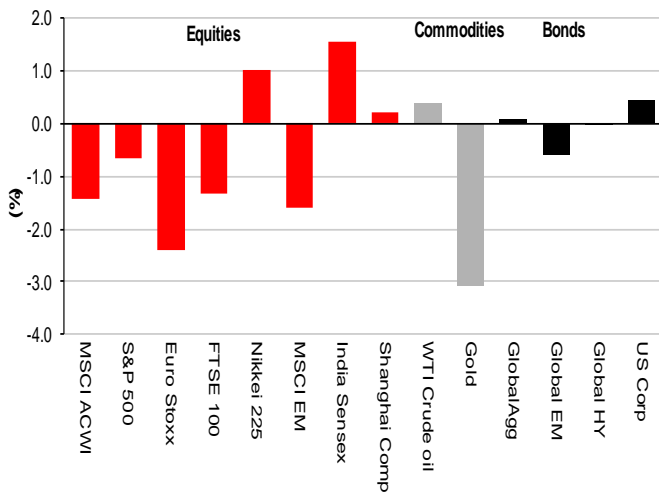


- ▶ Global equity markets were broadly lower this week as a result of the stronger US dollar contributing to weaker commodity prices and a sell-off in energy and materials shares amid heightened security concerns in Europe
- ▶ Several regional US Federal Reserve (Fed) members mentioned the possibility of an April US interest rate hike
- ▶ In the coming week, investors will focus on US data releases, including nonfarm payrolls, the ISM Manufacturing Index and PCE inflation data
- ▶ In Europe, the key release is the flash estimate of eurozone March inflation, while in China, the release of manufacturing PMIs is likely to be closely scrutinised for any signs of a pickup in activity

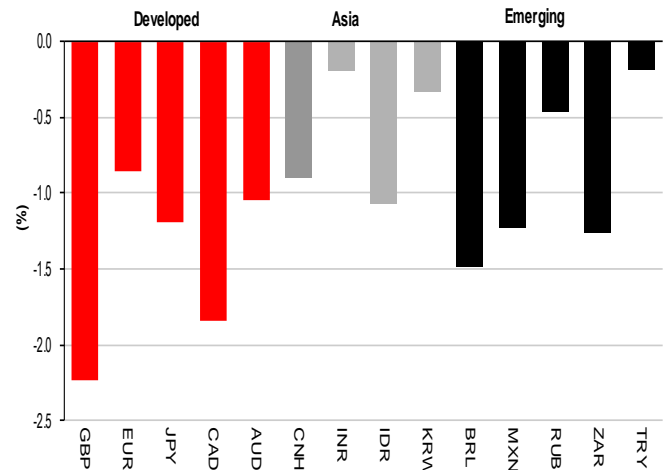
Movers and shakers

Global equities were hit by a stronger US dollar

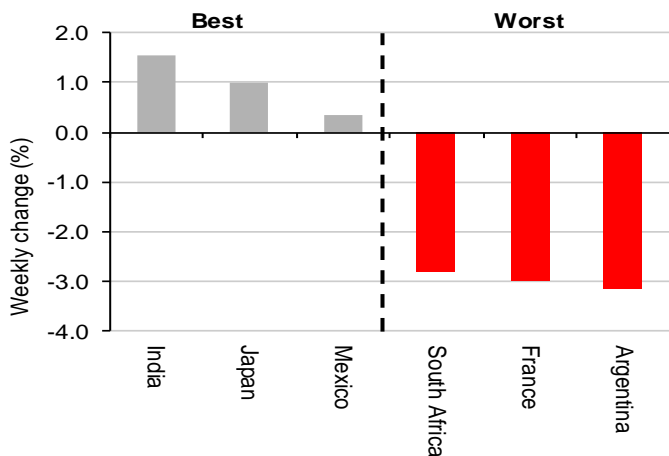


Currencies (versus the US dollar)

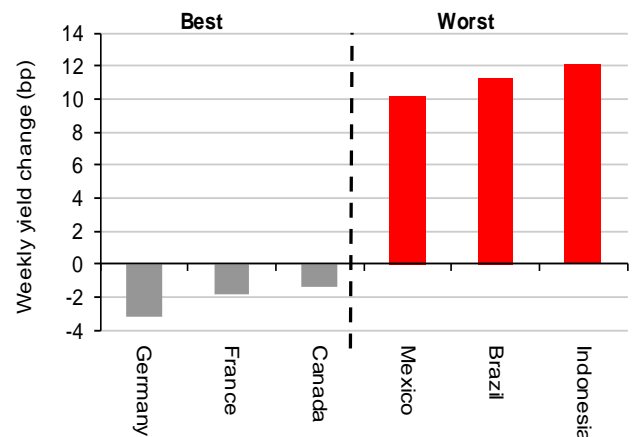
Most currencies fell against the US dollar this week



Equities



Bonds (10-year)



Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 24 March 2016. All the above charts relate to 18/03/2016 – 24/03/2016. Past performance is not an indication of future returns.

Macro Data and Key Events

Past Week (21-25 March 2016)

| Date | Country | Indicator | Data as of | Survey | Actual | Prior |
|--------------------|----------|---|------------|--------|--------|-------|
| Monday 21 March | US | Existing Home Sales (mom) | Feb | -3.0% | -7.1% | 0.4% |
| Tuesday 22 March | Germany | Ifo Business Climate Index | Mar | 106.0 | 106.7 | 105.7 |
| | UK | CPI (yoy) | Feb | 0.4% | 0.3% | 0.3% |
| | Germany | ZEW Expectation of Economic Growth | Mar | 5.9 | 4.3 | 1.0 |
| | Eurozone | Markit Composite PMI | Mar P | 53.0 | 53.7 | 53.0 |
| Wednesday 23 March | Brazil | IBGE Inflation IPCA-15 (yoy) | Mar | 10.1% | 10.0% | 10.8% |
| | US | New Home Sales (mom) | Feb | 3.2% | 2.0% | -9.2% |
| Thursday 24 March | US | Durable Goods Orders | Feb P | -3.0% | -2.8% | 4.2% |
| Friday 25 March | Japan | National CPI ex Fresh Food and Energy (yoy) | Feb | 1.1% | - | 1.1% |
| | US | GDP Annualised (qoq, Third Estimate) | Q4 F | 1.0% | - | 1.0% |

P – Preliminary, Q – Quarter, F – Final

- ▶ In the **US**, **existing home sales** declined by 7.1% mom in February, more than consensus expectations of a 3.0% decline. Single-family home sales fell by 7.2%, while multi-family sales declined 6.6%. According to the National Association of Realtors, some of the sharp declines in the Northeast region may have been driven by soft contract signings in January that followed the East Coast's blizzards. However, **new home sales** were almost in line with expectations (512,000 compared to a consensus of 510,000) in February, rising by 2.0% from an upwardly revised 502,000 in January. Net revisions for prior months were up 12,000. The gain in new home sales was fully accounted for by the West region, which rose by 42,000. Other regions saw slight declines in new home sales. Finally, several **regional Fed presidents have pushed back on the dovish perception** of the 16 March meeting and Fed Chair Janet Yellen's press conference. Some mentioned that a hike at the April meeting remained on the table, even though Yellen had warned that eight weeks may not be enough time to shift gears. Philadelphia Fed President Patrick Harker, a slight hawk and non-voter this year, said that every meeting should be considered "live" if data remains on track, citing job growth and core inflation. San Francisco Fed President John Williams, a centrist-turned-hawk and non-voter, as well as Atlanta Fed President Dennis Lockhart, a centrist and non-voter, made similar remarks.
- ▶ The **Markit Eurozone Composite PMI** rose by 0.7 points to 53.7 in March, reflecting gains in both the services and manufacturing PMIs that it is comprised of. This was the first gain since December. Within the Manufacturing PMI, output rose 0.8 points and new orders rose 0.1 points to 52.0, while employment fell by 0.4 points. Within the Services PMI, the forward-looking subcomponents (which are not part of the headline services PMI figure) showed "incoming new business" rising 0.1 points to 53.5 and "business expectations" increasing 1.4 points to 64.4.
- ▶ The **German ZEW Expectation of Economic Growth** sent mixed signals: the expectations component edged up slightly from 1.0 to 4.3, but the assessment of the current situation fell from 52.3 to 50.7. The detail showed that across sectors, investor sentiment in insurance companies continued to decline and that while it improved slightly in banks, this was still at a very low level. However, **Germany's Ifo Business Climate Index** came in higher than expected, rising for the first time in four months and edging up to 106.7. The Ifo indicator for "current conditions" also rose from 112.9 to 113.8, as did "business expectations" on the month, rising from 98.9 to 100.0.
- ▶ In the **UK**, **CPI inflation** surprised slightly to the downside in February, coming in unchanged at 0.3% yoy. Core CPI inflation (excluding energy, food, alcohol and tobacco) and RPI inflation were also unchanged, at 1.2% yoy and 1.3% yoy respectively. Overall, the data underscores the challenge faced by the Bank of England to push inflation higher, especially as planned supplier cuts in utility prices over 2016 are likely to pose further obstacles in the intended gradual climb in annual inflation, towards 1% by the end of the year.

Coming Week (28 March – 1 April 2016)

| Date | Country | Indicator | Data as of | Survey | Actual | Prior |
|--------------------|----------|---|------------|--------|--------|-------|
| Monday 28 March | US | PCE Core (yoy) | Feb | 1.8% | 1.7% | |
| Tuesday 29 March | US | S&P/Case-Shiller 20-City Composite Home Price Index (yoy) | Jan | 5.7% | 5.7% | |
| Wednesday 30 March | Japan | Industrial Production (yoy) | Feb P | -1.7% | -3.8% | |
| | Japan | Jobless Rate | Feb | 3.2% | 3.2% | |
| Thursday 31 March | UK | GDP (qoq, Third Estimate) | Q4 F | 0.5% | 0.5% P | |
| | Eurozone | CPI Estimate (yoy) | Mar | -0.1% | -0.2% | |
| Friday 1 April | Japan | Tankan Large Manufacturers Index | Q1 | 10.0 | 12.0 | |
| | China | Caixin Manufacturing PMI | Mar | 48.3 | 48.0 | |
| | Eurozone | Markit Manufacturing PMI | Mar F | 51.4 | 51.4 P | |
| | US | Change in Nonfarm Payrolls | Mar | 202k | 242k | |
| | US | ISM Manufacturing Index | Mar | 50.4 | 49.5 | |

P – Preliminary, Q – Quarter, F – Final

US

- ▶ US home prices reaccelerated at the end of 2015 as limited supply of for-sale homes could not keep up with the stronger demand. The higher prices are a double-edged sword; homeowners are more likely to put their homes on the market but it can also price out potential homebuyers. The **S&P/Case-Shiller 20-City Composite Home Price Index** is expected to remain at 5.7% yoy in January, similar to the prior two months' prints, a potential sign that prices are starting to stabilise, albeit at a higher level.
- ▶ The slowdown in **job growth** in January proved to be transitory as the pace of job gains picked up notably in February. In March, employment indicators from the manufacturing sector point to fewer layoffs. Also, leading employment indicators such as initial jobless claims point to a reasonable increase of 202,000 in March nonfarm payrolls. The unemployment rate is likely to be unchanged at 4.9% in March. However, average hourly earnings are expected to grow by 0.2% mom (2.2% yoy), rebounding from a 0.1% mom decline in February.
- ▶ The **ISM Manufacturing Index** showed a meaningful pickup in February, increasing by 1.3 points to 49.5. Although a reading below 50 suggests manufacturing activity is still contracting, the pace of the decline seems to be slowing. Also, the details of the report were positive, with measures of current activity – such as the production and new orders indices – remaining above 50. Results from regional manufacturing surveys in March paint a brighter picture in the manufacturing sector. Taken together with the recent pickup in commodity prices, the industrial sector may be on the verge of reaching a turning point. Overall, the ISM Manufacturing Index is expected at 50.4 in March.

Europe

- ▶ **Eurozone inflation** is expected at -0.1% yoy in March. While energy prices are expected to increase on the month, the negative energy price base effect could be the main drag on the annual inflation rate this month. However, core inflation is likely to rebound to 0.9% yoy in March after a 0.2 percentage point drop in February, due to an earlier Easter this year boosting a number of volatile seasonal core inflation components (e.g. package holidays, transport services and accommodation services).
- ▶ The **third estimate of the UK's Q4 GDP** is expected to confirm growth of 0.5% qoq. With business investment surprisingly weak in the previous release, it is possible that this component is revised up, with inventories data then commensurately weaker to fit the overall GDP data.

Emerging markets/Japan

- ▶ The **Bank of Japan's (BoJ) Quarterly Economic Survey of Enterprises (Tankan) for Q1** will be released on 1 April and will feed into its monetary policy deliberations at the 28 April meeting. Its main component, the business conditions for large manufacturers, will likely decline slightly given the recent weakness in leading activity indicators (for example the manufacturing PMI fell into recession territory in March) and amid concerns about the impact of the recent appreciation of the yen on exports and the introduction of negative policy rates in January. The survey will also provide the first estimate of corporate investment plans for the 2016-17 fiscal year.
- ▶ **Japan's industrial production** for February is expected to have declined substantially (-5.9% mom, -3.8% yoy) after the surprisingly strong increase observed in January (+3.7% mom, -1.7% yoy), leaving the production trend (three-month moving average) in negative territory. The latest Ministry of Economy, Trade and Industry Survey of Production forecasts suggested a decline of 5.2% for February followed by a rebound of 3.1% in March. The appreciation of the yen since the BoJ introduced its negative interest rate policy at the end of January may have reduced new export orders, adding to the weak domestic demand outlook.
- ▶ **Japan's unemployment data** for February will also be published next week. Although the rate of unemployment is expected to remain stable at 3.2%, the job-to-applicant ratio is likely to continue rising as demand for labour remains strong, especially the employment component of the Shoko Chukin survey (which covers small and mid-size companies, traditionally the biggest employers in Japan).
- ▶ **China's Caixin Manufacturing PMI** is expected to rise to 48.3 in March from 48.0 in February following the Chinese New Year. However, China's industrial sector continues to remain subdued due to weak export and slow investment growth.

Market Moves

Global equity markets hit by weaker commodity prices amid rising security concerns in Europe

- ▶ After a broadly muted start to the week, US equities fell from Thursday onwards, with fresh declines in oil prices and mixed corporate earnings results weighing on investor sentiment. The S&P 500 Index finished the week lower (-0.7%), the first retreat in six weeks, with commodity stocks leading falls. Financial stocks also tumbled following investor caution ahead of the corporate earnings season.
- ▶ It was another bad week for European equities as heightened security concerns across Western Europe following attacks in Brussels and a plunge in oil prices left investors cautious, which offset some upbeat economic data. The decline in the Euro STOXX 50 Index (-2.4%) was led by falls in energy and financial shares, with the latter weighed by lingering concerns around the sector's profitability. The UK's FTSE 100 Index also fell (-1.3%), led by sharp drops in materials shares amid softer commodity prices. Elsewhere, the export-sensitive German DAX fared slightly better (-1.0%) given the weaker euro and as the German government approved increased spending on defence and infrastructure.

- ▶ Asian stock markets were mixed in a very quiet week, reacting in various degrees to the decline in crude oil prices and to currency movements. In Japan, the Nikkei 225 Index rose (+1.0%) on the back of a weaker yen – a positive for exporters – and on continuing hopes the BoJ will ease its monetary policy further at its next meeting in April. India's SENSEX 30 Index outperformed (+1.5%) on positive foreign capital inflows as markets continue to anticipate a rate cut by the Reserve Bank of India at its policy meeting on 5 April. Elsewhere, Singapore's FTSE Straits Times Index (-2.0%) and Hong Kong's Hang Seng Index (-1.6%) were hit by US dollar strength. Meanwhile, China's Shanghai Stock Exchange Composite Index was little changed (+0.2%), despite an easing of margin financing services that boosted brokerages.

US yield curve flattens on hawkish Fed speak amid lower oil prices; core European government bonds rise

- ▶ Policy-sensitive two-year US Treasury yields finished higher this week (+3bps to 0.87%) after hawkish Fed speak raised the prospects of higher US interest rates in April. Most notably, on Wednesday, St. Louis Fed President James Bullard acknowledged continued US labour market strength while commenting that “the odds” of the Federal Open Market Committee (FOMC) falling “somewhat behind the curve have increased modestly.” At the longer end, risk aversion and dampened inflation expectations amid lower oil prices helped 10-year Treasuries pare early-week losses, although yields still ended slightly higher (+3bps to 1.90%).
- ▶ Over in Europe, core government bonds swung between gains and losses in the first half of the week, as investors remained cautious amid an increase in supply and escalating security concerns on the continent. However, heightened risk aversion and lower inflation expectations on the back of tumbling oil prices pushed yields lower towards the end of the week. Benchmark German 10-year bund yields closed down (-3bps to 0.18%). In the periphery, 10-year bonds finished the week lower, with Spanish bonds underperforming their Italian equivalents on lingering investor concerns that Catalonia's recent credit-rating downgrade by Standard & Poor's could have a sequential negative impact on the country's overall sovereign debt quality.

US dollar gains on the back of hawkish Fed speak; Brazilian central bank pushes real to underperform

- ▶ The euro snapped a three-week winning streak against the US dollar this week (-0.9%) as some hawkish speeches from Fed officials increased the prospect of further US rate hikes this year, pushing the greenback higher. Moreover, security concerns following the attacks in Brussels also weighed on the single currency. Similarly, a stronger dollar pushed the British pound lower this week (-2.2%). Sterling was further weighed down by mounting “Brexit” fears.
- ▶ Most Asian currencies depreciated against the US dollar this week, as the greenback erased most of its post-FOMC meeting losses following relatively hawkish comments from Fed officials over the past few days. The decline in the yen (-1.2%) came as the Japanese government downgraded its assessment of the economy, citing weakness in consumer spending and stalling corporate sentiment. The Malaysian ringgit outperformed (+0.6%) amid expectations of a rebound in oil prices. However, the Thai baht fell (-1.2%) after the Bank of Thailand cut its 2016 growth forecast as it kept interest rates on hold at 1.5%.
- ▶ Meanwhile, most non-Asian currencies also fell against the US dollar this week. The Brazilian real underperformed (-1.5%) as Brazil's central bank sold reverse currency swaps to counter recent strong gains in the currency. Meanwhile, the oil-sensitive Russian rouble also declined (-0.5%), largely tracking movements in crude oil prices. However, the Turkish lira outperformed (-0.2%) even as the central bank unexpectedly cut its overnight lending rate by 25bps on Thursday.

Oil prices were slightly up on lingering oversupply fears and a stronger US dollar

- ▶ WTI crude oil prices were slightly up this week (+0.4% to USD39.6) as positive Chinese import data and Saudi Arabia's confirmed attendance at the 17 April meeting between major producers to discuss an output freeze (even without Iranian cooperation) were offset by lingering oversupply fears. Data released last Friday showed a surprise increase in the US oil rig count (+1 to 387), and the US Energy Information Administration (EIA) weekly report on Wednesday showed a substantial increase in crude inventories last week (9.4 million barrels versus the consensus of 2.5 million) as well as a large decrease in the refinery utilisation rate. Meanwhile, comments from the International Energy Agency suggesting the upcoming output freeze meeting was “meaningless” and a stronger dollar further weighed on prices. Brent crude ended the week lower (-1.9% to USD40.4 per barrel).
- ▶ Gold prices fell this week (-3.1% at USD1,217 per ounce), dragged lower by the stronger dollar amid some hawkish Fed speak. The prospect of another US interest rate increase as early as April has weighed on the yellow metal given its zero yield.

Market Data

| | Close | 1-week Change (%) | 1- month Change (%) | 3-month Change (%) | 1-year Change (%) | YTD Change (%) | 52-week High | 52-week Low | Fwd P/E (X) |
|---|--------|-------------------------|------------------------------|--------------------------|-------------------------|----------------------|-----------------|----------------|-------------------|
| Equity Indices | | | | | | | | | |
| World | | | | | | | | | |
| MSCI AC World Index (USD) | 392 | -1.4 | 6.2 | -2.7 | -9.3 | -2.0 | 444 | 351 | 15.8 |
| North America | | | | | | | | | |
| US Dow Jones Industrial Average | 17,516 | -0.5 | 6.3 | -0.2 | -2.8 | 0.5 | 18,351 | 15,370 | 16.1 |
| US S&P 500 Index | 2,036 | -0.7 | 5.5 | -1.2 | -2.7 | -0.4 | 2,135 | 1,810 | 17.2 |
| US NASDAQ Composite Index | 4,774 | -0.5 | 5.1 | -5.4 | -4.4 | -4.7 | 5,232 | 4,210 | 20.2 |
| Canada S&P/TSX Composite Index | 13,358 | -1.0 | 4.8 | 0.4 | -11.4 | 2.7 | 15,525 | 11,531 | 17.8 |
| Europe | | | | | | | | | |
| MSCI AC Europe (USD) | 389 | -3.1 | 6.3 | -6.4 | -15.6 | -5.4 | 479 | 356 | 14.7 |
| Euro STOXX 50 Index | 2,987 | -2.4 | 5.9 | -9.1 | -20.0 | -8.6 | 3,836 | 2,673 | 13.4 |
| UK FTSE 100 Index | 6,106 | -1.3 | 4.1 | -2.4 | -13.0 | -2.2 | 7,123 | 5,500 | 16.3 |
| Germany DAX Index* | 9,851 | -1.0 | 7.5 | -8.2 | -17.9 | -8.3 | 12,391 | 8,699 | 12.5 |
| France CAC-40 Index | 4,330 | -3.0 | 4.2 | -7.2 | -14.9 | -6.6 | 5,284 | 3,892 | 14.1 |
| Spain IBEX 35 Index | 8,790 | -2.9 | 9.7 | -9.2 | -24.1 | -7.9 | 11,885 | 7,746 | 13.6 |
| Asia Pacific | | | | | | | | | |
| MSCI AC Asia Pacific ex Japan (USD) | 408 | -1.5 | 8.8 | -1.0 | -16.5 | -0.7 | 525 | 357 | 13.2 |
| Japan Nikkei-225 Stock Average | 16,892 | 1.0 | 6.1 | -10.1 | -14.3 | -11.3 | 20,953 | 14,866 | 17.5 |
| Australian Stock Exchange 200 | 5,084 | -1.9 | 4.3 | -2.4 | -14.8 | -4.0 | 5,996 | 4,707 | 16.5 |
| Hong Kong Hang Seng Index | 20,346 | -1.6 | 6.0 | -8.1 | -16.6 | -7.2 | 28,589 | 18,279 | 10.8 |
| Shanghai Stock Exchange Composite Index | 2,961 | 0.2 | 1.1 | -18.0 | -19.8 | -16.3 | 5,178 | 2,638 | 12.7 |
| Hang Seng China Enterprises Index | 8,701 | -2.0 | 7.9 | -12.6 | -27.5 | -9.9 | 14,963 | 7,499 | 7.0 |
| Taiwan TAIEX Index | 8,743 | -0.8 | 5.6 | 5.0 | -10.2 | 4.9 | 10,014 | 7,203 | 13.3 |
| Korea KOSPI Index | 1,986 | -0.3 | 3.8 | -0.2 | -2.7 | 1.3 | 2,190 | 1,801 | 11.6 |
| India SENSEX 30 Index | 25,338 | 1.5 | 9.7 | -1.9 | -10.0 | -3.0 | 29,095 | 22,495 | 18.1 |
| Indonesia Jakarta Stock Price Index | 4,827 | -1.2 | 3.6 | 6.7 | -11.4 | 5.1 | 5,524 | 4,034 | 16.7 |
| Malaysia Kuala Lumpur Composite Index | 1,716 | 0.0 | 3.1 | 3.1 | -5.4 | 1.4 | 1,868 | 1,504 | 16.4 |
| Philippines Stock Exchange PSE Index | 7,360 | 0.7 | 8.7 | 5.1 | -6.0 | 5.9 | 8,137 | 6,084 | 18.5 |
| Singapore FTSE Straits Times Index | 2,847 | -2.0 | 8.7 | -1.1 | -16.6 | -1.2 | 3,550 | 2,528 | 13.0 |
| Thailand SET Index | 1,405 | 1.6 | 5.5 | 9.4 | -7.2 | 9.1 | 1,575 | 1,221 | 14.9 |
| Latam | | | | | | | | | |
| Argentina Merval Index | 12,499 | -3.2 | -1.0 | 3.8 | 9.8 | 7.1 | 14,597 | 8,660 | 14.3 |
| Brazil Bovespa Index* | 49,657 | -2.3 | 18.0 | 12.8 | -3.6 | 14.6 | 58,575 | 37,046 | 14.0 |
| Chile IPSA Index | 3,885 | -2.0 | 5.6 | 6.3 | -0.3 | 5.6 | 4,148 | 3,419 | 14.9 |
| Colombia IGBC Index | 9,758 | 0.6 | 8.5 | 13.5 | -0.9 | 14.2 | 11,030 | 7,822 | #N/A |
| Mexico Index | 45,648 | 0.4 | 5.7 | 4.9 | 3.6 | 6.2 | 46,130 | 39,257 | 19.7 |
| EEMEA | | | | | | | | | |
| Russia MICEX Index | 1,867 | -2.5 | 3.9 | 7.1 | 15.3 | 6.0 | 1,924 | 1,570 | 6.8 |
| South Africa JSE Index | 52,324 | -2.8 | 9.0 | 1.9 | -1.0 | 3.2 | 55,355 | 45,976 | 17.8 |
| Turkey ISE 100 Index* | 81,358 | -1.9 | 9.8 | 9.9 | -0.8 | 13.4 | 88,652 | 68,230 | 9.2 |

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

| | 3-month Change (%) | YTD Change (%) | 1-year Change (%) | 3-year Change (%) | 5-year Change (%) |
|--------------------------------------|--------------------------|----------------------|-------------------------|-------------------------|-------------------------|
| Equity Indices - Total Return | | | | | |
| Global equities | -1.6 | -1.0 | -6.9 | 16.7 | 29.0 |
| US equities | -1.2 | -0.4 | -2.0 | 35.9 | 66.7 |
| Europe equities | -4.3 | -3.2 | -11.9 | 3.7 | 6.1 |
| Asia Pacific ex Japan equities | 0.7 | 0.8 | -13.0 | -3.4 | 2.0 |
| Japan equities | -5.7 | -7.1 | -9.8 | 12.3 | 21.2 |
| Latam equities | 13.2 | 15.1 | -13.8 | -38.9 | -46.2 |
| Emerging Markets equities | 2.6 | 3.7 | -14.0 | -12.9 | -18.0 |

All total returns quoted in US dollar terms.

Data sourced from MSCI AC World Total Return Index, MSCI USA Total Return Index, MSCI AC Europe Total Return Index, MSCI AC Asia Pacific ex Japan Total Return Index, MSCI Japan Total Return Index, MSCI Emerging Markets Latin America Total Return Index and MSCI Emerging Markets Total Return Index.

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

Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 24 March 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 (%) |
|------------------------------------|--------|-------------------------|--------------------------|--------------------------|-------------------------|----------------------|
| Bond indices - Total Return | | | | | | |
| BarCap GlobalAgg (Hedged in USD) | 494.9 | 0.1 | 0.8 | 3.0 | 2.1 | 3.0 |
| JPM EMBI Global | 700.5 | -0.6 | 3.5 | 4.6 | 3.7 | 4.4 |
| BarCap US Corporate Index (USD) | 2657.8 | 0.4 | 2.6 | 3.4 | 0.1 | 3.4 |
| BarCap Euro Corporate Index (Eur) | 235.5 | 0.3 | 1.6 | 2.4 | 0.6 | 2.3 |
| BarCap Global High Yield (USD) | 387.0 | 0.0 | 5.5 | 3.7 | 0.2 | 3.5 |
| HSBC Asian Bond Index | 392.73 | 0.0 | 1.2 | 3.0 | 2.8 | 3.2 |

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 2015 | 52-week High | 52-week Low |
|----------------------------|----------|---------------|----------------|-----------------|---------------|------------------|-----------------|----------------|
| Developed markets | | | | | | | | |
| EUR/USD | 1.12 | 1.13 | 1.10 | 1.10 | 1.09 | 1.09 | 1.17 | 1.05 |
| GBP/USD | 1.42 | 1.45 | 1.39 | 1.49 | 1.49 | 1.47 | 1.59 | 1.38 |
| CHF/USD | 1.02 | 1.03 | 1.01 | 1.01 | 1.04 | 1.00 | 1.10 | 0.97 |
| CAD | 1.32 | 1.30 | 1.37 | 1.38 | 1.25 | 1.38 | 1.47 | 1.19 |
| JPY | 112.90 | 111.55 | 112.18 | 120.43 | 119.76 | 120.22 | 125.86 | 110.67 |
| AUD | 1.33 | 1.31 | 1.39 | 1.38 | 1.27 | 1.37 | 1.46 | 1.23 |
| NZD | 1.49 | 1.47 | 1.50 | 1.47 | 1.31 | 1.46 | 1.60 | 1.29 |
| Asia | | | | | | | | |
| HKD | 7.76 | 7.76 | 7.77 | 7.75 | 7.76 | 7.75 | 7.83 | 7.75 |
| CNY | 6.51 | 6.47 | 6.53 | 6.48 | 6.21 | 6.49 | 6.60 | 6.19 |
| INR | 66.64 | 66.51 | 68.56 | 66.21 | 62.25 | 66.15 | 68.79 | 62.10 |
| MYR | 4.03 | 4.05 | 4.22 | 4.30 | 3.65 | 4.29 | 4.48 | 3.54 |
| KRW | 1,166.25 | 1,162.44 | 1,234.26 | 1,167.74 | 1,104.72 | 1,175.06 | 1,245.13 | 1,065.21 |
| TWD | 32.61 | 32.36 | 33.26 | 32.84 | 31.32 | 32.86 | 33.79 | 30.35 |
| Latam | | | | | | | | |
| BRL | 3.68 | 3.62 | 3.96 | 3.94 | 3.14 | 3.96 | 4.25 | 2.88 |
| COP | 3,073.00 | 3,073.00 | 3,340.35 | 3,186.30 | 2,511.50 | 3,174.50 | 3,452.55 | 2,351.76 |
| MXN | 17.61 | 17.39 | 18.21 | 17.25 | 14.94 | 17.21 | 19.44 | 14.76 |
| EEMEA | | | | | | | | |
| RUB | 68.56 | 68.24 | 75.77 | 70.29 | 57.73 | 72.52 | 85.96 | 48.14 |
| ZAR | 15.46 | 15.26 | 15.60 | 15.23 | 11.80 | 15.47 | 17.92 | 11.67 |
| TRY | 2.87 | 2.87 | 2.94 | 2.92 | 2.55 | 2.92 | 3.08 | 2.56 |

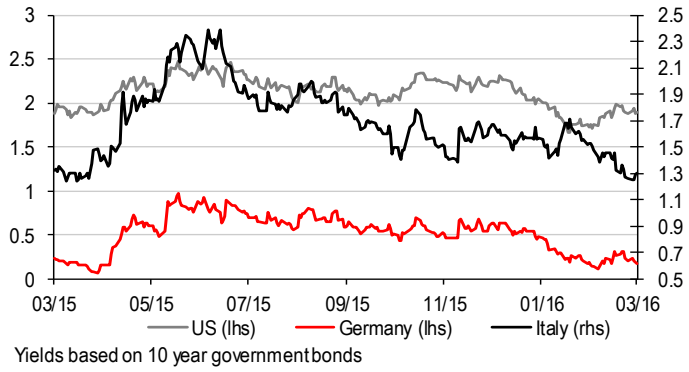
| Bonds | Close | 1-week Ago | 1-month Ago | 3-months Ago | 1-year Ago | Year End 2015 |
|---|-------|---------------|----------------|-----------------|---------------|------------------|
| US Treasury yields (%) | | | | | | |
| 3-Month | 0.28 | 0.28 | 0.33 | 0.20 | 0.02 | 0.16 |
| 2-Year | 0.87 | 0.84 | 0.75 | 1.00 | 0.56 | 1.05 |
| 5-Year | 1.38 | 1.33 | 1.22 | 1.71 | 1.36 | 1.76 |
| 10-Year | 1.90 | 1.87 | 1.75 | 2.24 | 1.87 | 2.27 |
| 30-Year | 2.67 | 2.68 | 2.61 | 2.96 | 2.46 | 3.02 |
| Developed market 10-year bond yields (%) | | | | | | |
| Japan | -0.09 | -0.10 | -0.06 | 0.28 | 0.31 | 0.26 |
| UK | 1.45 | 1.45 | 1.36 | 1.92 | 1.50 | 1.96 |
| Germany | 0.18 | 0.21 | 0.15 | 0.64 | 0.24 | 0.63 |
| France | 0.54 | 0.55 | 0.52 | 1.00 | 0.51 | 0.99 |
| Italy | 1.30 | 1.26 | 1.53 | 1.67 | 1.33 | 1.59 |
| Spain | 1.52 | 1.43 | 1.62 | 1.83 | 1.29 | 1.77 |

| | Latest | 1-week ago (%) | 1-month Change (%) | 3-month Change (%) | 1-year Change (%) | YTD Change (%) | 52-week High | 52-week Low |
|-----------------------|--------|----------------------|--------------------------|--------------------------|-------------------------|----------------------|-----------------|----------------|
| Commodities | | | | | | | | |
| Gold | 1,217 | -3.1 | -1.0 | 13.1 | 2.0 | 14.6 | 1,285 | 1,046 |
| Brent Oil | 40.4 | -1.9 | 17.5 | 6.7 | -26.7 | 8.4 | 70 | 27 |
| WTI Crude Oil | 39.6 | 0.4 | 23.1 | 3.9 | -16.7 | 6.9 | 63 | 26 |
| R/J CRB Futures Index | 172 | -2.4 | 6.6 | -2.2 | -20.1 | -2.3 | 234 | 155 |
| LME Copper | 4,950 | -1.8 | 6.6 | 5.5 | -19.5 | 5.2 | 6,481 | 4,318 |

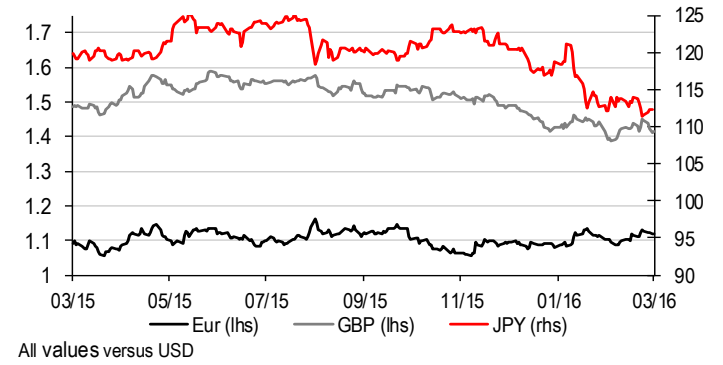
Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 24 March 2016.
Past performance is not an indication of future returns.

Market Trends

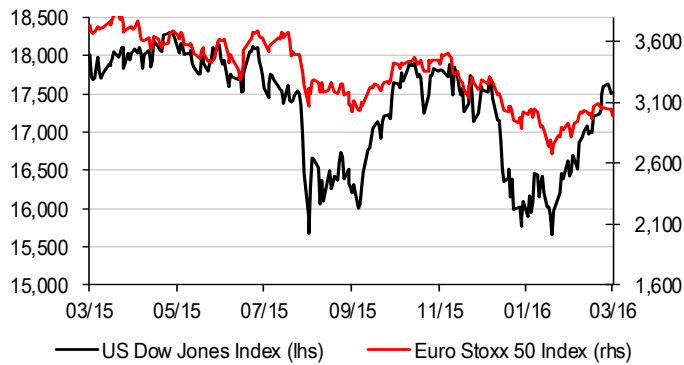
Government bond yields (%)



Major currencies (versus US dollar)



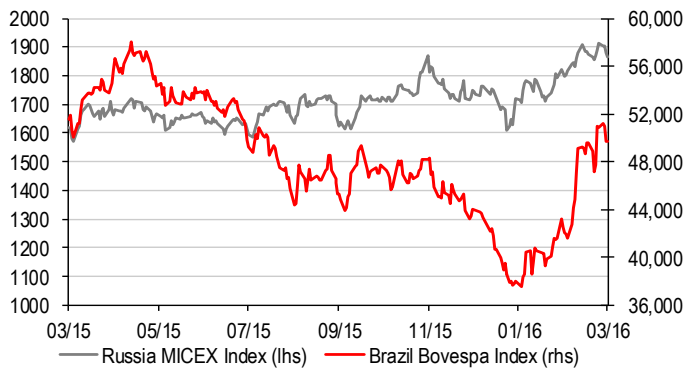
Global equities



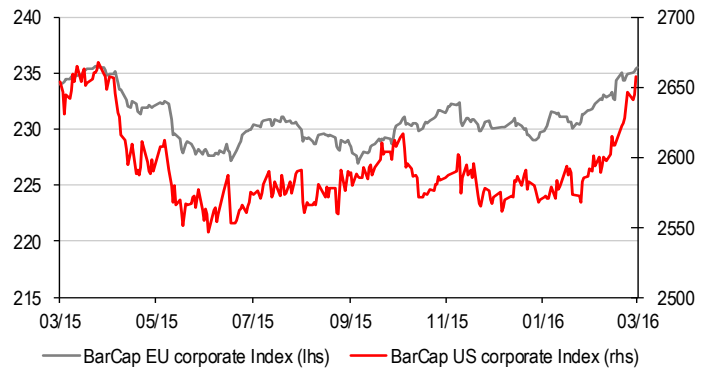
Emerging Asian equities



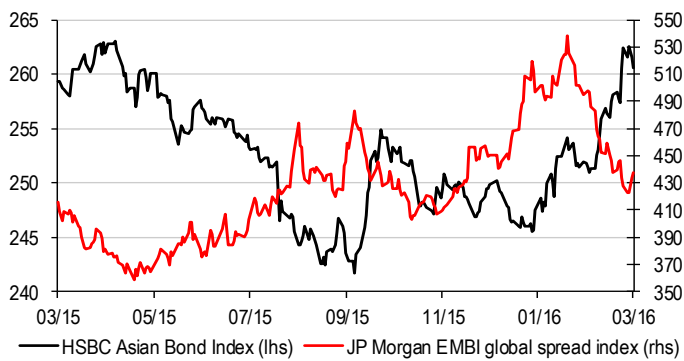
Other emerging equities



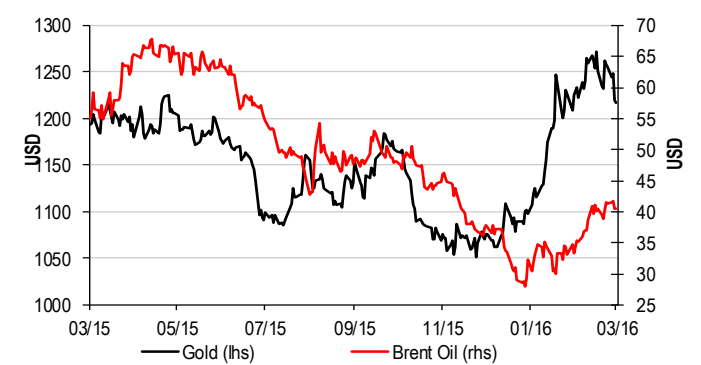
Global credit indices



Emerging markets spreads (USD indices)



Commodities (USD)



Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 24 March 2016.
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