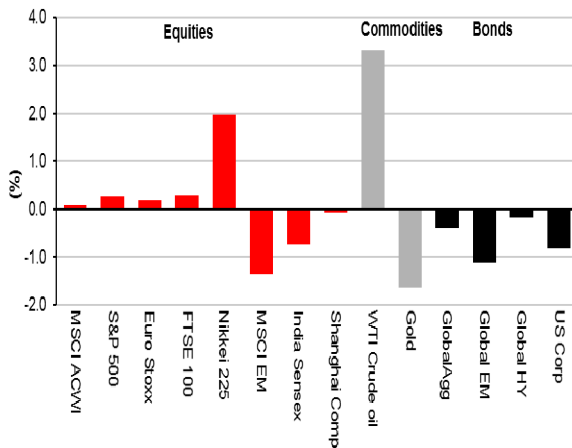


- ▶ Despite further gains in oil prices, global equity markets closed mostly down on higher expectations of tighter US monetary policy
- ▶ The US Federal Reserve (Fed) April meeting minutes were more hawkish than expected. A number of Fed members still considered the June meeting as possible for an interest rate hike if upcoming data points to strong Q2 growth
- ▶ The first estimate of Japan's Q1 GDP surprised to the upside, growing 1.7% qoq annualised. However, the boost mainly came from the "leap year effect" – a factor not adjusted for in Japan's GDP statistics
- ▶ In the coming week, investor attention will turn toward eurozone PMIs, US housing data and Central Bank decisions in Turkey, Canada, Colombia and Hungary

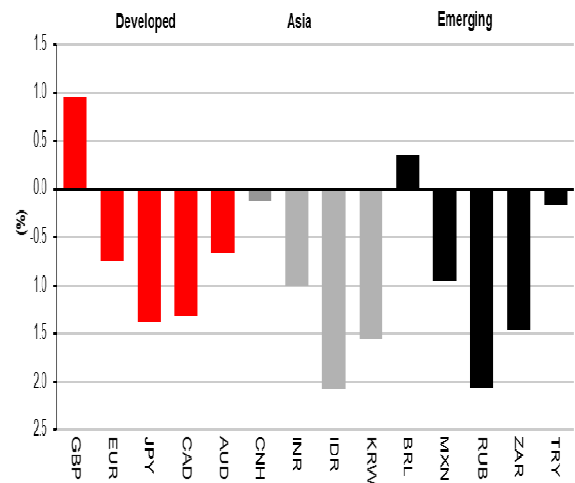
### Movers and shakers

Most equity markets fell amid a rising likelihood of Fed hikes...

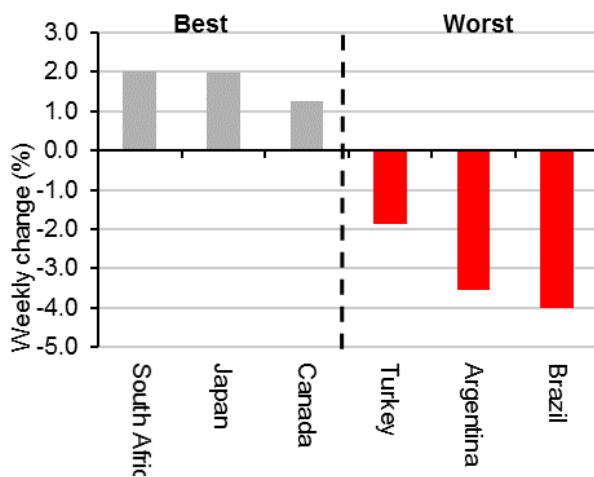


### Currencies (versus US dollar)

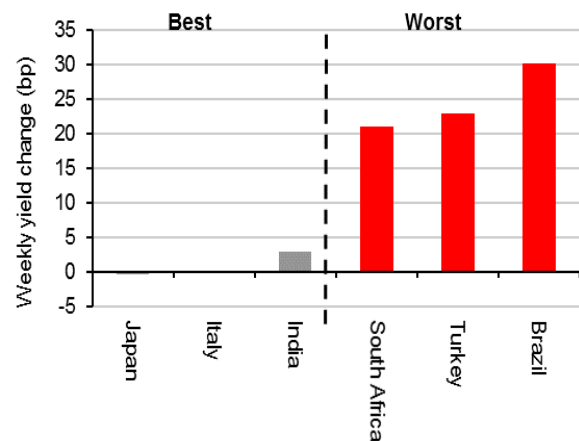
...driving broad US dollar strength, the pound excepted



### Equities



### Bonds (10-year)



Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 20 May 2016. All the above charts relate to 13/05/2016 – 20/05/2016. Past performance is not an indication of future returns.

## Macro Data and Key Events

Past Week (16-20 May 2016)

Date	Country	Indicator	Data as of	Survey	Actual	Prior
Monday 16 May	US	NAHB/Wells Fargo Housing Market Index	May	59	58	58
Tuesday 17 May	UK	CPI (yoy)	Apr	0.5%	0.3%	0.5%
	US	CPI (yoy)	Apr	1.1%	1.1%	0.9%
	US	Housing Starts (mom)	Apr	3.3%	6.6%	-9.4%
	US	Industrial Production (mom)	Apr	0.3%	0.7%	-0.9%
Wednesday 18 May	Japan	GDP Annualised (qoq)	Q1 P	0.3%	1.7%	-1.7%
	US	Fed Releases 27 April Meeting Minutes				
	Eurozone	CPI (yoy)	Apr F	-0.2%	-0.2%	-0.2% P
	South Africa	SARB Interest Rate Decision	May	7.00%	7.00%	7.00%
Thursday 19 May	Brazil	IBGE Inflation IPCA-15 (yoy)	May	9.5%		9.3%

P – Preliminary, Q – Quarter, F – Final

- ▶ In the US, the **Fed April meeting minutes** were more hawkish than expected. A number of Fed members still considered the June meeting as possible for an interest rate hike if upcoming data points to strong second-quarter growth. In particular, the minutes stated “Most participants judged that if incoming data were consistent with economic growth picking up in the second quarter, labor market conditions continuing to strengthen, and inflation making progress toward the Committee’s 2 percent objective, then it likely would be appropriate for the Committee to increase the target range for the federal funds rate in June.” However, there was concern as to whether the economic data would be clear and plentiful enough to warrant this. The minutes also showed that Fed officials acknowledged soft Q1 GDP growth, but noted it could partly reflect seasonal measurement problems. At the time of writing, the Fed funds futures market is pricing in a 30% probability of a June rate hike and a 76% probability of a move in December.
- ▶ In terms of data, US **CPI inflation** increased by 0.4% mom in April (1.1% yoy, consensus 0.3% mom), the most since February 2013. The headline number was strongly supported by shelter (+3.2% yoy) and medical services (+3.1% yoy), while energy costs (-8.9% yoy) were a drag on a year-on-year basis. Core CPI, which strips out the more volatile components of food and energy, rose 2.1% yoy as expected, above the 2.0% yoy mark for the fifth straight month. The **US May NAHB/Wells Fargo Housing Market Index** held steady at 58 for the fourth consecutive month against expectations of a minimal tick up to 59. **Housing starts** surged 6.6% mom in April (consensus 3.3%) to 1,172,000 annualised from a downwardly revised -9.4% mom (previous 8.8% mom) in March. Although encouraging, the latest headline reading is consistent with the past year trend in housing starts, with the pace of construction stalling within the 1,050,000-1,200,000 range.
- ▶ **In Europe, UK CPI inflation** fell back to 0.3% yoy in April (consensus 0.5%), down from 0.5% yoy in March. Meanwhile, core CPI inflation (excluding energy, food, alcohol and tobacco) dropped back to 1.2% yoy in April (from 1.5% yoy in March) as the spike in airfares related to the timing of Easter unwound. Though weaker than consensus expectations, the scale of the move was anticipated in the Bank of England’s May Inflation Report and, as such, has little implication for the UK policy outlook.
- ▶ The **first estimate of Japan’s Q1 real GDP** surprised to the upside, growing 1.7% qoq annualised, beating consensus forecasts of +0.3% qoq, and picking up from the downwardly revised 1.7% qoq contraction (previously -1.1% qoq) in Q4 2015. The details showed that private consumption, government consumption and public investment were all stronger than expected. However, exports rose and imports fell, leaving the net trade contribution at only 0.2ppt. It is important to note that leap year effects boosted the Q1 GDP number – a factor not adjusted for in Japan’s GDP statistics. The stronger than expected Q1 GDP print naturally raises questions about the likelihood of further fiscal and monetary easing, not least the mooted April 2017 consumption tax hike.
- ▶ As expected, the **South African Reserve Bank (SARB)** kept its repo rate at 7.00% in May as monetary policy continues to be hamstrung by stagflation. The decision to pause follows a slight worsening for the economic outlook, with the SARB’s 2016 GDP growth forecast revised down to 0.6% from 0.8% previously. Also worryingly, unemployment for the first quarter rose to 26.7%, its highest in over eight years. On the other hand, price increases stabilised somewhat in March, but there still exist significant upside risks, including administrative price hikes and new taxes starting in April. Inflation is now expected to average 6.7% this year, 6.2% in 2017 and only return to within the 3%-6% band target in 2018 (5.4%).

## Coming Week (23-27 May 2016)

Date	Country	Indicator	Data as of	Survey	Prior
Monday 23 May	Japan	Trade Balance, Adjusted (JPY)	Apr	274.1bn	276.5bn
	Eurozone	Composite PMI	May P	53.2	53.0
Tuesday 24 May	Germany	ZEW Indicator of Economic Sentiment	May	12.0	11.2
	Turkey	Overnight Lending Rate	May	9.50%	10.00%
	US	New Home Sales (mom)	Apr	1.8%	-1.5%
	Hungary	Central Bank Interest Rate Decision	May	0.90%	1.05%
Wednesday 25 May	Germany	Ifo Business Climate Index	May	106.8	106.6
	Canada	Bank of Canada Interest Rate Decision	May	0.50%	0.50%
Thursday 26 May	UK	GDP (qoq, Second Estimate)	Q1 P	0.4%	0.4% P
	US	Durable Goods Orders (mom)	Apr P	0.3%	0.8%
	US	Pending Home Sales (mom)	Apr	0.6%	1.4%
Friday 27 May	Japan	National CPI, ex Fresh Food and Energy (yoy)	Apr	1.0%	1.1%
	Colombia	Central Bank Interest Rate Decision	May	7.25%	7.00%
	US	GDP Annualised (qoq, Second Estimate)	Q1 P	0.8%	0.5% P

P – Preliminary, Q – Quarter

### US and Canada

- ▶ The US housing market is anticipated to show broad improvement this week. Firstly, while **new home sales** declined in March, this was primarily due to sales in the Western region returning to their lowest levels since July 2014 after a sharp jump in February. The market anticipates that new home sales rose 1.8% mom, which would keep the national series close to the top end of the post-crisis range but still well below the historic average. Similarly, the **Pending Home Sales Index**, which tends to lead the existing home sales by a couple of months, has improved somewhat recently. The expectation of a 0.6% mom increase in the April release would see pending home sales move to the top end of the range they have occupied for the past year. Market fundamentals such as the continued strength in the labour market and high levels of affordability due to lower mortgage interest rates appear supportive for the medium-term trend in housing.
- ▶ **Durable Goods Orders**, particularly for capital equipment, have had a difficult run since the middle of 2014. Total durable goods orders are expected to rise 0.3% in April after a 0.8% increase in March, while durable goods (excluding transportation orders) are anticipated to reverse the 0.2% drop seen in March, with April's rise forecasted at 0.2%. If forecasts are correct, this would be the first back-to-back increase in the headline series since July 2015.
- ▶ The first release of **Q1 US GDP** showed an anaemic start to the year at 0.5% qoq annualised; however, since this release there have been marginal improvements to the previously released Q1 consumer spending data that are expected to lift the second estimate to 0.8% qoq annualised.
- ▶ The **Bank of Canada** is unanimously expected to remain on hold at 0.50% for the 10<sup>th</sup> straight month after cutting rates from 0.75% in July last year. Q1 growth is likely to be flattered by strong exports supported by the Canadian dollar's weakness, coupled with strong retail sales, although a weaker Q2 is expected and headline inflation is anticipated to only trend gradually towards the 2% target, with core CPI already around that level.

### Europe

- ▶ In the **eurozone**, a number of sentiment-based data releases in the coming week should help steer forecasts for overall Q2 GDP growth, following Q1's better than expected 0.5% qoq print. To the extent that global financial market volatility at the beginning of 2016 was reflected in a deterioration of Eurozone **PMI** readings, the flash estimates for May could see a slight uptick given that the global backdrop has significantly improved since then (the manufacturing new export orders component rose in April). Furthermore, conditions in the service sector remain favourable on the back of robust consumption and amid continuing improvements in the labour market. Overall, the composite index is expected to rise by 0.2 points to 53.2.
- ▶ Meanwhile, in **Germany**, the **ZEW** indicators for May are anticipated to tick up slightly, with the **expectations** component edging up (+0.8 points to 12.0), buoyed by the recent stabilisation of financial market conditions (the survey is conducted among finance professionals). The current situation component is also expected to find support from the reassuringly upbeat German Q1 GDP print (+0.7% qoq), which should also be witnessed in a small (+0.2 points) gain in the **Ifo Business Climate Index** reading for May (to 106.8).
- ▶ **UK GDP** growth came in at 0.4% qoq in the first release, and there is little to suggest a revision to this estimate. This release will also provide us with the breakdown by expenditure, which is likely to show that the consumer remains the key driver of UK growth and that net exports remain a drag. Also of significant interest will be the business investment component, which declined in Q4 (-2.0% qoq) and probably remained weak in Q1 ahead of the elevated uncertainty surrounding the 23 June referendum vote.

## Emerging markets and Japan

- ▶ **Japan's core inflation** (excluding fresh food) is expected to have stayed negative for a second month (-0.4%) in April. The negative contributions from energy and core foods likely increased. The rebound in global energy prices has yet to reflect meaningfully in domestic prices, while a stronger yen may have offset some of the gains in imported prices. The core CPI figure (excluding fresh food and energy) for April is expected to dip very slightly at 1.0%, ticking down from 1.1%. Meanwhile, Japan's trade balance likely registered a sixth consecutive monthly surplus of JPY274 billion in April.
- ▶ The recent improvement in global financial conditions was the main pillar of the **Central Bank of Turkey's decision** to cut the overnight lending rate by a total of 75bps during March and April. Despite May's sharp lira depreciation, the market expects a 50bp cut in the lending rate on Tuesday, although base effects in food inflation could mean that CPI inflation sees a more modest decline going forward.
- ▶ The **Central Bank of Colombia** is expected to increase rates by 25bps with inflation still notably above target. While weaker retail sales and industrial production might temper the pace of increases ahead, they are unlikely to derail them in the near term as the convergence of inflation towards the target range in 2017 remains a focus for the more hawkish Monetary Policy Committee directors.
- ▶ This week the **Hungarian National Bank** is expected to trim rates from 1.05% to 0.90%, particularly as growth in Q1 showed a surprise contraction (-0.8%) against an expected tepid expansion (+0.4%). The inflation outlook is also lacklustre with the headline rate only expected to rise above 2.0% in Q1 2017.

## Market Moves

### Global equity markets weighed on by surprise Fed hawkish tilt

- ▶ US equities opened this week higher as investor sentiment was boosted by firmer commodity prices. However, increasing prospects of tighter than previously anticipated US monetary policy weighed on investor sentiment later in the week. Overall, the S&P 500 Index broke its losing streak of three straight weeks to tick marginally higher (+0.3%). Within sectors, defensive stocks such as utilities underperformed. Meanwhile, energy shares booked the largest gains on higher oil prices and financials also rose.
- ▶ After a lacklustre start, following public holidays in the region, European stock markets swung between gains and losses over the week. The EURO STOXX 50 Index returned (+0.2%), primarily due to the more hawkish than expected April Federal Open Market Committee (FOMC) meeting minutes, although banking shares rallied as the sector is anticipated to benefit from higher US rates. The rally also supported financials-heavy peripheral indices, which generally closed higher for the week.
- ▶ Asian stock markets saw differing reactions to the increased likelihood of US rate hikes this year to end higher this week, with higher oil prices underpinning energy shares. Gains in Japan's Nikkei 225 Index (+ 2.0%) came amid a weaker yen and increased hopes for fiscal stimulus. China's Shanghai Stock Exchange Composite Index ended the week flat, on the back of lingering concerns about the economic and policy outlook. India's SENSEX 30 Index fell (-0.7%), on concerns that a Fed rate hike may spur capital outflows, outweighing election results that showed a BJP victory in Assam and gains in voting shares in other states.

### US Treasuries fall sharply amid Fed hawkishness

- ▶ US Treasuries sold off (yields rose) this week amid rising prospects of faster US monetary policy tightening. Regional Fed officials, including Atlanta's Dennis Lockhart and San Francisco's John Williams, expressed that two to three hikes are possible this year, while April's FOMC meeting minutes suggested that it could be appropriate to raise interest rates as early as June if the data warrants it. Overall, two-year and 10-year Treasury yields closed the week sharply higher (+13bps to 0.88% and +14bps to 1.84% respectively).
- ▶ Core European government bond prices fell (yields rose) as the prospect of further tightening in US monetary policy and gains in oil prices dampened demand for perceived "safe-haven" fixed income assets. German 10-year bund yields rose (+4bps to 0.16%) and briefly touched a two-week high (0.21%) on Thursday. French 10-year yields also moved higher (+3bps to 0.50%) amid strong issuance after the government auctioned over EUR6 billion in three-year and five-year debt. Meanwhile, most peripheral bond yields fell (excluding Greece), led by Portugal and Spain. Importantly, on Wednesday, the European commission decided to delay taking disciplinary action against both Iberian countries for missing their budget targets.

### The US dollar rallies on increasing prospects for higher US interest rates this year

- ▶ After trading water during the first half of the week, the euro tumbled against the US dollar late on Wednesday as the hawkish FOMC meeting minutes bolstered the prospects for US interest rate increases this year. The common currency then consolidated to close lower (-0.8%) for the third consecutive week. This was amid limited macroeconomic data releases while the somewhat unexciting account of April's ECB monetary policy meeting signalled that the central bank is in no hurry to review its stance this summer. Interestingly, the stronger dollar did not prevent the British pound from rallying (+1.0%) after two consecutive weeks of losses. The majority of the gains occurred on Wednesday morning following a supportive poll showing the Remain campaign ahead in the European Union membership referendum in June. Sterling was also broadly supported by much higher than expected UK retail sales data for April.

- ▶ Asian currencies weakened against the US dollar this week, led by the Indonesian rupiah, Korean won, Japanese yen and Malaysian ringgit, on increased Fed rate hike prospects. The surprisingly dovish signal from Bank Indonesia (BI) compounded the pressure on the rupiah. BI stated that “room for monetary easing that has been opened may be used at an earlier time” provided that macroeconomic stability is maintained. In addition, BI slightly lowered its 2016 GDP growth forecast to 5.0%-5.4% from 5.2%-5.6%, citing lower global growth and a disappointing Q1 GDP growth outturn.
- ▶ Meanwhile, most non-Asian currencies fell against a resurgent US dollar this week. The South African rand was a notable underperformer (-1.5%) on the back of heightened domestic political risks, while the SARB kept monetary policy on hold on Thursday, as widely expected. Conversely, the Turkish lira outperformed (-0.2%) amid hopes of increased political stability following the emergence of a consensus-building sole candidate to become the new prime minister.

### **Oil prices continue their rally, supported by global supply outages**

- ▶ WTI crude oil prices rose this week (+3.3% to USD47.8 per barrel), supported by continuing global supply disruptions – from the wildfire-hit region of Alberta, Canada, to turmoil in Nigeria and the state of emergency in Venezuela. However, a rally in the US dollar slowed gains, and higher exports from Iran and Libya also weighed. Meanwhile, this week’s inventory data came out mixed; the American Petroleum Institute noted a decline in crude stockpiles and the U.S. Energy Information Administration reported an accumulation, although gasoline and distillate inventories fell more than expected. Overall, Brent crude also ended up (+2.0% to USD48.8 per barrel).
- ▶ Gold prices fell this week (-1.6% at USD1,252 per ounce), extending losses since the beginning of the month. Most falls occurred on Wednesday following the release of the hawkish Fed minutes (supporting the US dollar and prospects for further policy tightening this year) weighing on the non-yield-generating yellow metal.

## 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)	394	0.1	-3.7	6.5	-10.7	-1.4	444	351	15.9
<b>North America</b>									
US Dow Jones Industrial Average	17,501	-0.2	-3.3	6.8	-4.3	0.4	18,350	15,370	16.3
US S&P 500 Index	2,052	0.3	-2.4	7.0	-3.5	0.4	2,135	1,810	17.5
US NASDAQ Composite Index	4,770	1.1	-3.6	5.9	-6.0	-4.8	5,232	4,210	20.7
Canada S&P/TSX Composite Index	13,920	1.2	0.1	8.6	-7.7	7.0	15,231	11,531	18.7
<b>Europe</b>									
MSCI AC Europe (USD)	393	0.0	-5.1	4.7	-16.9	-4.3	478	356	15.1
Euro STOXX 50 Index	2,962	0.2	-5.7	3.2	-19.6	-9.3	3,714	2,673	13.6
UK FTSE 100 Index	6,156	0.3	-4.0	3.5	-12.1	-1.4	7,070	5,500	16.6
Germany DAX Index*	9,916	-0.4	-4.8	5.6	-16.3	-7.7	11,920	8,699	12.4
France CAC-40 Index	4,354	0.8	-5.2	3.1	-15.2	-6.1	5,218	3,892	14.5
Spain IBEX 35 Index	8,771	0.6	-4.1	7.0	-24.2	-8.1	11,613	7,746	13.7
<b>Asia Pacific</b>									
MSCI AC Asia Pacific ex Japan (USD)	396	-0.5	-6.6	4.9	-21.5	-3.7	512	357	12.9
Japan Nikkei-225 Stock Average	16,736	2.0	-1.0	4.8	-17.1	-12.1	20,953	14,866	16.2
Australian Stock Exchange 200	5,351	0.4	2.6	8.0	-4.6	1.0	5,803	4,707	17.5
Hong Kong Hang Seng Index	19,852	0.7	-6.5	2.9	-28.0	-9.4	28,525	18,279	10.8
Shanghai Stock Exchange Composite Index	2,825	-0.1	-4.9	-1.2	-36.5	-20.2	5,178	2,638	12.9
Hang Seng China Enterprises Index	8,304	0.0	-9.1	2.4	-41.7	-14.1	14,963	7,499	6.9
Taiwan TAIEX Index	8,131	1.0	-4.5	-2.3	-16.0	-2.5	9,766	7,203	12.7
Korea KOSPI Index	1,948	-1.0	-2.9	1.6	-9.0	-0.7	2,149	1,801	10.8
India SENSEX 30 Index	25,302	-0.7	-2.1	6.7	-9.1	-3.1	28,578	22,495	16.1
Indonesia Jakarta Stock Price Index	4,712	-1.0	-3.4	0.3	-11.0	2.6	5,347	4,034	14.9
Malaysia Kuala Lumpur Composite Index	1,629	0.0	-4.7	-2.8	-10.0	-3.8	1,798	1,504	15.8
Philippines Stock Exchange PSE Index	7,299	-1.9	1.4	7.5	-7.4	5.0	7,870	6,084	18.6
Singapore FTSE Straits Times Index	2,764	1.1	-6.3	4.0	-19.6	-4.1	3,467	2,528	12.5
Thailand SET Index	1,386	-0.6	-2.1	5.0	-8.8	7.6	1,536	1,221	14.8
<b>Latam</b>									
Argentina Merval Index	12,656	-3.5	-8.8	7.0	7.9	8.4	14,597	8,660	14.2
Brazil Bovespa Index*	49,723	-4.0	-7.3	19.7	-9.4	14.7	55,645	37,046	13.2
Chile IPSA Index	3,940	-1.6	-1.1	4.9	-2.9	7.1	4,085	3,419	13.7
Colombia COLCAP Index	1,322	-2.1	-3.9	7.1	-3.0	14.6	1,382	1,046	14.5
Mexico Index	45,156	-0.5	-1.1	4.1	-0.3	5.1	46,308	39,257	19.7
<b>EEMEA</b>									
Russia MICEX Index	1,891	-0.8	-3.5	5.5	15.5	7.4	1,977	1,570	7.2
South Africa JSE Index	52,638	2.0	-2.1	7.6	-2.9	3.8	54,761	45,976	16.8
Turkey ISE 100 Index*	76,358	-1.9	-10.7	4.6	-13.0	6.5	88,652	68,230	8.7

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

	3-month Change (%)	YTD Change (%)	1-year Change (%)	3-year Change (%)	5-year Change (%)
<b>Equity Indices - Total Return</b>					
Global equities	6.6	-1.1	-9.5	9.6	26.9
US equities	7.0	0.1	-3.3	27.4	64.0
Europe equities	5.1	-3.7	-15.5	-1.9	3.9
Asia Pacific ex Japan equities	5.2	-3.3	-19.5	-11.0	-6.6
Japan equities	6.2	-5.4	-10.8	0.0	27.1
Latam equities	18.4	13.7	-20.2	-39.8	-45.0
Emerging Markets equities	6.0	-1.0	-22.7	-19.9	-22.6

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 20 May 2016.  
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 (%)
<b>Bond indices - Total Return</b>						
BarCap GlobalAgg (Hedged in USD)	497.7	-0.4	0.0	1.6	4.3	3.6
JPM EMBI Global	714.3	-1.1	-0.7	5.9	4.2	6.5
BarCap US Corporate Index (USD)	2695.9	-0.8	0.2	4.3	4.2	4.9
BarCap Euro Corporate Index (Eur)	236.5	-0.2	-0.2	2.2	1.9	2.7
BarCap Global High Yield (USD)	398.2	-0.2	0.3	8.9	1.0	6.5
HSBC Asian Bond Index	397.76	0.0	-0.1	2.6	4.3	4.5

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 2015	52-week High	52-week Low
<b>Developed markets</b>								
EUR/USD	1.12	1.13	1.13	1.11	1.11	1.09	1.17	1.05
GBP/USD	1.45	1.44	1.43	1.44	1.55	1.47	1.59	1.38
CHF/USD	1.01	1.03	1.03	1.01	1.07	1.00	1.09	0.97
CAD	1.31	1.29	1.27	1.38	1.22	1.38	1.47	1.21
JPY	110.15	108.63	109.84	112.63	121.35	120.22	125.86	105.55
AUD	1.38	1.38	1.28	1.40	1.27	1.37	1.46	1.26
NZD	1.48	1.48	1.43	1.51	1.37	1.46	1.60	1.35
<b>Asia</b>								
HKD	7.77	7.76	7.76	7.78	7.75	7.75	7.83	7.75
CNY	6.55	6.53	6.47	6.52	6.20	6.49	6.60	6.19
INR	67.45	66.77	66.22	68.47	63.83	66.15	68.79	63.31
MYR	4.08	4.03	3.87	4.21	3.62	4.29	4.48	3.58
KRW	1,190.13	1,171.47	1,135.28	1,234.36	1,095.97	1,175.06	1,245.13	1,088.59
TWD	32.71	32.61	32.24	33.25	30.53	32.86	33.79	30.35
<b>Latam</b>								
BRL	3.52	3.53	3.53	4.02	3.00	3.96	4.25	3.03
COP	3,052.00	2,992.48	2,897.50	3,356.25	2,496.60	3,174.50	3,452.55	2,479.60
MXN	18.35	18.17	17.28	18.22	15.19	17.21	19.44	15.17
<b>EEMEA</b>								
RUB	66.84	65.45	65.17	77.00	49.77	72.52	85.96	48.14
ZAR	15.63	15.40	14.21	15.40	11.84	15.47	17.92	11.77
TRY	2.98	2.97	2.81	2.95	2.58	2.92	3.08	2.59

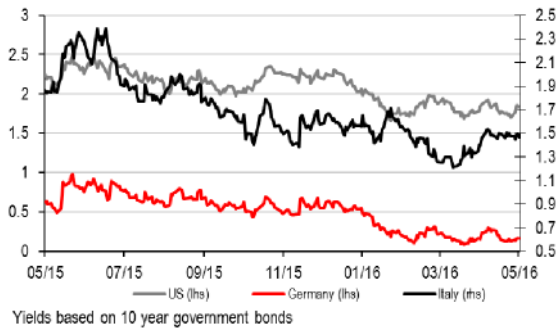
<b>Bonds</b>	Close	1-week Ago	1-month Ago	3-months Ago	1-year Ago	Year End 2015
<b>US Treasury yields (%)</b>						
3-Month	0.31	0.26	0.22	0.29	0.02	0.16
2-Year	0.88	0.75	0.79	0.74	0.59	1.05
5-Year	1.36	1.21	1.31	1.22	1.55	1.76
10-Year	1.84	1.70	1.85	1.74	2.25	2.27
30-Year	2.63	2.55	2.65	2.60	3.05	3.02
<b>Developed market 10-year bond yields (%)</b>						
Japan	-0.12	-0.11	-0.14	0.01	0.39	0.26
UK	1.45	1.38	1.48	1.41	1.98	1.96
Germany	0.16	0.12	0.15	0.20	0.63	0.63
France	0.50	0.47	0.49	0.56	0.91	0.99
Italy	1.47	1.47	1.39	1.56	1.86	1.59
Spain	1.56	1.60	1.53	1.70	1.80	1.77

	Latest	1-week ago (%)	1-month Change (%)	3-month Change (%)	1-year Change (%)	YTD Change (%)	52-week High	52-week Low
<b>Commodities</b>								
Gold	1,252	-1.6	0.6	2.1	3.5	18.0	1,304	1,046
Brent Oil	48.8	2.0	6.5	47.8	-25.0	30.8	67	27
WTI Crude Oil	47.8	3.3	12.0	61.1	-19.0	28.9	62	26
R/J CRB Futures Index	184	0.9	1.5	15.4	-18.6	4.6	229	155
LME Copper	4,580	-1.0	-8.1	-0.9	-26.4	-2.7	6,280	4,318

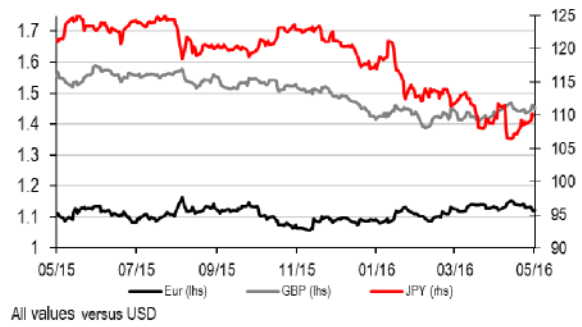
Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 20 May 2016.  
Past performance is not an indication of future returns.

# Market Trends

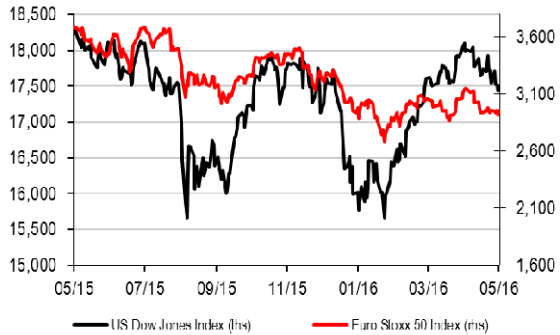
## Government bond yields (%)



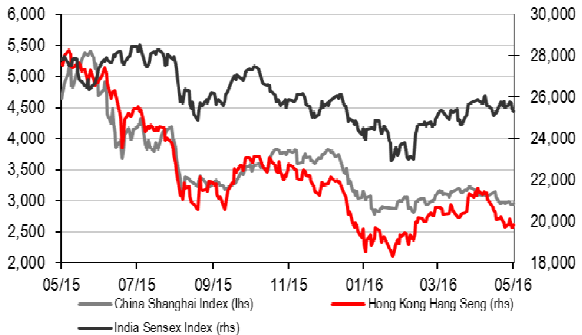
## Major currencies (versus USD)



## Global equities



## Emerging Asian equities



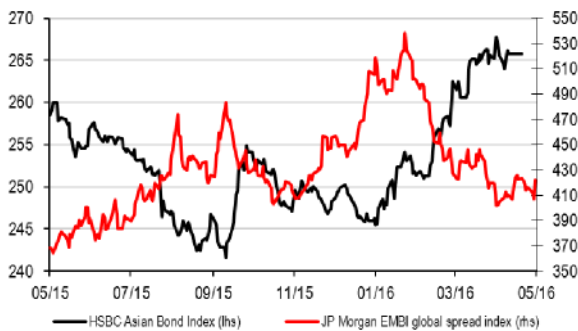
## Other emerging equities



## Global credit indices



## Emerging markets spreads (USD indices)



## Commodities (USD)



Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 20 May 2016.  
**Past performance is not an indication of future returns.**



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