

# Investment Weekly

This week in detail .....

US President Donald Trump and European Commission President Jean-Claude Juncker agreed on working towards a “new phase” of their trading relationship. Meanwhile, the Chinese government signalled a change in its fiscal and monetary stance

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The week ahead .....

In the coming week, the US employment report and central bank monetary policy meetings in the US, UK and Japan will capture investor focus

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Market moves .....

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Equities .....

Global stocks edged higher this week, buoyed by the announcement of China’s fiscal and monetary stimulus as well as the US and Europe agreeing on a ceasefire in their ongoing trade dispute

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Bonds .....

US Treasuries and most European bonds fell amid easing trade tensions and speculation over the Bank of Japan’s policy adjustment

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Currencies .....

The US dollar rose against the euro and sterling following the European Central Bank’s policy meeting and continued Brexit uncertainty

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Commodities .....

Gold prices fell in a generally risk-on week

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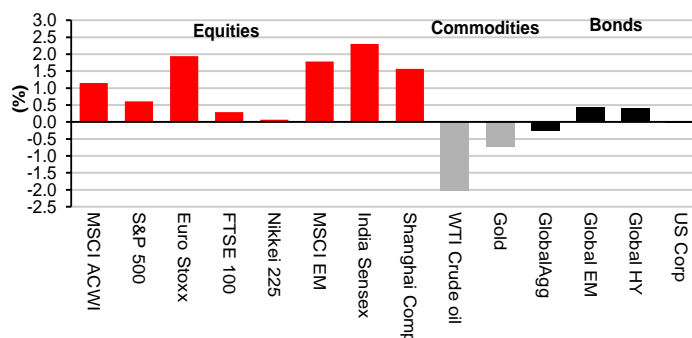
Market data .....

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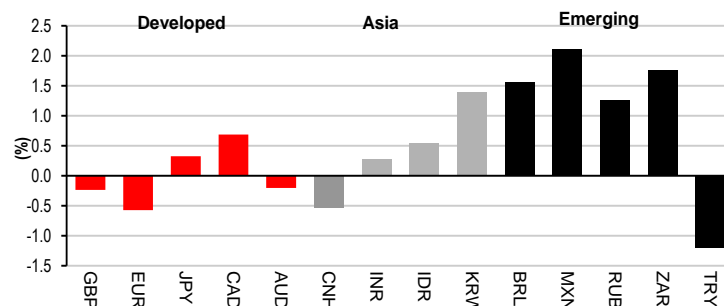
Market trends .....



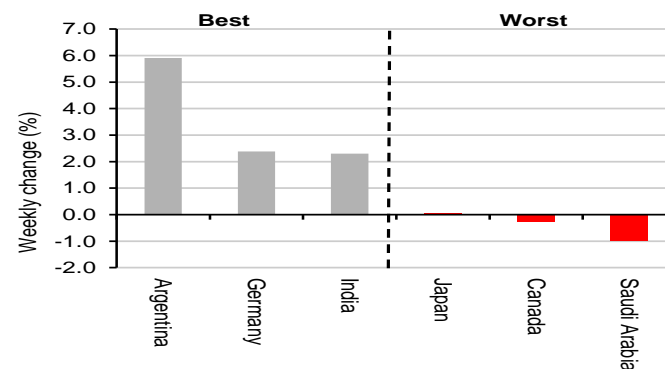
## Movers and shakers



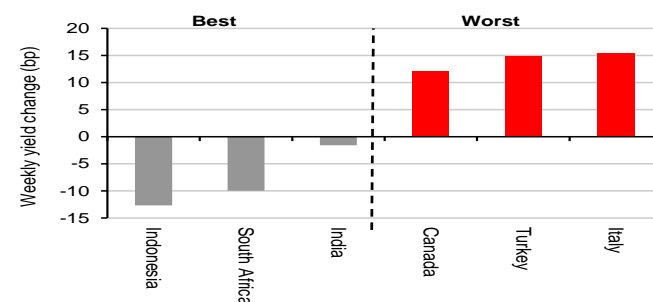
## Currencies (versus USD)



## Equities



## Bonds (10-year yields)



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Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 27 July 2018. All the above charts relate to 20/07/2018 – 27/07/2018. **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 23 July	US	Existing Home Sales (mom)	Jun	0.2%	-0.6%	-0.7%
Tuesday 24 July	Eurozone	Markit Composite PMI	Jul P	54.8	54.3	54.9
Wednesday 25 July	Germany	Ifo Business Climate Index	Jul	101.5	101.7	101.8
	US	New Home Sales (mom)	Jun	-3.1%	-5.3%	3.9%
Thursday 26 July	Eurozone	ECB Interest Rate Decision	Jul	-0.40%	-0.40%	-0.40%
	US	Durable Goods Orders (mom)	Jun P	3.0%	1.0%	-0.3%
Friday 27 July	Russia	Central Bank of Russia Interest Rate Decision	Jul	7.25%	7.25%	7.25%
	US	GDP (qoq annualised, first estimate)	Q2	4.2%	4.1%	2.2%
	US	University of Michigan Index of Consumer Sentiment	Jul F	97.1	97.9	97.1 P

P – Preliminary, Q – Quarter, F – Final

US GDP came in at 4.1% qoq annualised, with personal consumption jumping 4.0% thanks to tax cuts

The first estimate of **US Q2 GDP** came in at 4.1% qoq annualised (qoqa), (+4.2% expected) while Q1 GDP growth was revised higher from 2.0% yoy to 2.2%. The result came on the back of a strong increase in personal consumption (+4.0% qoqa) and positive contribution from net exports. Tax cuts boosted household spending while net trade was helped in part by a surge in soybean shipments ahead of retaliatory tariffs. This was enough to offset a decline in gross private investment (-0.5% qoqa), with non-farm inventory subtracting approximately 1.0% from results. Headline **durable goods orders** rose 1.0% mom in June (expected +3.0% mom). Core non-defence capital goods orders excluding aircraft advanced 0.6% mom (anticipated +0.5% mom) even as the prior release was revised up 0.4 ppt to 0.7% mom. Core shipments – important for GDP calculation – increased 1.0% mom (expected +0.4% mom). **Existing home sales** unexpectedly declined 0.6% mom to 5.38 million in June, from 5.41 million in May and below consensus expectations of a 0.2% mom rise to 5.44 million. The dip was caused by single-home closings, which fell 0.6% mom as home price appreciation continued to outpace wage growth. **New home sales** declined 5.3% mom in June to an annualised 631,000 (-3.1% mom expected). The report saw purchases decrease in three of the four regions while the prior rise was downwardly revised 2.8 ppt to 3.9% mom.

President Trump and EC President Juncker agreed on working towards a “new phase” of trade relations, but did not touch upon auto tariffs, the main point of contention

On Wednesday, US **President Donald Trump** and **European Commission (EC) President Jean-Claude Juncker** agreed on a **ceasefire** in their ongoing trade dispute. Specifically, Trump and Juncker agreed to expand European imports of US liquefied natural gas and soybeans, while also lowering industrial tariffs. Trump also said that the US and European Union (EU) were to work towards “zero” tariffs and called it a “new phase” of trade relations, adding that the two sides would try to “resolve” steel and aluminium tariffs imposed earlier this year by the US. However, trade in vehicles and car parts was left out of the statement despite it being the main point of contention going into the meeting.

The Chinese government signalled that fiscal policy will become “proactive” and a change of monetary stance from tightening towards loosening

As expected, **the European Central Bank (ECB)** kept interest rates on hold at its July meeting. President Mario Draghi said that not much had changed since the 14 June meeting, either on the macro side or in the message on monetary policy. He also noted that market rate expectations were still “tightly aligned” with the ECB’s forward guidance. In terms of data, the **eurozone composite PMI** fell to 54.3 in July from 54.9 in the prior month, against expectations of a smaller decline to 54.8. The deterioration was led by a weaker services component (-0.8 points to 54.4), and the manufacturing index unexpectedly rose (+0.2 points to 55.1), an encouraging development in the face of recent trade protectionism concerns. **Germany’s Ifo Business Climate Index** was little changed in July, edging down by 0.1 points to 101.7, versus consensus expectations of a larger decline to 101.5. Although the index has retreated from peaks reached in late-2017, it remains at a historically elevated level.

At a State Council meeting on Monday, **the Chinese government** signalled that fiscal policy will become more “proactive,” and that it will keep liquidity conditions “reasonably adequate.” However, the government reiterated that it intends to avoid aggressive loosening like the “RMB 4 trillion” stimulus China rolled out in 2008/09. More importantly, the statement signalled a monetary policy stance change from tightening towards loosening. This has already happened in Q2 with the cut in the reserve requirement reserve ratio and the injection of liquidity through medium-term lending facilities.

# The week ahead

## Macro data and key events

Date	Country	Indicator	Data as of	Survey	Prior
Monday 30 July	US	Pending Home Sales (mom)	Jun	0.4%	-0.5%
Tuesday 31 July	Japan	Bank of Japan Interest Rate Decision	Jul	-0.10%	-0.10%
	Japan	Industrial Production (mom)	Jun P	-0.3%	-0.2%
	China	Official Manufacturing PMI	Jul	51.3	51.5
	Eurozone	GDP (seasonally adjusted, qoq, first estimate)	Q2 P	0.5%	0.4%
	Eurozone	CPI Estimate (yoy)	Jul	2.0%	2.0%
	US	PCE Core (yoy)	Jun	2.0%	2.0%
Wednesday 01 August	Brazil	COPOM Interest Rate Decision	Aug	6.50%	6.50%
	India	RBI Interest Rate Decision (repurchase rate)	Aug	6.50%	6.25%
	US	ISM Manufacturing Index	Jul	59.2	60.2
	US	FOMC Interest Rate Decision (upper bound)	Aug	2.00%	2.00%
Thursday 02 August	UK	Bank of England Interest Rate Decision	Aug	0.75%	0.50%
	Mexico	Banco de Mexico Interest Rate Decision	Aug	7.75%	7.75%
Friday 03 August	US	Change in Nonfarm Payrolls (000s)	Jul	190	213
	US	ISM Non-Manufacturing Index	Jul	58.6	59.1

P – Preliminary, Q – Quarter

In the coming week, the US July employment report, FOMC meeting and June's PCE core inflation release will be in focus

The Bank of England is expected to raise rates by 25 bps

## US

The **Federal Open Market Committee (FOMC)** is expected to leave the fed funds target range unchanged at 1.75%-2.00% at its meeting on Wednesday. Data since the prior meeting suggests a steady rate of growth, supporting policymakers' intention to tighten policy only gradually and likely not prompting significant changes to the official post-meeting statement.

**Nonfarm payrolls** are forecast to rise by 190,000 in July, from 213,000 in June. Average hourly earnings are anticipated to modestly rise to 0.3% mom (+0.2% mom prior) with the annual rate remaining steady at 2.7% yoy. The report may also see the unemployment rate return to 3.9%.

Meanwhile, the personal income and outlay report is projected to show annual **PCE core** inflation holding at 2.0% yoy for June, mirroring the modest-to-moderate pace of price change described in the latest Beige Book.

The latest **ISM Manufacturing Index** may ease 1.0 points to 59.2 in July. Current activity readings from regional surveys remain consistent with a steady underlying expansion, with outlook sentiment continuing to be weighed down by trade policy uncertainty. Separately, the **ISM Non-Manufacturing Index** is expected to dip 0.5 points to 58.6.

Finally, June **pending home sales** are expected to advance by 0.4% mom, after two consecutive monthly declines on the back of limited affordable properties. Recent housing data has disappointed, but indicators continue to show that homebuyer demand remains firm.

## Europe

The first estimate of **eurozone Q2 GDP** is expected to grow by 0.5% qoq (+2.5% yoy), up from 0.4% qoq (+2.5% yoy) in Q1. While there will be no underlying expenditure details in this release, domestic demand is likely to support the economic expansion. However, protectionism fears continue to threaten the economy, and July PMI data shows the external demand is still weak.

**Eurozone headline CPI inflation** rose by 0.1 ppt to 2.0% yoy in June, while core inflation fell back 0.2 ppt to 0.9% yoy. The fall in the core inflation print demonstrates the absence of the "clear upward trend" hoped for by the ECB. With the slight upward pressure from the recent depreciation of the euro, and also on the back of sharp rises in the regulated prices of gas in France and Italy, CPI inflation is likely to remain stable at 2.0% yoy in July. However, rising prices in tourist-related services could push core inflation up 0.1 ppt to 1.0% yoy in July.

The **Bank of England (BoE)** is expected to raise the bank rate by 25 bps to 0.75% at the August Monetary Policy Committee meeting on Thursday, despite softer than expected inflation and political uncertainty. The **August Inflation Report** will also be released at the same time and is likely to shed some light on the BoE's estimate of inflation towards the end of the horizon (i.e., two to three years ahead) and on equilibrium interest rates.

The Bank of Japan's August monetary policy meeting is also of importance, given intensifying speculation the bank will tweak the current policy framework

Investors will look at the new export order component in China's July official manufacturing PMI for signs of the impact of US tariffs

## Asia

The **Bank of Japan (BoJ)** is expected to keep its monetary policy (i.e., the -0.1% short-term policy rate, at the "around zero" target for 10-year Japanese government bond (JGB) yields, and the size of its risk asset purchases target) unchanged at its 30-31 July meeting. The speculation of such "operation tweaks" has intensified over the past couple of weeks, with the idea that the BoJ may tweak its JGB purchase operations to allow for more flexibility or a wider range of 10-year yields, as well as tweaking its ETF purchases away from Nikkei-linked products toward TOPIX-linked products.

**China's official manufacturing PMI** is likely to edge lower to 51.3 in July, from 51.5 in June, indicating softer growth momentum, as hinted by high-frequency indicators such as power plants' coal consumption. The new export order index will be closely watched for signs of any initial impact of US tariffs on USD34 billion of Chinese exports. Readings for large enterprises compared to those for medium- and small-sized enterprises will also be important given the recent strong policy push to support funding for smaller enterprises.

The **Reserve Bank of India** is expected to hike policy rates by 25 bps to 6.50%, following a 25-bp increase in June, on the back of elevated core inflation, a rise in household inflation expectations and a large hike in minimum support prices. Furthermore, the Indian rupee remains under pressure from tighter external financial conditions, posing risks of potential exchange-rate pass-through onto domestic inflation.

## Emerging markets

The **Bank of Mexico** is expected to hold the overnight policy rate steady at 7.75%, after a precautionary interest rate hike in June. The peso has since stabilised amid President-elect López Obrador's efforts to calm investor anxiety, but lingering NAFTA uncertainty and upside inflation risks could keep the Bank's near-term policy bias as hawkish.

Finally, in **Brazil**, COPOM is anticipated to leave the **SELIC** rate at its record low of 6.50%. Economic slack and a slower than expected recovery is likely to keep the central bank's stance accommodative. Furthermore, COPOM views the inflation acceleration of 1.5 ppt to 4.4% yoy in June, caused by a national trucker strike, as transitory.

# Market moves

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## Equities

Global stocks edged higher this week, buoyed by the announcement of China's fiscal and monetary stimulus as well as the US-Europe agreement on a ceasefire in the ongoing trade dispute

## Bonds

US Treasuries and most European bonds fell amid easing trade tensions and speculation over a BoJ policy adjustment

## Currencies

The US dollar rose against euro and sterling following the ECB meeting and continued Brexit uncertainty

## Commodities

Oil prices rose while gold prices fell in a generally risk-on week

## Equities

**US equities** rallied this week on stronger investor risk sentiment and after US President Donald Trump and European Commission President Jean-Claude Juncker agreed on a ceasefire in the ongoing trade dispute, putting plans for additional tariffs on hold. Second quarter corporate earnings were generally positive, but some disappointment in the technology sector capped gains. Overall, the Dow Jones Industrial Average Index and S&P 500 Index rose by 1.6% and 0.6% respectively.

**European stocks** also climbed higher this week, as positive corporate earnings boosted investor risk sentiment. The EURO STOXX 50 Index rose 1.9%. All other major European bourses also ended the week higher.

**Asian stock markets** posted gains this week on easing global trade war concerns and policy easing by China. China's Shanghai Stock Exchange Composite Index rose 1.6% and Hong Kong's Hang Seng Index climbed 3.4%. Japan's Nikkei 225 Index ended flat. Bank shares advanced as 10-year JGB yields reached their highest levels in a year amid speculation about a possible policy tweak by the BoJ next week. Elsewhere, India's SENSEX 30 Index rallied to a record high on strong corporate earnings. In southeast Asia, bourses posted strong gains, led by the Philippines' PSEi, as foreign investors turned net buyers of Philippine equities this week, ending a record stretch of 25-straight weekly withdrawals.

## Bonds

**US Treasuries** sold off and yields rose over the week, marking a third consecutive week of losses with much of the weakness occurring on Monday as speculation over a hawkish tilt to the BoJ's monetary policy stance led to a rise in global bond yields. Dampened demand for US fixed income assets also followed easing trade tensions. Meanwhile, the primary market saw increased supply as the Treasury sold over USD100 billion across two-, five- and seven-year debt. Overall, 10-year Treasury yields closed up 6 bps to 2.95% and two-year yields also rose 8 bps to 2.67%.

Most **European government bonds** also retreated over the week with benchmark German 10-year bund yields ending 3 bps higher at 0.40%. UK equivalents underperformed in the core (yields increased 5 bps to +1.28%) amid expectations of a rate hike at the upcoming Bank of England meeting next week. In the periphery, Italian BTP led losses (10-year yields rose 15 bps to +2.74%) as investor caution about the country's fiscal outlook prevailed.

## Currencies

The euro retreated against the US dollar (-0.6%) with much of the weakness occurring on Thursday as the ECB kept its monetary policy unchanged and ECB President Mario Draghi stated that market rate expectations (which point to a later rather than earlier interest rate hike) were still "tightly aligned" with the central bank's forward guidance. Meanwhile, the British pound also weakened (-0.2%) after EU Chief Brexit negotiator Michel Barnier told the UK its theoretical post-Brexit customs system would not work.

**Most Asian currencies** appreciated against the US dollar in a generally risk-on week, led by the Korean won amid exporters' month-end US dollar selling, foreign fund inflows and easing concerns about global trade tensions or the US-China trade dispute turning into a currency war. The Japanese yen rose as the intensifying speculation that the BoJ would become more flexible in its monetary policy management lifted JGB yields, but yen gains were capped as the central bank offered to buy an unlimited quantity of 10-year bonds (and at a lower yield on Friday than its previous operations). Meanwhile, the Chinese yuan weakened against the US dollar for a seventh week, amid rising expectations for more (monetary) easing by China and the perception that Chinese authorities would refrain from heavy intervention to stem foreign exchange weakness as long as there is no sign of speculative short trades, and would allow greater flexibility driven by market forces.

## Commodities

**Crude oil** prices rose this week on the U.S. Energy Information Administration report that US nationwide crude stockpiles had dropped to the lowest levels since 2015. WTI for September delivery rose 1.1% to USD69.0 per barrel.

**Gold** prices fell 0.7% to USD1,223 per troy ounce in a generally risk-on week.

# 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)	522	1.1	4.1	2.1	9.1	1.7	551	470	15.8
<b>North America</b>									
US Dow Jones Industrial Average	25,451	1.6	5.5	4.7	16.8	3.0	26,617	21,600	16.4
US S&P 500 Index	2,819	0.6	4.4	5.6	13.9	5.4	2,873	2,417	17.6
US NASDAQ Composite Index	7,737	-1.1	3.9	8.7	21.2	12.1	7,933	6,177	23.3
Canada S&P/TSX Composite Index	16,394	-0.3	1.0	4.6	7.9	1.1	16,586	14,786	15.8
<b>Europe</b>									
MSCI AC Europe (USD)	473	0.8	3.2	-2.5	1.8	-3.0	524	452	14.2
Euro STOXX 50 Index	3,527	1.9	3.8	0.2	1.0	0.7	3,709	3,262	14.3
UK FTSE 100 Index	7,701	0.3	1.0	2.7	3.5	0.2	7,904	6,867	13.8
Germany DAX Index*	12,860	2.4	4.1	2.2	5.3	-0.4	13,597	11,727	13.4
France CAC-40 Index	5,512	2.1	3.5	0.5	6.3	3.7	5,657	4,995	14.8
Spain IBEX 35 Index	9,868	1.5	2.2	-0.6	-6.9	-1.8	10,758	9,328	12.9
<b>Asia Pacific</b>									
MSCI AC Asia Pacific ex Japan (USD)	543	1.1	1.8	-3.5	2.3	-4.6	617	515	13.3
Japan Nikkei-225 Stock Average	22,713	0.1	2.0	1.1	13.1	-0.2	24,129	19,240	16.4
Australian Stock Exchange 200	6,300	0.2	1.7	5.8	8.9	3.9	6,306	5,639	16.1
Hong Kong Hang Seng Index	28,804	2.1	1.6	-4.9	6.2	-3.7	33,484	26,864	11.6
Shanghai Stock Exchange Composite Index	2,874	1.6	2.1	-6.8	-11.6	-13.1	3,587	2,691	11.5
Hang Seng China Enterprises Index	11,047	3.4	1.5	-8.4	1.7	-5.7	13,963	10,405	7.9
Taiwan TAIEX Index	11,076	1.3	3.5	4.9	5.4	4.1	11,270	10,189	14.1
Korea KOSPI Index	2,295	0.3	-2.0	-7.9	-6.1	-7.0	2,607	2,244	9.1
India SENSEX 30 Index	37,337	2.3	6.0	6.8	15.3	9.6	37,369	31,082	19.8
Indonesia Jakarta Stock Price Index	5,989	2.0	3.5	1.2	2.9	-5.8	6,693	5,558	15.4
Malaysia Kuala Lumpur Composite Index	1,769	0.8	6.2	-5.1	-0.1	-1.5	1,896	1,658	16.9
Philippines Stock Exchange PSE Index	7,701	4.1	7.3	-0.3	-4.3	-10.0	9,078	6,924	17.7
Singapore FTSE Straits Times Index	3,325	0.8	2.2	-7.1	-0.9	-2.3	3,642	3,176	13.3
Thailand SET Index	1,702	1.8	5.1	-4.3	7.6	-3.0	1,853	1,556	15.6
<b>Latam</b>									
Argentina Merval Index	29,259	5.9	12.9	-2.5	37.4	-2.7	35,462	20,845	8.2
Brazil Bovespa Index*	79,866	1.6	13.1	-7.6	22.3	4.5	88,318	64,953	12.0
Chile IPSA Index	5,370	-1.1	1.8	-5.6	6.3	-3.5	5,895	4,847	15.9
Colombia COLCAP Index	1,536	-0.7	-0.9	-1.9	3.8	1.5	1,598	1,415	15.3
Mexico S&P/BMV IPC Index	49,644	1.5	5.9	2.8	-3.1	0.6	51,722	44,429	17.6
<b>EEMEA</b>									
Russia MOEX Index	2,293	2.0	1.7	-0.4	17.9	8.7	2,379	1,904	5.8
South Africa JSE Index	57,162	0.3	3.2	-0.5	4.1	-3.9	61,777	53,027	14.2
Turkey ISE 100 Index*	95,585	1.6	-0.4	-11.2	-11.8	-17.1	121,532	88,169	7.0

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

<b>Equity Indices - Total Return</b>	1-week Change (%)	1-month Change (%)	3-month Change (%)	YTD Change (%)	1-year Change (%)	3-year Change (%)	5-year Change (%)
Global equities	1.2	4.2	2.7	2.9	11.2	32.1	53.7
US equities	1.2	5.1	6.7	7.1	16.3	42.7	80.0
Europe equities	0.9	3.3	-1.5	-0.9	4.8	15.4	27.6
Asia Pacific ex Japan equities	1.2	2.3	-2.4	-3.0	5.1	32.2	39.7
Japan equities	1.5	1.6	-2.0	-0.2	10.9	22.3	39.7
Latam equities	2.2	12.4	-9.5	-2.8	1.5	30.4	-4.2
Emerging Markets equities	1.8	4.1	-4.7	-4.5	4.2	30.8	27.5

All total returns quoted in USD 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 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)	515	-0.2	0.0	0.6	1.3	0.1
JPM EMBI Global	783	0.4	2.3	0.0	-0.9	-3.1
BarCap US Corporate Index (USD)	2,822	0.0	0.5	0.6	-0.8	-2.7
BarCap Euro Corporate Index (Eur)	246	0.1	0.3	0.1	0.7	-0.3
BarCap Global High Yield (Hedged in USD)	467	0.4	1.2	0.2	1.7	-0.3
Markit iBoxx Asia ex-Japan Bond Index (USD)	192	0.4	0.5	0.1	-0.6	-2.0
Markit iBoxx Asia ex-Japan High-Yield Bond Index (USD)	245	1.6	1.2	-1.6	0.0	-2.9

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	1.17	1.17	1.16	1.21	1.17	1.20	1.26	1.15	-0.6
GBP/USD	1.31	1.31	1.31	1.38	1.31	1.35	1.44	1.28	-0.2
CHF/USD	1.01	1.01	1.00	1.01	1.04	1.03	1.09	0.99	-0.2
CAD	1.31	1.31	1.33	1.28	1.26	1.26	1.34	1.21	0.7
JPY	111.05	111.41	110.26	109.05	111.26	112.69	114.73	104.56	0.3
AUD	1.35	1.35	1.36	1.32	1.26	1.28	1.37	1.23	-0.2
NZD	1.47	1.47	1.47	1.41	1.34	1.41	1.50	1.33	-0.3
<b>Asia</b>									
HKD	7.85	7.85	7.85	7.85	7.81	7.81	7.85	7.79	0.0
CNY	6.81	6.77	6.61	6.33	6.74	6.51	6.84	6.24	-0.6
INR	68.66	68.85	68.63	66.66	64.11	63.87	69.13	63.25	0.3
MYR	4.06	4.06	4.03	3.92	4.28	4.05	4.30	3.85	0.0
KRW	1,118	1,134	1,118	1,077	1,113	1,067	1,150	1,054	1.4
TWD	30.60	30.71	30.47	29.63	30.19	29.73	30.74	28.96	0.4
<b>Latam</b>									
BRL	3.71	3.77	3.86	3.46	3.15	3.31	3.97	3.08	1.5
COP	2,887	2,879	2,947	2,806	3,013	2,986	3,080	2,685	-0.3
MXN	18.63	19.02	20.18	18.61	17.73	19.66	20.96	17.57	2.1
<b>EEMEA</b>									
RUB	62.71	63.51	63.16	62.16	59.53	57.69	65.04	55.56	1.3
ZAR	13.17	13.40	13.86	12.33	13.00	12.38	14.57	11.51	1.7
TRY	4.85	4.79	4.62	4.04	3.54	3.80	4.97	3.39	-1.2

<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	1.98	1.97	1.92	1.80	1.09	1.38	1
2-Year	2.67	2.59	2.50	2.48	1.36	1.88	8
5-Year	2.84	2.76	2.70	2.80	1.85	2.21	7
10-Year	2.95	2.89	2.83	2.96	2.31	2.41	6
30-Year	3.08	3.03	2.97	3.12	2.92	2.74	6
<b>10-year bond yields (%)</b>							
Japan	0.10	0.03	0.03	0.05	0.07	0.04	7
UK	1.28	1.23	1.24	1.44	1.20	1.19	5
Germany	0.40	0.37	0.32	0.57	0.53	0.42	3
France	0.70	0.68	0.71	0.79	0.80	0.78	2
Italy	2.74	2.59	2.81	1.74	2.09	2.01	15
Spain	1.37	1.31	1.35	1.26	1.49	1.56	6
China	3.52	3.52	3.58	3.65	3.61	3.90	1
Australia	2.64	2.62	2.63	2.82	2.69	2.63	3
Canada	2.30	2.18	2.09	2.32	2.00	2.05	12

\*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
<b>Commodities</b>								
Gold	1,223	-0.7	-2.3	-7.6	-2.8	-6.1	1,366	1,211
Brent Oil	74.4	1.8	-4.0	2.3	41.2	14.8	80	51
WTI Crude Oil	69.0	1.1	-3.1	2.9	38.7	16.9	73	48
R/J CRB Futures Index	194	0.8	-2.4	-3.6	7.2	0.2	207	175
LME Copper	6,291	2.3	-6.0	-7.4	-0.6	-13.2	7,348	5,988

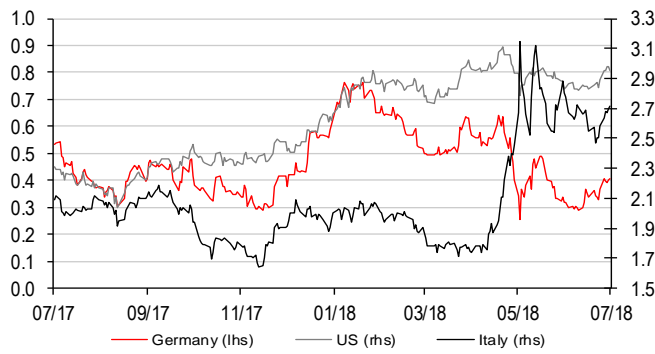
Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 27 July 2018.

Past performance is not an indication of future returns.

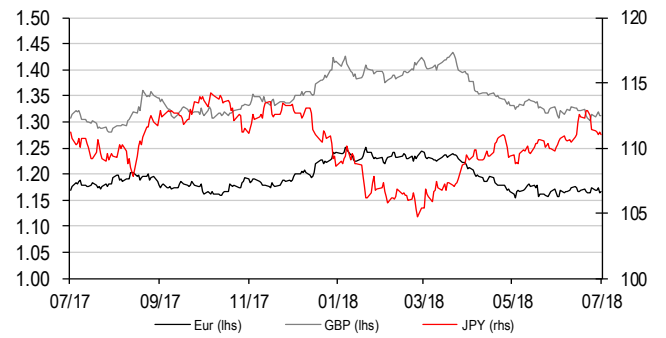
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# Market Trends

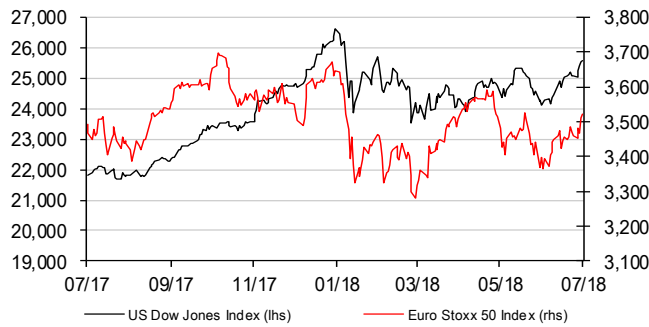
**Government bond yields (%)**



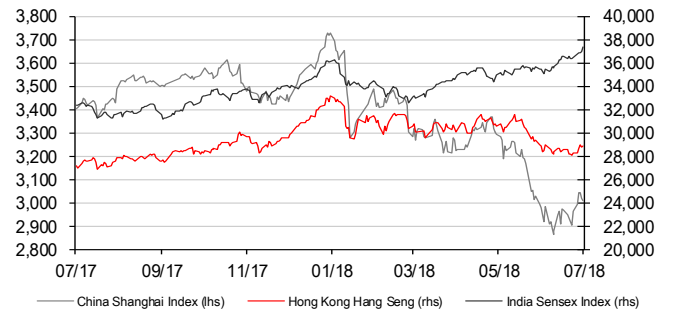
**Major currencies (versus USD)**



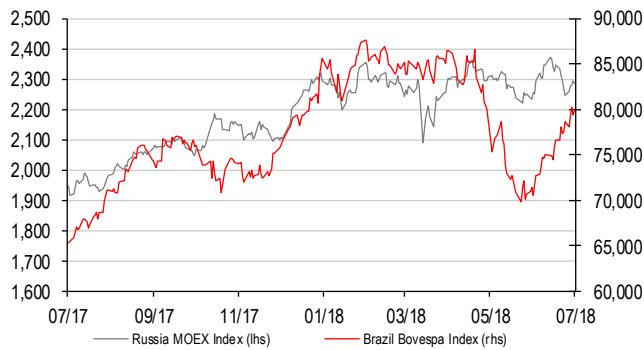
**Global equities**



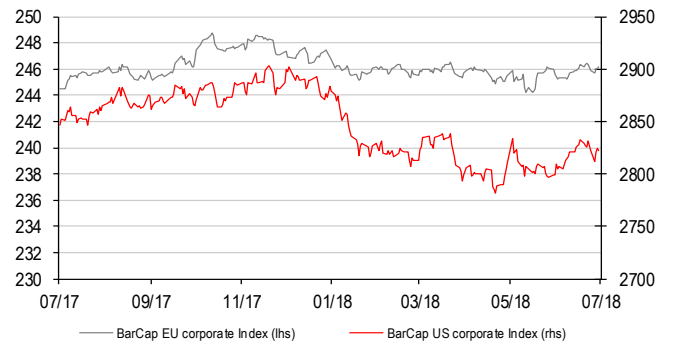
**Emerging Asian equities**



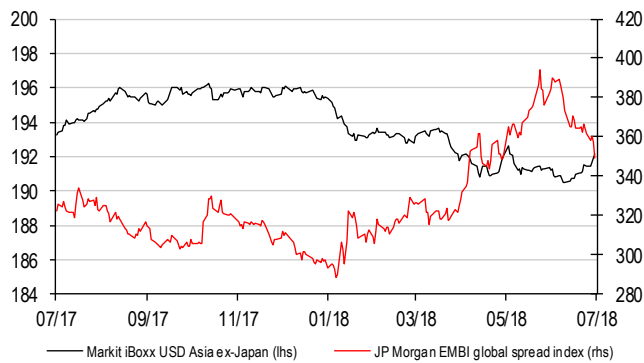
**Other emerging equities**



**Global credit indices**



**Emerging markets spreads (USD indices)**



**Commodities (USD)**





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