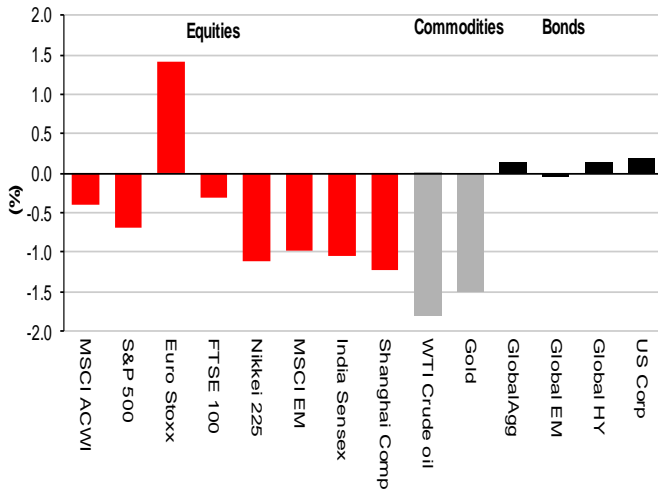


- ▶ Investors were cautious this week ahead of US Federal Reserve (Fed) Chair Janet Yellen's speech at the Jackson Hole symposium on Friday, with European stocks outperforming over the week on the back of further evidence of post-Brexit economic resilience and a softer euro
- ▶ In her speech at Jackson Hole, Yellen struck a hawkish tone, stating that "the case for an increase in the federal funds rate has strengthened in recent months" although did not provide any clues on the precise timing of a potential rate hike. Nevertheless, these comments were interpreted by Fed Vice-Chair Stanley Fischer as leaving the door open to a September rate hike
- ▶ In the coming week, the August US employment report will be in sharp focus with consensus looking for 185,000 jobs being created

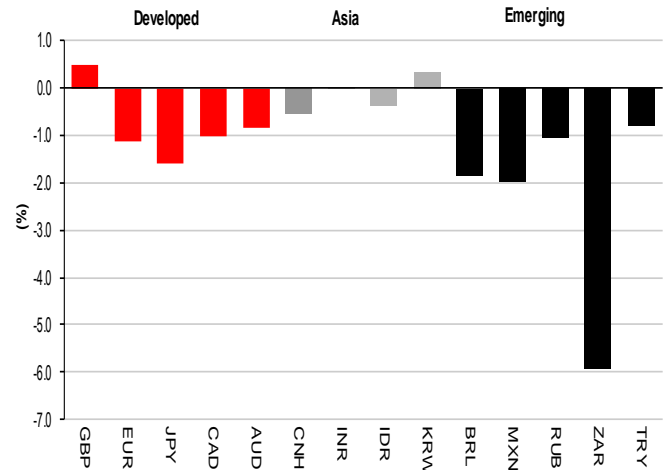
Movers and shakers

Lower oil prices weighed on global stocks

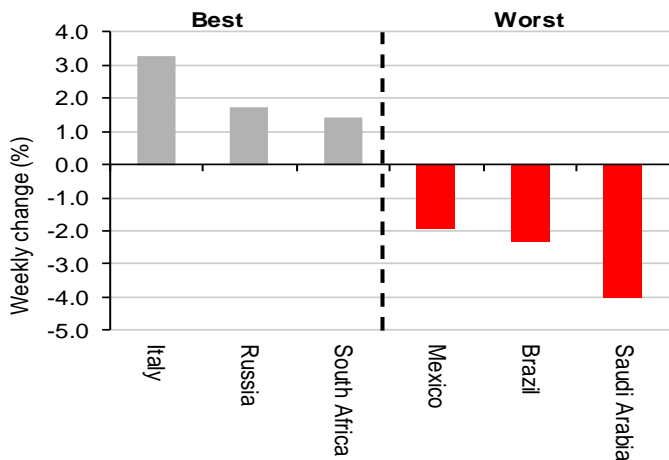


Currencies (versus US dollar)

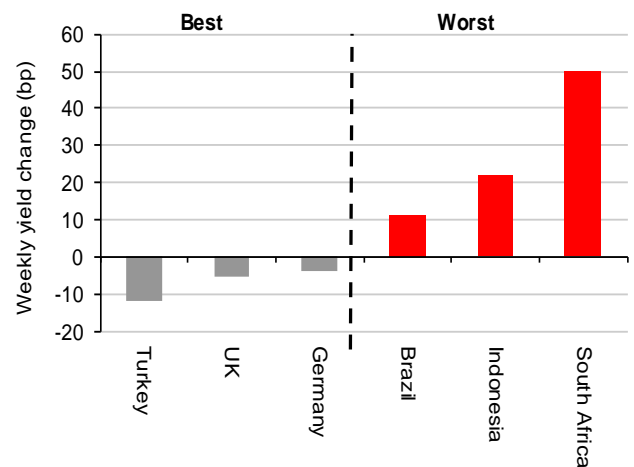
The British pound outperformed other major currencies



Equities



Bonds (10-year)



Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 26 August 2016. All the above charts relate to 19/08/2016 – 26/08/2016. Past performance is not an indication of future returns

Macro Data and Key Events

Past Week (22–26 August 2016)

Date	Country	Indicator	Data as of	Survey	Actual	Prior
Monday 22 August	Mexico	GDP Seasonally Adjusted (qoq)	Q2 F	-0.3%	-0.2%	-0.3% P
Tuesday 23 August	Eurozone	Markit Composite PMI	Aug P	53.1	53.3	53.2
	Turkey	CBRT Interest Rate Decision (Overnight Lending Rate)	Aug	8.50%	8.50%	8.75%
	US	New Home Sales (mom)	Jul	-2.0%	12.4%	1.7%
Wednesday 24 August	Brazil	IBGE Inflation IPCA-15 (yoy)	Aug	8.97%	8.95%	8.93%
	US	Existing Home Sales (mom)	Jul	-1.1%	-3.2%	1.1%
Thursday 25 August	Germany	IFO Business Climate	Aug	108.5	106.2	108.3
	US	Durable Goods Orders (mom)	Jul P	3.4%	4.4%	-4.2%
Friday 26 August	Japan	National CPI Excluding Fresh Food, Energy (yoy)	Jul	0.7%	0.5%	0.7%
	UK	GDP (qoq)	Q2 S	0.6%	0.6%	0.6% P
	US	GDP Annualised (qoq)	Q2 S	1.1%	1.1%	1.2% P
	US	University of Michigan Consumer Confidence	Aug F	90.8	89.8	90.4
	US	Fed Chair Yellen to Speak at Jackson Hole				

P – Preliminary, F – Final, S – Secondary

- ▶ In the US, this week's focus was the highly anticipated speech at the annual **Jackson Hole** symposium by **Fed Chair Janet Yellen**. She struck a hawkish tone, stating that “the case for an increase in the federal funds rate has strengthened in recent months” as the economy was nearing the Fed's maximum employment and inflation goals. However, Yellen did not provide any clues on the precise timing of a potential rate hike, highlighting that Federal Open Market Committee (FOMC) “decisions always depend on the degree to which incoming data continues to confirm the Committee's outlook”. She also added that “the economic outlook is uncertain, and so monetary policy is not on a preset course”, although she did reiterate the FOMC's expectation of “gradual” rate increases over time. Meanwhile, the bulk of Yellen's speech was focussed on the Fed's monetary policy toolkit, making reference to San Francisco Fed President John Williams' recent discussion around raising the FOMC's 2% inflation target or implementing nominal GDP targeting, which Yellen stressed was “not actively” being considered. In terms of data releases, headline **durable goods orders** rose 4.4% mom in July (consensus 3.4%), partly reversing the prior downwardly revised drop of 4.2%. Excluding the extremely volatile transportation component, orders rose 1.5% mom. Core capital goods orders (nondefense excluding aircraft), a widely used proxy for overall business investment, was also encouraging, rising at the fastest pace since January this year (+1.6% mom). Meanwhile, core shipments of capital goods fell for the third month in a row (-0.4% mom) although the rate of decline has moderated. With respect to the housing market, July's **new home sales** rose 12.4% mom to an annualised pace of 654,000, the highest level since October 2007 and the largest mom increase since May 2014. This marked an increase of 72,000 over June, with the gains primarily driven by an especially strong rise in the South (+61,000). Interestingly, the median price fell to 294,600 from 310,500 in June, despite inventory falling from 4.9 to 4.3 months' worth of sale. In contrast, July saw US **existing Home Sales** fall 3.2% mom (+1.1% prior), to a four month low and below consensus expectations of a 1.1% mom decline. Underneath the headline figure of 5.39 million home sales, declines occurred across three of the four US regions with only the West posting a gain. Importantly, this drop follows four straight increases and the median prices for existing homes still edged higher in July. The print thus does not signal an overall decline in the US housing market recovery, which remains robust. Finally, the second estimate of **US Q2 GDP** came in as expected, at 1.1% qoq annualised, down from 1.2% qoq annualised. In terms of revisions, consumer spending edged up by 0.2 points to 4.4%, increasing its contribution to headline growth by 0.1 points, which was offset by weaker than previously estimated net exports and government spending which contributed a combined 0.2 points less than previously thought. The release also showed a 4.9% qoq uptick in corporate profits (after tax, without inventory valuation and capital consumption adjustments).
- ▶ The **Eurozone Composite PMI** held broadly steady in August, rising 0.1 points to 53.3, with a slight pullback in manufacturing activity (to 51.8) offset by a slight gain in service sector activity (to 53.1). At this level, the composite PMI is close to its long-run average and consistent with growth at trend levels (around 0.3% qoq as registered in Q2). Less comforting is the fourth straight decline in the expectations component of the services index which dropped to a 20-month low (60.2), while the composite output prices component dipped further below the 50 level (to 49.5), highlighting the region's continued disinflationary pressures and the challenge facing the European Central Bank (ECB) in reaching its inflation target.
- ▶ The **German IFO Business Climate Index** fell by 2.1 points to 106.2 in August versus expectations of a slight increase. The disappointment was driven by an equal deterioration in both the current assessment (CA) and expectations components, with the lagged effects of the Brexit vote cited as a major cause for the decline. Despite this, the headline index remains above its long-term average of 101.7 while the CA index – typically a decent gauge of GDP growth – now averages 113.8 over Q3 so far, not far off the Q2 average (114.0).

- ▶ The second release of **UK Q2 GDP** confirmed growth of 0.6% qoq, 0.2 points higher than Q1, despite the lingering uncertainty ahead of the referendum vote. As expected, the expenditure breakdown in this release reveals that household consumption was the main driver of activity, rising 0.9% qoq, the fastest pace since Q3 2014. More surprisingly, however, business investment rebounded by 0.5% qoq after two consecutive quarters of contraction, with total investment coming in at 1.4% qoq. Meanwhile, net trade continues to be a drag, subtracting 0.3 points from the headline figure (-0.2 points in Q1). The preliminary Q3 GDP print is due on 27 October, which will provide a much clearer indication of how the Brexit vote has affected UK economic activity.
- ▶ **Japan's inflation** remained weak in July with headline inflation printing -0.4% yoy (as expected) while CPI excluding food and energy slowed down more rapidly than expected from +0.5% yoy to +0.3% (consensus at +0.4%). CPI excluding fresh food and energy, the Bank of Japan's (BoJ) preferred gauge of underlying inflation, also surprised to the downside, dipping from +0.7% yoy to 0.5% (consensus at +0.7%). The BoJ inflation target of 2% looks increasingly difficult to reach in the foreseeable future, which may force the central bank to ease its policy further at its 21 September meeting.
- ▶ The final release of **Mexico's Q2 GDP** showed growth fell by 0.2% qoq, the first decline in three years, although at a slower pace than expectations and the preliminary estimate (-0.3%). However, the yoy pace remains robust at 2.5% (not seasonally adjusted), 0.1 points higher than previously estimated. This was driven by higher growth in the agriculture (+3.8% yoy vs prior +3.0%) and industrial (+1.0% vs prior 0.3%) sectors, while service sector activity was slightly lower (+3.2% vs prior 3.5%).
- ▶ As expected, the **Central Bank of Turkey (CBT)** cut the **overnight lending rate** by 25 bp to 8.50%, keeping other rates unchanged. The move is the sixth in a row, bringing the total rate cuts to 225 bp this year. As in the last two announcements, "increased resilience of the economy against shocks" was the key justification of the move, which the CBT also announced as a further step towards monetary policy simplification. The CBT may be aiming to cut the lending rate to 7.75% in order to obtain a symmetric interest rate corridor of 7.25 - 7.75% around the one-week repo rate (7.50%). A benign Fed outlook has permitted rate cuts, aimed at supporting economic activity. However, whether the CBT can hike rates independently when the lira notably depreciates is yet to be seen.

Coming Week (29 August – 02 September 2016)

Date	Country	Indicator	Date as of	Survey	Prior
Monday 29 August	US	Personal Spending (mom)	Jul	0.3%	0.4%
	US	PCE Core (yoy)	Jul	1.5%	1.6%
Tuesday 30 August	Japan	Jobless Rate	Jul	3.1%	3.1%
	US	S&P CoreLogic Case Shiller Composite-20 (yoy)	Jun	5.1%	5.2%
Wednesday 31 August	Brazil	COPOM Interest Rate Decision	Aug	14.25%	14.25%
	Japan	Industrial Production (yoy)	Jul P	-3.0%	-1.5%
	Eurozone	CPI Estimate (yoy)	Aug	0.3%	0.2%
	Eurozone	Unemployment Rate	Jul	10.0%	10.1%
	India	GDP (yoy)	Q2	7.6%	7.9%
	Brazil	GDP Seasonally Adjusted (qoq)	Q2	-0.5%	-0.3%
	US	Pending Home Sales (mom)	Jul	0.7%	0.2%
	UK	GfK Consumer Confidence	Aug	-8	-12
Thursday 01 September	China	Official Manufacturing PMI	Aug	49.9	49.9
	US	ISM Manufacturing	Aug	52.0	52.6
Friday 02 September	US	Change in Nonfarm Payrolls	Aug	185,000	255,000
	US	Factory Orders (mom)	Jul	2.0%	-1.5%

P – Preliminary

US

- ▶ August's **ISM Manufacturing Index** is expected to ease slightly to 52.0 from 52.6 previously, edging further away from the firm pick up seen in June. Nevertheless underlying momentum in the manufacturing sector remains promising. In July, new orders (56.9) came above their six month average while activity as measured by production (55.4) was its strongest level since January 2015. Ahead of Friday's nonfarm payroll release the employment subcomponent will be closely watched.
- ▶ After a volatile Q2, where **nonfarm payroll** growth ranged from 11,000 in May to 287,000 in June, July made a strong start to Q3, with an additional 255,000 jobs created, comfortably exceeding expectations. The pace of hiring is expected to soften slightly in August but remain robust nonetheless, with consensus looking for 185,000 jobs being created. This would signal the continued tightening of the US labour market, in line with low initial jobless claims, a low unemployment-to-applicant ratio and an elevated labour market differential as reported by the conference board. The unemployment rate is expected to edge slightly lower to 4.8% from 4.9% in July. Meanwhile, average hourly earnings are expected to grow by 0.2% mom (+2.5% yoy), although if this were to accelerate even faster it would point to greater labour market tightness than is currently forecast, potentially troubling the hawks on the FOMC.

Europe

- ▶ Given that the employment component of the Eurozone composite PMI rose to a multi-year high of 53.3 in July, the **Eurozone unemployment** rate is projected to dip to 10.0% in the same month, 0.1 points lower than in June. The decline is likely to be mainly driven by continuing employment gains in Spain amid a strong growing economy and busy tourism season.

Japan and Emerging markets

- ▶ **Brazilian GDP** growth is expected to deteriorate in Q2 to -0.5% qoq, down from -0.3% in Q1, although significantly above the sub -1% qoq rates registered throughout 2015. Brazil's economic performance remains hamstrung by weak consumer spending amid rising unemployment, falling real wages and weak credit conditions. However net trade should provide some offsetting support on the back of a weaker Brazilian real (around 30% cheaper against the US dollar versus mid-2014 levels despite strong performance year-to-date).
- ▶ **Brazil's central bank** is expected to keep the **Selic rate** at 14.25% at its August meeting as inflation remains well above the bank's 4.5% target (8.7% in July), although the recent appreciation of the real and smaller changes in government controlled prices this year should provide some room for easing as we head into 2017.
- ▶ In **China**, the Caixin Manufacturing PMI survey for August is projected to edge 0.5 points lower to 50.1. It rebounded sharply in July, returning to levels above 50 for the first time since February 2015. However, the Chinese yuan has appreciated slightly since mid-July and soft total social financing data for July is expected to have weighed on manufacturers' sentiment. Meanwhile, **the official manufacturing PMI**, which includes larger and state-owned enterprises in its sample, is expected to remain at 49.9.
- ▶ **India GDP** growth for Q2 is expected to have slowed down from 7.9% yoy in Q1 to 7.6% as investment remains under pressure due to weak growth in bank lending, despite Reserve Bank of India's rate cuts since early 2015. Nevertheless, private consumption, which represents about 55% of GDP, should remain a strong pillar of growth.
- ▶ **Japan's jobless rate** is expected to remain stable at 3.1% in July, its lowest level in 21 years, as the latest Tankan survey conducted by the BoJ and the Shoko Chukin small businesses survey confirmed that Japanese businesses are likely to stabilize their hiring plans in the near term. Meanwhile, after the very strong gain observed in June, (+2.3% mom), Japan's **industrial production** (IP) is anticipated to increase for a second month in July, by 0.7%, although this would leave IP 3.0% lower yoy (-1.5% in June). While the Ministry of Economy, Trade and Industry survey of production forecasts pointed at a stronger increase in July (+2.4%), the manufacturing PMI for July remained in contractionary territory (49.3).

Market Moves

Global equities cautious leading up to Friday's Jackson Hole symposium

- ▶ US equities traded in a narrow range this week ahead of Fed Chair Janet Yellen's speech at Jackson Hole, with mixed indicators on the health of the domestic housing market driving some intraday movements. Overall, the S&P 500 Index finished the week down (-0.7%). Strong gains in financials outweighed a decline in healthcare shares, with the latter hit by news of renewed political pressures on pharmaceuticals' profit margins.
- ▶ The story in Eurozone stock markets was similar to the US, with trading quiet for most of the week. A firm Eurozone composite PMI print helped buoy sentiment early in the week but other softer data releases pared back these effects. However, bourses rose in late trading on Friday, boosted by a weaker euro (supporting exporter shares) as investors digested Fed Chair Yellen's speech at Jackson Hole. In aggregate, the EURO STOXX 50 Index closed up (+1.2%), led by financial shares, while peripheral indices outperformed due to their heavier exposure to the sector.
- ▶ Many Asian stock markets retreated this week, with caution prevailing before Fed Chair Yellen's speech at Jackson Hole, with lower crude oil prices also dampening market sentiment. In Japan, the relative strength of the yen and a weaker than expected inflation print for July dragged the Nikkei-225 Stock Average lower over the week (-1.1%). Meanwhile in China, the Shanghai Stock Exchange Composite Index also fell (-1.2%) on concerns that regulators may take measures to cool the property market, and after the government imposed limits on lending by peer-to-peer platforms on Wednesday, in an effort to curb speculation.

Policy sensitive US Treasuries weakened; core European government bonds outperformed in the region

- ▶ In the US, 10-year treasury yields were little changed this week, although policy sensitive two-year yields finished higher (+9bp to 0.84%) on higher expectations of Fed rate hikes this year following a recent raft of hawkish comments by Fed officials. Meanwhile, on Friday, Fed Chair Yellen expressed that the case for rate hike has strengthened but also hinted that the path is data dependent. Nevertheless, these comments were interpreted by Fed Vice-Chair Stanley Fischer as leaving the door open to a September rate hike.
- ▶ Core European government bonds rose this week (yields fell) as subdued risk appetite and lower inflation expectations (measured by the five-year euro inflation swap forward) supported demand for coupon bearing perceived safe-haven assets. Benchmark 10-year German bund yields closed lower (-4bp to -0.07%) while in the primary market the German government auctioned over 3bn euro in five-year debt. In the periphery, 10-year yields were little changed, including in Italy despite concerns over the upcoming constitutional referendum.

British pound extended gains; Asian currencies traded sideways on caution ahead of Yellen's speech

- ▶ The euro fell against the dollar this week (-1.1%), amid mixed data releases, with the majority of losses coming in late trading on Friday following Yellen's Jackson hole speech as the US dollar strengthened. Meanwhile, the British pound built on recent momentum to close higher for the second week against the greenback (+0.5%). Recently, UK macroeconomic data has generally been better than expectations with the Citi Economic Surprise Index at its highest levels since late 2013.
- ▶ Most Asian currencies traded sideways against the US dollar over the week, closing in a very narrow range of +/-0.4% during onshore trading as investors remained cautious ahead of Yellen speech at Jackson Hole at the end of the week. The Korean won pared some of its losses of the previous week, appreciating by 0.3% despite the lingering geopolitical tensions in the Korean peninsula. For a second week, the yen failed to break a symbolic resistance at 100, before experiencing post-Yellen speech losses against the US dollar to finish the week lower (-1.6%).

Oil edged lower on oversupply concerns; Gold weighed by rising expectations of near-term Fed rate hike

- ▶ WTI crude oil prices edged lower this week. News that Iran may join an upcoming OPEC meeting (in which a discussion on oil price stabilisation is anticipated) was outweighed by comments from Saudi Arabia's Energy Minister who stated "we don't believe any significant intervention in the market is necessary". The blow came alongside reignited oversupply concerns in the US. Both the American Petroleum Institute and US Energy Information Administration (EIA) weekly reports showed unexpectedly strong increases in crude inventories. The crude oil rig count also rose for an eighth consecutive week last week. Overall, WTI for September delivery closed down (-1.8% to USD47.6 per barrel) as did Brent crude (-2.4% to USD49.6 per barrel).
- ▶ Gold prices edged lower this week (-1.5% to USD 1,321 per ounce) on building market expectations of a near-term rate hike, with a slightly stronger dollar weighing on the precious 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)
Equity Indices									
World									
MSCI AC World Index (USD)	418	-0.4	1.4	4.1	7.6	4.8	423	351	17.0
North America									
US Dow Jones Industrial Average	18,395	-0.8	-0.4	3.2	13.0	5.6	18,668	15,451	17.4
US S&P 500 Index	2,169	-0.7	0.0	3.8	11.8	6.1	2,194	1,810	18.5
US NASDAQ Composite Index	5,219	-0.4	2.1	6.5	11.1	4.2	5,276	4,210	22.5
Canada S&P/TSX Composite Index	14,640	-0.3	0.6	4.2	9.4	12.5	14,856	11,531	19.7
Europe									
MSCI AC Europe (USD)	404	0.6	3.3	-0.3	-2.7	-1.8	437	354	15.9
Euro STOXX 50 Index	3,010	1.4	1.1	-2.0	-5.1	-7.9	3,524	2,673	14.2
UK FTSE 100 Index	6,838	-0.3	1.7	9.1	14.4	9.5	6,955	5,500	17.6
Germany DAX Index*	10,588	0.4	3.3	3.1	5.9	-1.4	11,431	8,699	13.8
France CAC-40 Index	4,442	0.9	1.1	-1.6	-1.3	-4.2	5,012	3,892	14.7
Spain IBEX 35 Index	8,660	2.5	1.2	-4.6	-13.3	-9.3	10,632	7,580	15.4
Asia Pacific									
MSCI AC Asia Pacific ex Japan (USD)	448	-0.2	2.6	10.9	14.1	8.8	453	357	14.6
Japan Nikkei-225 Stock Average	16,361	-1.1	-0.1	-2.5	-11.0	-14.0	20,012	14,864	16.4
Australian Stock Exchange 200	5,515	-0.2	-0.4	2.4	6.6	4.1	5,611	4,707	17.2
Hong Kong Hang Seng Index	22,910	-0.1	3.5	12.3	8.7	4.5	23,424	18,279	12.7
Shanghai Stock Exchange Composite Index	3,070	-1.2	0.7	8.8	4.9	-13.2	3,685	2,638	14.4
Hang Seng China Enterprises Index	9,550	-0.6	5.4	12.0	1.3	-1.1	10,885	7,499	8.2
Taiwan TAIEX Index	9,132	1.1	1.2	8.8	18.4	9.5	9,200	7,628	14.8
Korea KOSPI Index	2,038	-0.9	0.5	4.1	7.6	3.9	2,065	1,818	11.4
India SENSEX 30 Index	27,782	-1.0	-0.7	5.4	8.0	6.4	28,290	22,495	17.4
Indonesia Jakarta Stock Price Index	5,439	0.4	4.1	13.7	28.3	18.4	5,476	4,034	17.9
Malaysia Kuala Lumpur Composite Index	1,683	-0.3	1.3	3.2	6.5	-0.6	1,729	1,568	16.7
Philippines Stock Exchange PSE Index	7,845	-1.1	-2.2	6.4	14.2	12.9	8,118	6,084	20.1
Singapore FTSE Straits Times Index	2,858	0.5	-2.6	3.0	-0.5	-0.9	3,105	2,528	13.5
Thailand SET Index	1,549	0.7	3.0	10.5	17.4	20.3	1,558	1,221	16.4
Latam									
Argentina Merval Index	15,764	1.1	0.0	24.0	53.2	35.0	16,143	8,660	18.1
Brazil Bovespa Index*	57,716	-2.3	1.6	16.6	25.4	33.1	59,418	37,046	14.9
Chile IPSA Index	4,143	-0.1	-0.1	4.8	12.6	12.6	4,183	3,419	15.2
Colombia COLCAP Index	1,373	1.8	4.4	5.5	19.1	19.0	1,380	1,046	14.5
Mexico Index	47,370	-1.9	0.9	2.9	11.9	10.2	48,956	39,924	20.8
EEMEA									
Russia MICEX Index	1,993	1.7	2.8	4.1	20.0	13.2	1,997	1,583	5.7
South Africa JSE Index	53,507	1.4	-0.2	-0.8	10.6	5.5	54,761	45,976	17.4
Turkey ISE 100 Index*	77,120	-1.3	4.7	-1.2	4.8	7.5	86,931	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	4.7	6.4	9.9	19.8	56.4
US equities	4.5	7.2	13.2	36.4	98.3
Europe equities	0.3	0.9	0.3	0.6	31.5
Asia Pacific ex Japan equities	12.0	11.0	17.3	12.0	23.8
Japan equities	5.4	0.4	4.3	14.1	40.6
Latam equities	17.3	34.5	25.3	-15.2	-26.6
Emerging Markets equities	13.1	15.1	16.9	3.5	4.2

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 Latam 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 (cont)

	Close	1-week Change (%)	1-month Change (%)	3-month Change (%)	1-year Change (%)	YTD Change (%)
Bond indices - Total Return						
BarCap GlobalAgg (Hedged in USD)	512	0.1	0.4	2.5	7.2	6.5
JPM EMBI Global	770	0.0	2.1	7.3	16.7	14.7
BarCap US Corporate Index (USD)	2,810	0.2	0.6	3.9	9.8	9.4
BarCap Euro Corporate Index (Eur)	244	0.2	0.5	3.0	6.6	6.1
BarCap Global High Yield (USD)	425	0.1	1.8	5.8	11.9	13.5
Markit iBoxx Asia ex-Japan Bond Index (USD)	191	-0.1	0.8	3.5	9.7	8.1
Markit iBoxx Asia ex-Japan High-Yield Bond Index (USD)	234	0.0	0.9	5.1	15.6	12.4

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	1.12	1.13	1.09	1.16	1.05
GBP/USD	1.31	1.31	1.31	1.47	1.55	1.47	1.57	1.28
CHF/USD	1.02	1.04	1.01	1.01	1.05	1.00	1.06	0.97
CAD	1.30	1.29	1.32	1.30	1.33	1.38	1.47	1.25
JPY	101.84	100.22	104.66	109.76	119.92	120.22	123.76	99.02
AUD	1.32	1.31	1.33	1.38	1.40	1.37	1.46	1.28
NZD	1.38	1.38	1.42	1.48	1.55	1.46	1.60	1.36
Asia								
HKD	7.76	7.75	7.76	7.77	7.75	7.75	7.83	7.75
CNY	6.67	6.65	6.67	6.56	6.41	6.49	6.70	6.32
INR	67.06	67.06	67.28	67.18	66.14	66.15	68.79	64.70
MYR	4.02	4.02	4.06	4.08	4.25	4.29	4.48	3.84
KRW	1,114	1,118	1,135	1,180	1,186	1,175	1,245	1,091
TWD	31.68	31.67	32.10	32.55	32.62	32.86	33.79	31.01
Latam								
BRL	3.27	3.21	3.28	3.58	3.60	3.96	4.25	3.11
COP	2,891	2,858	3,058	3,052	3,261	3,175	3,453	2,785
MXN	18.59	18.22	18.77	18.45	17.01	17.21	19.52	16.33
EEMEA								
RUB	64.59	63.90	65.92	65.86	68.93	72.52	85.96	60.59
ZAR	14.37	13.52	14.36	15.52	13.13	15.47	17.92	13.01
TRY	2.95	2.93	3.05	2.93	2.93	2.92	3.10	2.76

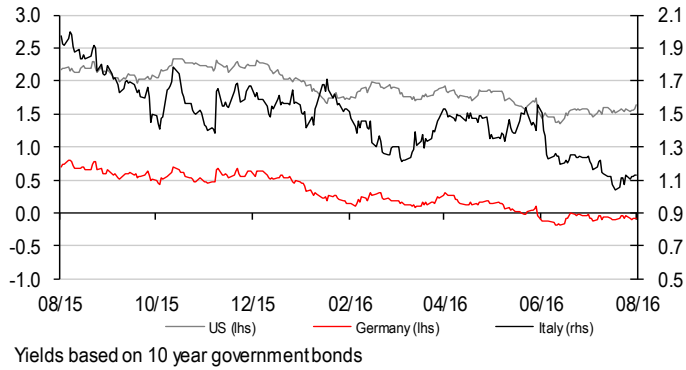
Bonds	Close	1-week Ago	1-month Ago	3-months Ago	1-year Ago	Year End 2015
US Treasury yields (%)						
3-Month	0.31	0.30	0.30	0.28	0.05	0.16
2-Year	0.84	0.75	0.75	0.87	0.67	1.05
5-Year	1.24	1.16	1.13	1.35	1.48	1.76
10-Year	1.63	1.58	1.56	1.83	2.18	2.27
30-Year	2.29	2.29	2.28	2.64	2.93	3.02
Developed market 10-year bond yields (%)						
Japan	-0.08	-0.08	-0.26	-0.13	0.37	0.26
UK	0.56	0.62	0.82	1.41	1.95	1.96
Germany	-0.07	-0.03	-0.03	0.15	0.70	0.63
France	0.17	0.19	0.19	0.48	1.08	0.99
Italy	1.13	1.13	1.25	1.37	1.98	1.59
Spain	0.94	0.95	1.11	1.50	2.10	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	1,321	-1.5	0.1	8.3	17.4	24.5	1,375	1,046
Brent Oil	49.6	-2.4	10.6	0.1	15.1	33.2	54	27
WTI Crude Oil	47.6	-1.8	11.0	-3.7	23.4	28.6	52	26
R/J CRB Futures Index	186	-1.4	2.7	0.3	0.5	5.7	204	155
LME Copper	4,626	-3.6	-6.2	-0.8	-6.3	-1.7	5,441	4,318

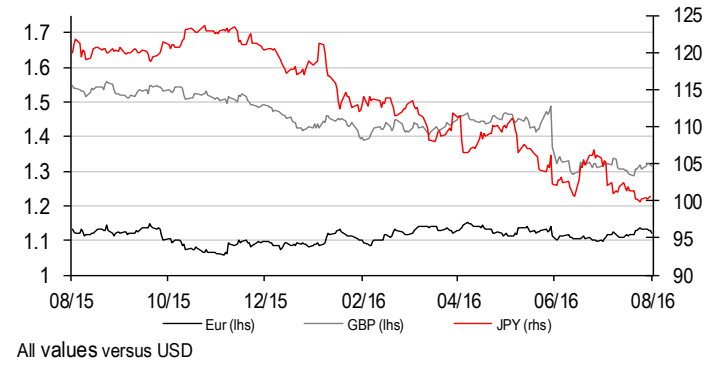
Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 26 August 2016.
Past performance is not an indication of future returns

Market Trends

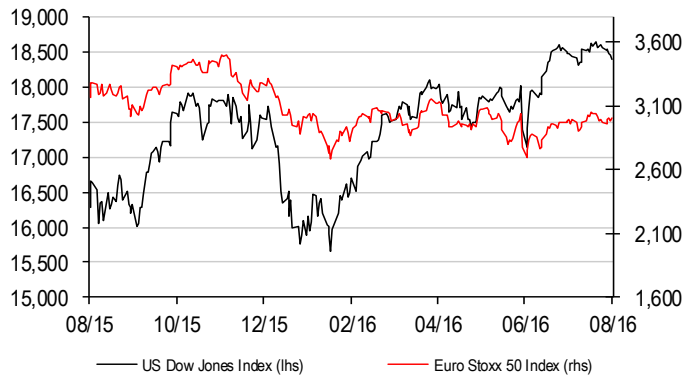
Government bond yields (%)



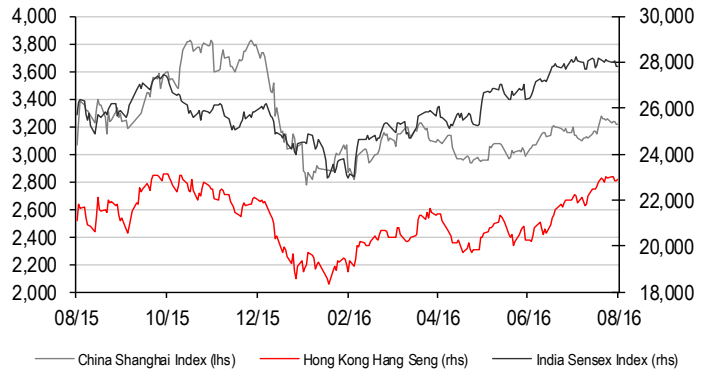
Major currencies (versus US dollar)



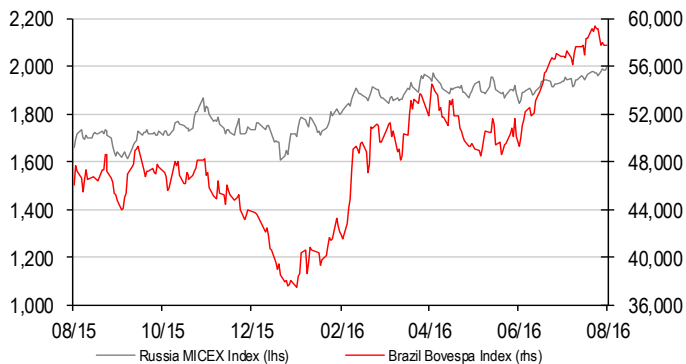
Global equities



Emerging Asian equities



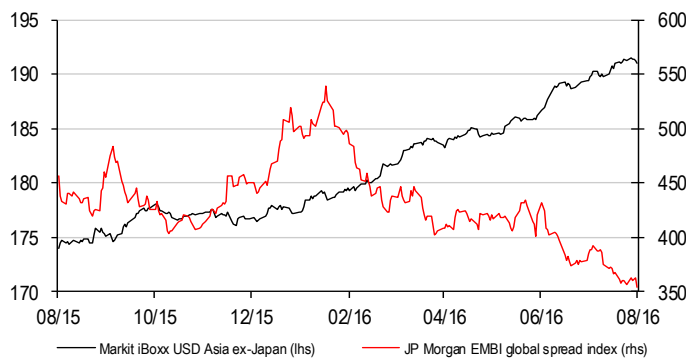
Other emerging equities



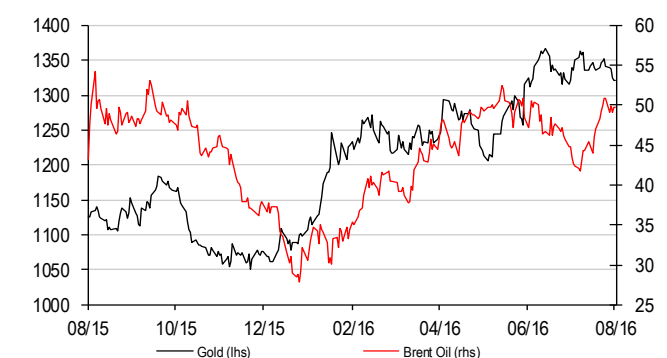
Global credit indices



Emerging markets spreads (USD indices)



Commodities (USD)



Sources: Bloomberg and HSBC Global Asset Management. Data as at close of business 26 August 2016.
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