HSBC

Asset Management

Investment Weekly

27 October 2023
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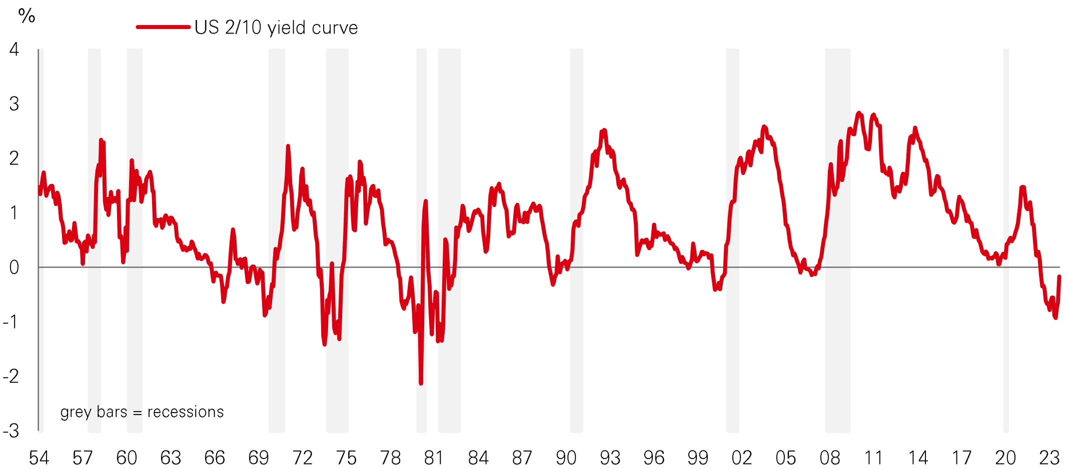
Chart of the week – Yield curve dis-inversion



The US 2/10 yield curve was at 100 basis points inverted in July, but is now just -16bps. Other bond markets – the UK, Germany, Canada – have seen similarly rapid dis-inversions. A dis-inverting yield curve sounds a bit weird. Economists often associate inverted curves with recessions. It basically amounts to tight financing conditions pre-empting a slowdown in growth. So, if an inverted curve is a bad omen, a dis-inverting one is good news for growth, right?

Well, the problem is that, historically speaking, a dis-inverting yield curve has tended to point to imminent recession (see chart). This recent dis-inversion has been at a similar speed to the one just before the 1990s recession. It's also, usually, a forecaster of weaker stock markets.

Could it be different this time? Today's dis-inversion is not being driven by the Fed cutting rates amid building growth worries. Instead, it reflects a "bear steepening", and a sell-off in long bonds. The mantra among global central bankers remains that rates need to be "higher for longer". And a dis-inverting yield curve implies that markets have finally got the message. Pricing may even have over-reacted. Long-term forwards over 5% suggest traders have started to bet on a more extreme scenario of "higher forever" interest rates.

The bottom line is that while this is usually a bad development for the economy and markets, there are some mitigating factors today. Still, an important data point to monitor. And our investment strategy continues to take the view that "bonds are back".

Economic Outlook →

A "hawkish hold" in rates policies as economic momentum slows

Markets Outlook →

Gold shines as a portfolio diversifier in uncertain times, but what lies ahead?

Asia Manufacturing →

Asia's semiconductor sector looks poised to grow as supply chains recover

Market Spotlight

Higher rates drag on private equity markets

When equity prices slumped in 2022 it was notable that the enterprise values of private equity-backed firms didn't decline nearly as much. Cynics might say that it was a classic case of what some onlookers have dubbed 'volatility laundering'. Unlike marked-to-market equities, PE firm valuations are nowhere near as timely. That's great when it comes to smoothing returns, but not so good when the when the economic narrative is shifting under your feet.

Low inflation, near-zero rates and a post-Covid deal bonanza were good to PE investors. But when the Fed started hiking in 2022, exits (PE firms selling their portfolio companies) slowed dramatically. Higher borrowing costs, revised growth assumptions and a reluctance to sell assets at market valuations slashed deal numbers.

Despite the headwinds, PE fundraising has stayed solid, with USD618 billion raised in the year to October. And there are hints of optimism. While recession in 2024 may cause volatility, lower interest rates would lower borrowing costs and that could spur increased deal activity in H2 2024 and into 2025.

Source: HSBC Asset Management. Macrobond, Bloomberg. Data as at 12PM UK time 27 October 2023.

Past performance is not an indication of future returns

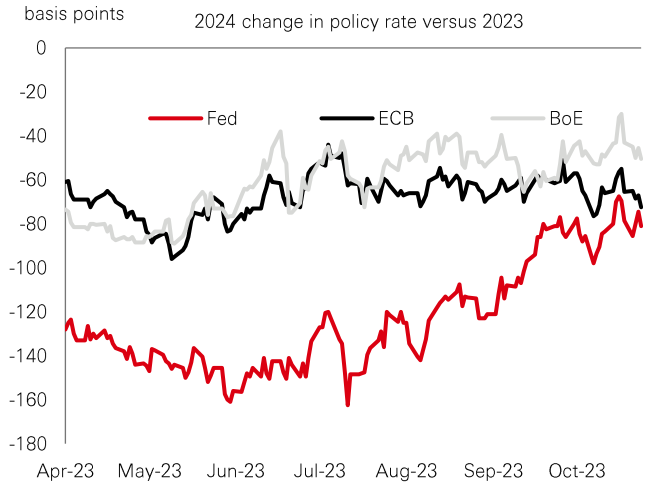
Lens on...

Hawkish holds

Major western central banks have been in tightening mode for around 1-2 years now. But signs are that we have entered a period of a "hawkish hold" in policy rates as still-elevated inflation is combining with slowing economic momentum. At this week's ECB meeting, Christine Lagarde made repeated use of "weak" in reference to the eurozone economy, but nonetheless opened the door to further rate hikes and emphasised that inflation was still expected to stay "too high for too long". A very similar message was heard at Wednesday's Bank of Canada (BoC) meeting.

With forward-looking indicators in most western economies pointing to further economic slowdown and disinflation ahead, we think the doves may start gaining the upper hand as we head into 2024.

It's also interesting to note that a top BoC official - Senior Deputy Governor Carolyn Rogers – emphasised this week that inflation does not need to be at target before rate cuts are considered, but rather on a path to the target. In many western economies, this may come sooner than you think. Overall, **this is a key reason why we think the market narrative of "higher-for-longer" rates could soon be challenged**.

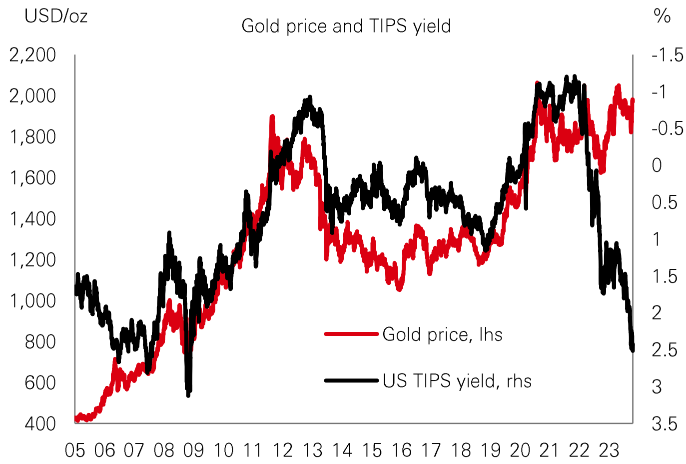


Solid gold

For centuries gold bugs have backed the yellow metal as a means of protecting against inflation, economic uncertainty and currency devaluation. In 1912, the American financier JP Morgan famously said that "Gold is money. Everything else is credit". And in the current environment of elevated inflation, rising debt, and geopolitical instability, gold has had a very good run, outperforming many asset classes over the past five years.

Gold is a non-interest bearing asset. Interestingly, the surge in real interest rates over the past 18 months has done little to dent gold's appeal. This week saw prices flirt with the key USD2,000 level. One reason for this could be a positive stock-bond correlation, which has forced investors to seek out alternative sources of portfolio diversification and havens. There is also ongoing evidence of strong central bank buying to diversify reserves.

We think the investment case for gold remains reasonably solid as a ballast for portfolios. What's more, diversification benefits and the prospect of faster than expected central bank policy easing next year are also likely to be supportive. However, this view may be challenged if US Treasuries reassert themselves as a haven for investors.



Semiconductor cycle in recovery mode

A standout theme that emerged from the Covid pandemic was the vulnerability of global manufacturing to the semiconductor sector.

As borders and supply chains closed, it became clear how much the world relied on Asia's chip manufacturers, particularly in Taiwan, South Korea and China. We all know what happened next. As global demand shifted from services to goods, industries like car production, industrial goods and consumer technology found themselves short of the tech needed to make their products work.

As supply chains recovered, and consumption trends rebalanced, chip inventories soared in 2022, hurting Asia's semiconductor manufacturers. Yet, there are signs of an improving outlook, with customers beginning to restock, helped by surging investment in artificial intelligence.

2024 earnings-per-share growth forecasts for the MSCI South Korea index stand at an eye-catching 68%. In the MSCI Taiwan index, earnings are expected to grow by over 20%. **This supports our view that there are selective opportunities in Asia** despite recessionary headwinds in the west and a fairly soggy outlook for exporters more generally.

Source: HSBC Asset Management, Macrobond, Bloomberg. Data as at 12PM UK time 27 October 2023.
Past performance is not an indication of future returns

Asset class views

Overall, we continue to argue for a defensive portfolio positioning. Our central scenario is consistent with "choppy waters" for risk assets over the next 12 months, with downside risks to credit and equity prices. In this context, short-duration fixed income remains attractive, especially US Treasuries, which can outperform in a recession.

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 asset allocation remains appropriate against a backdrop of elevated recession risk and market pricing which is consistent with a "soft landing" outcome in major developed markets
	Duration	□□□□□□■□□	Longer duration bonds have sold off sharply during 2023, driving yields to attractive levels. Yields have room to fall if disinflation continues and especially if a US recession materialises
	Emerging Markets	□□□□□□■□□	Disinflationary trends are continuing to play out with many EM central banks likely to begin or continue cutting rates in early 2024. This supports the EM fixed income outlook. Sticky inflation and growth concerns remain the major risks
Bonds	10yr US Treasuries	□□□□□□■□□	Ten-year yields are likely to fall and the yield curve gradually steepen through 2024 as the Fed moves towards rate cuts. However, risks remain that resilient labour markets and sticky inflation could lead markets to price in higher-for-longer policy rates
	Asia Local Bonds	□□□□□□■□□	Moderating inflation in the region during 2023 means that most Asia central banks are on an extended pause from monetary tightening. Rates are expected to move lower but food and energy prices could see further upward pressure due to the El-Nino phenomenon
	China Bonds	□□□□□□■□□	Supportive policy moves provide a favourable backdrop, but concerns persist about the country's property sector. Piecemeal stimulus shows signs of bearing fruit in the economy, but further support is likely to be needed to encourage economic growth
Credits	Global Credit	□□□□□■□□□	Credit spreads can widen as the economic cycle deteriorates and the risk of defaults increases. Nevertheless, amid stable corporate balance sheets, there are good income opportunities
	EM Corporate Bonds	□□□□□□■□□	Although global growth risks and near-term sticky inflation concerns exist, headwinds from the Fed tightening cycle have largely abated. Valuations are attractive from a medium term perspective
	Asia IG	□□□□□■□□□	Valuations are rich and spreads could widen in the near term amid some credit ratings downgrades and global macro challenges. However, spread widening should be limited amid favourable technicals with healthy new issuance
	EMD Hard Currency Bonds	□□□□□■□□□	The technical environment is strong, with sovereigns expected to underperform corporates given the ongoing supply from governments compared to more prudence from EM corporate borrowers. Downside risks exist as deteriorating US economic data weighs on default risk pricing globally
Equities	DM Equities	□□■□□□□□□	There is scope for near-term gains given economic resilience, but recession risks are growing and momentum is moderating. Valuations look stretched in the US, while eurozone activity is sluggish, with inflation still too high. Japan looks interesting in the context of a more robust earnings outlook
	EM Equities	□□□□□■□□□	Broadly speaking, EM risk premiums look generous and the growth outlook is positive, but China's cyclical outlook is concerning and consistent with a more cautious view of EM overall. Large scale China policy support would meaningfully boost the outlook given current sentiment levels
	Asia ex Japan	□□□□□□■□□	There are selective opportunities in Asia, which continues to benefit from low inflation and attractive structural growth stories. An active approach will be key to managing the various country-specific risks, particularly those linked to geopolitics
Alternatives	Global Private Equity	□□□□■□□□□	As tighter financial conditions raise the cost of leverage, PE funds may face challenges in delivering as strong returns. However, the possibility of recession can create good entry points for longer-term investors. The investment case is about alpha, not beta
	Global Real Estate	□□□□□□■□□	Direct real estate is pressured amid still high central bank policy rates. Listed real estate has repriced much faster and can offer attractive income opportunities. A strategy focusing on sectors with high occupancy and inflation-capturing leases is preferable
	Infrastructure Debt	□□□□□□■□□	Infrastructure debt offers better expected returns than global credits, with lower spread volatility during recessionary periods. In the event of a recession, infrastructure equity's defensive attributes are beneficial, with thematic drivers coming from the green transition

Views reflect our long-term expected return forecasts, our portfolio optimisation process and actual portfolio positions. These views are for general information purposes only and does not constitute advice or a recommendation to buy or sell investments. Any views expressed were held at the time of preparation and are subject to change without notice. While any forecast, projection or target where provided is indicative only and not guaranteed in any way. HSBC Global Asset Management accepts no liability for any failure to meet such forecast, projection or target.
Source: HSBC Asset Management. Macrobond, Bloomberg. Data as at 12PM UK time 27 October 2023.
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Key Events and Data Releases

This week

Date	Country	Indicator	Data as of	Actual	Prior	Comment
Tues. 24 October	EZ	HCOB Global Composite PMI	Oct P	46.5	47.2	Despite easing inflation, weakness is spreading through goods and services, with output falling again in France and Germany. Tighter lending standards pose downside risks to growth
	UK	S&P Global Composite PMI	Oct P	48.6	48.5	
	US	S&P Global Composite PMI	Oct P	51	50.2	Resilient service sector confidence is unlikely to last as tighter financial conditions bite. Manufacturers face global headwinds
Wed. 25 October	GE	IFO Business Climate	Oct	86.9	85.7	
	CA	BoC rate decision	Oct	5.00%	5.00%	The Bank of Canada maintains a tightening bias amid continued upside inflation risks. GDP forecasts were downgraded
	PH	Philippines central bank decision	Oct	6.50%	6.25%	Rising inflation risks prompted a surprise 25bp rate hike
Thur. 26 October	EZ	ECB Interest Rate Decision	Oct	4.0%	4.0%	ECB is on hold near-term. ECB president Lagarde stressed talk of a rate cut is premature given strong domestic price pressures
	US	Durable Goods Orders (mom)	Sep P	4.7%	0.1%	
	US	GDP (qoq annualised)	Q3	4.9%	2.1%	Buoyant Q3 consumer spending was driven by an unsustainable fall in the household savings ratio. Investment in infrastructure slowed to a crawl, reflecting the fading impact of the CHIPS and IRA Acts
Fri. 27 October	RU	CBR Interest Rate Decision	Oct	15.0%	13.0%	
	US	PCE Core (yoy)	Sep	-	3.9%	
	US	Uni. of Michigan Consumer Sentiment	Oct F	-	63	

Q, Quarterly, P- Preliminary, F – Final   CN- China, ID - Indonesia, JP-Japan, EZ- Eurozone, GE–Germany.

The week ahead

Date	Country	Indicator	Data as of	Survey	Prior	Comment
Mon. 30 October	JP	Jobless Rate	Sep		2.7%	The unemployment rate looks set to remain low, highlighting continued tight labour market conditions
	JP	Industrial Production (mom)	Sep P		-0.7%	The corporate sector is turning more cautious, with business confidence waning in Q423
Tue. 31 October	JP	BoJ Interest Rate Decision	Oct		-0.1%	The BoJ is expected to upgrade its inflation forecasts, increasing the risk of a tweak in Yield Curve Control in October. Higher US Treasury yields could force the BoJ's hand
	CN	Official Manufacturing PMI	Oct		50.2	Manufacturing is showing signs of improvement, but more targeted policy measures are still needed amid external headwinds and a prolonged downturn in the property sector
	EZ	GDP (seasonally adjusted, qoq)	Q3 A		0.2%	The risks of a eurozone recession are mounting, led by Germany. The labour market is being watched closely for signs of weakness
	EZ	CPI Estimate (yoy)	Oct		4.3%	Disinflation pressures are spreading from the goods sector to services, but inflation remains above the ECB's 2% medium-term target
	MX	GDP (qoq)	Q3 P		0.8%	Mexican growth is expected to remain firm, led by domestic demand. An expansionary fiscal stance is a supportive factor
	US	S&P CoreLogic Case-Shiller 20-city Composite Home Price NSA Index (yoy)	Aug		0.1%	Higher mortgage rates pose downside risks to the housing market, but tight supply conditions should limit the fall in house prices
	US	Conference Board Consumer Confidence	Oct		103	
Wed. 01 November	CN	Caixin Manufacturing PMI	Oct		50.6	
	US	ISM Manufacturing	Oct		49	Manufacturing sentiment has stabilised recently, but the global backdrop remains challenging

P – Preliminary, Q – Quarter, F – Final   EZ- Eurozone, CA – Canada, GE – Germany, RU - Russia

Source: HSBC Asset Management. Data as at 12PM UK time 27 October 2023.
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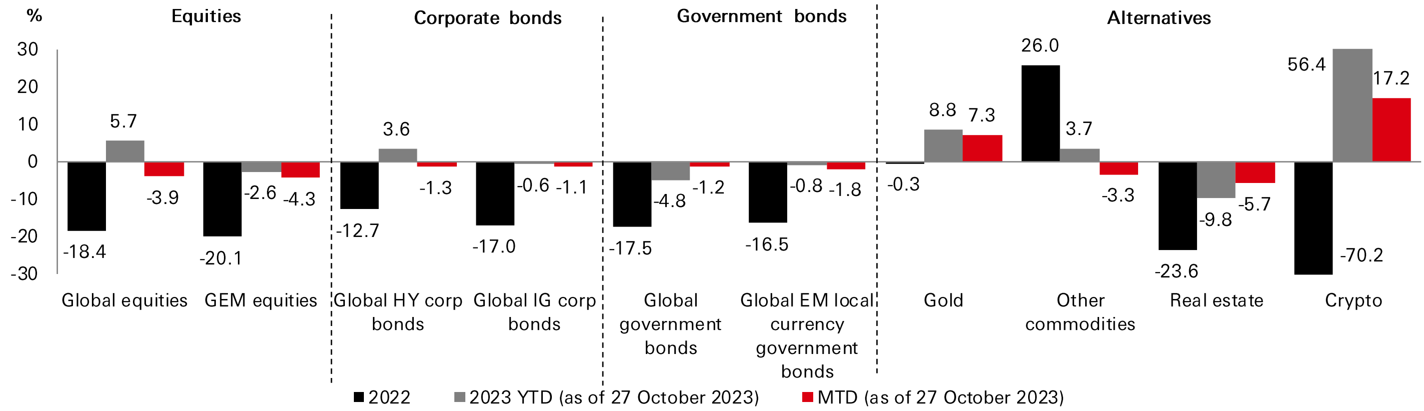
Market review

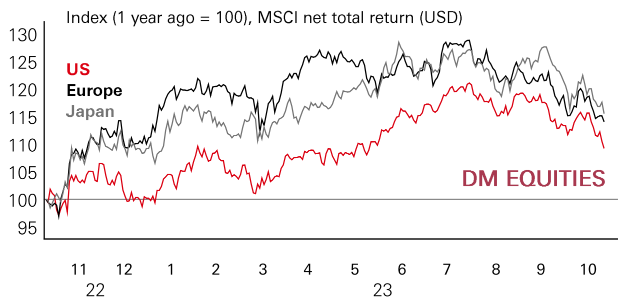
This week

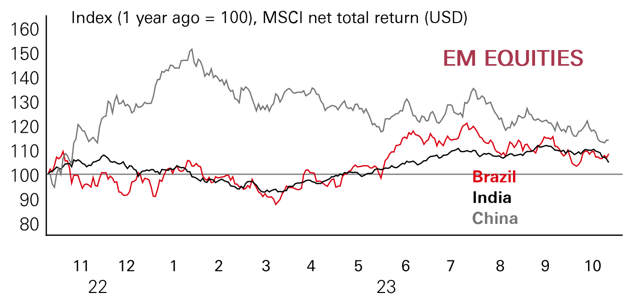
Concerns about the potential impact of "higher for longer" rates policies continued to put pressure on equities this week. US stocks fell further amid mixed Q3 earnings news, with the tech heavy Nasdaq underperforming. European stocks followed suit, dragged down by gloomy PMI surveys, which signalled continuing weakness in eurozone economies. ECB president Lagarde acknowledged downside growth risks but signalled a rate cut is not in the offing as "domestic price pressures remain strong". China bucked the bearish regional trend, benefiting from further fiscal measures to support struggling local governments. Japanese equities were on the defensive as investors fret about the outcome of next week's "live" BoJ meeting.

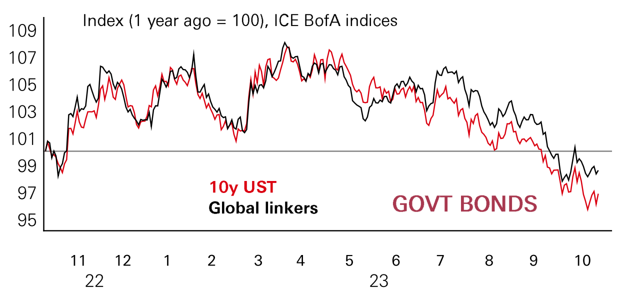
In commodities, oil continued to trade in a steady range despite global supply constraints and geopolitical uncertainties. Meanwhile, gold continues to rally, benefiting from its safe-haven status and strong central bank demand.

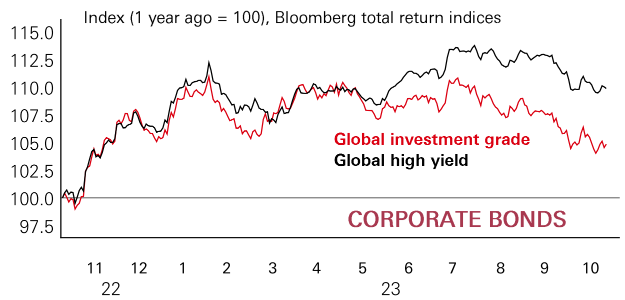
Selected asset performance

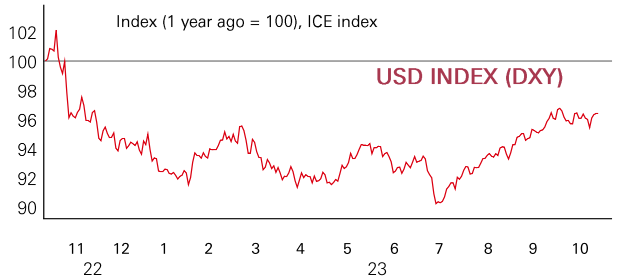


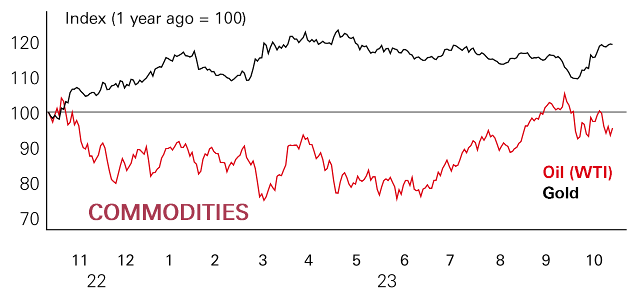












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Market data

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)	631	-1.8	-3.6	-9.9	8.3	4.2	708	567	15.9
North America									
US Dow Jones Industrial Average	32,784	-1.0	-2.3	-7.1	2.3	-1.1	35,679	31,430	17.9
US S&P 500 Index	4,137	-2.1	-3.2	-8.8	8.7	7.8	4,607	3,698	18.7
US NASDAQ Composite Index	12,596	-3.0	-3.8	-10.4	16.7	20.3	14,447	10,207	26.8
Canada S&P/TSX Composite Index	18,875	-1.3	-2.9	-7.4	-2.5	-2.6	20,843	18,811	13.3
Europe									
MSCI AC Europe (USD)	463	-0.5	-2.6	-11.5	12.0	1.3	528	398	11.9
Euro STOXX 50 Index	4,048	0.6	-2.0	-9.0	12.3	6.7	4,492	3,559	11.3
UK FTSE 100 Index	7,373	-0.4	-2.9	-4.2	4.2	-1.1	8,047	6,998	10.4
Germany DAX Index*	14,793	0.0	-2.8	-9.8	12.0	6.2	16,529	13,023	10.4
France CAC-40 Index	6,849	0.5	-3.2	-8.3	9.7	5.8	7,581	6,183	11.4
Spain IBEX 35 Index	8,995	-0.4	-3.6	-7.2	13.6	9.3	9,742	7,798	9.7
Italy FTSE MIB Index	27,582	0.8	-1.5	-6.8	22.1	16.3	29,758	22,188	7.4
Asia Pacific									
MSCI AC Asia Pacific ex Japan (USD)	470	-1.8	-3.9	-12.3	6.7	-7.0	563	431	13.8
Japan Nikkei-225 Stock Average	30,992	-0.9	-4.3	-5.8	13.3	18.8	33,773	25,662	17.8
Australian Stock Exchange 200	6,827	-1.1	-2.9	-8.4	-0.3	-3.0	7,568	6,776	14.8
Hong Kong Hang Seng Index	17,399	1.3	-1.2	-11.4	12.8	-12.0	22,701	14,597	8.8
Shanghai Stock Exchange Composite Index	3,018	1.2	-2.9	-6.2	1.2	-2.3	3,419	2,885	11.1
Hang Seng China Enterprises Index	5,979	1.8	-1.5	-10.4	14.0	-10.8	7,774	4,919	8.1
Taiwan TAIEX Index	16,135	-1.9	-1.1	-6.4	24.8	14.1	17,464	12,724	17.5
Korea KOSPI Index	2,303	-3.0	-6.6	-11.6	0.6	3.0	2,668	2,181	12.9
India SENSEX 30 Index	63,783	-2.5	-3.5	-3.7	6.7	4.8	67,927	57,085	20.4
Indonesia Jakarta Stock Price Index	6,759	-1.3	-2.6	-2.0	-4.7	-1.3	7,128	6,543	2.3
Malaysia Kuala Lumpur Composite Index	1,442	0.1	0.1	-0.6	-0.8	-3.6	1,504	1,369	14.3
Philippines Stock Exchange PSE Index	5,962	-2.9	-6.5	-10.7	-4.3	-9.2	7,138	5,957	11.4
Singapore FTSE Straits Times Index	3,062	-0.5	-4.3	-8.3	1.5	-5.8	3,408	2,995	10.0
Thailand SET Index	1,388	-0.8	-7.3	-10.0	-13.4	-16.8	1,696	1,366	15.7
Latam									
Argentina Merval Index	673,103	-15.9	20.8	49.5	354.5	233.1	834,791	142,797	5.9
Brazil Bovespa Index*	114,777	1.4	0.4	-4.3	0.1	4.6	123,010	96,997	8.4
Chile IPSA Index	5,568	-1.1	-3.4	-11.9	7.3	5.8	6,449	5,072	0.6
Colombia COLCAP Index	1,084	-3.0	-2.1	-7.1	-10.5	-15.7	1,348	1,045	5.9
Mexico S&P/BMV IPC Index	49,173	1.9	-4.4	-10.2	0.6	1.5	55,627	47,765	11.6
EEMEA									
Russia MOEX Index	3,192	-2.4	4.1	6.8	47.5	48.2	3,287	2,071	N/A
South Africa JSE Index	70,047	-0.2	-2.9	-10.5	4.4	-4.1	81,338	65,610	9.1
Turkey ISE 100 Index*	7,612	1.4	-7.3	11.0	93.5	38.2	8,563	3,878	5.9

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

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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	-1.8	-3.5	-9.6	5.7	10.2	16.0	44.9
US equities	-2.1	-3.3	-8.7	9.0	9.9	23.5	65.0
Europe equities	-0.5	-2.5	-11.2	3.8	15.1	17.7	26.0
Asia Pacific ex Japan equities	-1.7	-3.9	-11.8	-4.9	9.5	-13.4	15.3
Japan equities	-1.8	-6.2	-8.6	5.8	15.8	2.6	17.1
Latam equities	1.9	-1.7	-11.8	9.0	6.7	39.4	6.3
Emerging Markets equities	-1.6	-3.9	-11.6	-2.6	8.8	-13.4	9.6

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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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)	526	0.4	-0.6	-2.4	1.3	0.4
JPM EMBI Global	762.4	0.5	-2.0	-5.5	6.3	-0.8
BarCap US Corporate Index (USD)	2924.9	0.8	-1.4	-4.2	2.7	-1.5
BarCap Euro Corporate Index (Eur)	233.3	0.4	0.1	-0.5	3.0	2.5
BarCap Global High Yield (Hedged in USD)	519.1	0.4	-1.2	-2.0	8.7	4.2
Markit iBoxx Asia ex-Japan Bond Index (USD)	201.4	0.3	-0.5	-2.2	6.4	0.5
Markit iBoxx Asia ex-Japan High-Yield Bond Index (USD)	214	0.3	-1.2	-2.8	14.9	-4.0

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 2022	52-week High	52-week Low	1-week Change (%)
Developed markets									
EUR/USD	1.05	1.06	1.05	1.10	1.00	1.07	1.13	0.97	-0.4
GBP/USD	1.21	1.22	1.21	1.28	1.16	1.21	1.31	1.12	-0.3
CHF/USD	1.11	1.12	1.09	1.15	1.01	1.08	1.18	0.99	-1.1
CAD	1.38	1.37	1.35	1.32	1.36	1.36	1.39	1.31	-0.7
JPY	150	150	150	139	146	131	151	127	-0.2
AUD/USD	0.63	0.63	0.64	0.67	0.65	0.68	0.72	0.63	0.5
NZD/USD	0.58	0.58	0.59	0.62	0.58	0.64	0.65	0.57	-0.1
Asia									
HKD	7.82	7.82	7.82	7.80	7.85	7.80	7.85	7.76	0.0
CNY	7.32	7.32	7.31	7.17	7.23	6.90	7.35	6.69	0.0
INR	83.2	83.1	83.2	81.9	82.5	82.7	83.3	80.5	-0.1
MYR	4.78	4.77	4.71	4.52	4.72	4.40	4.79	4.23	-0.2
KRW	1356	1353	1349	1278	1418	1260	1429	1216	-0.2
TWD	32.4	32.4	32.2	31.2	32.0	30.7	32.5	29.6	-0.2
Latam									
BRL	4.99	5.04	5.05	4.74	5.34	5.29	5.53	4.70	0.9
COP	4128	4226	4105	3943	4821	4851	5156	3879	2.3
MXN	18.1	18.2	17.7	16.9	19.8	19.5	19.9	16.6	0.7
ARS	350	350	350	273	156	177	350	156	0.0
EEMEA									
RUB	92.6	95.7	97.1	90.7	61.5	74.2	102.4	59.9	3.2
ZAR	18.9	19.0	19.2	17.8	18.0	17.0	19.9	16.7	0.5
TRY	28.2	28.0	27.2	27.0	18.6	18.7	28.4	18.3	-0.7

Bonds	Close	1-week Ago	1-month Ago	3-months Ago	1-year Ago	Year End 2022	1-week basis point change*
US Treasury yields (%)							
3-Month	5.44	5.45	5.47	5.42	4.00	4.34	0
2-Year	5.05	5.07	5.14	4.93	4.27	4.43	-3
5-Year	4.80	4.86	4.68	4.24	4.06	4.00	-5
10-Year	4.86	4.91	4.61	4.00	3.92	3.87	-5
30-Year	5.01	5.08	4.72	4.04	4.08	3.96	-6
10-year bond yields (%)							
Japan	0.88	0.84	0.73	0.44	0.25	0.41	4
UK	4.56	4.65	4.36	4.31	3.39	3.66	-9
Germany	2.84	2.89	2.84	2.47	1.96	2.57	-5
France	3.45	3.51	3.40	3.00	2.46	3.11	-6
Italy	4.82	4.92	4.79	4.07	4.00	4.70	-10
Spain	3.93	4.00	3.94	3.48	3.00	3.65	-7
China	2.72	2.71	2.69	2.65	2.70	2.84	1
Australia	4.81	4.75	4.38	3.92	3.83	4.05	7
Canada	4.02	4.07	4.09	3.61	3.19	3.30	-5

*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	1,982	0.0	5.7	1.9	19.2	8.7	2,063	1,617
Brent Oil	89.8	-2.5	-4.8	8.4	7.0	10.0	95	70
WTI Crude Oil	85.0	-3.5	-6.9	8.0	9.1	10.0	92	63
R/J CRB Futures Index	281.5	-1.6	-2.1	0.5	1.7	1.4	290	254
LME Copper	8,033	1.1	-1.0	-6.3	3.5	-4.1	9,551	7,420

Source: HSBC Asset Management. Macrobond, Bloomberg. Data as at 12PM UK time 27 October 2023.
Past performance is not an indication of future returns

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