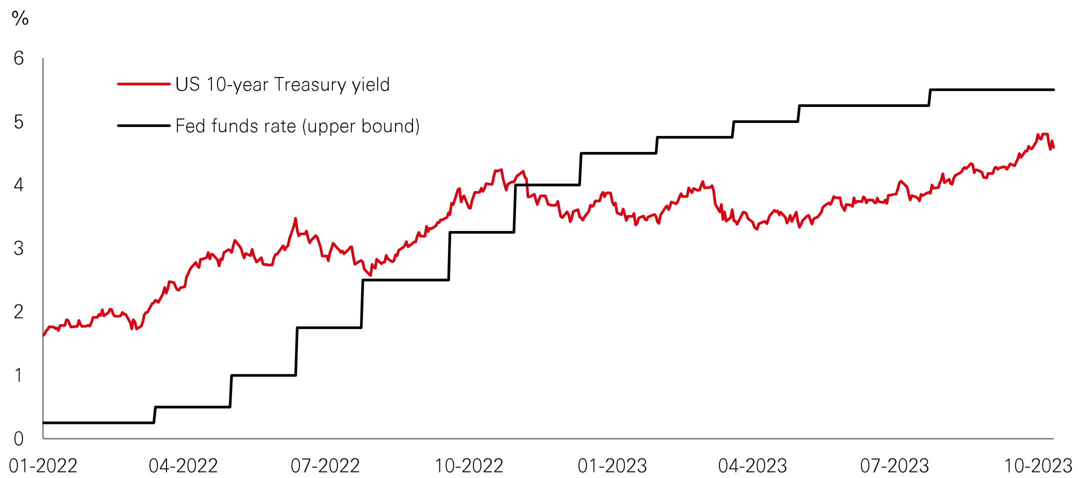
Asset Management

Investment Weekly

13 October 2023

For professional client and institutional investor use only

Chart of the week - US Treasury yields retrace



Treasury yields fell sharply this week, snapping weeks of relentless upward pressure driven by investor concerns over a higher-for-longer rates regime. Market action indicates a significant resistance level at 4.9% on the US 10-year, while bond market volatility – as proxied by the MOVE index - has risen significantly.

The drivers of this week's moves have centred on a "flight-to-safety" following the outbreak of violence in the Middle East, whilst a number of Fed officials have signalled the recent tightening of financial conditions could mean the central bank is now done with its hiking cycle. The market implied probability of a November rate hike has fallen to below 10% from around 30% a week ago.

Meanwhile, economic data prints for September remain consistent with a disinflationary trend in the US economy. Last Friday's labour market report showed softer-than-expected wage growth at +0.2% month-on-month. Broader evidence of cooling wage gains bodes well for core services inflation (excluding housing). Meanwhile, this week's CPI data showed further disinflation in the core goods sector even if progress on the important shelter component stalled.

All in all, **we think 'bonds are back' – yields are higher, and there is now a compensation for bearing interest rate risk**. We also think there is scope for capital gains as disinflation continues which, combined with the elevated risk of recession in the next 12 months, could see more significant than expected Fed rate cuts in 2024.

Market Spotlight

Chinese equities resist global sell-off

Chinese equities have underperformed global peers through much of 2023 but were relatively stable during the global market sell-off in September. The MSCI China A index finished the month down 1.8% versus a 4.7% decline in the MSCI USA index (net total return basis), with outperformance continuing over recent trading sessions. It is early days, but recent moves could signal that sentiment is starting to firm up, putting a floor under valuations

The context for these developments is that China's relaxation of strict Covid policies late last year hasn't delivered the much-anticipated reopening boom for its economy that many expected. There was no guarantee that China would get the post-covid rebound seen in other economies. Weaker global demand, frictions in its property market and the absence of grand scale monetary stimulus have stymied growth.

However, recent equity market resilience and stronger data suggest that the Chinese government's preference for targeted, accretive support in the economy is starting to work. We expect sequential growth to pick up and our forecast of 5% GDP growth in China this year is on track to be met. Overall, **we remain positive on the asset class and see an attractive entry point for medium-term investors**.

This commentary provides a high-level overview of the recent economic environment, and is for information purposes only. These views presented are based on our global views and may not necessarily align with our local views. It is a marketing communication and does not constitute investment advice or a recommendation to any reader of this content to buy or sell investments nor should it be regarded as investment research. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of its dissemination.

Equities →

What to watch out for as Q3 earnings season begins

Fixed Income →

Why risk aversion is rising in high yield credit markets

Emerging Markets →

Investing in India's economic transformation

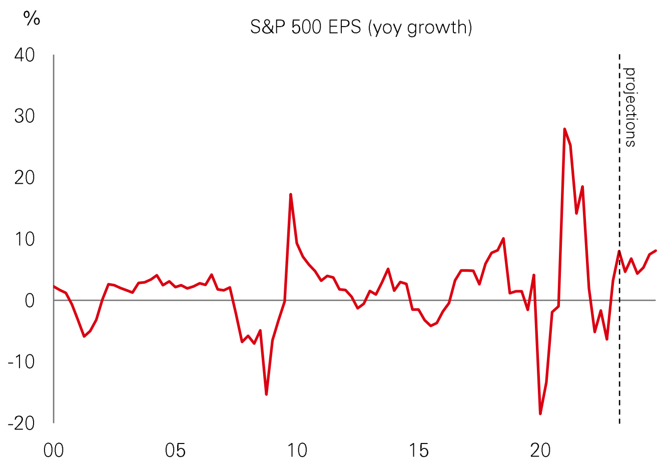
The value of investments and any income from them can go down as well as up and investors may not get back the amount originally invested. Past performance is not an indication of future returns. The level of yield is not guaranteed and may rise or fall in the future.

Source: HSBC Asset Management. Macrobond, Bloomberg. Data as at 1.30PM UK time 13 October 2023.

Earnings season in full swing

Despite the gloomy leading indicators, waiting for the US economic recession has been like 'waiting for Godot' this year. Part of the reason for the delay has been the sustained strength of corporate profits. You need a microscope to see evidence of a profits recession in the data. Analysts project profits growth stabilising in the coming Q3 earnings season, stronger growth in Q4, and an electric +12% pace next year.

Earnings season kicks off in earnest on Friday 13th, with the big banks reporting. The financial sector will remain in focus, accounting for around half the reports in the next two weeks. And, next week, we have around 7% of S&P 500 market value reporting (w/c Oct 16). So what should investors be on the lookout for? The headline data on sales will be important, where analysts are already expecting quarterly falls. But also watch news around profit margins, which are coming under pressure. That's due to an adverse mixture of real wage growth, slow productivity, and a rising cost of credit, plus the potential for volatile commodity prices. The soft signals, from CEO guidance, is also something we are watching closely. As profits go, so goes the economy.

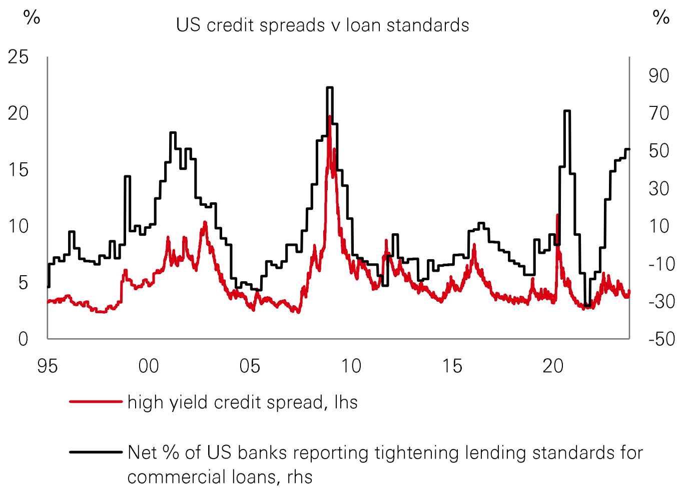


Growing challenges for risky credit markets?

Despite this week's fall in Treasury yields, they remain well above summer levels and close to multi-year highs. A major consequence of a higher cost of capital has been the recent widening of credit spreads, especially for riskier and more economically-sensitive high yield segments of the market.

The GDP growth and defaults outlook is key. Similar to large parts of the global equities market, current US high-yield valuations do not look to be factoring in a recessionary scenario and look disconnected from leading indicators such as credit standards. This is a fairly significant downside risk to the asset class in our view, given restrictive monetary policy and the recent tightening of financial conditions.

Overall, we think some caution is warranted in the risky credit space and prefer a quality and selective credit strategy. But spreads in the US will not necessarily blow out if economic conditions deteriorate as we expect them to. Many US corporates continue to have relatively healthy liquidity and balance sheets, and have extended near-term debt maturities.

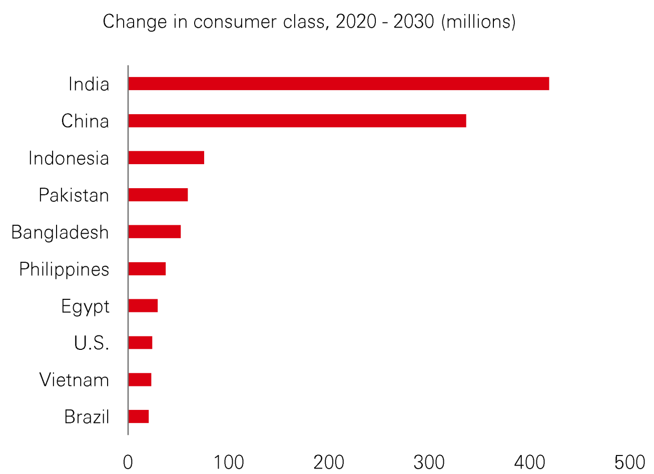


India growth forecast upgrades amid economic transition

Contrary to slowing growth globally, in its World Economic Outlook the IMF this week upgraded India's 2023 growth forecast to 6.3%. The same figure is expected next year, with India projected to power a fifth of global growth since 2022.

There is much more to the story than becoming the world's largest population, as detailed in our recent Asia Insights. Economic reforms and infrastructure development are shifting the economy from rural, lower value-add sectors such as agriculture – which currently employees almost half of the population – to a digitalised economy set to serve as a manufacturing hub for tech leaders such as Apple and Nvidia. Even the country's agriculture sector is transforming, with venture capital investment in Indian agtech companies soaring six-fold from 2018. And higher paid jobs will mean more consumption, as reflected in the chart.

Investing in this growth understandably comes at a premium – relative to expected earnings, India's stocks are nearly twice as expensive as China's, for instance. However, price versus earnings for India is right in line with its 5-year average. Don't count on discounted entry points ahead.



Past performance is not an indication of future returns. The level of yield is not guaranteed and may rise or fall in the future.
Source: HSBC Asset Management. Macrobond, Bloomberg, Brookings Institution, World Data Lab, 2021. All data as at 1.30PM UK time 13 October 2023.

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

Past performance is not an indication of future returns.

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 1.30PM UK time 13 October 2023.

Key Events and Data Releases

This week

Date	Country	Indicator	Data as of	Actual	Prior	Comment
Mon. 09 October	GE	Industrial Production (mom)	Aug	-0.2%	-0.6%	
	MX	CPI (yoy)	Sep		4.6%	
Wed. 11 October	BR	IBGE Inflation IPCA (yoy)	Sep	5.2%	4.6%	
	US	Fed Meeting Minutes	Sep			Several Fed officials have noted the tightening impact of higher long-term rates warrants a more careful approach on US rates near-term.
Thurs. 12 October	UK	GDP (mom)	Aug	0.2%	-0.6%	
	IN	CPI (yoy)	Sep	5.0%	6.8%	Headline inflation has returned to the upper end of the RBI's 2%-6% target, led by lower food prices. Core inflation moderated further.
	IN	Industrial Production (yoy)	Aug	10.3%	6.0%	Favourable base effects and a weather-related rise in utility output are expected to provide a temporary boost to industrial production in Q323.
	US	CPI (yoy)	Sep	3.7%	3.7%	Disinflation in the goods sector looks set to persist. Alongside weaker rents core inflation should soften further in coming months.
Fri. 13 October	CN	Trade Balance (USD bn)	Sep	77.7	68.2	Ongoing global headwinds look set to overhang exports, whilst weak domestic demand points to sluggish import growth.
	CN	CPI (yoy)	Sep	0.0%	0.1%	Weaker food prices dragged down headline inflation, with core inflation remaining low. Annual PPI remains in deflation territory.
	EZ	Industrial Production (mom)	Aug	0.6%	-1.1%	
	US	Uni. of Michigan Consumer Sentiment	Oct P		68.1	Consumer confidence has improved steadily during 2023, supported by continued modest employment growth.
		BoE Governor Bailey speaks at the annual IIF meeting				

P- Preliminary, F – Final
MX – Mexico, BR- Brazil, JP-Japan, EZ- Eurozone, IN – India, GE – Germany.

The week ahead

Date	Country	Indicator	Data as of	Survey	Prior	Comment
Mon. 16 October	JP	Industrial Production (mom)	Aug F	-	0.0%	
Tues. 17 October	UK	ILO Unemployment Rate (3 months)	Aug	4.3%	4.3%	Labour market conditions are easing, with the unemployment rate rising and vacancies falling. Wage growth remains elevated.
	GE	Zew Expectation of Economic Growth	Oct	-10.3	-11.4	
	US	Retail Sales Advance (mom)	Sep	0.3%	0.6%	Consumer spending is expected to be a key driver of Q3 GDP, but headwinds facing households are set to increase in coming months.
	US	Industrial Production (mom)	Sep	-0.1%	0.4%	
Wed. 18 October	CN	GDP (yoy)	Q3	4.5%	6.3%	The depressed property sector and weak consumer confidence pose downside risks to the government's 2023 5% GDP target.
	CN	Retail Sales (yoy)	Sep	4.8%	4.6%	Volatility in retail sales looks set to persist as reopening supports some sectors, with the underlying trend of retail sales likely to weaken in Q423.
	CN	Industrial Production (yoy)	Sep	4.3%	4.5%	Recent policy easing has supported the struggling manufacturing sector.
	CN	Retail Sales YTD (yoy)	Sep	6.7%	7.0%	
	CN	Industrial Production YTD (yoy)	Sep	3.9%	3.9%	
	UK	CPI (yoy)	Sep	6.5%	6.7%	Disinflation is underway, led by the goods sector. Service sector inflation is also showing signs of moderating.
	US	Housing Starts (mom)	Sep	8.5%	-11.3%	
Thurs. 19 October	US	Existing Home Sales (mom)	Sep	-3.5%	-0.7%	
	US	Fed Chair Powell speaks				Following September's mildly disappointing CPI, this speech will be closely watched for any hints on another rate hike before year-end.
Fri. 20 October	JP	National CPI ex Fresh Food, Energy (yoy)	Sep	4.1%	4.3%	Core inflation remains above the BoJ's 2% medium-term target, heralding another upward revision of the BoJ's inflation forecast in Octobers' meeting.

P – Preliminary, Q – Quarter, F – Final , EZ – Eurozone, CN – China, JP-Japan, GE - Germany

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Source: HSBC Asset Management. Data as at 1.30PM UK time 13 October 2023.

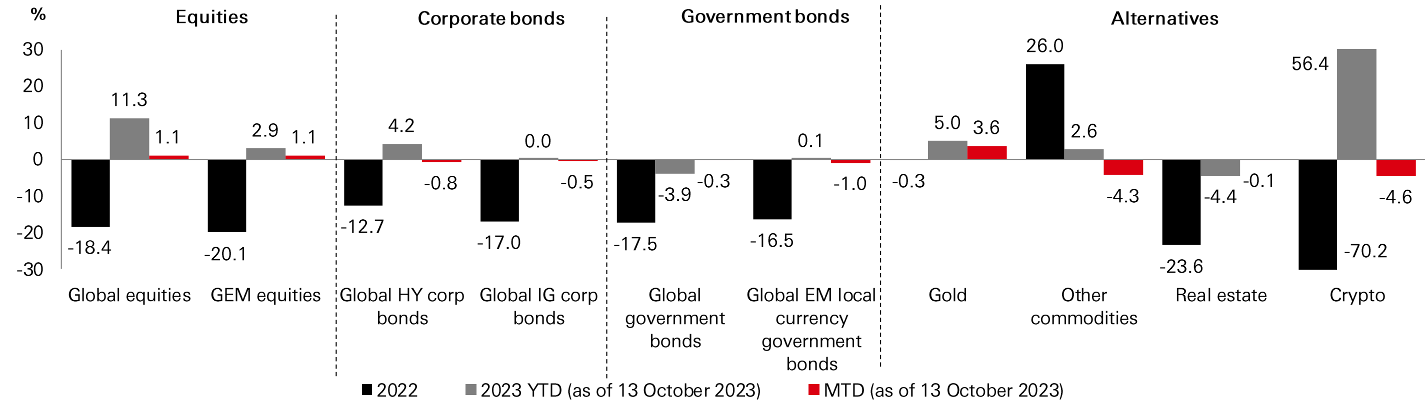
Market review

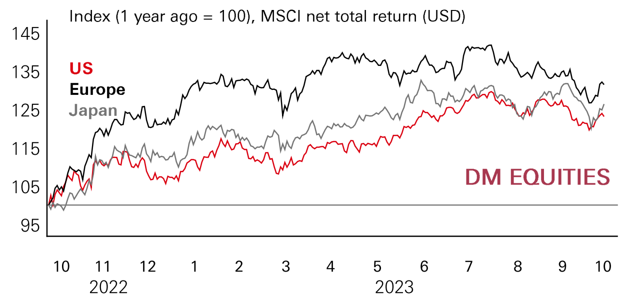
This week

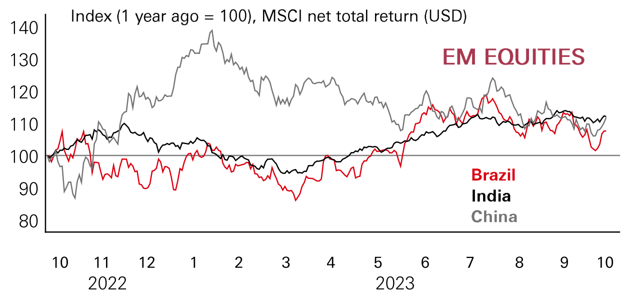
Global equities moved higher this week as dovish comments from Fed officials and a move into safe-haven assets led Treasury yields lower. In the US, headline equity indices snapped a five-week losing streak to end the week in the green. In Asia and Europe, major equity benchmarks rose as falling government bond yields supported higher valuations. The price of gold increased as the market-wide flight-to-safety boosted demand for the precious metal.

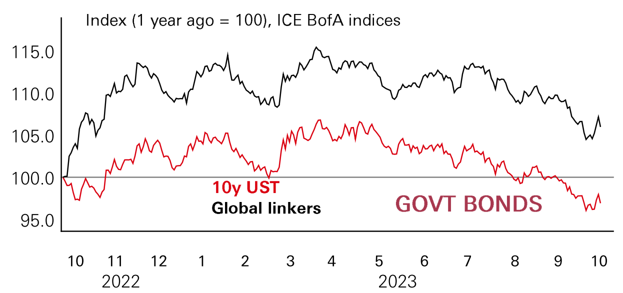
Oil prices rebounded higher on expectations of a peak in US interest rates, albeit gains were limited by a build in US inventories and weakening sentiment regarding demand growth next year.

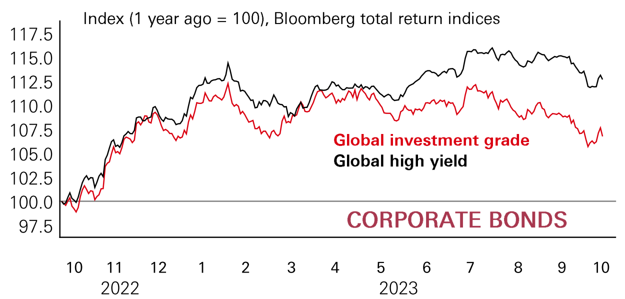
Selected asset performance

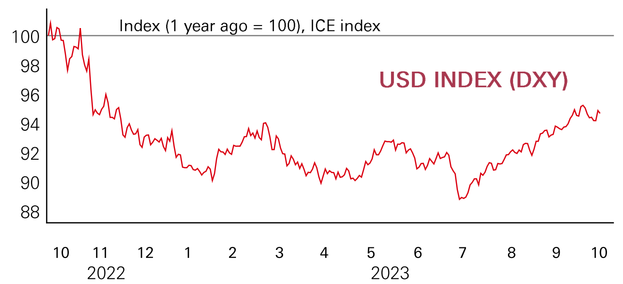


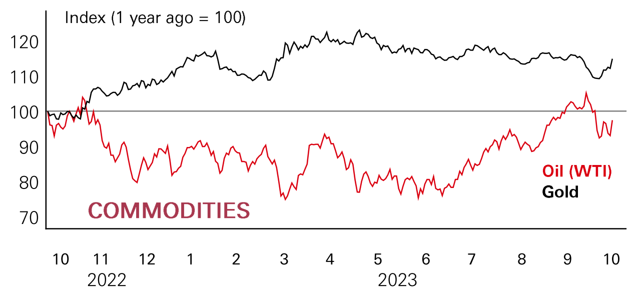












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Market data

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)	664	1.5	-2.3	-4.6	18.8	9.7	708	538	16.8
North America									
US Dow Jones Industrial Average	33,631	0.7	-2.7	-2.2	12.0	1.5	35,679	28,661	18.3
US S&P 500 Index	4,350	1.0	-2.6	-3.6	18.5	13.3	4,607	3,492	19.5
US NASDAQ Composite Index	13,574	1.1	-1.7	-4.0	27.5	29.7	14,447	10,089	28.8
Canada S&P/TSX Composite Index	19,500	1.3	-3.8	-3.8	4.8	0.6	20,843	17,873	13.8
Europe									
MSCI AC Europe (USD)	484	2.2	-1.7	-7.0	27.1	6.0	528	369	12.5
Euro STOXX 50 Index	4,154	0.2	-1.6	-5.4	23.5	9.5	4,492	3,256	11.6
UK FTSE 100 Index	7,610	1.5	1.1	2.3	11.1	2.1	8,047	6,708	10.8
Germany DAX Index*	15,268	0.2	-2.5	-5.4	23.6	9.7	16,529	12,000	10.8
France CAC-40 Index	7,031	-0.4	-2.6	-4.6	19.6	8.6	7,581	5,705	11.8
Spain IBEX 35 Index	9,256	0.2	-1.8	-2.3	26.0	12.5	9,742	7,190	10.0
Italy FTSE MIB Index	28,297	1.7	-0.7	-1.7	36.1	19.4	29,758	20,192	7.6
Asia Pacific									
MSCI AC Asia Pacific ex Japan (USD)	499	2.6	-0.7	-5.9	13.6	-1.3	563	427	14.7
Japan Nikkei-225 Stock Average	32,316	4.3	-1.2	-0.3	23.2	23.8	33,773	25,662	18.7
Australian Stock Exchange 200	7,051	1.4	-1.4	-2.7	6.1	0.2	7,568	6,643	15.3
Hong Kong Hang Seng Index	17,813	1.9	-1.1	-7.9	8.7	-9.9	22,701	14,597	9.0
Shanghai Stock Exchange Composite Index	3,088	-0.7	-1.1	-4.6	2.4	0.0	3,419	2,885	11.4
Hang Seng China Enterprises Index	6,116	2.4	-1.9	-6.5	10.0	-8.8	7,774	4,919	8.2
Taiwan TAIEX Index	16,783	1.6	1.2	-1.6	31.0	18.7	17,464	12,629	18.7
Korea KOSPI Index	2,456	2.0	-3.1	-5.2	13.6	9.8	2,668	2,178	13.7
India SENSEX 30 Index	66,283	0.4	-1.8	1.1	15.8	8.9	67,927	57,085	21.9
Indonesia Jakarta Stock Price Index	6,927	0.6	-0.1	1.7	0.7	1.1	7,128	6,543	2.5
Malaysia Kuala Lumpur Composite Index	1,444	1.9	-0.6	3.4	5.2	-3.4	1,504	1,369	14.3
Philippines Stock Exchange PSE Index	6,266	0.1	1.9	-4.7	6.3	-4.6	7,138	5,892	12.0
Singapore FTSE Straits Times Index	3,186	0.4	-1.0	-1.6	4.8	-2.0	3,408	2,969	10.1
Thailand SET Index	1,451	0.9	-5.5	-2.9	-7.0	-13.1	1,696	1,423	16.3
Latam									
Argentina Merval Index	760,674	20.9	37.5	68.6	440.4	276.4	768,068	135,632	3.7
Brazil Bovespa Index*	117,051	2.5	-1.0	-1.9	2.4	6.7	123,010	96,997	8.7
Chile IPSA Index	5,800	2.5	-1.9	-4.3	16.9	10.2	6,449	4,871	0.6
Colombia COLCAP Index	1,112	0.9	3.2	-5.2	-5.6	-13.5	1,348	1,045	5.9
Mexico S&P/BMV IPC Index	49,745	0.2	-3.4	-8.3	8.7	2.6	55,627	45,040	11.6
EEMEA									
Russia MOEX Index	3,192	1.5	1.4	10.6	63.3	48.2	3,287	1,933	N/A
South Africa JSE Index	73,072	2.0	-0.3	-5.5	13.5	0.0	81,338	63,663	9.4
Turkey ISE 100 Index*	8,155	-3.7	1.8	28.1	129.5	48.0	8,563	3,522	6.9

*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	1.5	-2.2	-4.2	11.3	20.9	18.5	46.4
US equities	1.0	-2.5	-3.3	14.8	20.1	25.5	66.9
Europe equities	2.2	-1.6	-6.7	8.7	30.5	18.1	27.5
Asia Pacific ex Japan equities	2.6	-0.6	-5.3	0.9	16.7	-8.7	16.6
Japan equities	3.6	-2.0	-3.1	12.1	27.7	7.9	17.5
Latam equities	4.2	-4.7	-8.6	10.6	11.5	42.7	9.0
Emerging Markets equities	2.7	-1.1	-5.2	2.9	15.7	-8.7	11.0

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. Data as at 1.30PM UK time 13 October 2023.

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)	528	0.6	-1.3	-2.2	2.9	0.9
JPM EMBI Global	769.1	1.1	-2.9	-4.5	9.0	0.1
BarCap US Corporate Index (USD)	2947.1	0.7	-2.6	-4.4	4.0	-0.7
BarCap Euro Corporate Index (Eur)	233.6	0.5	-0.2	-0.1	4.8	2.6
BarCap Global High Yield (Hedged in USD)	521.9	0.7	-1.8	-1.3	11.7	4.8
Markit iBoxx Asia ex-Japan Bond Index (USD)	202.2	0.5	-1.0	-2.4	5.7	0.9
Markit iBoxx Asia ex-Japan High-Yield Bond Index (USD)	215	0.3	-1.3	-3.6	11.4	-3.3

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	1.07	1.12	0.98	1.07	1.13	0.97	-0.4
GBP/USD	1.22	1.22	1.25	1.31	1.13	1.21	1.31	1.11	-0.3
CHF/USD	1.10	1.10	1.12	1.16	1.00	1.08	1.18	0.99	0.5
CAD	1.37	1.37	1.35	1.31	1.38	1.36	1.39	1.31	0.0
JPY	149	149	147	138	147	131	152	127	-0.1
AUD/USD	0.63	0.64	0.64	0.69	0.63	0.68	0.72	0.62	-0.9
NZD/USD	0.59	0.60	0.59	0.64	0.56	0.64	0.65	0.56	-1.2
Asia									
HKD	7.82	7.83	7.83	7.82	7.85	7.80	7.85	7.76	0.1
CNY	7.31	7.30	7.27	7.15	7.17	6.90	7.35	6.69	-0.1
INR	83.3	83.2	83.0	82.1	82.4	82.7	83.3	80.5	0.0
MYR	4.73	4.71	4.68	4.58	4.69	4.40	4.75	4.23	-0.3
KRW	1350	1350	1330	1274	1431	1260	1445	1216	0.0
TWD	32.2	32.1	32.0	30.9	31.9	30.7	32.4	29.6	-0.3
Latam									
BRL	5.05	5.15	4.92	4.80	5.27	5.29	5.53	4.70	1.8
COP	4262	4323	3948	4101	4580	4851	5156	3879	1.4
MXN	17.9	18.2	17.2	16.8	20.0	19.5	20.2	16.6	1.6
ARS	350	350	350	264	151	177	350	151	0.0
EEMEA									
RUB	97.4	100.9	96.2	90.2	63.6	74.2	102.4	59.9	3.4
ZAR	18.9	19.3	18.8	17.9	18.3	17.0	19.9	16.7	2.2
TRY	27.8	27.6	26.9	26.1	18.6	18.7	28.1	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	5.48	5.51	5.45	5.39	3.70	4.34	-3
2-Year	5.02	5.08	4.97	4.63	4.46	4.43	-6
5-Year	4.60	4.76	4.38	3.95	4.20	4.00	-15
10-Year	4.59	4.80	4.25	3.76	3.94	3.87	-21
30-Year	4.75	4.97	4.34	3.90	3.92	3.96	-22
10-year bond yields (%)							
Japan	0.76	0.80	0.71	0.47	0.25	0.41	-4
UK	4.35	4.57	4.34	4.42	4.19	3.66	-22
Germany	2.71	2.88	2.65	2.48	2.28	2.57	-17
France	3.34	3.47	3.19	3.00	2.87	3.11	-13
Italy	4.73	4.91	4.44	4.14	4.67	4.70	-18
Spain	3.84	4.00	3.72	3.49	3.44	3.65	-16
China	2.68	2.68	2.65	2.65	2.73	2.84	0
Australia	4.46	4.54	4.15	4.05	4.00	4.05	-8
Canada	3.92	4.16	3.69	3.35	3.42	3.30	-23

*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	1,917	4.6	0.5	-2.2	15.1	5.1	2,063	1,617
Brent Oil	89.7	6.0	-1.7	11.9	9.6	9.8	95	70
WTI Crude Oil	86.6	4.6	-1.5	13.7	12.6	11.3	95	64
R/J CRB Futures Index	278.1	0.4	-3.3	2.7	-1.6	0.1	290	254
LME Copper	7,972	-0.9	-5.3	-8.3	5.3	-4.8	9,551	7,342

Past performance is not an indication of future returns.
Source: HSBC Asset Management. Macrobond, Bloomberg. Data as at 1.30PM UK time 13 October 2023.

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