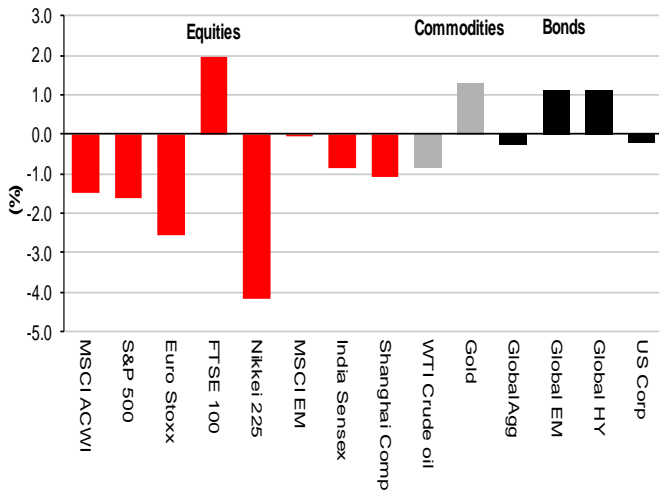


- ▶ Despite opinion polls for much of 2016 in favour of a "Remain" vote, the UK voted to leave the European Union in a historic referendum. Given the degree of surprise, the market reaction on Friday was severe
- ▶ Friday saw global equity markets tumble, 10-year UK gilt and German bund yields hitting historic lows and sterling declining to its lowest level against the US dollar since 1985 while gold prices, perceived as a "safe-haven" asset, rose sharply to reach a two-year high
- ▶ In the coming week, Brexit-related uncertainty could overshadow any macroeconomic data releases, although investors are also likely to keep a close eye on a host of US data releases for further evidence on the health of the world's largest economy

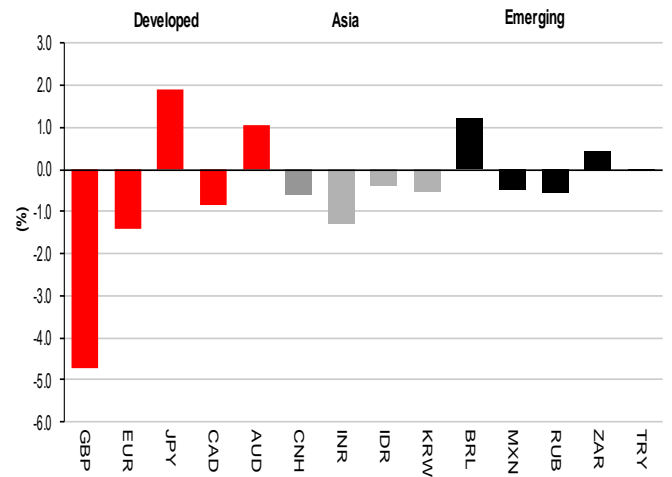
Movers and shakers

Despite falling on Friday, the UK's FTSE 100 Index ended the week up

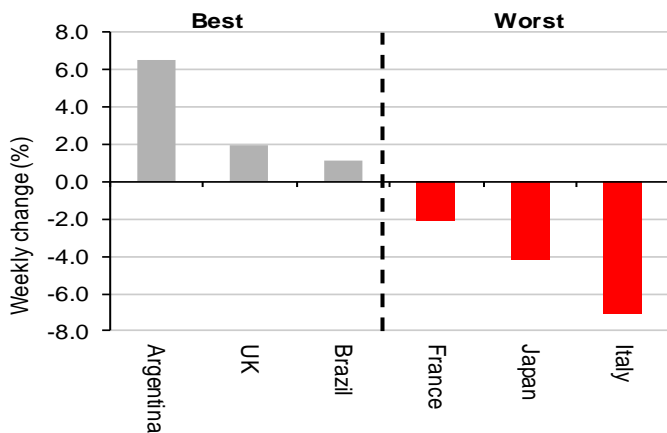


Currencies (versus the US dollar)

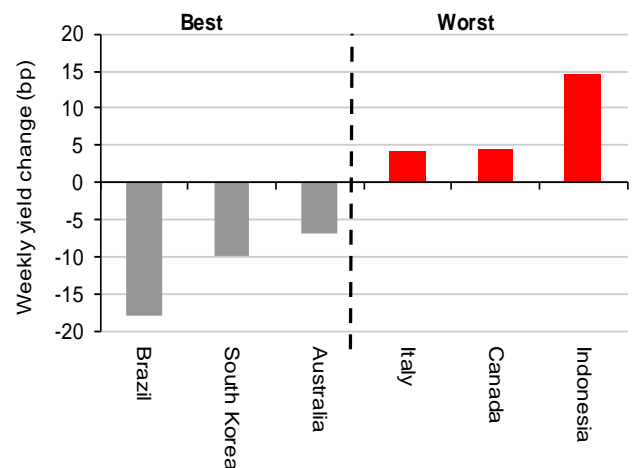
Sterling and euro fell the most against the US dollar this week



Equities



Bonds (10-year)



Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 24 June 2016. All the above charts relate to 17/06/2016 – 24/06/2016. Past performance is not an indication of future returns.

Macro Data and Key Events

Past Week (20-24 June 2016)

Date	Country	Indicator	Data as of	Survey	Actual	Prior
Monday 20 June	Japan	Trade Balance Adjusted (JPY)	May	113.4bn	269.8bn	397.0bn
Tuesday 21 June	Germany	ZEW Expectation of Economic Growth	Jun	4.8	19.2	6.4
	Turkey	CBRT Interest Rate Decision (Overnight Lending Rate)	Jun	9.0%	9.0%	9.5%
	Brazil	IBGE Inflation IPCA-15 (yoy)	Jun	9.1%	9.0%	9.6%
	US	Fed Chair Yellen's Semi-Annual Testimony to the Senate Banking Panel				
Wednesday 22 June	US	Existing Home Sales (mom)	May	1.8%	1.8%	1.3%
Thursday 23 June	Eurozone	Markit Composite PMI	Jun P	53.0	52.8	53.1
	US	New Home Sales (mom)	May	1.6%	-6.0%	12.3%
	UK	UK Referendum on EU Membership				
Friday 24 June	Germany	Ifo Business Climate Index	Jun	107.4	108.7	107.8
	US	Durable Goods Orders (mom)	May P	-0.5%	-2.2%	3.4%

P – Preliminary

- ▶ **In Europe**, despite opinion polls for much of 2016 in favour of a "Remain" vote, the **UK voted to leave the European Union (EU)** in a historic referendum. The turnout of 72.2% saw the "Leave" camp win by a margin of 3.8 percentage points, gaining 51.9% of votes versus 48.1% in favour of "Remain." Following the result, Prime Minister David Cameron announced that he was resigning, but would serve for the next three months to ensure a smooth handover to a new prime minister. This could add to the political uncertainty going forward as this will be a vital role in mediating between the EU-27 and the UK. The next prime minister will notify the European Council of the UK's intention to withdraw, which, according to Article 50 of the Lisbon Treaty, triggers a negotiation window of two years on the terms of exit. An extension to the timeline can only be granted by a unanimous agreement between all other EU members. It is also worth noting that during negotiations the UK would retain its entire legal, commercial, political and financial links to the EU, although it "shall not participate in the discussions of the European Council or in decisions concerning it."
- ▶ The **flash Eurozone Composite PMI** for June dipped to 52.8, from 53.1 in May, slightly below expectations of a smaller decrease to 53.0. This suggests that Q2 GDP growth is likely to be weaker than Q1's 0.6% qoq outturn. Much of the slowdown was driven by service-sector activity in Germany, with the country's services PMI slowing markedly by 2.0 points to 53.2. Positively, however, most of the sub-indices in the composite index – both for Germany and at the eurozone level – ticked higher, including new orders and employment. Also encouraging is the unexpected gain in the **Eurozone Manufacturing PMI** (up 1.1 points to 52.6, its highest level since December 2015). Of slight concern, however, is the decline in the eurozone output prices sub-index – across both manufacturing and services – to further below the 50 "no-change" level, highlighting the continuing pressures facing the European Central Bank (ECB) to boost inflation in the region.
- ▶ In the **US, Federal Reserve (Fed) Chair Janet Yellen's testimony** to the Senate Banking Panel offered a cautious outlook for the US economy, as despite a "smart" pickup in spending, her concern that the recent slowdown in labour additions is not transitory was evident. While she expected the economy to improve, she highlighted that the uncertainty around the outlook and weak productivity growth remains challenging. Importantly, she said that although the Fed is not considering negative rates, there is a legal basis to consider them, despite their significant shortcomings. In terms of data, **May's existing home sales** rose as expected (+1.8% mom and 1.3% prior) to an annualised rate of 5,530,000 – the highest since February 2007. Elsewhere, **May's new home sales** fell to an annualised rate of 551,000; this was 6.0% lower than April, but still better than expectations of a 9.5% drop. The monthly decline reflected strong gains in April (an eight-year high of +586,000) and was driven by a decline in sales in the West, the Northeast and the South (collectively -43,000), which offset the increase in the Midwest (+8,000). Looking beyond monthly volatility, the three-month average from March to May stood at 553,000, its highest since May 2008, highlighting continued improvement in the housing market.
- ▶ In line with expectations, the **Central Bank of Turkey** cut the overnight lending rate – the most effective interest rate on loan and deposit rates – by 50 bps to 9.0%, keeping other rates unchanged.
- ▶ **Japan's May trade balance** came in higher than expected, at JPY269.8 billion (consensus at JPY113.4 billion), but still lower than the surplus observed in April (at JPY397 billion after revision). In seasonally adjusted terms, exports fell 1.3% mom and imports rose 1.0%. The deterioration in the terms of trade due to the recent rebound in import prices following higher commodity prices and the adverse effects of yen appreciation on real exports in May, amid soft demand in Asia ex-Japan, weighed significantly on the trade balance.
- ▶ **Brazil's June IPCA-15 inflation** for June surprised slightly to the downside with the lowest monthly price increase since November 2011. Headline inflation came in at 8.98% yoy, marginally below expectations of 9.10% yoy, and the lowest since June 2015. This release continues the downward drift in the rate of increase from the 10.84% yoy peak seen in February 2016.

Coming Week (26 June - 1 July 2016)

Date	Country	Indicator	Data as of	Survey	Prior
Sunday 26 June	Spain	General Election			
Tuesday 28 June	US	GDP Annualised (qoq)	Q1 F	1.0%	0.8% P
	US	S&P/Case-Shiller 20-City Composite Home Price Index (yoy)	Apr	5.5%	5.4%
Wednesday 29 June	US	Personal Consumption Expenditures (PCE) Core (yoy)	May	1.7%	1.6%
	US	Pending Home Sales (mom)	May	-1.0%	5.1%
	US	Personal Spending (mom)	May	0.3%	1.0%
Thursday 30 June	Japan	Industrial Production (yoy)	May P	1.9%	-3.3%
	UK	GDP (qoq)	Q1 F	0.4%	0.4% P
	Eurozone	CPI Estimate (yoy)	Jun	0.0%	-0.1%
	Mexico	Banco de Mexico Interest Rate Decision	Jun	3.75%	3.75%
Friday 01 July	Japan	Tankan Large Manufacturing Index	Q2	4.0	6.0
	China	Caixin China Manufacturing PMI	Jun	49.1	49.2
	Japan	National CPI ex Fresh Food, Energy (yoy)	May	0.8%	0.9%
	Eurozone	Unemployment Rate	May	10.1%	10.2%
	US	ISM Manufacturing Index	Jun	51.5	51.3

P – Preliminary, Q – Quarter, F – Final

US

- ▶ In the coming week, the final estimate of **US Q1 GDP** growth is anticipated to be revised up to 1.0% qoq annualised from the second estimate of 0.8% qoq. The slight upward revision is expected to be driven by slightly stronger consumer spending than expected.
- ▶ US home prices have risen in the range of 4%-6% for the last 20 months, as the limited supply of for-sale homes (amid sluggish growth in building activity) has not kept up with the continued rise in demand. The **S&P/Case-Shiller 20-City Composite Home Price Index** is expected to rise by 5.5% yoy in April.
- ▶ The **Pending Home Sales Index**, which tends to lead the existing home sales by a couple of months, has surprised to the upside for the last three months. The expectation of a -1.0% mom decline in the May release could still see pending home sales remain at 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 low mortgage interest rates should be supportive for a continued improvement in housing.
- ▶ May is expected to see US **personal income** rise 0.3% mom, slightly down from 0.4% mom in April, with **personal spending** expected to slow to 0.3% mom from the 1.0% mom rise previously (which was the strongest increase since August 2009). This continues to point to an improvement in spending appetite from the US consumer after an uninspiring Q1. Meanwhile, **core PCE inflation** is expected to edge up to 1.7% yoy, from 1.6% yoy previously. It will be important to see if service prices (+2.2% yoy) rise further above the Fed's 2.0% target and to a new post-recession high, and if goods prices provide less of a drag after April saw the smallest rate of decline in three months (-1.2% yoy).
- ▶ May's **ISM Manufacturing Index** was slightly better than expected at 51.3 against 50.3. While new orders held firm at 55.7 compared to 55.8 previously, an encouraging leading indicator, less positive was that production dipped 52.6 compared to 54.2 in the prior period. June's release is expected to be little changed at 51.5, although particular attention will be paid to the employment subcomponent, which remained contractionary (49.2) for the sixth straight month.

Europe

- ▶ In Europe, the final estimate of **UK Q1 GDP** growth is likely to be unrevised at 0.4% qoq, with growth mainly driven by household consumption. Of greater significance is that this release contains the annual revisions to previous data.
- ▶ **Eurozone inflation** is expected to tick up only slightly in June, with the flash reading expected at 0.0% yoy, from -0.1% yoy in the previous month. Despite some recent easing of energy price deflation, inflationary pressures in the eurozone remain constrained by significant economic slack and tough price competition between firms, highlighting the continuing challenges facing the European Central Bank (ECB).
- ▶ The employment component of the May eurozone composite PMIs ticked up by 0.2 points to 52.0, remaining firmly in expansionary territory, while the German unemployment rate for May dipped to a record low of 6.1%. The **eurozone unemployment** rate is therefore expected to edge slightly lower to 10.1% in May, having remained stable at 10.2% in April, as the region's economic recovery continues along a steady path.

Emerging markets and Japan

- ▶ On Wednesday, **Japan's industrial production** could see a slight consolidation in May after its unexpected strength over the past few months as the appreciation of the yen weighed on exports. The manufacturing PMI has been below 50 since March and inventories may need to be adjusted down to maintain profitability. Industrial production is expected to fall 0.2% mom, after its 4.9% gain over the previous two months. The **Bank of Japan** will release its quarterly **Tankan business conditions survey** on Friday.

- ▶ The main index, the current business conditions for large manufacturers, is expected to have declined from 6 to 4 in Q2, partly reflecting the four-point decline in the outlook of the Q1 survey (the recent appreciation of the yen was perceived as a major hurdle for large exporters). Moreover, global demand for Japanese goods remained soft in the past few months. Japan will also publish **inflation** data for May on Friday. The 10.0% appreciation of the yen between December and May has significantly reduced imported inflation, while domestic consumption remains too soft to allow Japanese businesses to regain pricing power. Moreover, the decline in the leading indicator for the region of Tokyo gathered pace in May. The national CPI (ex-fresh food and energy) is expected to decelerate from 0.9% yoy to 0.8%, and headline CPI could retreat from -0.3% to -0.5%, the lowest level since April 2013.
- ▶ **China's official manufacturing PMI** is expected to edge down to 50.0 in June from 50.1 in May, as over-capacities in heavy industries offset the positive effect of policy stimulation. The Caixin China Manufacturing PMI is expected to edge lower to 49.1.

Market Moves

Global equity markets collapsed on Friday after the UK "Leave" vote was announced

- ▶ **US equities** fluctuated during the first half of the week as investors assessed the likely outcome of the UK's referendum on membership in the EU. Polls showing increasing momentum for a "Remain" vote triggered a rise in risk appetite on Thursday and led to US stocks rallying. However, these gains were dramatically reversed on Friday following the "Leave" result, with the S&P 500 Index down -3.6% at Friday's closing. Overall, the S&P 500 Index closed the week down -1.6% to 2,037.
- ▶ Similarly, **most European stock markets** plummeted on Friday to finish the week lower. The EURO STOXX 50 Index fell (-2.6%), with financials-heavy indices such as Spain's IBEX 35 (-6.9%) hit the hardest. Elsewhere, the UK's FTSE 100 Index pared early losses on Friday to finish higher on the week (+2.0%). Prior to the results, investor sentiment had largely been buoyed by opinion polls indicating a higher "Bremain" probability, an unexpected rise in economic confidence as measured by the German ZEW survey and positive corporate strategy updates in the Italian banking sector.
- ▶ **Most Asian equities** also tumbled on the UK referendum result, erasing what had been a solid week of gains. As investors rushed towards the typically safer yen, the Nikkei 225 Index fell (-4.2% on the week) on dampened exporters' earnings outlook. In India, investors also had to digest the surprise resignation of market-friendly central bank Governor Raghuram Rajan, as well as the announcement of a much-awaited reform to ease foreign direct investment in the retail, defence and civil aviation sectors, among others. Meanwhile, Hong Kong's Hang Seng Index bucked the regional trend, closing this week in positive territory.

US Treasury yields stumbled, and UK 10-year gilt yields hit historic lows on widespread risk aversion

- ▶ **US Treasuries** rallied strongly this week (yields fell) as demand for "safe-haven" assets surged on news that the UK voted to leave the EU. US 10-year yields had initially drifted higher through the course of the week amid improved risk appetite, but fell sharply on Friday as the results of the EU referendum poll became clear. For the week, US two-year yields dropped (-6bps to 0.63%). At the longer end, 10-year yields finished down (-5bps to 1.56%), to reach their lowest level since 2012.
- ▶ **Core European government bonds** advanced (yields fell) this week, dominated by market moves on Friday on the back of strong demand for perceived "safe-haven" assets. Despite rising for much of the week, UK 10-year gilt yields collapsed 29bps on Friday to end the week 6bps lower, at an historic low of 1.08%. Heightened investor nervousness also pushed German 10-year bund yields to close in negative territory (-7bps to -0.05%), also reaching fresh lows. Meanwhile, in the periphery, Greek 10-year bond yields rose sharply on the week (+43bps to 8.48%) despite the ECB reinstating the eligibility of the nation's debt as funding collateral.

Sterling fell to lowest level since 1985 after referendum result; emerging market currencies also fell sharply on stronger US dollar

- ▶ The **British pound** opened this week higher on hopes that the UK would vote to maintain its EU membership. However, sterling tumbled against the US dollar to its lowest levels since 1985 on Friday morning after a "Leave" outcome, before paring some losses to end the week sharply lower (-4.7%). Similarly, the euro finished the week down (-1.4%), with a major decline occurring in early Friday trading amid investor fears that the referendum outcome could have knock-on consequences for the common currency bloc.
- ▶ **Most Asian currencies** appreciated moderately against the US dollar during the week but depreciated sharply on Friday as British voters decided to leave the European Union, leading to a severe bout of risk aversion. The biggest weekly decline was for the Indian rupee (-1.3%). The Thai baht also erased the gains observed after the Bank of Thailand kept its policy rates unchanged Wednesday. As a perceived "safe haven," the Japanese yen appreciated significantly (+1.9%), temporarily hitting its strongest value since November 2013.

Crude oil prices finished lower while gold prices rose on "safe-haven" demand

- ▶ **WTI crude oil prices** rose early in the week despite a significant rebound in the US oil and gas rig count (released late last Friday). However, prices were hit by a surge in the US dollar following Friday's UK referendum outcome. Sentiment was also dampened by the weekly U.S. Energy Information Administration report that showed US crude oil inventories declined less than expected, contrasting with the figures in Tuesday's American Petroleum Institute data. On Thursday, the Venezuelan oil minister noted that the country's output could increase while also stating that prices could rise this summer. Overall, WTI finished this week lower (-0.9% to USD47.6 per barrel), as did Brent Crude (-1.5% to USD48.4 per barrel).
- ▶ **Gold prices** rose this week, with the largest moves seen on Friday after the Brexit vote led to widespread risk aversion. Overall, the precious metal extended its rally for the fourth consecutive week, ending at its highest level since August 2014 (+1.3% at USD1,315 per ounce).

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)	388	-1.5	-2.3	-0.8	-10.8	-2.8	438	351	15.7
North America									
US Dow Jones Industrial Average	17,401	-1.6	-1.7	-0.7	-3.1	-0.1	18,168	15,370	16.2
US S&P 500 Index	2,037	-1.6	-1.9	0.1	-3.4	-0.3	2,133	1,810	17.3
US NASDAQ Composite Index	4,708	-1.9	-3.1	-1.4	-8.1	-6.0	5,232	4,210	20.6
Canada S&P/TSX Composite Index	13,892	-0.1	-0.4	4.0	-7.1	6.8	14,995	11,531	18.7
Europe									
MSCI AC Europe (USD)	373	-2.1	-6.3	-4.0	-19.8	-9.2	469	356	14.3
Euro STOXX 50 Index	2,776	-2.6	-7.8	-7.1	-23.1	-15.0	3,714	2,673	12.9
UK FTSE 100 Index	6,139	2.0	-1.3	0.5	-10.3	-1.7	6,873	5,500	16.7
Germany DAX Index*	9,557	-0.8	-5.0	-3.0	-16.7	-11.0	11,802	8,699	12.0
France CAC-40 Index	4,107	-2.1	-7.3	-5.1	-18.6	-11.4	5,218	3,892	13.8
Spain IBEX 35 Index	7,788	-6.9	-12.7	-11.4	-31.2	-18.4	11,613	7,743	13.6
Asia Pacific									
MSCI AC Asia Pacific ex Japan (USD)	402	-0.3	1.8	-1.5	-17.9	-2.2	491	357	13.3
Japan Nikkei-225 Stock Average	14,952	-4.2	-9.4	-11.5	-28.3	-21.4	20,947	14,864	14.8
Australian Stock Exchange 200	5,113	-1.0	-3.4	0.6	-10.1	-3.5	5,728	4,707	16.7
Hong Kong Hang Seng Index	20,259	0.4	2.2	-0.4	-26.1	-7.6	27,016	18,279	11.1
Shanghai Stock Exchange Composite Index	2,854	-1.1	1.2	-3.6	-39.1	-19.4	4,457	2,638	13.1
Hang Seng China Enterprises Index	8,530	0.5	2.7	-2.0	-37.7	-11.7	13,360	7,499	7.2
Taiwan TAIEX Index	8,477	-1.1	2.1	-3.0	-9.8	1.7	9,490	7,203	13.4
Korea KOSPI Index	1,925	-1.4	-0.6	-3.1	-7.7	-1.8	2,111	1,801	10.7
India SENSEX 30 Index	26,398	-0.9	4.3	4.2	-4.8	1.1	28,578	22,495	16.7
Indonesia Jakarta Stock Price Index	4,835	0.0	2.6	0.2	-2.4	5.3	4,983	4,034	15.5
Malaysia Kuala Lumpur Composite Index	1,634	0.6	0.5	-4.7	-5.6	-3.5	1,744	1,504	16.0
Philippines Stock Exchange PSE Index	7,630	0.1	3.7	3.7	-0.2	9.7	7,814	6,084	19.5
Singapore FTSE Straits Times Index	2,735	-1.0	-0.5	-3.9	-18.4	-5.1	3,384	2,528	12.4
Thailand SET Index	1,413	-0.6	2.1	0.6	-6.9	9.7	1,525	1,221	15.2
Latam									
Argentina Merval Index	13,925	6.5	12.5	11.4	20.5	19.3	14,597	8,660	14.5
Brazil Bovespa Index*	50,105	1.2	1.5	0.9	-6.9	15.6	54,978	37,046	13.1
Chile IPSA Index	3,965	-0.3	0.2	2.1	1.5	7.7	4,085	3,419	13.4
Colombia COLCAP Index	1,318	0.7	-0.1	-0.3	-0.9	14.2	1,380	1,046	14.7
Mexico Index	44,886	-0.9	-1.3	-1.7	-1.2	4.4	46,545	39,257	19.6
EEMEA									
Russia MICEX Index	1,884	0.4	0.0	1.0	14.1	7.0	1,977	1,570	7.1
South Africa JSE Index	51,680	-0.9	-2.6	-1.2	-2.1	1.9	54,761	45,976	16.7
Turkey ISE 100 Index*	75,366	-0.1	-5.1	-7.4	-10.4	5.1	86,931	68,230	8.6

*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	4.9	3.3	-4.4	25.1	38.1
US equities	4.5	4.0	1.1	40.2	78.8
Europe equities	6.7	1.7	-9.5	14.3	15.3
Asia Pacific ex Japan equities	2.8	2.5	-12.4	9.8	2.6
Japan equities	-1.3	-8.2	-12.8	8.0	21.2
Latam equities	7.2	22.6	-11.4	-19.0	-40.3
Emerging Markets equities	3.4	6.3	-13.8	1.5	-15.3

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.

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)	502.3	-0.3	0.9	1.6	6.2	4.6
JPM EMBI Global	734.2	1.1	2.6	4.8	8.3	9.5
BarCap US Corporate Index (USD)	2,732.6	-0.2	1.5	3.1	6.6	6.3
BarCap Euro Corporate Index (Eur)	238.2	-0.2	0.7	1.2	4.4	3.5
BarCap Global High Yield (USD)	407.8	1.1	1.9	5.9	4.0	9.0
Markit iBoxx Asia ex-Japan Bond Index (USD)	185.8	0.0	0.8	2.3	5.7	5.2

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	1.11	1.13	1.11	1.12	1.12	1.09	1.17	1.05
GBP/USD	1.37	1.44	1.46	1.42	1.57	1.47	1.58	1.32
CHF/USD	1.03	1.04	1.01	1.02	1.07	1.00	1.08	0.97
CAD	1.30	1.29	1.31	1.32	1.24	1.38	1.47	1.23
JPY	102.22	104.16	109.99	112.90	123.85	120.22	125.28	99.02
AUD	1.34	1.35	1.39	1.33	1.30	1.37	1.46	1.28
NZD	1.40	1.42	1.48	1.49	1.45	1.46	1.60	1.37
Asia								
HKD	7.76	7.76	7.77	7.76	7.75	7.75	7.83	7.75
CNY	6.62	6.59	6.56	6.51	6.21	6.49	6.63	6.20
INR	67.97	67.09	67.76	66.64	63.60	66.15	68.79	63.31
MYR	4.09	4.10	4.12	4.03	3.75	4.29	4.48	3.73
KRW	1,179	1,173	1,193	1,166	1,109	1,175	1,245	1,111
TWD	32.36	32.38	32.71	32.61	30.91	32.86	33.79	30.84
Latam								
BRL	3.37	3.42	3.57	3.68	3.10	3.96	4.25	3.09
COP	2,972	3,010	3,064	3,073	2,560	3,175	3,453	2,560
MXN	18.93	18.84	18.49	17.61	15.50	17.21	19.52	15.48
EEMEA								
RUB	65.12	64.75	66.22	68.56	54.46	72.52	85.96	54.65
ZAR	15.08	15.15	15.66	15.46	12.15	15.47	17.92	12.10
TRY	2.93	2.93	2.95	2.87	2.68	2.92	3.08	2.63

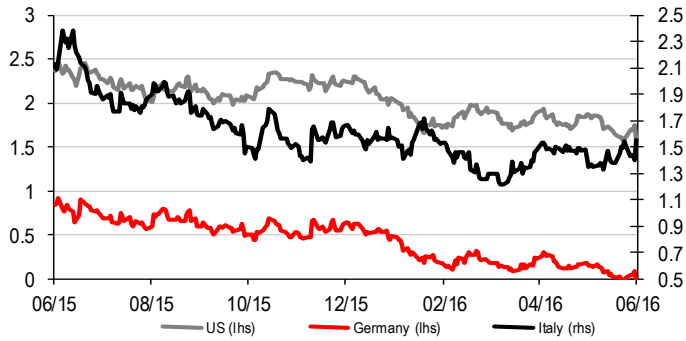
Bonds	Close	1-week Ago	1-month Ago	3-months Ago	1-year Ago	Year End 2015
US Treasury yields (%)						
3-Month	0.25	0.25	0.35	0.28	0.00	0.16
2-Year	0.63	0.69	0.91	0.87	0.68	1.05
5-Year	1.07	1.11	1.40	1.38	1.67	1.76
10-Year	1.56	1.61	1.86	1.90	2.37	2.27
30-Year	2.41	2.42	2.64	2.67	3.15	3.02
Developed market 10-year bond yields (%)						
Japan	-0.18	-0.16	-0.11	-0.09	0.46	0.26
UK	1.08	1.14	1.47	1.45	2.13	1.96
Germany	-0.05	0.02	0.18	0.18	0.84	0.63
France	0.38	0.43	0.50	0.54	1.22	0.99
Italy	1.55	1.51	1.42	1.30	2.12	1.59
Spain	1.63	1.55	1.53	1.52	2.11	1.77

Commodities	Latest	1-week ago (%)	1-month Change (%)	3-month Change (%)	1-year Change (%)	YTD Change (%)	52-week High	52-week Low
Gold	1,315	1.3	7.2	8.1	11.9	23.9	1,359	1,046
Brent Oil	48.4	-1.5	-0.3	19.8	-23.7	29.9	65	27
WTI Crude Oil	47.6	-0.9	-2.2	20.6	-21.1	28.4	62	26
R/J CRB Futures Index	189	-1.9	2.9	9.6	-15.8	7.1	227	155
LME Copper	4,780	5.0	3.9	-3.3	-16.7	1.6	5,838	4,318

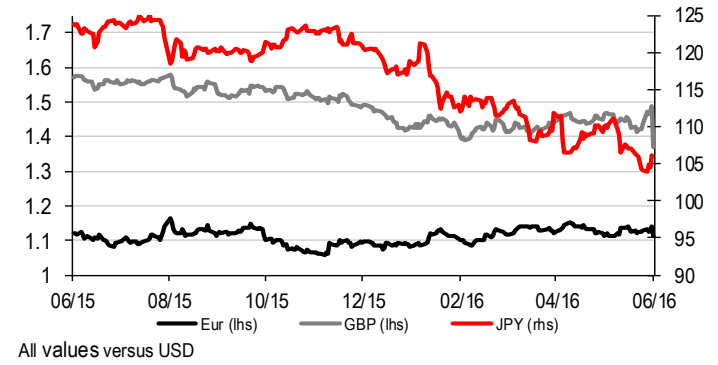
Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 24 June 2016.
Past performance is not an indication of future returns.

Market Trends

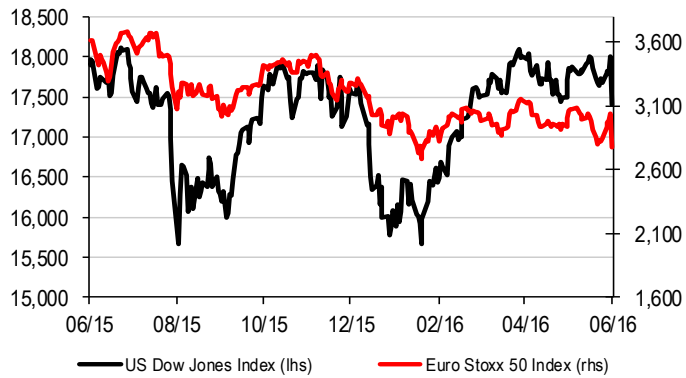
Government bond yields (%)



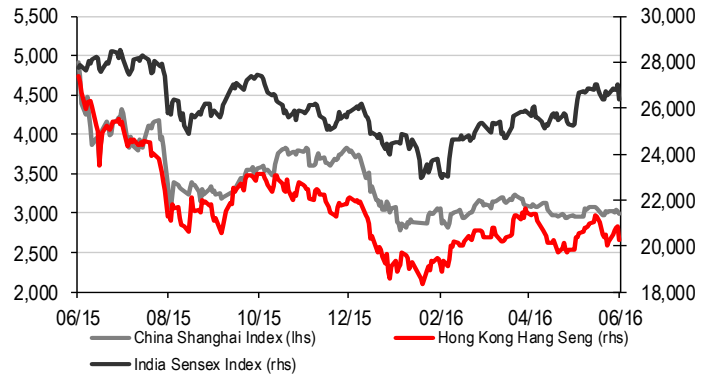
Major currencies (versus US dollar)



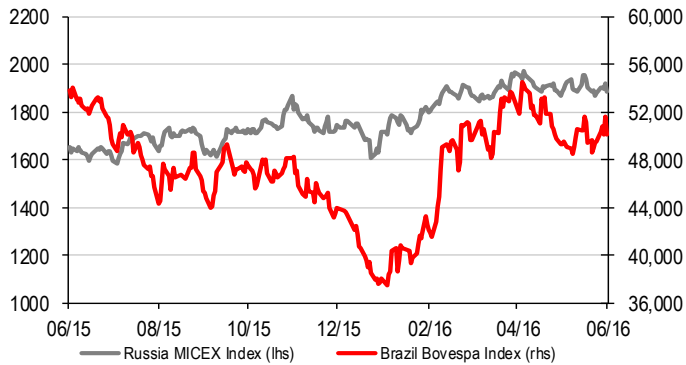
Global equities



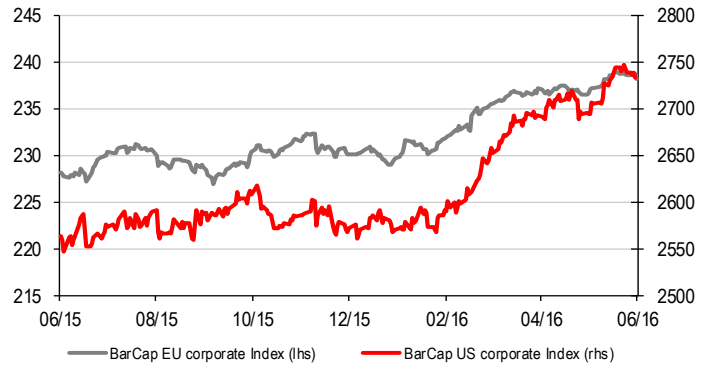
Emerging Asian equities



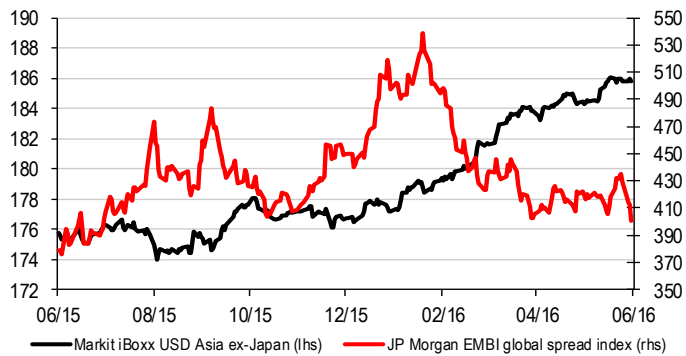
Other emerging equities



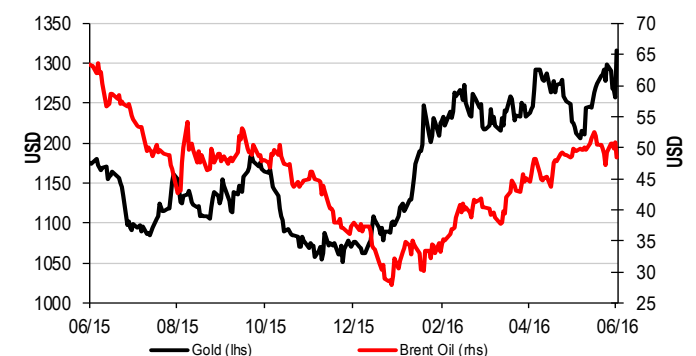
Global credit indices



Emerging markets spreads (USD indices)



Commodities (USD)



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