barrel.
- ▶ Meanwhile, **gold prices** edged lower (-0.5% to USD1,332 per troy ounce) for the first time in six weeks, with much of the weakness occurring on Wednesday as upbeat economic data in the US dampened demand for the “safe-haven” asset. The precious metal did pare back some of these losses on Friday amid a weaker US dollar and looming fears of a US government shutdown.

Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 19 January 2018.

Past performance is not an indication of future returns.

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)	537	0.7	5.2	8.3	25.2	4.6	538	429	16.7
North America									
US Dow Jones Industrial Average	26,072	1.0	5.3	12.6	32.1	5.5	26,153	19,678	18.5
US S&P 500 Index	2,810	0.9	4.8	9.7	24.1	5.1	2,810	2,257	18.7
US NASDAQ Composite Index	7,336	1.0	5.3	11.1	32.4	6.3	7,336	5,523	23.0
Canada S&P/TSX Composite Index	16,353	0.3	1.4	3.4	6.1	0.9	16,421	14,916	16.2
Europe									
MSCI AC Europe (USD)	510	0.8	5.9	6.0	26.4	4.6	511	403	14.9
Euro STOXX 50 Index	3,649	1.0	1.9	1.3	10.9	4.1	3,709	3,214	14.6
UK FTSE 100 Index	7,731	-0.6	2.5	2.8	7.2	0.6	7,793	7,094	14.8
Germany DAX Index*	13,434	1.4	1.7	3.4	15.8	4.0	13,526	11,480	14.0
France CAC-40 Index	5,527	0.2	2.7	2.9	14.2	4.0	5,536	4,734	15.3
Spain IBEX 35 Index	10,480	0.2	2.4	2.8	11.7	4.3	11,184	9,237	13.7
Asia Pacific									
MSCI AC Asia Pacific ex Japan (USD)	596	0.9	6.6	8.6	33.5	4.5	597	444	14.3
Japan Nikkei-225 Stock Average	23,808	0.7	4.1	11.0	24.8	4.6	24,084	18,225	19.6
Australian Stock Exchange 200	6,006	-1.1	-1.1	1.9	5.5	-1.0	6,150	5,583	16.2
Hong Kong Hang Seng Index	32,255	2.7	10.3	14.5	39.9	7.8	32,255	22,858	12.8
Shanghai Stock Exchange Composite Index	3,488	1.7	5.8	3.5	12.5	5.5	3,498	3,017	13.6
Hang Seng China Enterprises Index	13,180	5.7	14.2	16.0	34.6	12.6	13,187	9,633	8.6
Taiwan TAIEX Index	11,151	2.5	6.5	3.6	19.7	4.8	11,151	9,318	14.3
Korea KOSPI Index	2,520	1.0	1.7	1.9	21.6	2.1	2,562	2,052	9.3
India SENSEX 30 Index	35,512	2.7	4.9	9.6	30.0	4.3	35,542	26,964	23.3
Indonesia Jakarta Stock Price Index	6,491	1.9	5.2	9.8	22.5	2.1	6,491	5,228	16.7
Malaysia Kuala Lumpur Composite Index	1,829	0.3	5.3	4.9	9.7	1.8	1,840	1,664	16.3
Philippines Stock Exchange PSE Index	8,916	1.1	6.6	5.0	23.0	4.2	8,969	7,146	19.5
Singapore FTSE Straits Times Index	3,550	0.8	4.3	6.5	18.0	4.3	3,561	3,004	14.6
Thailand SET Index	1,821	0.6	5.1	8.2	17.1	3.9	1,838	1,529	16.6
Latam									
Argentina Merval Index	33,592	2.7	21.2	25.3	80.3	11.7	34,148	18,563	12.6
Brazil Bovespa Index*	81,220	2.4	11.7	6.5	27.0	6.3	81,429	60,315	13.3
Chile IPSA Index	5,856	2.1	4.8	6.9	37.3	5.2	5,875	4,190	19.7
Colombia COLCAP Index	1,551	1.9	5.1	5.6	14.1	2.5	1,553	1,316	13.9
Mexico Index	49,696	1.1	2.7	-0.6	7.4	0.7	51,772	46,022	16.9
EEMEA									
Russia MICEX Index	2,286	1.1	7.9	10.3	5.7	8.4	2,307	1,775	6.7
South Africa JSE Index	60,913	1.4	4.7	5.2	15.1	2.4	104,920	50,737	16.8
Turkey ISE 100 Index*	115,147	0.4	4.5	6.2	39.9	-0.2	118,395	81,997	8.4

*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 (%)
Equity Indices - Total Return							
Global equities	0.7	5.3	8.6	4.7	27.6	38.7	68.7
US equities	0.4	4.4	9.5	4.7	25.2	44.3	101.7
Europe equities	0.9	5.9	6.3	4.6	29.9	28.4	41.1
Asia Pacific ex Japan equities	0.9	6.8	9.0	4.6	37.0	38.6	43.2
Japan equities	1.6	6.8	11.3	6.5	29.6	48.8	77.0
Latam equities	2.7	11.8	4.9	8.5	29.4	26.1	-11.1
Emerging Markets equities	1.6	8.6	10.2	6.0	40.2	38.2	28.0

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 19 January 2018.

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)	512	-0.1	-0.4	0.0	2.8	-0.4
JPM EMBI Global	809	0.0	0.2	0.2	8.2	0.1
BarCap US Corporate Index (USD)	2,880	-0.3	-0.1	0.0	5.5	-0.8
BarCap Euro Corporate Index (Eur)	247	0.3	-0.2	0.1	2.9	0.1
BarCap Global High Yield (Hedged in USD)	472	0.0	0.8	0.7	7.8	0.6
Markit iBoxx Asia ex-Japan Bond Index (USD)	196	-0.1	0.0	-0.2	4.3	-0.3
Markit iBoxx Asia ex-Japan High-Yield Bond Index (USD)	254	0.2	0.9	1.0	6.6	0.7

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

	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 (%)
Currencies (vs USD)									
Developed markets									
EUR/USD	1.22	1.22	1.18	1.19	1.07	1.20	1.23	1.05	0.2
GBP/USD	1.39	1.37	1.34	1.32	1.23	1.35	1.39	1.21	0.9
CHF/USD	1.04	1.03	1.02	1.02	0.99	1.03	1.06	0.98	0.4
CAD	1.25	1.25	1.29	1.25	1.33	1.26	1.38	1.21	-0.3
JPY	110.77	111.06	112.89	112.54	114.86	112.69	115.51	107.32	0.3
AUD	1.25	1.26	1.31	1.27	1.32	1.28	1.36	1.23	1.0
NZD	1.37	1.38	1.43	1.42	1.39	1.41	1.47	1.32	0.3
Asia									
HKD	7.82	7.82	7.82	7.80	7.76	7.81	7.83	7.76	0.1
CNY	6.40	6.47	6.60	6.61	6.87	6.51	6.92	6.39	1.0
INR	63.85	63.64	64.04	65.04	68.13	63.87	68.24	63.25	-0.3
MYR	3.94	3.97	4.08	4.22	4.45	4.05	4.46	3.94	0.8
KRW	1,066	1,065	1,085	1,132	1,178	1,067	1,178	1,058	-0.1
TWD	29.38	29.62	29.97	30.22	31.62	29.73	31.62	29.36	0.8
Latam									
BRL	3.20	3.21	3.29	3.17	3.20	3.31	3.41	3.04	0.3
COP	2,851	2,860	2,971	2,919	2,948	2,986	3,103	2,829	0.3
MXN	18.64	19.04	19.21	18.80	21.96	19.66	21.99	17.45	2.1
EEMEA									
RUB	56.72	56.60	58.77	57.28	59.89	57.69	61.01	55.70	-0.2
ZAR	12.20	12.37	12.71	13.49	13.56	12.38	14.57	12.07	1.4
TRY	3.81	3.75	3.83	3.65	3.83	3.80	3.98	3.39	-1.5

	Close	1-week Ago	1-month Ago	3-months Ago	1-year Ago	Year End 2017	1-week Basis Point Change
Bonds							
US Treasury yields (%)							
3-Month	1.43	1.44	1.37	1.09	0.50	1.38	-1
2-Year	2.06	2.00	1.85	1.53	1.22	1.88	7
5-Year	2.45	2.35	2.22	1.95	1.96	2.21	10
10-Year	2.66	2.55	2.46	2.32	2.47	2.41	11
30-Year	2.93	2.85	2.82	2.84	3.05	2.74	8
10-year bond yields (%)							
Japan	0.08	0.07	0.04	0.06	0.07	0.04	1
UK	1.34	1.34	1.20	1.28	1.41	1.19	0
Germany	0.57	0.58	0.38	0.39	0.38	0.42	-1
France	0.84	0.85	0.70	0.81	0.86	0.78	-1
Italy	1.96	1.98	1.91	2.02	1.98	2.01	-2
Spain	1.44	1.49	1.48	1.63	1.47	1.56	-6
China	3.98	3.95	3.91	3.72	3.28	3.90	3
Australia	2.87	2.75	2.58	2.76	2.76	2.63	11
Canada	2.24	2.17	1.93	2.01	1.76	2.05	7

*Numbers may not add up due to rounding

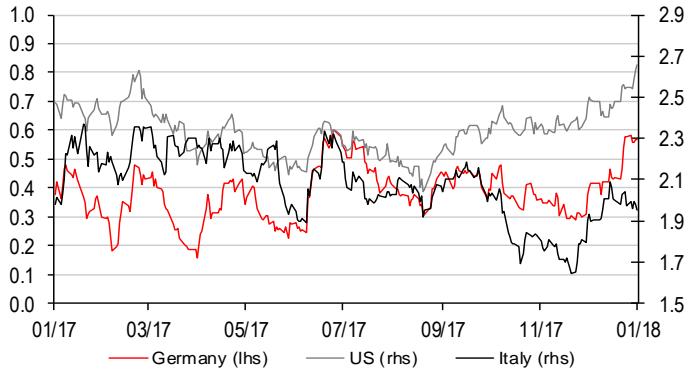
	Latest	1-week Change (%)	1-month Change (%)	3-month Change (%)	1-year Change (%)	YTD Change (%)	52-week High	52-week Low
Commodities								
Gold	1,332	-0.5	5.6	3.2	10.5	2.2	1,358	1,181
Brent Oil	68.8	-1.6	7.8	20.1	27.0	2.8	70	44
WTI Crude Oil	63.6	-1.1	10.6	23.9	23.7	5.2	65	42
R/J CRB Futures Index	196	-0.3	5.1	6.2	1.3	0.8	197	166
LME Copper	7,076	-0.5	1.9	1.6	23.3	-2.4	7,313	5,463

Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 19 January 2018.

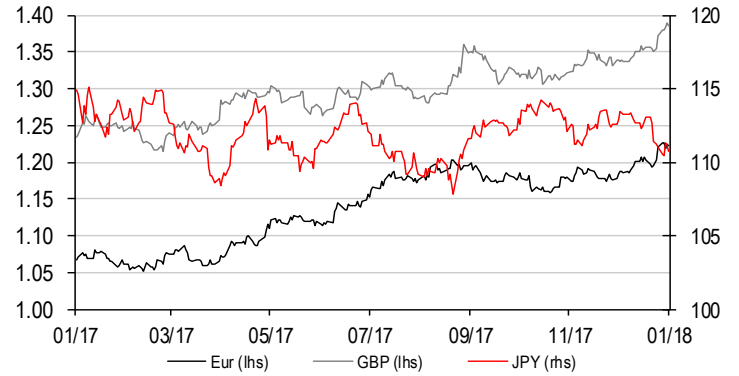
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Market Trends

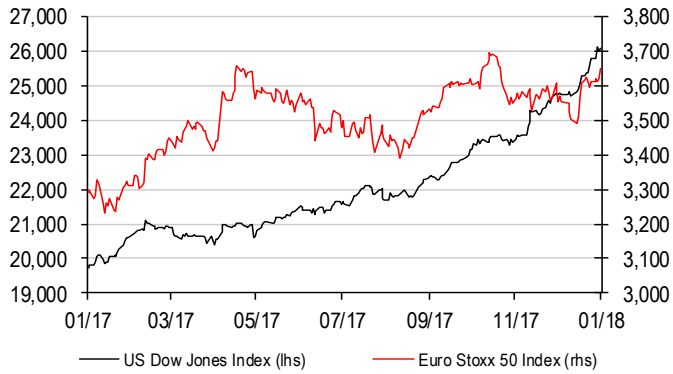
Government bond yields (%)



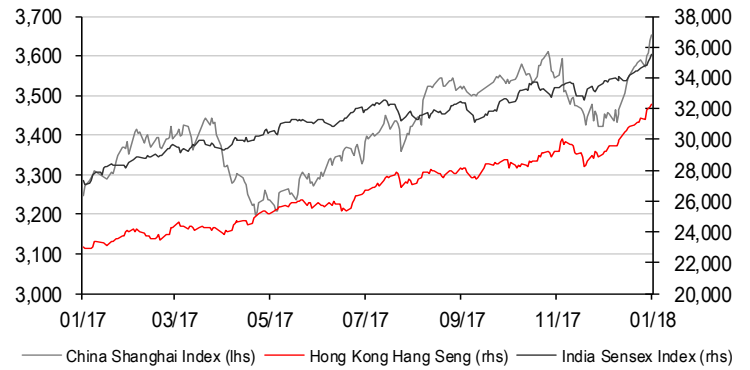
Major currencies (versus USD)



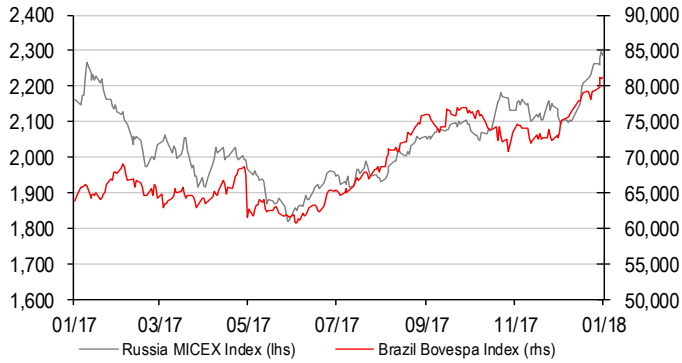
Global equities



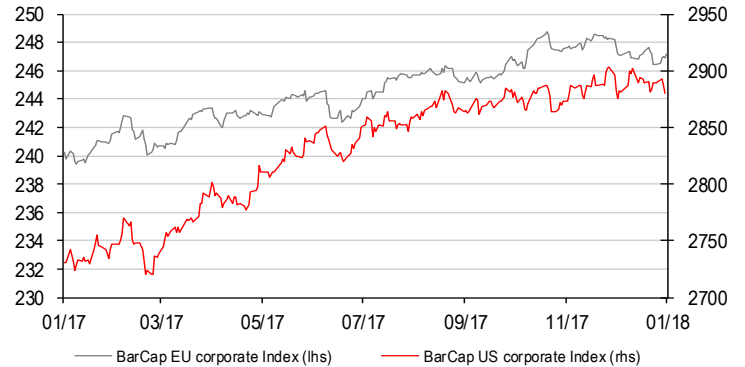
Emerging Asian equities



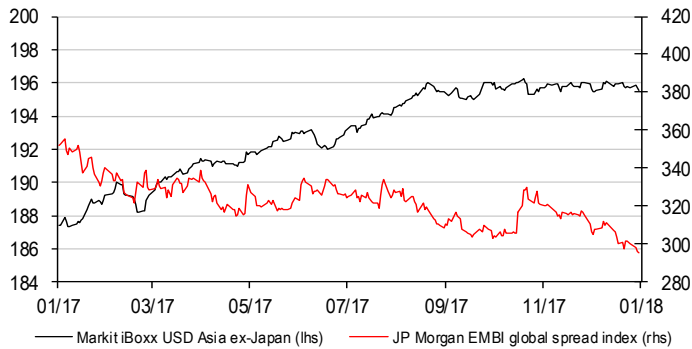
Other emerging equities



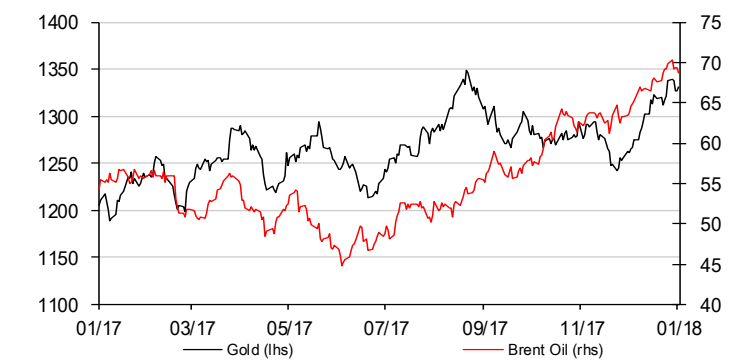
Global credit indices



Emerging markets spreads (USD indices)



Commodities (USD)



Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 19 January 2018.

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Expiry: 16 February 2018

DK1800032A

Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 19 January 2018.

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