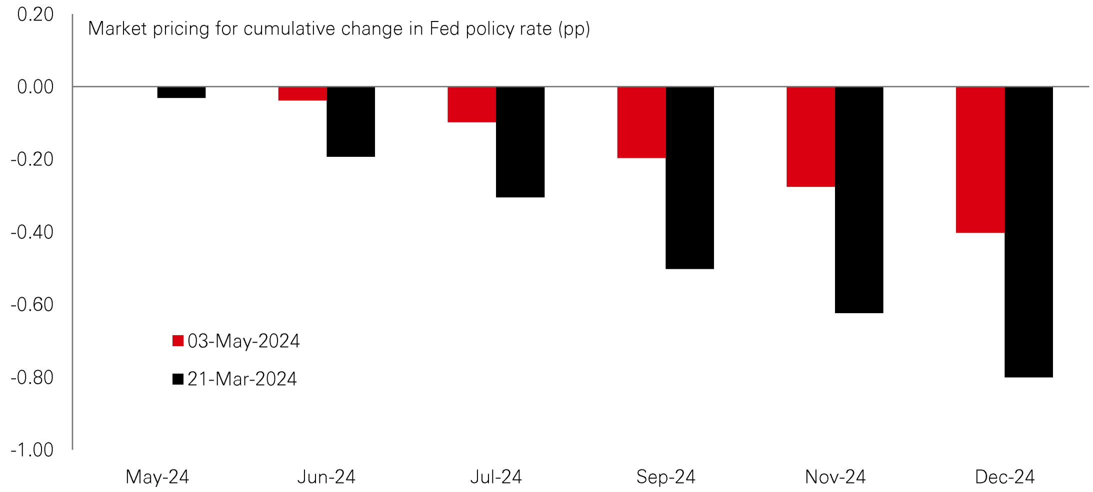
HSBC Asset Management

Investment Weekly

3 May 2024
For Professional Clients only.

Chart of the week – Fed on summer holidays



Recent US data have thrown the Fed's plans to enact a policy pivot off course. The primary problem is sticky inflation; the Fed's preferred price gauge jumped 3.7% q/q annualised in Q1, up from around 2% in the second half of last year. Q1 GDP came in below expectations but masked still-strong consumer spending, while some keenly watched surveys have softened. Meanwhile, labour data point to a gradual cooling of demand, but the picture varies across indicators.

Broadly resilient growth and labour data has allowed the Fed to focus on inflation. **The upshot is that the Fed has backed away from any near-term rate cuts** – something Chair Powell confirmed in his press conference this week.

Ultimately, we expect core inflation to return to a downward trend in H2 2024 – **disinflation is just delayed**. That's particularly the case when housing-related components begin to reflect the muted rent increases that have been underway for well over a year. But the Fed will need to see a few months of better inflation data to feel confident that it can start to ease policy, which effectively means taking the summer off and returning to the issue in September.

This year started with seven rate cuts being priced for 2024. We're at one to two now. Moving to zero may not be a big problem for risk assets if GDP and profits growth hold up. But the longer interest rates are frozen at restrictive levels, the more likely they are to bite the economy and cause some financial instability. That may create problems further down the road, even challenging the widely-held assumption of investors for a 'soft' or 'no landing'.

Earnings Outlook →

Exploring the profit growth challenge for tech giants

Putting Cash to Work →

Why there are opportunity costs to holding cash

Asian Bonds →

The story of Asian bond resiliency amid Fed repricing

Market Spotlight

Emerging trends in ESG

The growing influence of ESG (Environmental, Social and Governance) in portfolio management has made it a mainstream political topic. In a year when half the world's population will be voting in national elections, key ESG issues will be under scrutiny.

One area to watch is that while new reporting frameworks have helped to tackle issues like 'greenwashing', there are still divergent views that need to be aligned on ESG regulations across the US, Europe and Asia. Another key development is the shift from 'tell me', to 'show me' when it comes to disclosure on ESG claims. And as part of this drive to improve transparency, there are moves to enhance data quality and ensure ethical use of AI.

Elsewhere, there is growing attention on supporting Asia and EM countries to decarbonise. And efforts are also being made to ensure workers in carbon-intensive industries in both DMs and EMs don't suffer unduly in the low-carbon transition. Finally, a trend to keep an eye on is the continuing popularity of investing in biodiversity and nature, as evidenced by a four-fold growth in assets under management in European funds in this area.

Discover more in Europe Insights

Source: HSBC Asset Management. Macrobond, Bloomberg. Data as at 11.00am UK time 03 May 2024.

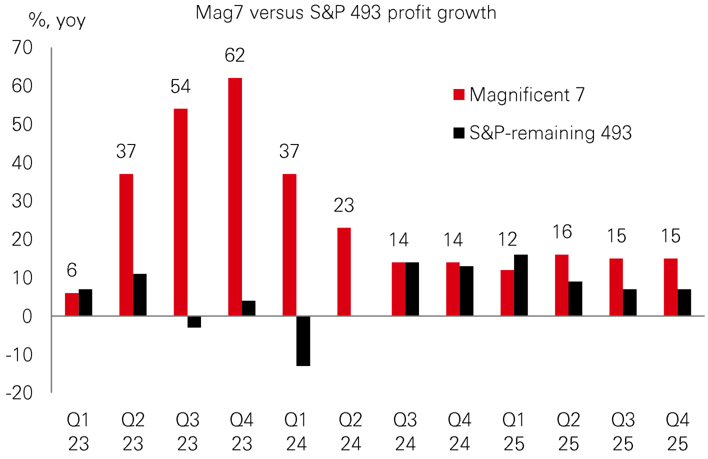
Lens on…

Magnificent earnings – a hard act to repeat?

The Q1 earnings season is past the midpoint, and so far, results have been encouraging. Broadly speaking, the Magnificent Seven (Mag7) have delivered versus expectations, even if idiosyncratic issues are driving a wedge between individual stock performance.

But while earnings have been impressive, there are risks. Today, the Mag7 12-month forward price-earnings ratio (PE) is 30x versus 18x for the rest of the S&P. It shows how much investors are willing to pay-up for breathtaking profit growth. But with the market cap of the Mag7 having grown eight-fold over the past decade to over USD13 trillion (larger than MSCI Europe at USD11 trillion), their sheer size will make maintaining strong profits growth harder. And it sets the market up for a material correction if earnings disappoint.

On a sequential basis, EPS growth is expected to broaden out over coming quarters, lessening the dependence on a small group of companies. The question then becomes if the remaining 493 can deliver the goods? The risk here is that economy starts to slow in the second half of 2023 and cost pressures persist.



Putting cash to work in fixed income

In the current environment of high interest rates, it's tempting to lock up money in cash accounts. But there are potential opportunity costs of doing so. The first point to make is **fixed-income assets have scope for capital gains**, unlike cash. And high-quality government and corporate bonds are inherently less volatile than most equity asset classes, making them less risky.

Also, our quants have crunched the numbers and calculated that just a 50bp dip in US Treasury yields would produce a 12-month total return of around 6% on 2-year Treasuries, rising to 13% on a 30-year bond. But the risks are asymmetric. Even if yields rise by 50bp (associated with falling bond prices), you would still make a positive return on 2, 5, and 10-year bonds. This is because high coupons more than offset the capital loss.

Further progress on disinflation has the potential to push yields lower, as this provides central banks with the confidence to cut rates. A downside economic shock could push yields down even more. These scenarios are consistent with a period of outsized returns for bondholders.

Estimated 12m Total Return under different US Treasury yield changes

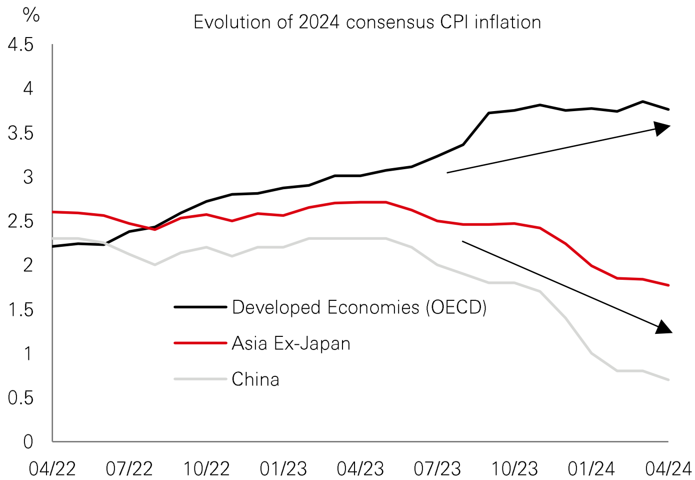
	Increase			Decrease		
	300bps	100bps	50bps	-50bps	-100bps	-300bps
2yr	-0.4%	3.1%	4.0%	5.8%	6.7%	10.6%
5yr	-7.2%	0.5%	2.5%	6.8%	9.0%	18.5%
10yr	-15.5%	-3.1%	0.5%	8.1%	12.3%	30.6%
20yr	-22.6%	-6.5%	-1.2%	11.2%	18.1%	51.4%
30yr	-24.9%	-8.9%	-2.6%	12.8%	22.0%	67.8%

Asia bonds shine

April was a tough month for Western government bond markets as investors priced out 2024 Fed rate cuts, with the US 10-year yield rising by around 50bp. The US dollar also rose. But Asian local currency bonds managed to weather the storm, seeing fairly limited drawdowns. We think this is reflective of the region's solid macro fundamentals and decent valuations.

Unlike the US, inflation across Asia is well under control, making real bond yields attractive. For those economies close to policy targets, potential rate cuts later this year – aided by a potential Fed pivot – could lower nominal yields and create capital gains.

Putting cash to work in Asia bonds as part of global asset allocations also comes with diversification benefits. Markets in China, India, and Indonesia tend to reflect more domestic macro and policy cycles and local supply-demand conditions. This means they have lower correlations with global bonds. Supply and demand conditions in the India bond market are especially favourable at the moment, given fiscal consolidation and rising inflows ahead of increasing weightings in the GBI-EM bond index this summer.



Past performance does not predict future returns. The level of yield is not guaranteed and may rise or fall in the future.

Source: HSBC Asset Management. Macrobond, Bloomberg. Data as at 11.00am UK time 03 May 2024.

Asset class views

Our baseline macro scenario is for a soft-ish landing, involving a slowdown in growth and further disinflation. But the data flow is likely to remain bumpy and the outlook remains uncertain. Risk asset valuations are stretched in many areas. That means that any deterioration in corporate fundamentals could create market volatility. A defensive positioning in portfolios remains appropriate, which includes selective exposures to fixed income, risk assets, and private markets.

House view represents a 12-month investment view across major asset classes in our portfolios.

	Asset Class	- View +	Comments
Macro Factors	Global growth	□□□□■□□□□	A defensive positioning in investment portfolios remains appropriate given optimistic market expectations versus a lingering risk of macro disappointment or weakness. We prefer to access the growth factor in laggard regions, such as in Asia and emerging markets
	Duration	□□□□□□■□□	Robust growth and inflation data have put upward pressure on yields so far in H1. Carry remains appealing and, in adverse economic outcomes, there is scope for strong returns in global duration. We favour the US and UK curves
	Emerging Markets	□□□□□□■□□	The outlook for EMs is bolstered by China policy support feeding through to the real economy, eventual Fed easing, and a growth premium versus the West. Disinflation is an ongoing process, especially in Latam and Europe, allowing EM central banks to lead the cutting cycle
Bonds	10yr US Treasuries	□□□□□□■□□	Yields have ground higher over the course of H1, driven by resilient growth and inflation data. However, growth could disappoint expectations in H2, meaning investors price in more cuts. We anticipate yield curve steepening by the end of the year
	EMD Local	□□□□□□□■□	EM local-currency bonds have performed well. Proactive central banks in Latam and Europe are leading the global cutting cycle. And many economies have seen rapid disinflation. We remain overweight Brazil, Indonesia, Mexico, Peru and South Africa
	Asia Local	□□□□□□■□□	The near-term outlook for Asia bonds is stable. A Fed pivot and less hawkish Asian central banks could boost performance. We are positive on Indonesia, India, and Korea – markets which benefit from carry and the prospect of capital gains driven by rate cuts
Credits	Global Credit	□□□□□■□□□	Global credit is expensive with most non-financial spreads at near-cyclical tights. Financials, particularly banks, look attractive but less so than they were at the start of 2024. All-in yields continue to support inflows, helping long duration corporate credit
	Global High-Yield	□□■□□□□□□	Valuations are expensive with spreads falling sharply in recent months. The market prices a global soft landing. But the tight spreads in HY are offset by a high 'all-in' yield. And corporate fundamentals are not a source of concern
	Asia Credit	□□□□□■□□□	Valuations are expensive as spreads approach historic tights. The rising chance of a US soft landing mitigates the risk of material spread widening. Economic resilience within Asia, plus China policy action, support the regional credit market outlook today
	EMD Hard Currency Bonds	□□□□■□□□□	EM credit spreads could benefit as the Fed moves towards cutting rates, but this prospect has already driven a re-rating of the asset class. Spreads are at historic tights and it is difficult to see further compression, although we remain cyclically-constructive
Equities	DM Equities	□□□■□□□□□	Investor sentiment is buoyed by confidence in the soft landing, and leadership from quality growth. But as investor perceptions shift, the market is discounting a lot of good news. Risks of an adverse surprise are rising, even if an imminent growth collapse looks unlikely
	EM Equities	□□□□□□■□□	The EM growth outlook is a relative bright spot in a global context, with disinflation and the prospect of Fed rate cuts being supportive. Stock and currency market valuations remain undemanding. Idiosyncratic trends within EMs imply scope for portfolio diversification too
	Asia ex Japan	□□□□□□■□□	Asia is a strong performer year-to-date. Chinese policy activism is rebuilding investor confidence in the market. India fundamentals are supportive, with strong EPS growth, despite elevated valuations. Korea and Taiwan continue to benefit from the upswing in the semiconductor cycle
Alternatives	Global Private Equity	□□□□■□□□□	With tighter financial conditions raising the cost of leverage, PE funds may face challenges in delivering consistently strong returns. However, increasing economic headwinds can create attractive entry points for longer-term investors. The investment case is about alpha, not beta
	Global Real Estate	□□□□□□□■□	In a more benign macro environment, real estate sub-sectors with a more secure income profile and lower leverage should outperform. Following recent price corrections driven by higher interest rates, there may be opportunities for value-add or opportunistic strategies to acquire at a low base
	Infrastructure Debt	□□□□□□□■□	Infrastructure debt currently offers stronger expected returns than global credits, and experiences lower spread volatility during economic slowdowns. It has strong defensive attributes, offers inflation-linked cash flows and benefits from thematic drivers such as the green transition

Source: HSBC Asset Management. Data as at 11.00am UK time 03 May 2024.

Key Events and Data Releases

This week

Date	Country	Indicator	Data as of	Actual	Prior	Comment
Tue. 30 April	JP	Industrial Production (mom)	Mar (P)	3.8%	-0.6%	Industrial production rebounded in March but remains below the levels seen through much of 2023
	CN	Official Manufacturing PMI	Apr	50.4	50.8	Following a solid gain in February, the manufacturing PMI fell in March but remained consistent with expansion in the sector
	EZ	Eurozone GDP (qoq)	Q1 (P)	0.3%	-0.1%	Eurozone GDP rose modestly in early 2024, ending five quarters of near stagnation. Strength was most evident in southern economies
	US	Employment Cost Index (qoq)	Q1	1.2%	0.9%	The employment cost index accelerated in Q1 2024, led by the government sector, but a declining quits rate heralds softer wage growth in coming quarters
	MX	GDP (qoq)	Q1 (P)	0.2%	0.1%	Mexican growth accelerated slightly in Q1 2024, driven by the services sector. Favourable labour market conditions are supporting consumer spending despite high interest rates
Wed. 1 May	US	ISM Manufacturing Index	Apr	49.2	50.3	The ISM manufacturing index returned to contraction territory in April. Price expectations rose to their highest level since June 2022
	US	FOMC Interest Rate Decision	May	5.50%	5.50%	The FOMC acknowledged "a lack of progress" towards the 2% inflation target while Chair Powell signalled a rate hike was "unlikely" as policy was "restrictive". The Fed announced a slower pace of QT
Thu. 2 May	IN	HSBC manufacturing PMI	Apr	58.8	59.1	The manufacturing PMI edged lower in April but remains strong
	BR	S&P Global Manufacturing PMI	Apr	55.9	53.6	Brazilian manufacturing sentiment has improved steadily recently, pointing to decent growth in early 2024
Fri. 3 May	US	Change in Non-Farm Payrolls	Apr	-	303k	
	US	ISM Services Index	Apr	-	51.4	

P – Preliminary, Q – Quarter **CN – China, EZ – Eurozone, IN – India, MX – Mexico, JP – Japan, BR – Brazil**

The week ahead

Date	Country	Indicator	Data as of	Survey	Prior	Comment
Mon. 6 May	US	Q1 Earnings	Q1			So far, 50% of the S&P 500 have reported Q1 results. Consumer staples, financials and energy are seeing the most beats. Real estate, tech and industrials have more misses
	CN	Caixin Services PMI	Apr	52.5	52.7	The decline in the official non-manufacturing PMI indicates some downside risk for the Caixin services PMI in April
	IN	HSBC Services PMI	Apr (F)	61.7	61.7 (P)	Indian services sentiment has trended higher recently amid robust domestic demand
	US	Senior Loan Officer Bank Lending Survey	Q1			US bank lending conditions for large and medium-sized US firms have eased recently but remain relatively tight
Tue. 7 May	GE	Factory Orders (mom)	Mar	0.4%	0.2%	Factory orders have been volatile around a gradual declining trend, consistent with a still-depressed manufacturing PMI
Wed. 8 May	GE	Industrial Production (mom)	Mar	-1.0%	2.1%	February's strong industrial production increase reflected a surge in construction output, which is expected to unwind in March
	BR	Banco de Brazil Interest Rate Decision	May	10.50%	10.75%	Recent strong labour data, a weaker currency and a worsening fiscal outlook increase the risk of a 25bp rather than a 50bp rate cut in May
Thu. 9 May	UK	BoE Interest Rate Decision	May	5.25%	5.25%	The BoE is expected to leave official rates unchanged in May, reiterating the need for further evidence of a sustained fall in inflation before easing policy, probably in August
	MX	Banco de Mexico Interest Rate Decision	May	11.00%	11.00%	Recent hawkish central bank comments point to unchanged policy in May amid ongoing concerns about persistent service sector inflation
	MX	CPI (yoy)	Apr	-	4.4%	Headline inflation has stabilised in recent months above the central bank's 3% target, reflecting sticky service sector inflation
	CN	Trade Balance (USD bn)	Apr	81.4	58.6	China's exports should remain resilient given improving regional trade flows, with imports constrained by weak domestic demand
Fri. 10 May	IN	Industrial Production (yoy)	Mar		5.7%	India's industrial production is expected to remain resilient, supported by strong output in consumer durables and construction goods
	US	University of Michigan Consumer Confidence Index	May (P)	77.0	77.2	The University of Michigan consumer confidence index could fall in May given recent declines in equity markets and stronger inflation

P – Preliminary, Q – Quarter **CN – China, IN – India, MX – Mexico, BR – Brazil, GE – Germany**

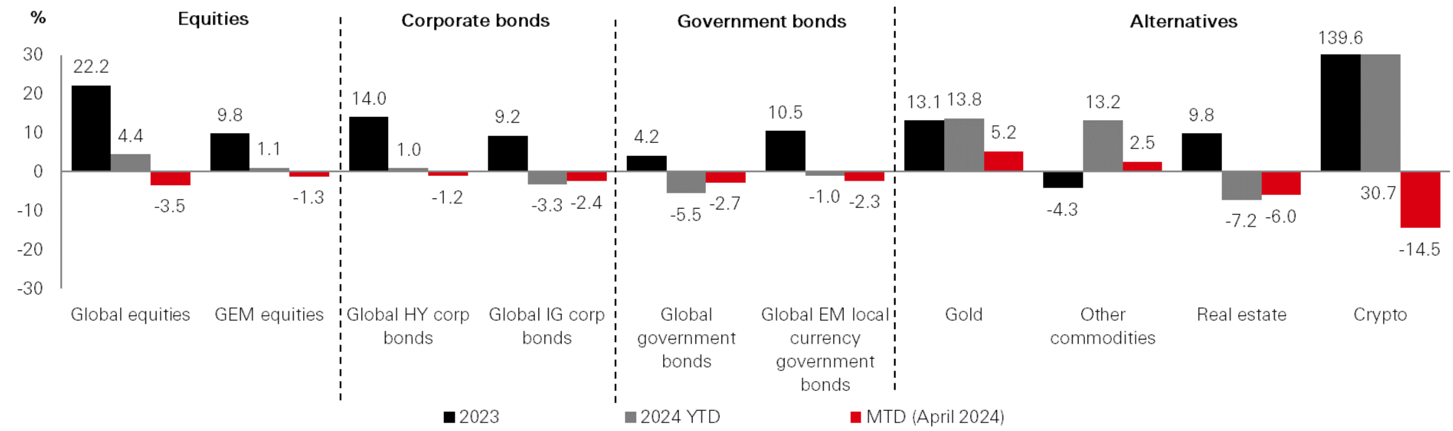
Source: HSBC Asset Management. Data as at 11.00am UK time 03 May 2024.

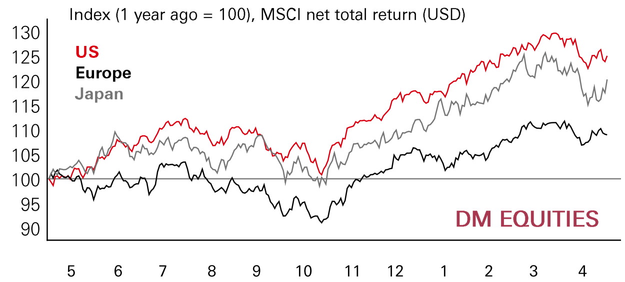
Market review

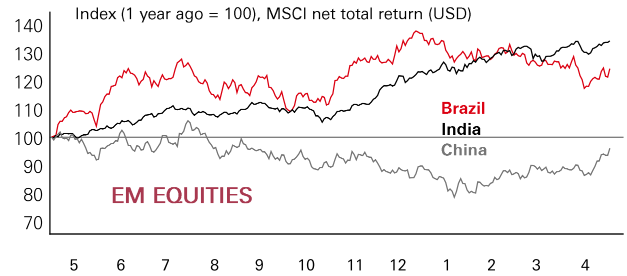
This week

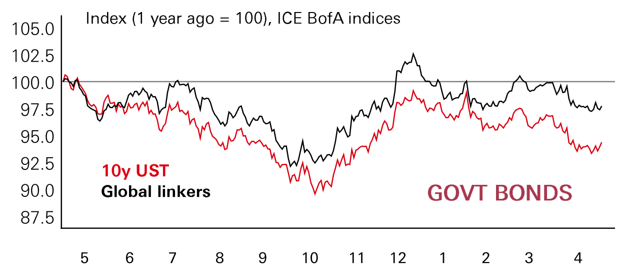
US Treasuries rallied after Fed Chair Powell said, “it’s unlikely that the next policy move will be a hike”, and the FOMC acknowledged there has been a “lack of progress” in achieving the 2% inflation target. Global equity markets were mixed. In the US, the rate-sensitive Russell 2000 fared better than the S&P 500 and Nasdaq as investors digested mixed Q1 earnings. The Euro Stoxx 50 index weakened despite signs of recovery in the eurozone. The Nikkei 225 index posted modest gains, with the yen rebounding against the US dollar following reports of Ministry of Finance intervention. In EM, the Shanghai Composite rallied on rising optimism of further supportive policy measures following the latest Politburo meeting. India’s Sensex index also performed well. Both oil and gold were weaker this week, as was copper, which fell amid continued concerns about weak physical demand in China.

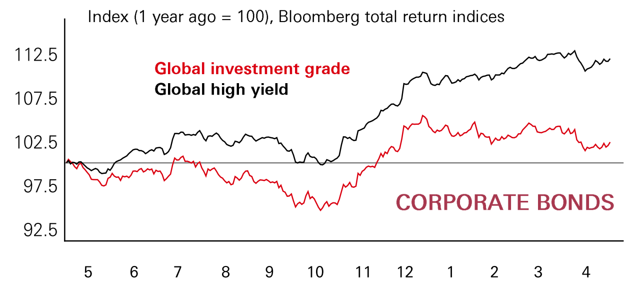
Selected asset performance

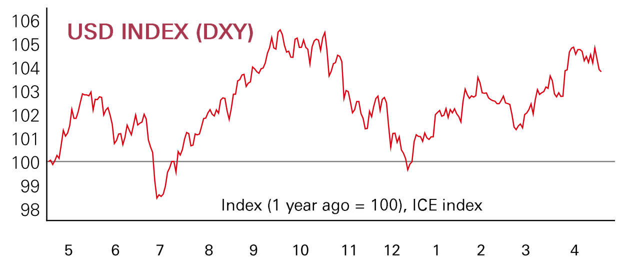


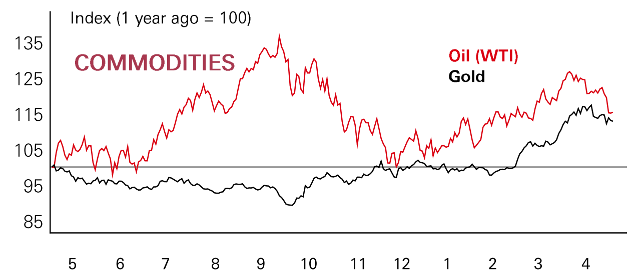












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Market data

Equity Indices	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)
World									
MSCI AC World Index (USD)	761	-0.2	-2.2	2.7	17.7	4.6	786	628	17.6
North America									
US Dow Jones Industrial Average	38,226	0.0	-2.3	-1.1	14.4	1.4	39,889	32,327	18.8
US S&P 500 Index	5,064	-0.7	-2.8	2.1	23.8	6.2	5,265	4,048	20.7
US NASDAQ Composite Index	15,841	-0.5	-2.7	1.4	31.7	5.5	16,539	11,925	28.0
Canada S&P/TSX Composite Index	21,823	-0.7	-1.3	3.5	7.2	4.1	22,380	18,692	14.7
Europe									
MSCI AC Europe (USD)	543	-0.9	-2.4	2.8	5.3	1.8	562	459	13.9
Euro STOXX 50 Index	4,923	-1.7	-2.9	5.8	14.2	8.9	5,122	3,993	13.7
UK FTSE 100 Index	8,213	0.9	3.5	7.8	5.5	6.2	8,215	7,216	11.9
Germany DAX Index*	17,992	-0.9	-2.0	6.3	13.8	7.4	18,567	14,630	13.0
France CAC-40 Index	7,964	-1.5	-2.3	4.9	7.6	5.6	8,254	6,774	13.9
Spain IBEX 35 Index	10,875	-2.5	-1.4	8.1	19.8	7.6	11,228	8,879	10.8
Italy FTSE MIB Index	33,867	-1.1	-1.8	10.2	26.2	11.6	34,908	26,000	9.2
Asia Pacific									
MSCI AC Asia Pacific ex Japan (USD)	542	1.2	1.0	6.6	6.0	2.5	546	469	13.9
Japan Nikkei-225 Stock Average	38,236	0.8	-3.1	5.7	31.1	14.3	41,088	28,932	22.3
Australian Stock Exchange 200	7,629	0.7	-2.0	-0.9	6.0	0.5	7,911	6,751	16.7
Hong Kong Hang Seng Index	18,476	4.7	10.5	18.9	-6.2	8.4	20,361	14,794	9.1
Shanghai Stock Exchange Composite Index	3,105	0.5	1.2	13.7	-6.6	4.4	3,419	2,635	11.3
Hang Seng China Enterprises Index	6,547	4.4	11.4	25.5	-0.6	13.5	7,024	4,943	8.4
Taiwan TAIEX Index	20,330	1.0	0.0	12.6	30.7	13.4	20,884	15,424	18.2
Korea KOSPI Index	2,677	0.8	-1.1	2.3	7.0	0.8	2,779	2,274	10.7
India SENSEX 30 Index	73,878	0.2	0.0	2.5	20.7	2.3	75,124	61,002	21.3
Indonesia Jakarta Stock Price Index	7,135	1.4	-0.4	-1.4	4.7	-1.9	7,454	6,563	12.9
Malaysia Kuala Lumpur Composite Index	1,590	0.9	3.4	4.8	11.5	9.3	1,591	1,369	13.9
Philippines Stock Exchange PSE Index	6,616	-0.2	-3.6	-1.4	0.1	2.6	7,071	5,920	11.2
Singapore FTSE Straits Times Index	3,293	0.4	2.2	3.6	0.9	1.6	3,393	3,042	10.7
Thailand SET Index	1,370	0.7	-0.4	-1.0	-10.7	-3.2	1,579	1,330	14.8
Latam									
Argentina Merval Index	1,369,674	7.1	12.9	4.1	374.2	47.3	1,372,559	281,361	8.2
Brazil Bovespa Index*	127,122	0.5	-0.2	0.0	24.9	-5.3	134,392	101,064	8.0
Chile IPSA Index	6,498	1.6	-1.8	8.4	20.9	4.8	6,731	5,333	10.5
Colombia COLCAP Index	1,379	0.9	-0.4	7.9	19.0	15.4	1,426	1,045	7.1
Mexico S&P/BMV IPC Index	56,677	-2.0	-1.4	-2.7	3.1	-1.2	59,021	47,765	12.2
EEMEA									
Russia MOEX Index	3,435	-0.4	1.2	6.5	35.6	10.8	3,488	2,484	N/A
South Africa JSE Index	76,719	1.8	3.5	3.1	-1.9	-0.2	79,212	69,128	12.2
Turkey ISE 100 Index*	10,251	3.4	14.6	18.3	128.5	37.2	10,287	4,311	4.7

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

Equity Indices - Total Return	1-week Change (%)	1-month Change (%)	3-month Change (%)	YTD Change (%)	1-year Change (%)	3-year Change (%)	5-year Change (%)
Global equities	-0.2	-2.1	3.2	5.2	19.7	13.7	57.8
US equities	-0.6	-2.8	2.4	6.4	25.9	22.6	82.2
Europe equities	-0.8	-1.8	4.0	3.0	8.2	8.9	35.6
Asia Pacific ex Japan equities	1.2	1.1	7.2	3.1	8.9	-15.4	13.5
Japan equities	3.9	-0.9	4.6	7.3	19.1	9.0	38.4
Latam equities	0.2	-1.3	-1.3	-6.0	18.9	26.2	17.2
Emerging Markets equities	1.2	1.1	7.2	3.5	11.5	-15.0	10.2

All total returns quoted in USD terms and subject to one-day lag.
Data sourced from MSCI AC World Total Return Index, MSCI USA Total Return Index, MSCI AC Europe Total Return Index, MSCI AC Asia Pacific ex Japan Total Return Index, MSCI Japan Total Return Index, MSCI Emerging Latin America Total Return Index, and MSCI Emerging Markets Total Return Index
Total return includes income from dividends and interest as well as appreciation or depreciation in the price of an asset over the given period.

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Source: HSBC Asset Management. Bloomberg. Data as at 11.00am UK time 03 May 2024.

Market data

Bond indices - Total Return	Close	1-week Change (%)	1-month Change (%)	3-month Change (%)	1-year Change (%)	YTD Change (%)
BarCap GlobalAgg (Hedged in USD)	554	0.4	-0.6	-0.8	2.1	-1.2
JPM EMBI Global	846.0	0.4	-1.0	0.9	7.1	-0.3
BarCap US Corporate Index (USD)	3150.2	0.7	-1.0	-1.7	1.7	-2.2
BarCap Euro Corporate Index (Eur)	245.7	0.1	-0.5	0.1	5.2	-0.2
BarCap Global High Yield (Hedged in USD)	579.1	0.4	0.0	2.1	12.6	2.2
Markit iBoxx Asia ex-Japan Bond Index (USD)	214.9	0.6	-0.3	0.3	3.4	0.5
Markit iBoxx Asia ex-Japan High-Yield Bond Index (USD)	244	0.9	0.3	3.5	8.1	6.5

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

Currencies (vs USD)	Latest	1-week Ago	1-month Ago	3-months Ago	1-year Ago	Year End 2023	52-week High	52-week Low	1-week Change (%)
Developed markets									
EUR/USD	1.07	1.07	1.08	1.08	1.11	1.10	1.13	1.04	0.4
GBP/USD	1.26	1.25	1.27	1.26	1.26	1.27	1.31	1.20	0.5
CHF/USD	1.10	1.09	1.11	1.15	1.13	1.19	1.20	1.08	0.7
CAD	1.37	1.37	1.35	1.35	1.36	1.32	1.39	1.31	0.0
JPY	153	158	152	148	135	141	160	134	3.3
AUD/USD	0.66	0.65	0.66	0.65	0.67	0.68	0.69	0.63	0.7
NZD/USD	0.60	0.59	0.60	0.61	0.62	0.63	0.64	0.58	0.6
Asia									
HKD	7.81	7.83	7.83	7.82	7.85	7.81	7.85	7.79	0.2
CNY	7.24	7.25	7.23	7.19	6.92	7.10	7.35	6.91	0.1
INR	83.4	83.3	83.4	82.9	81.8	83.2	83.6	81.7	-0.1
MYR	4.74	4.77	4.76	4.72	4.46	4.59	4.81	4.43	0.6
KRW	1363	1375	1349	1322	1338	1291	1400	1257	0.9
TWD	32.4	32.6	32.1	31.2	30.7	30.6	32.7	30.5	0.7
Latam									
BRL	5.11	5.12	5.04	4.97	4.99	4.85	5.29	4.70	0.1
COP	3903	3902	3813	3935	4628	3875	4621	3739	0.0
MXN	16.9	17.2	16.5	17.1	17.9	17.0	18.5	16.3	1.3
ARS	878	875	858	827	225	808	878	226	-0.4
EEMEA									
RUB	91.6	91.9	92.3	90.7	78.3	89.5	102.4	75.1	0.3
ZAR	18.5	18.8	18.7	18.9	18.3	18.4	19.9	17.4	1.5
TRY	32.3	32.5	32.0	30.5	19.5	29.5	32.8	19.3	0.5

Bonds	Close	1-week Ago	1-month Ago	3-months Ago	1-year Ago	Year End 2023	1-week basis point change*
US Treasury yields (%)							
3-Month	5.40	5.39	5.36	5.36	5.18	5.33	0
2-Year	4.88	4.99	4.67	4.36	3.80	4.25	-12
5-Year	4.56	4.69	4.33	3.98	3.30	3.85	-13
10-Year	4.56	4.66	4.35	4.02	3.34	3.88	-10
30-Year	4.71	4.78	4.51	4.22	3.68	4.03	-7
10-year bond yields (%)							
Japan	0.90	0.89	0.77	0.67	0.41	0.61	1
UK	4.27	4.32	4.05	3.91	3.69	3.53	-5
Germany	2.52	2.57	2.39	2.24	2.25	2.02	-5
France	3.00	3.07	2.91	2.74	2.83	2.56	-6
Italy	3.84	3.92	3.85	3.81	4.11	3.69	-8
Spain	3.29	3.36	3.25	3.17	3.31	2.98	-6
China	2.31	2.31	2.29	2.43	2.78	2.56	1
Australia	4.42	4.52	4.14	3.98	3.41	3.96	-10
Canada	3.74	3.82	3.59	3.38	2.76	3.11	-8

*Numbers may not add up due to rounding.

Commodities		1-week Change (%)	1-month Change (%)	3-month Change (%)	1-year Change (%)	YTD Change (%)	52-week High	52-week Low
Gold	2,300	-1.6	0.0	12.8	12.8	11.5	2,432	1,811
Brent Oil	83.9	-4.9	-5.1	9.7	20.1	9.8	91	69
WTI Crude Oil	79.1	-5.7	-6.5	9.6	20.2	9.7	87	63
R/J CRB Futures Index	284.7	-4.1	-3.5	6.3	11.0	7.9	298	254
LME Copper	9,863	-1.0	6.5	16.3	16.5	15.2	10,208	7,856

Past performance does not predict future returns. The level of yield is not guaranteed and may rise or fall in the future.
Source: HSBC Asset Management. Bloomberg. Data as at 11.00am UK time 03 May 2024.

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