Investment Weekly

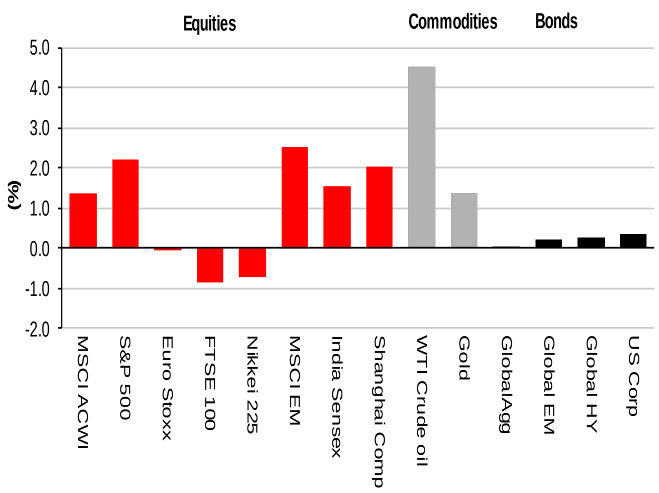
26 January 2018

For Professional Client and Institutional Investor Use Only

- US equities rose this week, with the S&P 500 Index once again reaching fresh record highs. An early vote by the Senate on Monday to reopen the government and upbeat corporate earnings releases supported investor sentiment
- The US government managed to avoid a lengthy shutdown this week with a continuing resolution that allows the government to be funded until 8 February
- In Europe, the European Central Bank (ECB) kept monetary policy on hold, reiterating that the asset purchase programme could be extended and/or increased in size if the outlook turned less favourable
- In the coming week, the last US Federal Reserve (Fed) monetary policy meeting with Janet Yellen as Chair will be in focus, as well as US nonfarm payrolls data for January

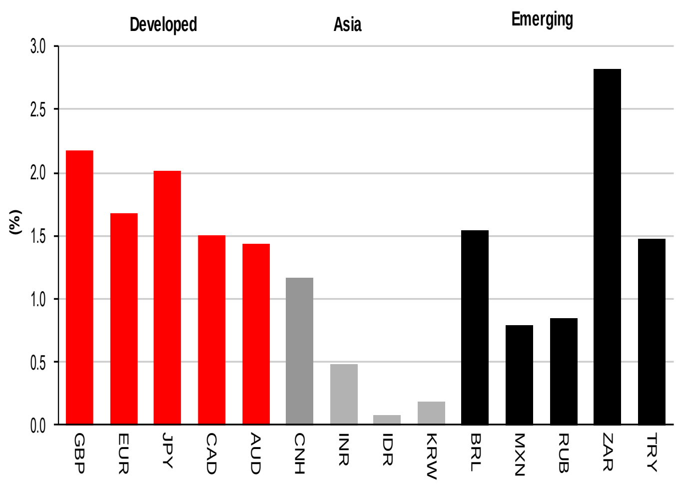
Movers and shakers

A stronger sterling weighed on the UK's FTSE 100

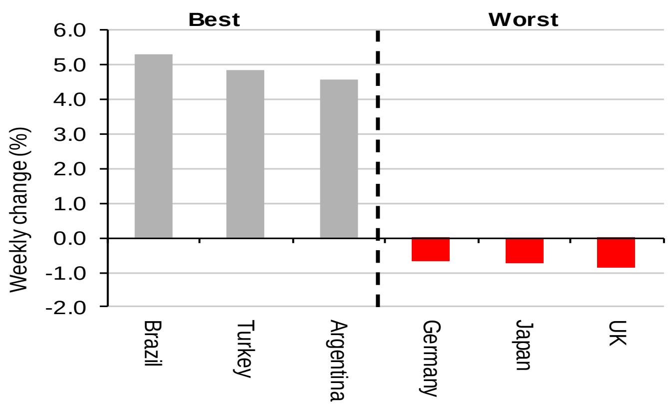


Currencies (versus USD)

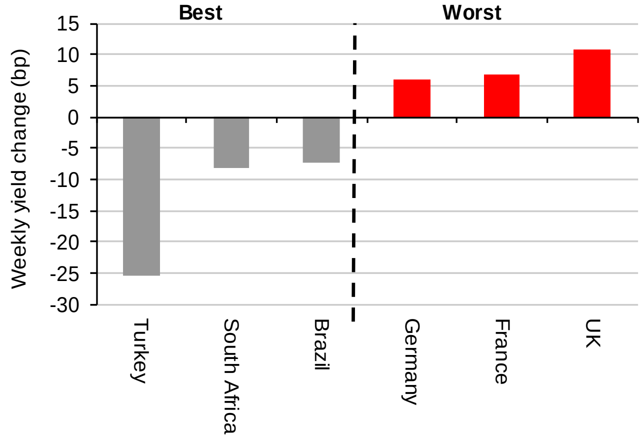
Most currencies rose against the US dollar this week



Equities



Bonds (10-year)



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Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 26 January 2018.
All the above charts relate to 19/01/2018 – 26/01/2018.

Past performance is not an indication of future returns.

HSBC Global Asset Management

Macro Data and Key Events

Past Week (23-26 January 2018)

Date	Country	Indicator	Data as of	Survey	Actual	Prior
Tuesday 23 January	Japan	Bank of Japan Interest Rate Decision	Jan	-0.1%	-0.1%	-0.1%
	Germany	ZEW Expectation of Economic Growth	Jan	17.7	20.4	17.4
Wednesday 24 January	Japan	Trade Balance Adjusted (JPY bn)	Dec	276.7	86.8	289.6
	Eurozone	Markit Composite PMI	Jan P	57.9	58.6	58.1
	UK	ILO Unemployment Rate (3 months)	Nov	4.3%	4.3%	4.3%
	US	Existing Home Sales (mom)	Dec	-1.9%	-3.6%	5.1%
Thursday 25 January	Germany	Ifo Business Climate Index	Jan	117.0	117.6	117.2
	Eurozone	ECB Interest Rate Decision	Jan	-0.4%	-0.4%	-0.4%
	US	New Home Sales (mom)	Dec	-7.9%	-9.3%	15.0%
Friday 26 January	Japan	National CPI ex Fresh Food, Energy (yoy)	Dec	0.4%	0.3%	0.3%
	UK	GDP (qoq)	Q4 A	0.4%	0.5%	0.4%
	US	GDP Annualised (qoq)	Q4 A	3.0%	2.6%	3.2%
	US	Durable Goods Orders (mom)	Dec P	0.8%	2.9%	1.7%

P – Preliminary, Q – Quarter, A – Advance

- **US lawmakers** agreed a deal that allowed the **government to reopen** on Monday, after three days of partial shutdown. The new spending bill was approved by an 81-18 Senate vote and will fund the government until 8 February. But budget issues will stay on the radar for some time yet as the US government gets closer to reaching its overall debt ceiling. In terms of data releases, **new home sales** fell by 9.3% mom in December, more than the consensus expectations of 7.9% mom. November's surge was trimmed by 2.5 ppts to 15.0% mom. The longer-term trend is still showing a steady improvement since bottoming in 2011, with demand continuing to be supported by solid employment and relatively low mortgage costs. Meanwhile, **existing home sales** declined 3.6% mom in December, larger than an anticipated fall of 1.9% mom. November's surge of 5.6% mom was also revised downwards to 5.1% mom. **Q4 GDP** rose 2.6% qoq SAAR (seasonally adjusted annual rate), lower than the expected 3.0% qoq SAAR. However, this follows two quarters of strong gains of over 3.0% qoq SAAR and represents solid momentum. Consumption rose by 3.8% qoq SAAR amid solid spending gains for goods. Gross private investments gained 3.6%, supported by increased equipment and residential expenditures. Net exports detracted for the quarter with a jump in exports (+6.9% qoq SAAR) outclassed by a surge in imports (a +13.9% qoq SAAR surge). In the same report, Q4 core personal consumption expenditures (PCE) accelerated 0.1 ppt to 1.5% yoy and overall personal income edged up 0.02 ppts to 0.93% qoq SAAR. Finally, headline **durable goods orders** jumped 2.9% mom in December, well past the expected 0.8% mom. The surprise came from transportation, however, as non-defence capital goods orders (excluding aircraft) modestly declined 0.3% mom.
- As expected, the **ECB** kept monetary policy on hold at its **January policy meeting**. The accompanying statement was also left broadly unchanged, reiterating that the asset purchase programme could be extended and/or increased in size if the outlook turned less favourable. Interest rates could remain at present levels "well past" the end of the asset purchase programme. However, the statement included some new remarks with respect to "recent volatility in the exchange rate ... which requires monitoring." In addition, recent economic strength further boosted the bank's confidence that inflation would return to target. At the press conference, ECB President Mario Draghi also confirmed the possibility that asset purchases could end in September. In terms of data releases, the preliminary estimate of **eurozone composite PMI** unexpectedly rose from 58.1 to 58.6 in January, its highest level since June 2006. The uptick was driven by a strong gain in the services component (up 1.0 pts to 57.6), which offset an equivalent decline in the manufacturing index (to 59.6). Overall, the data is consistent with continued strength in eurozone activity. A further uptick in the services output prices component is also a potential sign of building underlying inflation pressures. The **German ZEW survey** surged in January, with the assessment of the current situation index rising 5.9 points to a record 95.2, while the expectations index rose 3.0 points to 20.4. This reflects both continuing strength in the German economy, supported by an environment of robust global growth, and upbeat domestic financial market conditions (the survey is predominantly drawn from finance professionals). The readings are especially encouraging given recent gains in the euro (potentially weighing on the critical export sector) and domestic political uncertainty following last year's federal elections. The headline German **Ifo Business Climate Index** also unexpectedly rose to 117.6 in January from 117.2 previously, matching the record high set last November.
- Last weekend in **Germany**, at a Social Democratic Party (SPD) conference, 56% of party delegates voted in favour of entering official **coalition talks** with Angela Merkel's CDU/CSU. A final "Grand Coalition" treaty will now need to be negotiated, which is then voted on by the full SPD party membership. Merkel has signalled her aim to finish a draft of the coalition treaty by the start of February. Given the fairly slim majority vote at the weekend conference, it is likely the SPD will seek to extract further concessions to boost support among the party for a grand coalition. However, many senior conservative CDU/CSU members have urged Merkel not to budge, indicating there is still a risk that talks could collapse or that the final treaty could be voted down. **This scenario could lead to snap elections**.

Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 26 January 2018.

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- The **Bank of Japan** (BoJ) kept its policy rates unchanged (with short-term interest rates at -0.1% and 10-year Japanese government bond yields at 0%), while reiterating its annual buying target of around JPY80 trillion of JGBs, in an 8-1 vote. The assessment of economic activity was identical to the previous assessment in October. However, for inflation, policymakers acknowledged recent increases, with CPI ex-fresh food rising to nearly 1.0%. Nevertheless, they stated most inflationary pressures came from energy prices and that the balance of risks to inflation remain "skewed to the downside." In terms of data releases, **Japan's exports** slowed more than expected to 9.3% yoy in December (expected +10% yoy), from 16.2% yoy in November. Most of the deceleration relates to the appreciation of the yen over the past 12 months. Meanwhile, imports were more resilient, rising 14.9% yoy (down from +17.2% in November; consensus at +12.4%), still boosted by energy price increases. Overall, on a seasonally adjusted basis, the trade surplus narrowed more than expected, to JPY86.8 billion (consensus was for JPY276.7 billion), while data for November was revised downwards from JPY364 billion to JPY289.6 billion. **Japan's headline inflation** rose in December, coming in at 1.0% yoy (previously +0.6%, consensus at +1.1%). Meanwhile, CPI ex-fresh food and CPI ex-fresh food and energy remained unchanged at 0.9% and 0.3% respectively.

Coming Week (29 January – 2 February 2018)

Date	Country	Indicator	Data as of	Survey	Prior
Monday 29 January	US	PCE Core (yoy)	Dec	1.5%	1.5%
Tuesday 30 January	Japan	Jobless Rate	Dec	2.7%	2.7%
	Eurozone	GDP (seasonally adjusted, qoq)	Q4 A	0.6%	0.6%
	US	S&P/Case-Shiller 20-City Composite Home Price Index (yoy)	Nov	6.4%	6.4%
	Mexico	GDP Seasonally Adjusted (qoq)	Q4 P	1.1%	-0.3%
	US	Conference Board Consumer Confidence Index	Jan	123.0	122.1
	UK	Bank of England's Mark Carney Speaks			
Wednesday 31 January	Japan	Industrial Production (mom)	Dec P	1.5%	0.5%
	China	Official Manufacturing PMI	Jan	51.5	51.6
	Eurozone	Unemployment Rate	Dec	8.7%	8.7%
	Eurozone	CPI Estimate (yoy)	Jan	1.3%	1.4%
	US	Pending Home Sales (mom)	Dec	0.5%	0.2%
	US	FOMC Interest Rate Decision	Jan	1.50%	1.50%
Thursday 01 February	US	ISM Manufacturing Index	Jan	58.6	59.3
Friday 02 February	US	Change in Nonfarm Payrolls (000s)	Jan	180	148

P – Preliminary, Q – Quarter, A – Advance

US

- At the last meeting with Janet Yellen as Fed Chair, the Federal Open Market Committee is expected to keep the Fed funds target range unchanged at 1.25%-1.50%. The Fed's most recent Beige Book highlighted only modest wage pressures and modest to moderate inflation in the economy, despite widespread descriptions of difficulty finding qualified workers. There is no press conference scheduled following the announcement and investors may comb through the official statement for any nuanced cues regarding policy outlook.

- January's **nonfarm payrolls** is expected to increase by 180,000 after December's languid pace of 148,000. The unemployment rate is projected to remain steady at 4.1%, while hourly earnings may stay unchanged at 0.3% mom, which equates to a 0.1% uptick in the annual rate to 2.6% yoy.

- **The ISM Manufacturing Index** is anticipated to edge down 0.7 pts to 58.6 in December, continuing to ease from September's 13-year high (60.8) but remaining at healthy levels. Continuing economic expansion, recent tax reforms and elevated new orders are supporting upbeat sentiment from the goods-producing sector.

- The **S&P/Case-Shiller 20 City Composite Index** of residential prices could continue to climb in November. The annual change for the 20-city composite accelerated past the 4%-6% yoy range of the past three years in September and October amid healthy demand. For November, the median price for existing home sales increased 5.5% yoy and the median price for new home sales rose 6.3% yoy.

- **Pending home sales** are likely to rise 0.5% mom in December, having been trending sideways since the beginning of 2016 amid low housing stock on the market.

- The headline **Conference Board Consumer Confidence Index** could rise 0.9 pts to 123.0 in December, treading at euphoric levels against low unemployment and after the passage of the tax cut late in the month. Mirroring the headline result, the survey's labour market differential – the difference between respondents saying jobs are plentiful and those saying jobs are hard to get – dipped to 20.5 in November, hovering near 16-year highs.

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Europe

- The early estimate of Q4 **eurozone GDP** growth is expected at 0.6% qoq, the same level registered in the previous quarter. Although survey data strengthened significantly during the quarter, hard data has remained broadly stable (industrial production, retail sales).
- **Eurozone CPI inflation** is expected to edge down to 1.3% yoy in the flash January estimate, driven lower by base effects from energy and food prices. The core reading is likely to increase (+0.1 ppt to +1.0% yoy expected), on the back of higher airfare prices.

Japan and emerging markets

- **Japan's jobless rate** is expected to stabilise at 2.7% in December, its lowest level in 23 years. Survey-based signals during the month were relatively strong, with rises in the employment component of the Shoko Chukin Bank's Monthly Survey of small and medium enterprises and the EPA consumer confidence survey. The job-to-applicant ratio is expected to increase from 1.56 to 1.57 (a 43-year high).
- **Japan's industrial production** for December is expected to accelerate (+1.5% mom), as December's manufacturing PMI rose to its highest level in at least three years. The Ministry of Economy, Trade and Industry survey of production forecast for that month showed a 3.4% mom expected increase, followed by a strong decline of 4.5% in January.
- **Mexico's Q4 GDP** is expected to expand by 1.1% qoq, the fastest pace in over a year. This follows Q3's contraction (-0.3% qoq) due to natural disaster disruptions. On an annual basis, consumption is expected to increase by 2.4% (+3.1% previously), remaining the key to growth. Lingering concerns over NAFTA negotiation still weigh on private gross investments, but the category could show a modest 0.2% yoy rise in Q4 (prior -0.8% yoy).

Market Moves

US stocks rallied amid contradicting comments from the Trump administration on the US dollar

- **US equities** rose for a fourth consecutive week, with indices reaching fresh record highs. Much of these price gains occurred earlier in the week after the Senate reached a short-term compromise to end the partial government shutdown, and as upbeat corporate earnings supported risk sentiment. However, investor risk appetite was later weighed on by comments from Commerce Secretary Wilbur Ross in Davos hinting at further trade actions against China. Overall, the S&P 500 Index rose 2.2%.
- **European stocks** ended little changed this week after the ECB kept policy unchanged, as expected. The EURO STOXX 50 Index ended flat, with gains in financials and healthcare stocks offsetting losses in materials and utilities stocks. At the country level, a stronger euro and sterling against the US dollar weighed on exporter shares, with both the German DAX and UK's FTSE 100 Index ending the week almost 1% lower.
- In **Asia,** most equity markets rose during the week on a positive economic outlook and heightened appetite for risk. Chinese shares outperformed, with the Shanghai Stock Exchange Composite Index adding 2.0%, and offshore stocks listed in Hong Kong up 4.1% amid renewed appetite for financials. Korean stocks also gained more than 2.0% on an upbeat consumer outlook as the government announced policies to support minimum wage and boost employment. Japan was among the few markets that retreated as the appreciation of the yen weighed on exporters. The Nikkei 225 Index ended the week down 0.7%.

Core European bond yields rose in the aftermath of the ECB's monetary policy meeting

- Longer-dated **US Treasuries** rose slightly (yields fell), halting three consecutive weeks of a sell-off. This was amid a strong auction across two-, five- and seven-year government debt and mixed comments from the Trump administration on its stance on the US dollar and international trade. Overall, 10-year Treasury yields stayed flat at 2.66% and two-year yields rose 5 bps to 2.12%.
- **European government bonds** fell and yields rose this week, as ECB President Mario Draghi expressed confidence that inflation will pick up in the eurozone. His comments bolstered speculation that the ECB could terminate its bond purchase program by September. Benchmark German 10-year bund yields rose 6 bps this week to 0.63%. Spanish 10-year bond yields fell 3 bps to 1.40% after its sovereign debt rating was upgraded by a major ratings agency earlier this week. Also in the primary market, Spain's biggest syndicated debt offering since 2014 was well received with bids approximately 4.5 times higher than the amount offered (EUR10 billion of 10-year notes).

Most currencies gained on the back of a weaker US dollar

- The **euro** appreciated sharply against the US dollar this week, up by 1.6% to USD1.24 – its highest level since the end of 2014. The strong performance came after solid data releases, US Treasury Secretary Steven Mnuchin's perceived talking down of the greenback, and with the ECB seemingly unconcerned over the recent strength of the euro. Instead, ECB President Mario Draghi remarked that "volatility" rather than strength in the euro requires monitoring. British sterling also closed higher (+2.1%), benefiting from US dollar weakness and better than expected Q4 GDP data.

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- **Asian currencies** rose against the US dollar over the week. Malaysia's ringgit continued to outperform, appreciating by 1.7%, as Malaysia's Central Bank hiked policy rates for the first time since 2014. The Thai baht and Chinese renminbi also gained more than 1.2%. In Japan, the yen followed the general trend, appreciating by 2.0% amid heightened volatility after remarks by Donald Trump and an influential Japanese retired official.

Crude oil and gold prices boosted by weak US dollar

- **Crude oil prices** rose this week, with Brent crude jumping above the USD71 level for the first time since December 2014. Gains came amid a significantly weaker US dollar, and as Saudi Arabia and Russia signalled production cuts may be extended into 2019. Meanwhile, support also came from the U.S. Energy Information Administration weekly report, which showed US crude stockpiles fell for a 10th straight week last week. Overall, WTI crude oil ended the week 4.5% higher to USD66.2 a barrel, while Brent crude gained 2.7% to close at USD70.5 a barrel.

- Meanwhile, **gold prices** also edged higher (+1.3% to USD1,350 per troy ounce) on the back of a weaker US dollar.

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Market Data

Equity Indices	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)
World									
MSCI AC World Index (USD)	547	1.4	7.0	10.7	25.4	6.6	548	432	16.8
North America									
US Dow Jones Industrial Average	26,617	2.1	7.6	13.7	32.4	7.7	26,617	19,785	18.5
US S&P 500 Index	2,873	2.2	7.2	12.2	25.1	7.5	2,873	2,267	18.9
US NASDAQ Composite Index	7,506	2.3	8.2	14.5	32.7	8.7	7,506	5,576	23.3
Canada S&P/TSX Composite Index	16,239	-0.7	0.5	2.2	4.0	0.2	16,421	14,916	16.2
Europe									
MSCI AC Europe (USD)	521	1.7	7.9	9.1	26.6	6.8	524	405	15.0
Euro STOXX 50 Index	3,647	0.0	2.6	0.3	9.9	4.1	3,709	3,214	14.6
UK FTSE 100 Index	7,666	-0.8	1.0	2.4	7.0	-0.3	7,793	7,094	14.9
Germany DAX Index*	13,340	-0.7	2.0	1.6	12.6	3.3	13,597	11,480	13.8
France CAC-40 Index	5,529	0.0	3.1	1.4	13.6	4.1	5,567	4,734	15.3
Spain IBEX 35 Index	10,595	1.1	4.1	2.4	11.4	5.5	11,184	9,237	13.9
Asia Pacific									
MSCI AC Asia Pacific ex Japan (USD)	609	1.8	8.7	11.6	34.5	7.0	611	450	14.5
Japan Nikkei-225 Stock Average	23,632	-0.7	3.2	8.7	21.8	3.8	24,129	18,225	19.4
Australian Stock Exchange 200	6,050	0.7	-0.3	2.3	6.7	-0.2	6,150	5,583	16.3
Hong Kong Hang Seng Index	33,154	2.8	12.1	17.6	41.8	10.8	33,224	22,997	13.1
Shanghai Stock Exchange Composite Index	3,558	2.0	7.6	4.4	12.6	7.6	3,575	3,017	13.9
Hang Seng China Enterprises Index	13,724	4.1	17.8	19.9	39.3	17.2	13,800	9,633	8.8
Taiwan TAIEX Index	11,147	0.0	7.0	3.8	18.0	4.7	11,270	9,414	14.3
Korea KOSPI Index	2,575	2.2	6.1	3.8	23.6	4.3	2,575	2,052	9.5
India SENSEX 30 Index	36,050	1.5	6.0	8.8	30.1	5.9	36,268	27,440	23.5
Indonesia Jakarta Stock Price Index	6,661	2.6	7.1	11.1	25.3	4.8	6,677	5,294	17.1
Malaysia Kuala Lumpur Composite Index	1,854	1.4	5.3	6.7	9.6	3.2	1,854	1,668	16.5
Philippines Stock Exchange PSE Index	9,041	1.4	7.2	9.4	23.3	5.6	9,041	7,146	19.8
Singapore FTSE Straits Times Index	3,567	0.5	5.6	6.3	16.9	4.8	3,612	3,031	14.6
Thailand SET Index	1,829	0.4	4.4	7.0	15.0	4.3	1,848	1,529	16.6
Latam									
Argentina Merval Index	35,126	4.6	20.4	26.2	83.1	16.8	35,335	18,718	13.0
Brazil Bovespa Index*	85,531	5.3	13.0	12.7	29.2	11.9	85,531	60,315	13.8
Chile IPSA Index	5,856	0.0	6.2	6.1	35.8	5.2	5,875	4,190	19.7
Colombia COLCAP Index	1,593	2.7	6.7	8.3	16.1	5.2	1,595	1,316	14.5
Mexico Index	51,065	2.8	5.4	4.2	7.3	3.5	51,772	46,588	17.3
EEMEA									
Russia MICEX Index	2,295	0.4	9.5	12.1	3.0	8.8	2,328	1,775	6.8
South Africa JSE Index	61,596	1.1	4.8	5.2	15.3	3.5	61,777	50,737	17.0
Turkey ISE 100 Index*	120,702	4.8	7.8	12.5	44.0	4.7	120,702	82,923	8.8

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

Equity Indices - Total Return	1-week Change (%)	1-month Change (%)	3-month Change (%)	YTD Change (%)	1-year Change (%)	3-year Change (%)	5-year Change (%)
Global equities	1.4	7.1	11.1	6.6	27.8	38.4	70.2
US equities	1.0	6.0	11.2	6.3	25.3	43.7	102.3
Europe equities	1.7	7.9	9.4	6.8	30.2	28.4	40.8
Asia Pacific ex Japan equities	1.8	8.8	12.0	7.0	38.1	37.9	47.7
Japan equities	1.1	7.7	12.6	7.7	29.0	48.5	80.2
Latam equities	4.2	15.1	12.8	13.3	29.4	27.3	-7.2
Emerging Markets equities	2.5	11.1	14.4	9.1	40.8	37.0	33.2

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.

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Market Data (continued)

Bond indices - Total Return	Close	1-week Change (%)	1-month Change (%)	3-month Change (%)	1-year Change (%)	YTD Change (%)
BarCap GlobalAgg (Hedged in USD)	512	0.0	-0.3	0.3	3.2	-0.5
JPM EMBI Global	808	0.2	0.2	1.0	8.0	0.0
BarCap US Corporate Index (USD)	2,883	0.3	-0.1	0.6	5.7	-0.6
BarCap Euro Corporate Index (Eur)	247	-0.2	-0.1	0.0	3.0	-0.1
BarCap Global High Yield (Hedged in USD)	472	0.2	0.8	1.0	7.7	0.7
Markit iBoxx Asia ex-Japan Bond Index (USD)	195	0.1	-0.1	0.0	4.4	-0.3
Markit iBoxx Asia ex-Japan High-Yield Bond Index (USD)	254	0.0	0.7	0.9	6.5	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.

Currencies (vs USD)	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 (%)
Developed markets									
EUR/USD	1.24	1.22	1.19	1.17	1.07	1.20	1.25	1.05	1.6
GBP/USD	1.42	1.39	1.34	1.32	1.26	1.35	1.43	1.21	2.1
CHF/USD	1.07	1.04	1.01	1.00	1.00	1.03	1.08	0.98	3.1
CAD	1.23	1.25	1.27	1.28	1.31	1.26	1.38	1.21	1.5
JPY	108.58	110.77	113.23	113.98	114.53	112.69	115.51	107.32	2.0
AUD	1.23	1.25	1.29	1.31	1.33	1.28	1.36	1.23	1.5
NZD	1.36	1.37	1.42	1.46	1.38	1.41	1.47	1.32	1.1
Asia									
HKD	7.82	7.82	7.81	7.80	7.76	7.81	7.83	7.76	0.0
CNY	6.33	6.40	6.55	6.64	6.88	6.51	6.92	6.31	1.2
INR	63.54	63.85	64.08	64.82	68.08	63.87	68.23	63.25	0.5
MYR	3.87	3.94	4.08	4.23	4.43	4.05	4.46	3.87	1.7
KRW	1,064	1,066	1,076	1,125	1,160	1,067	1,178	1,058	0.2
TWD	29.09	29.38	29.93	30.24	31.34	29.73	31.57	29.01	1.0
Latam									
BRL	3.15	3.20	3.31	3.30	3.17	3.31	3.41	3.04	1.5
COP	2,813	2,851	2,965	3,015	2,940	2,986	3,103	2,760	1.3
MXN	18.49	18.64	19.87	19.20	21.21	19.66	21.38	17.45	0.8
EEMEA									
RUB	56.24	56.72	57.66	57.85	60.34	57.69	61.01	55.59	0.8
ZAR	11.86	12.20	12.51	14.24	13.36	12.38	14.57	11.80	2.7
TRY	3.75	3.81	3.81	3.82	3.85	3.80	3.98	3.39	1.4

Bonds	Close	1-week Ago	1-month Ago	3-months Ago	1-year Ago	Year End 2017	1-week Basis Point Change
US Treasury yields (%)							
3-Month	1.41	1.43	1.33	1.10	0.50	1.38	-2
2-Year	2.12	2.06	1.90	1.61	1.22	1.88	5
5-Year	2.47	2.45	2.24	2.08	1.97	2.21	2
10-Year	2.66	2.66	2.48	2.46	2.50	2.41	0
30-Year	2.91	2.93	2.82	2.97	3.09	2.74	-2
10-year bond yields (%)							
Japan	0.07	0.08	0.04	0.07	0.09	0.04	-1
UK	1.44	1.34	1.24	1.38	1.51	1.19	11
Germany	0.63	0.57	0.42	0.41	0.48	0.42	6
France	0.91	0.84	0.74	0.82	1.02	0.78	7
Italy	2.00	1.96	1.91	1.94	2.23	2.01	5
Spain	1.40	1.44	1.46	1.53	1.56	1.56	-3
China	3.95	3.98	3.90	3.79	3.37	3.90	-3
Australia	2.85	2.87	2.71	2.75	2.73	2.63	-2
Canada	2.26	2.24	2.03	2.03	1.82	2.05	2

*Numbers may not add up due to rounding

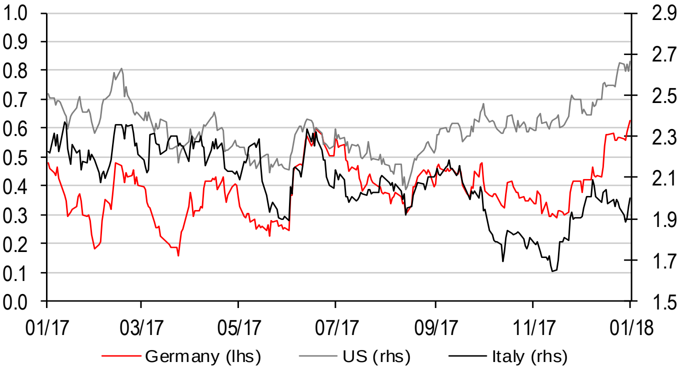
Commodities	Latest	1-week Change (%)	1-month Change (%)	3-month Change (%)	1-year Change (%)	YTD Change (%)	52-week High	52-week Low
Gold	1,350	1.3	5.2	6.5	13.6	3.6	1,366	1,181
Brent Oil	70.5	2.7	5.1	18.8	25.3	5.4	71	44
WTI Crude Oil	66.2	4.5	10.5	25.8	23.2	9.6	67	42
R/J CRB Futures Index	201	2.6	5.3	7.8	3.2	3.4	201	166
LME Copper	7,138	1.4	0.2	2.2	21.9	-1.5	7,313	5,463

Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 26 January 2018.

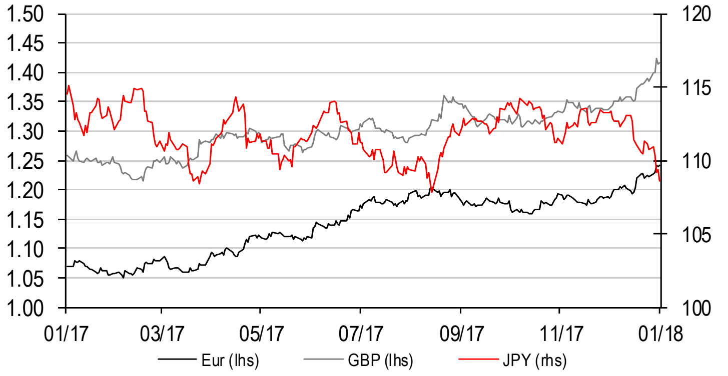
Past performance is not an indication of future returns.

Market Trends

Government bond yields (%)

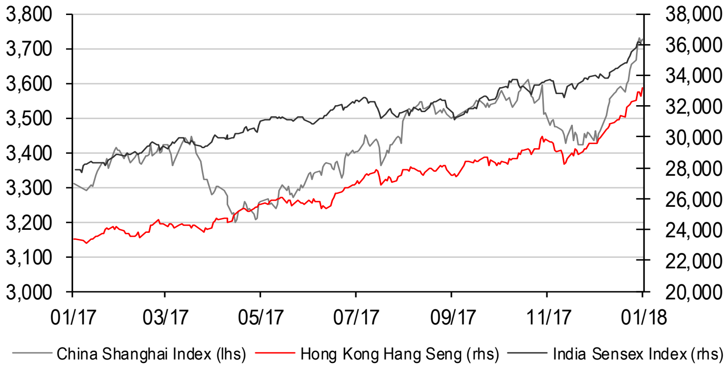


Major currencies (versus USD)

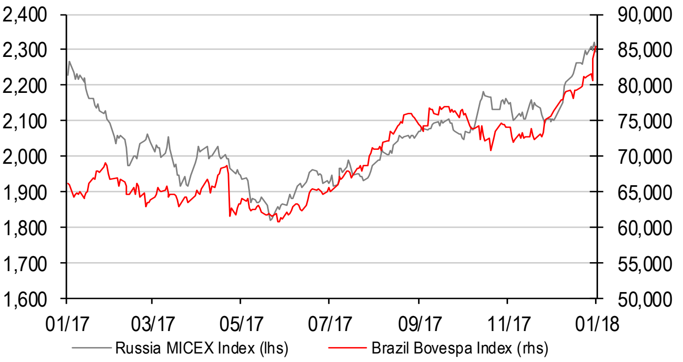


Global equities

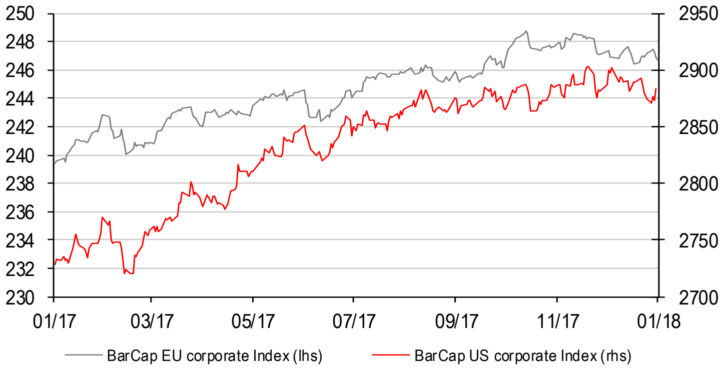
Emerging Asian equities



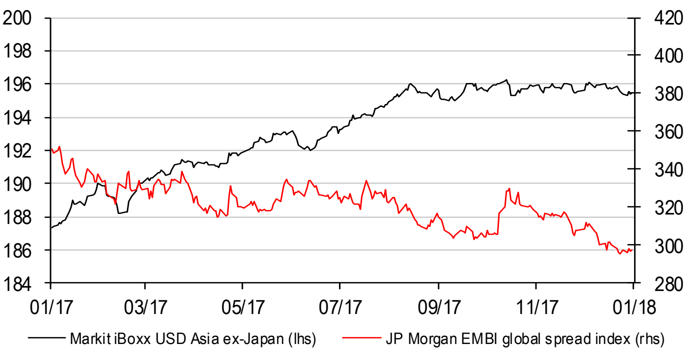
Other emerging equities



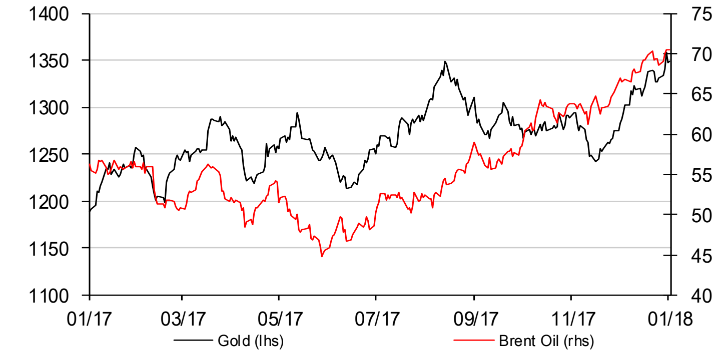
Global credit indices



Emerging markets spreads (USD indices)



Commodities (USD)



Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 26 January 2018.

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Expiry: 23 February 2018

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Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 26 January 2018.

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