

# Investment Weekly

## This week in detail .....

As expected the Federal Open Market Committee raised short-term interest rates by 25bp to 2.00%-2.25% and dropped the reference to monetary policy being “accommodative”

[Read more>](#)

## The week ahead .....

In the coming week, the US July employment report and ISM data will be in focus as well as Reserve Bank of India’s policy decision

[Read more>](#)

## Market moves .....

[Read more>](#)

## Equities .....

US equities retreated this week while European equities fell amid investor concerns over Italy’s 2019 budget

[Read more>](#)

## Bonds .....

US Treasury yields ended little changed despite an eventful week while Italian bond yields jumped on budget concerns

[Read more>](#)

## Currencies .....

US dollar supported by Fed action and strong US data; euro hit by Italian budget concerns

[Read more>](#)

## Commodities .....

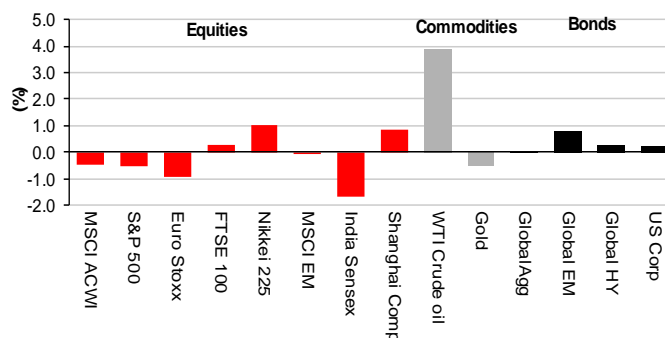
Oil prices rallied amid OPEC signals that output will not be raised

[Read more>](#)

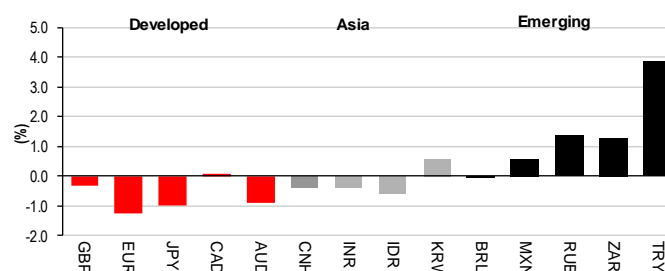
## Market data .....

## Market trends .....

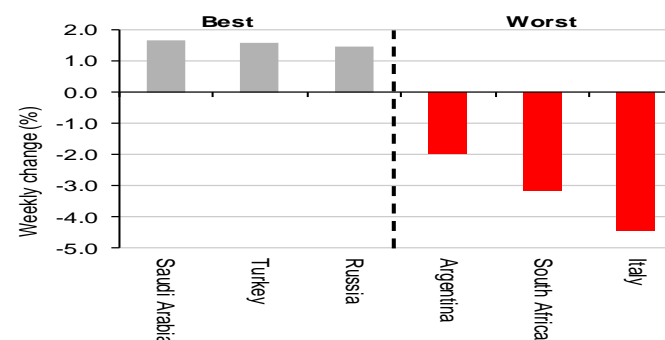
## Movers and shakers



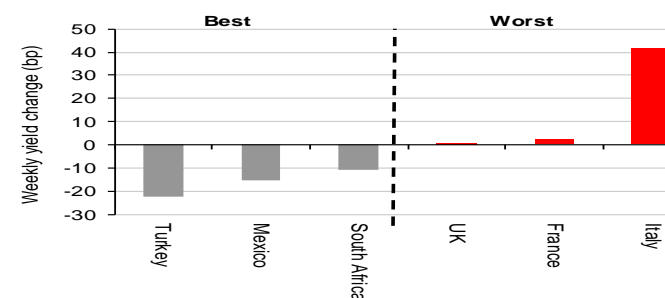
## Currencies (versus USD)



## Equities



## Bonds (10-year yields)



# This week in detail

## Macro Data and Key Events

Date	Country	Indicator	Data as of	Survey	Prior	Prior
Monday 24 September	Germany	IFO business climate	Sep	103.2	103.7	103.9
Tuesday 25 September	US	S&P CoreLogic Case Shiller composite-20 (yoy)	Jul	6.2%	5.9%	6.4%
	US	Conference Board consumer confidence	Sep	132.1	138.4	134.7
Wed. 26 September	US	New home sales (mom)	Aug	0.5%	3.5%	-1.6%
	US	FOMC interest rate decision	Sep	2.25%	2.25%	2.00%
Thursday 27 September	US	GDP annualised (qoq)	Q2 F	4.2%	4.2%	4.2% P
	US	Durable goods orders (mom)	Aug P	2.0%	4.5%	-1.2%
	US	Pending home sales (mom)	Aug	-0.5%	-1.8%	-0.8%
Friday 28 September	Japan	Jobless rate	Aug	2.5%	2.4%	2.5%
	Japan	Industrial production (mom)	Aug P	1.4%	0.7%	-0.2%
	UK	GDP (qoq)	Q2 F	0.4%	0.4%	0.4% P
	Eurozone	CPI estimate (yoy)	Sep	2.1%	2.1%	2.0%
	US	PCE core (yoy)	Aug	2.0%	2.0%	2.0%

P – Preliminary, Q – Quarter, F – Final

As expected the Federal Open Market Committee raised short-term interest rates by 25bp to 2.00%-2.25% and dropped the reference to monetary policy being “accommodative”

In the US, as expected, the **Federal Open Market Committee (FOMC)** raised the federal funds target range by 25bp to 2.00-2.25%. The policy statement dropped the word “accommodative” to describe the monetary policy stance, but this likely reflects the fact that interest rates are now closer to the “neutral rate”. The latest “dot plot” showed firmer expectations by committee members for another rate hike in December, (4 in total for 2018) and 3 increases for 2019. The latest Summary of Economic Projections maintained an upbeat assessment of economic activity. GDP growth forecasts were upgraded for 2018 to 3.1%, from 2.8% and for 2019 (2.5%, previously 2.4%). At the press conference, Fed Chair Powell did not convey any major surprises, acknowledging a healthy US economy and downside risks stemming from trade tensions.

The calendar was US data heavy this week. The final release of **Q2 GDP** was confirmed at 4.2% qoq annualised. **Headline durable goods** orders increased 4.5% mom in August (vs. 2.0% expected), rebounding from a 1.2% mom decline in July. While the headline number showed a strong rebound in activity, the details showed signs that underlying demand is moderating. The **Conference Board consumer confidence index** unexpectedly touched an 18-year high (138.4) in September, above an anticipated 132.1 and from an upwardly revised 134.7 in August. In particular, home and auto purchase intentions increased and continued to trend at elevated levels. The **annual change in the Core PCE** index – the Fed’s preferred inflation measure – remained at 2.0% yoy in August. In the same release, real personal spending eased 0.1 ppt to 0.2% mom (as expected). Salaries saw a solid 0.5% mom gain, although overall personal income disappointed expectations (0.3% mom, exp. 0.4% mom).

US housing market disappointed expectations

There were a few US housing market data releases this week which disappointed expectations. **New home sales** surged 3.5% mom in August against expectations of 0.5% mom and up from -1.6% in July. **Pending home sales** – which measure housing contract activity and are based on signed real estate contracts for existing single-family homes, condos and co-ops - fell 1.8% mom in August. The outturn was worse than expectations of a 0.5% mom dip and extended the softness in the previous month. The **S&P CoreLogic Case-Shiller 20-City composite index** rose 5.9% yoy in July, disappointing expectations of a 6.2% yoy rise.

Headline Eurozone CPI rose but core inflation unexpectedly dropped in September

Over in Europe, **Germany’s Ifo Business Climate** Index fell slightly in September (-0.2pts from an upwardly revised 103.9 in the prior month), with the market consensus expecting a steeper decline to 103.2. Despite robust services and construction sectors, manufacturing related activity remains weighed on by lingering trade concerns and a slowdown in the global trade cycle. The flash estimate of **headline Eurozone CPI inflation** increased to 2.1% yoy in September from 2.0% yoy in August, in line with expectations. However core inflation dropped unexpectedly to 0.9% yoy from 1.0% yoy previously and against consensus expectations for an increase to 1.1% yoy. The breakdown details will be released on 4 October.

# The week ahead

## Macro Data and Key Events

Date	Country	Indicator	Data as of	Survey	Prior
Monday 01 October	Japan	Tankan large manufacturing index	Q3	22	21
	Eurozone	Unemployment rate	Aug	8.1%	8.2%
	US	ISM Manufacturing	Sep	60.3	61.3
Tuesday 02 October	Australia	Reserve Bank of Australia interest rate decision	Oct	1.50%	1.50%
	US	Fed Chair Powell speaks at a conference in Boston			
Wednesday 03 October	Turkey	CPI (yoy)	Sep	21.1%	17.9%
	Eurozone	Markit composite PMI	Sep F	54.2	54.2 P
	US	ISM non-manufacturing	Sep	58.0	58.5
Thursday 04 October	Mexico	Banco de Mexico interest rate decision	Oct	7.75%	7.75%
Friday 05 October	Germany	Factory orders (working day adjusted, yoy)	Aug	-3.2%	-0.9%
	India	RBI interest rate decision (repurchase rate)	Oct	6.75%	6.50%
	Brazil	IBGE Inflation IPCA (yoy)	Sep	4.4%	4.2%
	US	Change in nonfarm payrolls (000s)	Sep	188	201

P – Preliminary, Q – Quarter, F – Final

In the coming week, the US July employment report and ISM data will be in focus

The Reserve Bank of India (RBI) is expected to raise its policy rates by 25bp to 6.75%

## US

In the coming week, **Fed Chair Powell** is scheduled to speak at the 60th annual meeting of the National Association of Business Economics. He is likely to reaffirm a gradual pace of rate hikes, although the Fed had dropped the word “accommodative” from its latest statement. Policymakers are raising interest rates in an effort to keep inflation stable, fostering an environment that could extend the current expansion. As former Chair Yellen did at the event last year, Powell may also present key scenario risks and highlight specific data points that the central bank is monitoring.

**US non-farm payrolls** are expected to grow by 188,000 jobs in September. Despite a modest easing in the 3 month trend, this would keep this year’s average monthly growth rate above 2017’s pace of 182,000. In the details, the unemployment rate has been trending between 3.8-4.0% in the prior 5 months and is forecast to edge 0.1 percentage point (ppt) lower to 3.8%. Annual average hourly earnings is anticipated to dip by the same amount to 2.8% yoy.

The **ISM manufacturing index** is pencilled in to ease 1 ppt to 60.3 in September from a 14-year high in the prior month. The direction of regional surveys has been mixed but broadly signalled solid momentum for the month. The prices paid component could also inch up 0.9 points to 73.0 amid ongoing supply chain issues and rising input prices. The prior **ISM non-manufacturing** release also suggested a similar strong pace of expansion, with new orders and backlog of orders making sizable gains. The survey’s headline result is projected to ease 0.5 pts to 58.0.

## Europe

There has been a general deterioration in **German industrial data** in 2018. German factory orders are expected to be unchanged over August, following a 0.9% contraction in the prior month. This would leave the annual growth rate at 4.0% yoy. It will also be interesting to monitor capital goods orders from the rest of the eurozone, which is a good leading indicator for eurozone fixed investment.

## Asia/Emerging Markets

**The Reserve Bank of India (RBI)** is expected to raise its policy rates by 25bp, taking the repo rate to 6.75%, at its policy review scheduled on 5 October. The near-term inflation dynamics – with the headline CPI inflation having decelerated below the RBI’s medium-term inflation target of 4% (at 3.7% in August) – suggest little urgency for a third consecutive rate hike. However, the RBI may make a pre-emptive move in view of upside risks to the medium-term inflation outlook from higher global crude oil prices and a weak INR since the August meeting. A tightening bias in monetary policy could also aid the government’s efforts to ease external sector pressure and address the rising external imbalances. In addition to the rate decision, the RBI’s guidance on liquidity management will be closely monitored, given the recent tightness in the banking system liquidity, which has raised concerns about a credit crunch at non-bank financial institutions, though recent RBI OMOs has injected

liquidity and the RBI has also eased the reserve rules.

**The Bank of Japan** Tankan survey for September is expected to show that business conditions diffusion index (DI) for large manufacturers improved to 22 from 21, and that DI for large non-manufacturers likely remained unchanged at 24. However, the outlook for both sectors could tone down its optimism owing to trade related tensions between the US and China.

The **Reserve Bank of Australia** is expected to keep interest rates on hold at 1.50% in October. Economic growth is at a six-year high and the unemployment rate is at a six-year low. But low inflation and wage growth could keep the RBA on hold for some time yet.

The **Bank of Mexico** is expected to hold their overnight policy rate steady at 7.75%. A Peso recovery since June and encouraging trade policy developments have given policymakers scope to pause their tightening cycle.

Finally in **Brazil, the IBGE Inflation IPCA** is anticipated to come in at 4.4% yoy, roughly at the central bank's target. Projections released this week showed that price pressures are forecast to stay at current levels for the remainder of 2018.

# Market moves

---

## Equities

US equities retreated; European equities fell amid investor concerns over Italy's 2019 budget

## Bonds

US Treasury yields ended little changed despite an eventful week while Italian bond yields jumped on budget concerns

## Currencies

US dollar was supported by Fed action and strong US data; euro was hit by Italian budget concerns

## Commodities

Oil prices rallied amid OPEC signals that output will not be raised

## Equities

US stocks sold off at the start of the week, weighed down by deepening trade tensions after China went ahead with retaliatory tariffs and cancelled trade talks with the US - in response to additional import duties formally announced by the Trump administration the previous week. However stocks pared back some of their losses on Thursday as investors looked ahead to the third-quarter earnings season starting next month. Overall, the S&P 500 Index closed the week down 0.5% while Canada's S&P/TSX Composite Index was down 0.9% despite Prime Minister Justin Trudeau stating that a NAFTA deal was still possible.

**European equities** also retreated over the week, with investor risk appetite hit by budget concerns in Italy after the country's populist government agreed to target a budget deficit for 2019 of 2.4%, a significant increase from this year. The regional EURO STOXX 50 Index fell 0.9%, dragged lower by financials. Most other national bourses also ended lower, with Italy's FTSE MIB underperforming (-3.8%). Elsewhere, Germany's DAX fell 1.5% while UK's FTSE 100 rose 1.0% and France's CAC 40 was little changed at 0.0%.

**Asian stock markets** lacked clear direction this week. Japan's Nikkei 225 posted a weekly gain of 1.0%, helped by a weaker yen. Chinese stocks also advanced. The Chinese government lowered import tariffs on certain products and vowed to provide more benefits for foreign investment, adding the pledge to cut taxes and promote consumption last week. The weight of A-shares in MSCI global indexes could increase from 2019 and equities listed on the tech-heavy ChiNext board may become eligible from 2020. The FTSE will also include A-shares in the benchmark indexes from next year. Elsewhere, India's Sensex declined 1.7% amid weakness in shares of non-bank financial institutions (NBFIs) on concerns related the tightness in system liquidity and their ability to roll over short-term credit.

## Bonds

US Treasury yields fluctuated in a tight range this week, despite a heavy data calendar. Two-year yields closed 2bp at 2.82% whilst 10-year yields remained at 3.06%. The majority of the move in the 10-year yields occurred on Wednesday in the aftermath of the FOMC September meeting. This could be due to some investors assessing that the Fed would be more cautious in future rate hikes as monetary policy is no longer "accommodative". Elsewhere, Canada's 10-year bond yields remained flat at 2.43%. On the data front, Canada's monthly GDP for July came in as expected, at 0.1% mom.

In Europe, benchmark German 10-year bund yields started the week higher (prices fell), after President Draghi pointed to a "relatively vigorous pickup in underlying inflation". However, bund yields fell in late week trading to close flat at 0.47%, as Italian budget concerns supported demand for perceived 'safe haven' assets. In this vein, Italy's 10-year bond yields rallied sharply to finish up 32bp at 3.14%.

## Currencies

The euro fell 1.2% against the US dollar this week. The single currency was hit by a broadly stronger US dollar as the FOMC raised rates as expected, also confirming an end to "accommodative" policy, whilst US data releases over the week continued to suggest a bullish US economy. Italian budget concerns added to downward pressure on the euro later in the week. The British pound fell 0.3% against the US dollar, amid Brexit uncertainty.

**In Asia**, the Japanese yen depreciated against the US dollar as improved risk sentiment dented demand for perceived safe haven assets and continued rate hikes by the Fed widened the rate differentials between the two countries. Higher-yielding currencies with current account deficits such as Indian rupee and Indonesian rupiah remained under pressure, despite policy efforts to address external imbalances and support the currencies, as the Fed hiked 25bp. The Indian government announced import tariff hikes on 19 categories while Bank Indonesia raised policy rates by another 25bp. The RMB also weakened this week.

## Commodities

**Crude oil prices** rose again this week, with most gains coming on Monday as OPEC and allied producers confirmed they would not ramp up output in response to supply disruptions in other producing countries. WTI rose 3.9% to USD73.5 a barrel and Brent oil prices rose 6.1% to USD83.0 a barrel. **Gold prices** fell this week (0.5% to USD 1,193 per troy ounce) on a stronger 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)	525	-0.5	0.0	4.7	8.4	2.4	551	483	15.9
<b>North America</b>									
US Dow Jones Industrial Average	26,458	-1.1	1.5	9.3	18.2	7.0	26,769	22,289	16.9
US S&P 500 Index	2,914	-0.5	0.6	7.3	16.1	9.0	2,941	2,503	18.1
US NASDAQ Composite Index	8,046	0.7	0.2	7.2	24.7	16.6	8,133	6,428	24.1
Canada S&P/TSX Composite Index	16,073	-0.9	-1.7	-0.7	2.9	-0.8	16,586	14,786	15.6
<b>Europe</b>									
MSCI AC Europe (USD)	469	0.0	0.3	3.4	-1.1	-3.8	524	444	14.1
Euro STOXX 50 Index	3,399	-0.9	-1.4	1.0	-4.6	-3.0	3,709	3,262	14.1
UK FTSE 100 Index	7,510	1.0	-1.4	-1.4	2.6	-2.3	7,904	6,867	13.5
Germany DAX Index*	12,247	-1.5	-2.2	0.6	-3.6	-5.2	13,597	11,727	13.4
France CAC-40 Index	5,493	0.0	0.2	4.1	3.8	3.4	5,657	5,038	14.7
Spain IBEX 35 Index	9,389	-2.1	-2.3	-2.1	-9.1	-6.5	10,643	9,111	12.3
Italy FTSE MIB Index	20,712	-3.8	0.4	-3.4	-8.3	-5.2	24,544	20,236	11.3
<b>Asia Pacific</b>									
MSCI AC Asia Pacific ex Japan (USD)	526	-0.7	-2.6	-1.0	-0.1	-7.7	617	506	13.2
Japan Nikkei-225 Stock Average	24,120	1.0	5.7	8.3	18.4	6.0	24,286	20,285	16.9
Australian Stock Exchange 200	6,208	0.2	-1.5	-0.1	9.5	2.3	6,374	5,651	16.0
Hong Kong Hang Seng Index	27,789	-0.6	-2.0	-2.5	1.3	-7.1	33,484	26,220	11.4
Shanghai Stock Exchange Composite Index	2,821	0.9	1.6	1.2	-15.5	-14.7	3,587	2,644	11.5
Hang Seng China Enterprises Index	11,018	-0.1	-0.7	1.4	1.3	-5.9	13,963	10,197	8.3
Taiwan TAIEX Index	11,006	0.3	0.2	3.3	6.9	3.4	11,270	10,189	14.2
Korea KOSPI Index	2,343	0.2	1.7	1.2	-1.3	-5.0	2,607	2,218	9.4
India SENSEX 30 Index	36,227	-1.7	-6.9	3.4	15.8	6.4	38,990	31,082	19.4
Indonesia Jakarta Stock Price Index	5,977	0.3	-1.1	5.5	2.3	-6.0	6,693	5,558	15.7
Malaysia Kuala Lumpur Composite Index	1,793	-1.0	-1.8	7.7	2.0	-0.2	1,896	1,658	17.3
Philippines Stock Exchange PSE Index	7,277	-1.4	-7.2	3.0	-10.8	-15.0	9,078	6,924	16.9
Singapore FTSE Straits Times Index	3,257	1.2	0.3	0.0	0.9	-4.3	3,642	3,103	13.2
Thailand SET Index	1,756	0.0	2.2	9.8	5.4	0.2	1,853	1,585	16.3
<b>Latam</b>									
Argentina Merval Index	33,462	-2.5	33.7	24.9	30.7	11.3	35,462	24,618	9.4
Brazil Bovespa Index*	79,342	-0.1	2.4	10.6	7.9	3.8	88,318	69,069	11.8
Chile IPSA Index	5,284	-3.3	-0.1	0.5	-0.5	-5.1	5,895	4,847	15.6
Colombia COLCAP Index	1,506	1.6	-2.7	-3.2	1.3	-0.5	1,598	1,415	13.4
Mexico S&P/BMV IPC Index	49,504	0.3	-1.0	5.3	-1.3	0.3	51,121	44,429	16.8
<b>EEMEA</b>									
Russia MOEX Index	2,475	2.0	6.9	10.0	19.5	17.3	2,477	2,038	5.8
South Africa JSE Index	55,708	-2.5	-7.2	-0.2	1.3	-6.4	61,777	53,027	13.6
Turkey ISE 100 Index*	99,957	2.0	6.5	3.9	-2.6	-13.3	121,532	84,655	7.3

\*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	-0.4	0.2	5.2	4.1	10.5	48.2	50.7
US equities	-0.5	0.6	7.5	10.2	17.7	61.1	83.9
Europe equities	0.0	0.3	3.9	-1.3	1.8	28.8	19.0
Asia Pacific ex Japan equities	-0.7	-2.2	0.0	-5.6	2.6	45.4	29.8
Japan equities	0.4	3.4	3.5	1.6	10.2	38.3	36.1
Latam equities	1.8	3.6	7.1	-6.4	-7.5	51.8	-11.2
Emerging Markets equities	0.0	-1.6	1.4	-7.4	0.4	44.2	18.3

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.

	Close	1-week Change (%)	1-month Change (%)	3-month Change (%)	1-year Change (%)	YTD Change (%)
<b>Bond indices - Total Return</b>						
BarCap GlobalAgg (Hedged in USD)	515	0.0	-0.3	0.0	0.9	0.0
JPM EMBI Global	780	0.8	1.0	1.9	-2.7	-3.5
BarCap US Corporate Index (USD)	2,834	0.2	-0.3	1.0	-1.1	-2.3
BarCap Euro Corporate Index (Eur)	245	-0.2	-0.2	0.0	0.1	-0.6
BarCap Global High Yield (Hedged in USD)	470	0.3	1.0	2.3	1.2	0.4
Markit iBoxx Asia ex-Japan Bond Index (USD)	193	0.2	-0.2	1.1	-1.1	-1.6
Markit iBoxx Asia ex-Japan High-Yield Bond Index (USD)	247	0.4	0.4	2.5	-1.1	-2.2

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

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 (%)
<b>Developed markets</b>									
EUR/USD	1.16	1.17	1.17	1.16	1.18	1.20	1.26	1.13	-1.2
GBP/USD	1.30	1.31	1.29	1.31	1.34	1.35	1.44	1.27	-0.3
CHF/USD	1.02	1.04	1.02	1.00	1.03	1.03	1.09	0.99	-2.4
CAD	1.29	1.29	1.29	1.32	1.24	1.26	1.34	1.23	0.1
JPY	113.70	112.59	111.19	110.49	112.34	112.69	114.73	104.56	-1.0
AUD	1.38	1.37	1.36	1.36	1.27	1.28	1.41	1.23	-0.9
NZD	1.51	1.50	1.49	1.48	1.38	1.41	1.54	1.34	-0.9
<b>Asia</b>									
HKD	7.83	7.81	7.85	7.85	7.81	7.81	7.85	7.79	-0.2
CNY	6.87	6.86	6.80	6.63	6.66	6.51	6.94	6.24	-0.2
INR	72.49	72.20	70.11	68.79	65.51	63.87	72.97	63.25	-0.4
MYR	4.14	4.13	4.10	4.04	4.23	4.05	4.24	3.85	-0.2
KRW	1,109	1,116	1,110	1,124	1,149	1,067	1,150	1,054	0.6
TWD	30.53	30.67	30.72	30.58	30.39	29.73	30.88	28.96	0.5
<b>Latam</b>									
BRL	4.05	4.05	4.14	3.86	3.18	3.31	4.21	3.12	0.0
COP	2,966	3,000	2,988	2,950	2,943	2,986	3,111	2,685	1.1
MXN	18.72	18.83	19.08	19.72	18.16	19.66	20.96	17.94	0.6
<b>EEMEA</b>									
RUB	65.56	66.46	67.85	62.79	57.92	57.69	70.84	55.56	1.4
ZAR	14.14	14.32	14.23	13.77	13.51	12.38	15.70	11.51	1.3
TRY	6.06	6.29	6.28	4.58	3.56	3.80	7.24	3.54	3.7

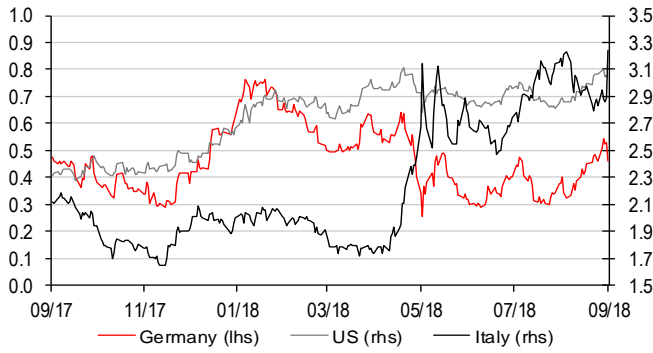
Bonds	Close	1-week Ago	1-month Ago	3-months Ago	1-year Ago	Year End 2017	1-week Basis Point Change *
<b>US Treasury yields (%)</b>							
3-Month	2.20	2.16	2.11	1.91	1.05	1.38	3
2-Year	2.82	2.80	2.67	2.51	1.45	1.88	2
5-Year	2.95	2.95	2.77	2.71	1.89	2.21	0
10-Year	3.06	3.06	2.88	2.84	2.31	2.41	0
30-Year	3.21	3.20	3.03	2.97	2.87	2.74	1
<b>10-year bond yields (%)</b>							
Japan	0.12	0.13	0.09	0.03	0.07	0.04	0
UK	1.57	1.55	1.45	1.26	1.37	1.19	2
Germany	0.47	0.46	0.38	0.32	0.48	0.42	1
France	0.80	0.78	0.72	0.70	0.76	0.78	3
Italy	3.14	2.83	3.18	2.78	2.12	2.01	32
Spain	1.50	1.49	1.45	1.36	1.62	1.56	1
China	3.63	3.70	3.64	3.54	3.62	3.90	-7
Australia	2.67	2.70	2.56	2.62	2.86	2.63	-3
Canada	2.43	2.43	2.32	2.13	2.13	2.05	0

\*Numbers may not add up due to rounding

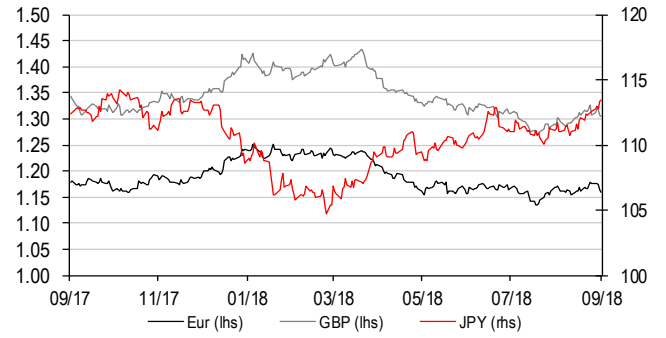
Commodities	Latest	1-week Change (%)	1-month Change (%)	3-month Change (%)	1-year Change (%)	YTD Change (%)	52-week High	52-week Low
Gold	1,193	-0.5	-0.7	-4.5	-7.4	-8.5	1,366	1,160
Brent Oil	83.0	6.1	8.9	8.2	49.4	30.4	83	54
WTI Crude Oil	73.5	3.9	7.8	5.8	42.5	26.0	74	51
R/J CRB Futures Index	195	0.6	1.8	-1.9	6.6	0.7	207	180
LME Copper	6,187	-2.8	0.7	-6.6	-5.1	-14.6	7,348	5,773

# Market Trends

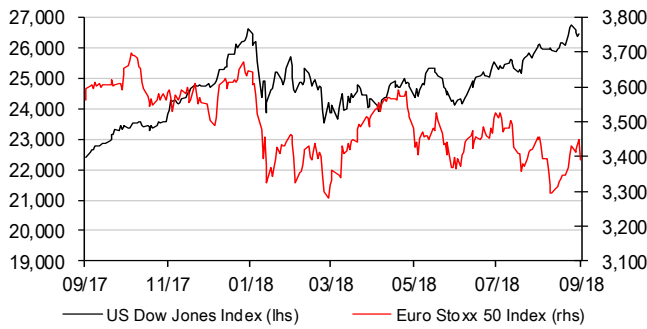
**Government bond yields (%)**



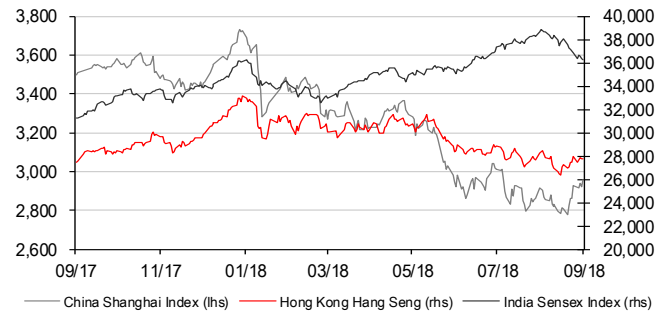
**Major currencies (versus USD)**



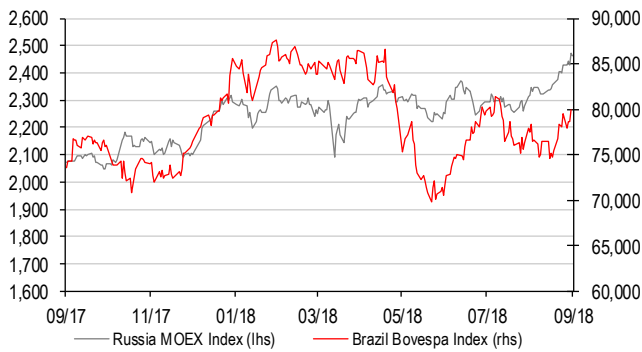
**Global equities**



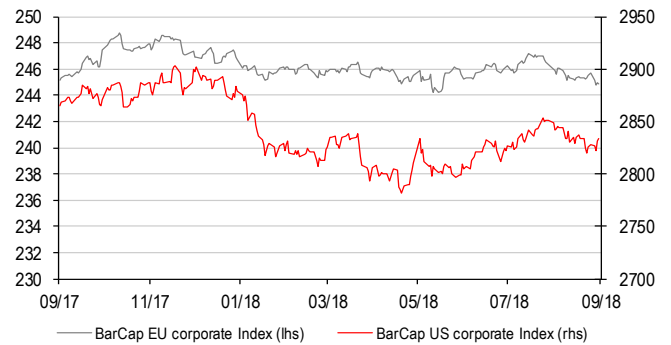
**Emerging Asian equities**



**Other emerging equities**



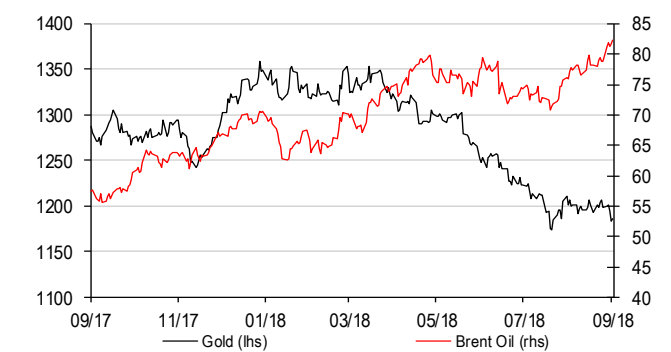
**Global credit indices**



**Emerging markets spreads (USD indices)**



**Commodities (USD)**





For Professional Clients and intermediaries within countries set out below; and for Institutional Investors and Financial Advisors in Canada and the US. This document should not be distributed to or relied upon by Retail clients/investors.

The value of investments and the income from them can go down as well as up and investors may not get back the amount originally invested. Past performance contained in this document is not a reliable indicator of future performance whilst any forecasts, projections and simulations contained herein should not be relied upon as an indication of future results. Where overseas investments are held the rate of currency exchange may cause the value of such investments to go down as well as up. Investments in emerging markets are by their nature higher risk and potentially more volatile than those inherent in some established markets. Economies in Emerging Markets generally are heavily dependent upon international trade and, accordingly, have been and may continue to be affected adversely by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be affected adversely by economic conditions in the countries in which they trade. Mutual fund investments are subject to market risks, read all scheme related documents carefully.

The contents of this document may not be reproduced or further distributed to any person or entity, whether in whole or in part, for any purpose. All non-authorized reproduction or use of this document will be the responsibility of the user and may lead to legal proceedings. The material contained in this document is for general information purposes only and does not constitute advice or a recommendation to buy or sell investments. Some of the statements contained in this document may be considered forward looking statements which provide current expectations or forecasts of future events. Such forward looking statements are not guarantees of future performance or events and involve risks and uncertainties. Actual results may differ materially from those described in such forward-looking statements as a result of various factors. We do not undertake any obligation to update the forward-looking statements contained herein, or to update the reasons why actual results could differ from those projected in the forward-looking statements. This document has no contractual value and is not by any means intended as a solicitation, nor a recommendation for the purchase or sale of any financial instrument in any jurisdiction in which such an offer is not lawful. The views and opinions expressed herein are those of HSBC Global Asset Management at the time of preparation, and are subject to change at any time. These views may not necessarily indicate current portfolios' composition. Individual portfolios managed by HSBC Global Asset Management primarily reflect individual clients' objectives, risk preferences, time horizon, and market liquidity. Foreign and emerging markets. Investments in foreign markets involve risks such as currency rate fluctuations, potential differences in accounting and taxation policies, as well as possible political, economic, and market risks. These risks are heightened for investments in emerging markets which are also subject to greater illiquidity and volatility than developed foreign markets. This commentary 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 is not 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.

We accept no responsibility for the accuracy and/or completeness of any third party information obtained from sources we believe to be reliable but which have not been independently verified.

HSBC Global Asset Management is a group of companies in many countries and territories throughout the world that are engaged in investment advisory and fund management activities, which are ultimately owned by HSBC Holdings Plc. (HSBC Group). HSBC Global Asset Management is the brand name for the asset management business of HSBC Group. The above communication is distributed by the following entities:

- In **Australia**, this document is issued by HSBC Global Asset Management (Australia), the sales and distribution arm of HSBC global funds for Australian investors and a division of HSBC Bank Australia Limited ABN 48 006 434 162, AFSL 232595, for HSBC Global Asset Management (Hong Kong) Limited ARBN 132 834 149 ("HSBC"). This document is not available for distribution to retail clients (as defined under the Corporations Act). HSBC Global Asset Management (Hong Kong) Limited is exempt from the requirement to hold an Australian financial services license under the Corporations Act in respect of the financial services it provides. HSBC Global Asset Management (Hong Kong) Limited is regulated by the Securities and Futures Commission of Hong Kong under the Hong Kong laws, which differ from Australian laws.
- in **Austria** by HSBC Global Asset Management (Österreich) GmbH which is regulated by the Financial Market Supervision in Austria (FMA);
- in **Bermuda** by HSBC Global Asset Management (Bermuda) Limited, of 37 Front Street, Hamilton, Bermuda which is licensed to conduct investment business by the Bermuda Monetary Authority;
- in **Canada** by HSBC Global Asset Management (Canada) Limited which is registered in all provinces of Canada except Prince Edward Island;
- in **Chile**: Operations by HSBC's headquarters or other offices of this bank located abroad are not subject to Chilean inspections or regulations and are not covered by warranty of the Chilean state. Further information may be obtained about the state guarantee to deposits at your bank or on [www.sbf.cl](http://www.sbf.cl);
- in **Colombia**: HSBC Bank USA NA has an authorized representative by the Superintendencia Financiera de Colombia (SFC) whereby its activities conform to the General Legal Financial System. SFC has not reviewed the information provided to the investor. This document is for the exclusive use of institutional investors in Colombia and is not for public distribution;
- in **France** by HSBC Global Asset Management (France), a Portfolio Management Company authorised by the French regulatory authority AMF (no. GP99026);
- in **Germany** by HSBC Global Asset Management (Deutschland) GmbH which is regulated by BaFin;
- in **Hong Kong** by HSBC Global Asset Management (Hong Kong) Limited, which is regulated by the Securities and Futures Commission;
- in **India** by HSBC Asset Management (India) Pvt Ltd. which is regulated by the Securities and Exchange Board of India;
- in **Italy** and **Spain** through the Milan and Madrid branches of HSBC Global Asset Management (France), regulated by Banca d'Italia and Commissione Nazionale per le Società e la Borsa (Consob) in Italy, and the Comisión Nacional del Mercado de Valores (CNMV) in Spain;
- in **Mexico** by HSBC Global Asset Management (Mexico), SA de CV, Sociedad Operadora de Fondos de Inversión, Grupo Financiero HSBC which is regulated by Comisión Nacional Bancaria y de Valores;
- in the **United Arab Emirates, Qatar, Bahrain & Kuwait** by HSBC Bank Middle East Limited which are regulated by relevant local Central Banks for the purpose of this promotion and lead regulated by the Dubai Financial Services Authority.
- in **Oman** by HSBC Bank Oman S.A.O.G regulated by Central Bank of Oman and Capital Market Authority of Oman;
- in **Peru**: HSBC Bank USA NA has an authorized representative by the Superintendencia de Banca y Seguros in Perú whereby its activities conform to the General Legal Financial System - Law No. 26702. Funds have not been registered before the Superintendencia del Mercado de Valores (SMV) and are being placed by means of a private offer. SMV has not reviewed the information provided to the investor. This document is for the exclusive use of institutional investors in Perú and is not for public distribution;
- in **Singapore** by HSBC Global Asset Management (Singapore) Limited, which is regulated by the Monetary Authority of Singapore
- in **Sweden** through the Stockholm branches of HSBC Global Asset Management (France), regulated by the Swedish Financial Supervisory Authority (Finansinspektionen) in Sweden
- in **Switzerland** by HSBC Global Asset Management (Switzerland) AG whose activities are regulated in Switzerland and which activities are, where applicable, duly authorised by the Swiss Financial Market Supervisory Authority. Intended exclusively towards qualified investors in the meaning of Art. 10 para 3, 3bis and 3ter of the Federal Collective Investment Schemes Act (CISA);
- in **Taiwan** by HSBC Global Asset Management (Taiwan) Limited which is regulated by the Financial Supervisory Commission R.O.C. (Taiwan);
- in the **UK** by HSBC Global Asset Management (UK) Limited, which is authorised and regulated by the Financial Conduct Authority;
- and in the **US** by HSBC Global Asset Management (USA) Inc. which is an investment advisor registered with the US Securities and Exchange Commission.

#### INVESTMENT PRODUCTS:

- Are not a deposit or other obligation of the bank or any of its affiliates;
- Not FDIC insured or insured by any federal government agency of the United States;
- Not guaranteed by the bank or any of its affiliates; and
- Are subject to investment risk, including possible loss of principal invested.

Copyright © HSBC Global Asset Management Limited 2018. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of HSBC Global Asset Management Limited.

Expiry: 26 October 2018

DK1800429A