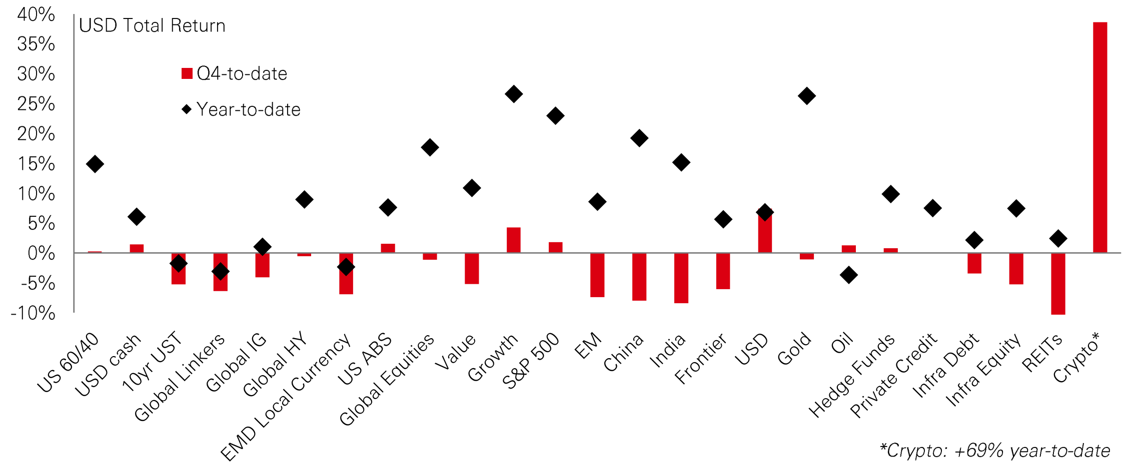
HSBC Asset Management

Investment Weekly

20 December 2024
For Professional Clients only.

Chart of the week – Asset class performance in Q4



This is the last IW of 2024. The next IW will be published on 10 January 2025. Happy holidays!

The story of investment markets in 2024 has been dominated by the course of disinflation and the global rate cutting cycle. This week's sell-off in global stocks on a more hawkish Fed outlook showed how hyper-sensitive markets are to disappointing macro news. **But Q4 has delivered some extra twists and turns, including the outcome of the US presidential election**. The result raised uncertainty over future US policy, spurred strong moves in global risk assets, and drove a rally in the US dollar. It even got some credit for a surge in the price of cryptocurrencies.

In stocks, the strongest momentum has been in US large caps, especially in tech-related sectors. Despite this week's moves, the S&P 500 is still up in Q4 (and up by more than 20%+ this year). Growth has thrived while value has lagged. But it was emerging market equities – which have been strong in 2024 – that felt the most pain in Q4 (see Page 2).

In fixed income, the potential for inflationary policy and higher-for-longer rates saw US Treasury yields rise. In credit, High Yield and ABS were more muted in Q4 (but have been strong in 2024 overall). Meanwhile in alternative assets, Q4 was weak but diversifiers like hedge funds, private credit, and real estate are on course to finish the year positively.

So, what comes next? We think that active fiscal policy, trade uncertainty, and geopolitical tensions may cause volatility and could leave investors 'spinning around' in 2025 (as we explore in our Investment Outlook). And despite the moves in Q4, **we see scope for performance to broaden out to developed markets beyond North America, as well as emerging and frontier markets next year** (see Market Spotlight).

Policy Rates →
What the Fed's latest policy move means for markets

Emerging Markets →
Exploring EM stock market performance in Q4

Asia Bonds →
Why Japanese and Chinese 30yr yields have converged

Market Spotlight

Some investor questions for 2025

Overall market returns in 2024 are on track to be very solid. The good news for investors heading into next year is that global growth remains resilient, AI is driving revenue growth (and economic productivity), and central banks are still expected to cut rates. But could signs of inflation persistence force a more gradual easing path? This would pose obvious challenges to market performance, reflected in this week's Fed-induced market wobble. The most expensive parts of the market (US tech) – which look priced for perfection – could be vulnerable, especially if profits disappoint.

If the US market starts to struggle, can other regions take the lead? **Many markets outside of the US benefit from favourable valuations and improving profit growth. But for most EMs, a lot will depend on the course of the US dollar, the potency of China policy easing, and developments around trade policy**. And for Europe, can the politics tilt in a more investor-friendly direction? Fiscal policy developments in France and Germany will be important.

Finally, could a pickup in market volatility support the performance of defensive sectors - healthcare, staples, utilities – that have lagged this year? With these sectors also acting as "bond proxies", the direction of rates will also matter.

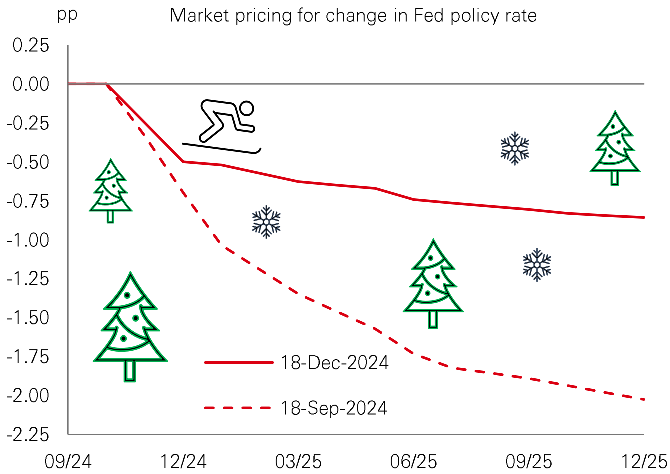
Lens on...

A shallower slope for cuts

The Fed cut rates as expected at its December meeting but the FOMC's revised projections unsettled markets. Upward revisions to inflation resulted in the removal of two rate cuts in 2025 – the Fed now expects to reduce the funds rate by 50bp next year, rather than 100bp. Chair Powell noted that following a sticky patch in recent months, evidence that inflation was again moving towards target would be needed before the Fed sanctions another cut. A pause in early 2025 looks likely.

Treasury yields jumped by over 10bp and the USD hit its highest level since 2022 as markets moved to price in a slower pace of policy easing. But the biggest move came in equities – the S&P 500 fell 3% on the day.

The market is now pricing in a very shallow slope for policy easing – only 1-2 cuts in 2025. Combined with significant Treasury issuance, this has pushed the 10yr yield back above 4.50%. **This maintains a solid income component for fixed income investors**. And on a cyclical basis, if inflation were to decline more quickly than expected – possible given its hitherto bumpy path – or growth disappoints, Treasury yields could fall back.

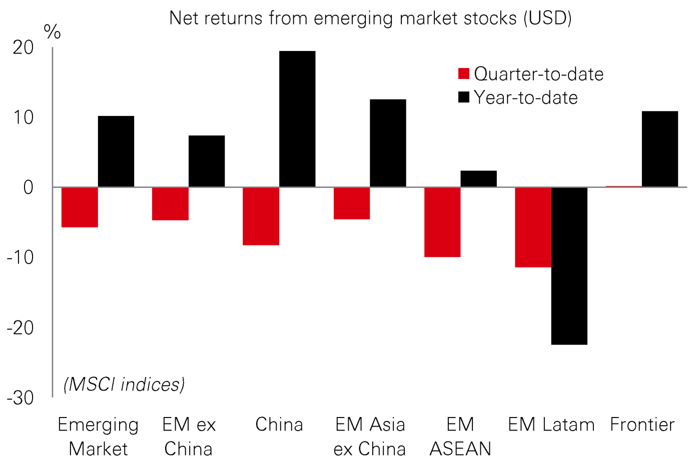


EM stocks this quarter

Stock markets in emerging and frontier economies have delivered a broadly positive performance in 2024 – but Q4 has been difficult.

In part, recent weakness is down to the headwind of a resurgent US dollar, which has rallied since early October. Concerns over higher-for-longer US rates and heightened trade tensions have added to the woes. These factors have complicated an already challenging domestic backdrop for Latam countries like Brazil. And together with a weak profits outlook, that led to a big decline for the region's stocks in Q4.

Policy uncertainty has also dragged on markets in EM ASEAN, where financial stocks (which have a high weighting in regional indices) have weakened. Chinese stocks have also lost ground in Q4. But year-to-date, China, together with Taiwan and India, remains among the strongest EM performers this year. Even excluding China, the benefit of idiosyncratic trends and strong structural growth stories has helped broader EM, Asia, and Frontier stock universes to perform well in 2024. Our view is that while global growth risks persist, **EMs still present diversification opportunities for investors prepared to do their homework**.



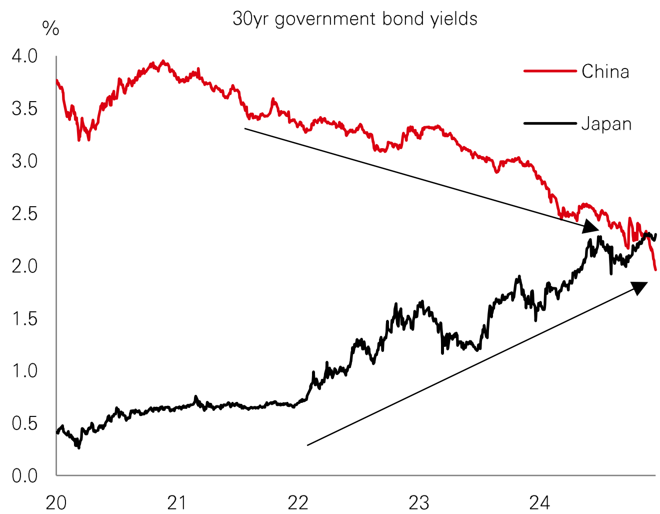
Trading places

In recent weeks, China's longer-dated government bond yields have fallen below those of Japan, in a historic shift that reflects significant developments in both economies.

The global inflation shock boosted Japanese nominal GDP and appears to have triggered a "virtuous cycle" in wages and prices. While the BoJ opted not to hike at its December meeting, markets expect 40-50bp of tightening in 2025. This move away from deflation, the expectation of gradual policy normalisation, and higher US Treasury yields, have combined to push longer-dated Japanese yields higher.

In contrast, Chinese bond yields have trended lower since the pandemic, reflecting a period of weak inflation, lingering growth concerns, and ongoing PBOC easing expectations. December's Politburo meeting called for "moderately loose" monetary policy, pointing to further rate cuts.

For foreign investors in China's local bond market, the investment case now hinges on diversification benefits and the likelihood that the CNY will remain a remain a low-volatility currency.



 Source: HSBC Asset Management. Macrobond, Bloomberg, Datastream. Data as at 7.30am UK time 20 December 2024.

Asset class views

Our baseline macro scenario is for a soft-ish landing, characterised by growth falling below trend and inflation returning to target. 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 continuing risk of macro disappointment or weakness. We prefer to access the growth factor in laggard regions, such as Asia and emerging markets
	Duration	□□□□■□□□□	The US Treasury yield curve, which has steepened significantly over the past year, could experience a further "bear steepening", with investors demanding greater compensation for longer-term inflation and interest rate uncertainty. Nonetheless, carry remains appealing and, if adverse economic outcomes prevail, there is scope for strong returns in global duration
	Emerging Markets	□□□□□□■□□	The EM growth outlook is a relative bright spot in a global context. Falling inflation and Fed policy easing should pave the way for more countries to cut rates. Supportive policy in China has buoyed confidence but all eyes are on more pro-growth measures. A stronger US dollar is a risk
Bonds	US 10yr Treasuries	□□□□■□□□□	Yields have risen recently on resilient economic data, a repricing of rate expectations, and uncertainty about how the US policy agenda might impact fiscal deficits and inflation trends. But USTs still provide an attractive yield and scope for capital gains if the economy weakens markedly
	EMD Local	□□□□□□■□□	The pricing out of Fed policy easing and a stronger US dollar are headwinds to EM bonds and the outlook is more mixed now. But despite upward pressure on global rates, lower oil and commodity prices could keep the medium-term disinflation path unchanged, with EM local yields declining
	Asia Local	□□□□□□■□□	The macro backdrop and manageable inflation risk across the region are broadly supportive. We continue to expect a shallow monetary easing cycle given near-term FX volatility and financial stability concerns, and do not anticipate a major rise in yields in the region in the short run
Credits	Global Credit	□□□□□■□□□	Valuations are rich, with spreads reaching 30-year tights and most non-financial sectors at or near historical tights. Financials, especially banks, remain relatively attractive. Technicals remain highly supportive and 'all in' yields continue to attract strong inflows
	Global High-Yield	□□□■□□□□□	HY spreads remain historically tight despite cooling in the US economy, with spreads way below historical averages. Nevertheless 'all in' yields are high. For now, still reasonable growth and moderating inflation mean that the fundamental backdrop is supportive
	Asia Credit	□□□□□■□□□	Asia IG spreads are expected to remain within a tight range, with carry strategies a key contributor to alpha generation. Stable regional credit fundamentals and shorter duration compared to global credit markets are positives. 'All in' yields are attractive
	EMD Hard Currency Bonds	□□□□□■□□□	Both EM corporate and sovereign credit spreads should perform well in the current environment. The additional impact of weaker currencies can help EM firms with dollar-derived revenues, particularly those that have deleveraged and cut their financing needs
Equities	DM Equities	□□□□□■□□□	Markets face potential volatility amid slowing global growth and geopolitical risks, although falling rates should be supportive. We expect more broadening out for asset returns beyond the US technology sector and mega-cap growth into other regions, sectors, and styles
	EM Equities	□□□□□□■□□	The EM growth outlook is a relative bright spot in a global context, with disinflation and ongoing Fed rate cuts expected to be supportive. Stock and currency market valuations remain undemanding. Idiosyncratic trends within EMs imply scope for portfolio diversification too
	Asia ex Japan	□□□□□■□□□	Asian markets offer broad sector diversification and reasonable valuations. China policy measures and other structural stories in the region are also positives. Technology industries are still the profit engine, but markets with high external exposure are more vulnerable to external shocks
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	□□□□□□■□□	Real estate values are bottoming, although office values are still falling. Investment activity could remain subdued given uncertainty over global growth and the repricing of rate cuts. Valuations are still supportive, but the sector is vulnerable to macro disappointment
	Infrastructure Debt	□□□□□□■□□	Infrastructure debt is currently expected to offer stronger 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

Past performance does not predict future returns. The level of yield is not guaranteed and may rise or fall in the future. Diversification does not ensure a profit or protect against loss. Investments in emerging markets are by their nature higher risk and potentially more volatile than those inherent in some established markets. For informational purposes only and should not be construed as a recommendation to invest in the specific country, product, strategy, sector or security. Any views expressed were held at the time of preparation and are subject to change without notice. preparation and are subject to change without notice. HSBC Global Asset Management (UK) Limited accepts no liability for any failure to meet such forecast, projection, or target. Source: HSBC Asset Management. Data as at 7.30am UK time 20 December 2024.

Key Events and Data Releases

This week

Date	Country	Indicator	Data as of	Actual	Prior	Comment
Mon. 16 December	US	S&P Global Composite PMI (Flash)	Dec	56.6	54.9	The US composite PMI rose for a third successive month, although gains primarily came from services, whilst manufacturing fell
	EZ	S&P Global Composite PMI (Flash)	Dec	49.5	48.3	The eurozone composite PMI recovered some of the large losses seen in the month prior, but still points to disappointing growth
	CN	Retail Sales (yoy)	Nov	3.0%	4.8%	Slow retail sales reflected the timing of singles day' sales promotions and soft consumer spending outside of policy priority areas
	IN	S&P Global Composite PMI (Flash)	Dec	60.7	58.6	2024 ended on strong note with the composite PMI showing improved job creation, business volumes, and new orders
Tue. 17 December	US	Retail Sales (mom)	Nov	0.7%	0.4%	Upbeat retail sales reflected strength in auto sales. Excluding this, retail purchases rose at a more subdued 0.2% mom
Wed. 18 December	US	Fed Funds Rate (upper bound)	Dec	4.50%	4.75%	The Fed lowered rates, but now only projects two rate cuts next year due to stubbornly high inflation and political uncertainty
	ID	Bank Indonesia Rate	Dec	6.00%	6.00%	BI stood pat amid recent depreciation pressure on the IDR, despite high real rates and tepid economic growth
Thu. 19 December	JP	BoJ Policy Rate	Dec	0.25%	0.25%	The BoJ kept rates steady but one dissenting board member proposed a rate hike, indicating policy tightening is likely next year
	MX	Banxico de Mexico, Overnight Lending Rate	Dec	10.00%	10.25%	Banxico maintained its gradual easing path by cutting rates in December amid an improving inflation outlook
	UK	BoE MPC Base Rate	Dec	4.75%	4.75%	Despite signs of a slowing economy, the BoE held rates flat in December as persistent inflation pressures limit space for easing
	SW	Riksbank Policy Rate	Dec	2.50%	2.75%	Sweden's central bank cut rates, as expected, but after easing policy five times in 2024, the bank is more cautious on loosening in 2025
	PH	Central Bank Policy Rate	Dec	5.75%	6.00%	BSP noted that monetary policy is still tight and reiterated its preference for a measured approach to easing to ensure price stability

US - United States, EZ - Eurozone, CN - China, IN - India, ID - Indonesia, JP - Japan, MX - Mexico, UK - United Kingdom, SW - Sweden, PH - Philippines

The week ahead

Date	Country	Indicator	Data as of	Survey	Prior	Comment
Mon. 23 December	US	Consumer Confidence Index, Conference Board	Dec	113.0	111.7	Consumer confidence in the US has been rising since mid-2024, and this is expected to continue amid post-election rebound
	TY	CBRT 1 Week Repo Lending Rate	Dec	48.50%	50.00%	The Turkish central bank has kept rates steady since April, and recent meetings indicated hawkishness amid sticky inflation
Tue. 31 December	CN	NBS Composite PMI	Dec	-	50.8	China's composite PMI has edged up marginally in recent months, as policy has been eased, and should remain in expansion territory
Thu. 02 January	BR	S&P Global Manufacturing PMI	Dec	-	52.3	Brazil's manufacturing PMI will likely remain in expansion territory in 2025, with employment rising and orders picking up
	MX	S&P Global Manufacturing PMI	Dec	-	49.9	Mexico's PMI is hovering between expansion and contraction, with corporate layoffs and slow growth as the key downside risk
	KO	Exports (yoy)	Dec	-	1.4%	A modest pick-up is likely given the rise in the PMI manufacturing new orders index and the first 10 days of data in December
	US	ISM Manufacturing Index	Dec	-	48.4	The ISM has been in contraction for most of 2024 as tight monetary policy and soft global demand has weighed on the sector
Tue. 07 January	EZ	CPI, Flash (yoy)	Dec	-	2.3%	While headline inflation picked up in Oct/Nov, the service sector showed greater signs of fading price pressures
	US	ISM Services Index	Dec	-	52.1	A sharp increase in the services PMI suggests some upside to the services ISM, despite an uncertain 2025 outlook
Wed. 08 January	CN	Trade Balance USD	Dec	-	97.44bn	Some near-term export front-loading is possible before possible tariff hikes. It may be too early for policy stimulus to boost import demand
Fri. 10 January	US	Change in Non-Farm Payrolls	Dec	-	227k	Despite volatility in the underlying series, the pace of jobs growth trended lower of late, mirroring other labour market measures
	CN	CPI (yoy)	Dec	-	0.2%	Headline CPI has been driven by food price volatility, but core inflation is likely to remain soft. Policy easing efforts are key to the 2025 outlook

US - United States, TY - Turkey, CN - China, BR - Brazil, MX - Mexico, KO - South Korea, EZ - Eurozone

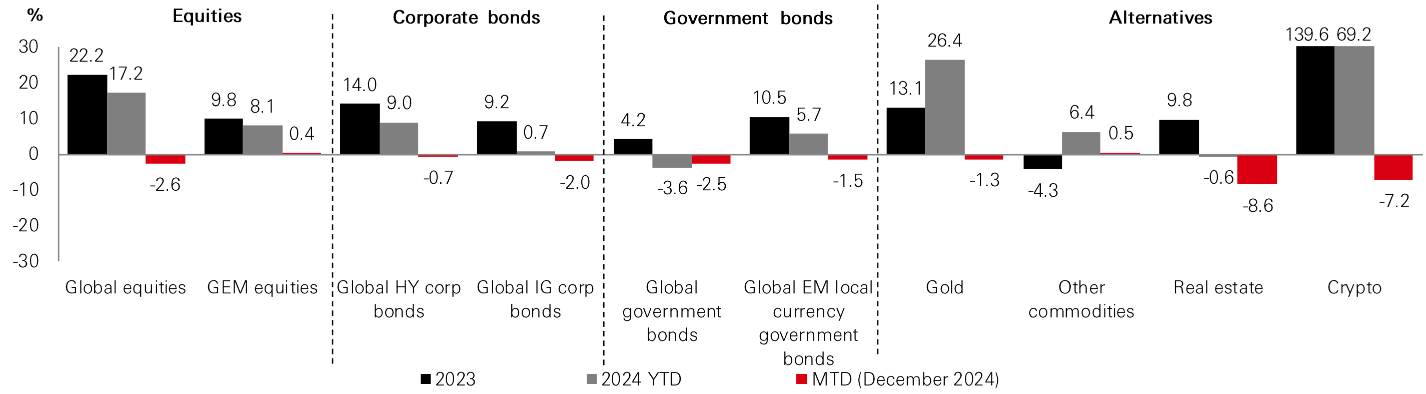
Source: HSBC Asset Management. Data as at 7.30am UK time 20 December 2024. For informational purposes only and should not be construed as a recommendation to invest in the specific country, product, strategy, sector or security. Any views expressed were held at the time of preparation and are subject to change without notice.

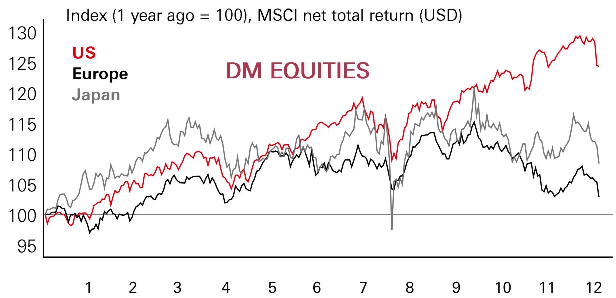
Market review

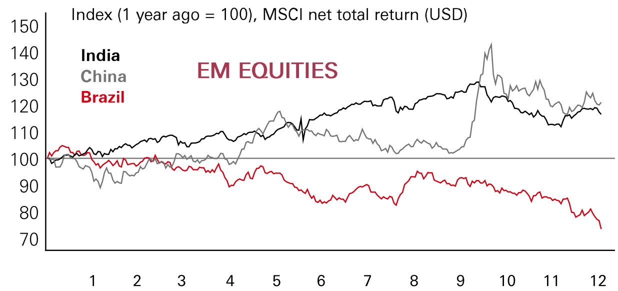
This week

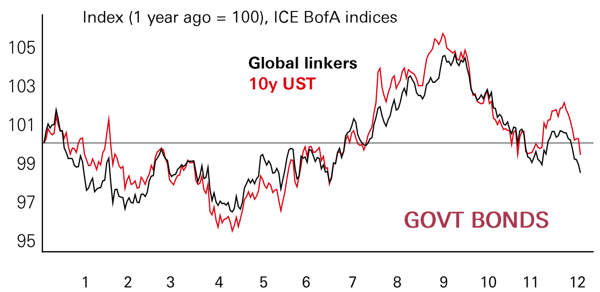
The US Fed lowered rates by 25bp this week, but a more hawkish outlook from the FOMC caused a spike in market volatility, with government bond yields moving higher and risk assets selling off. US 10yr Treasuries jumped above 4.5% – their highest level since May – in response to revised rate expectations, with the US dollar also rallying against a basket of major currencies. In stocks, the S&P 500 led global indices lower mid-week, with the small-cap Russell 2000 falling sharply, and Europe's Stoxx 600 index also losing ground. In emerging markets, China's Shanghai Composite withstood the worst of the volatility with only modest declines, while India's Sensex, Brazil's Bovespa and Mexico's IPC all saw sharper losses. In commodities, the WTI oil price was down modestly through the week, while gold and copper prices also fell.

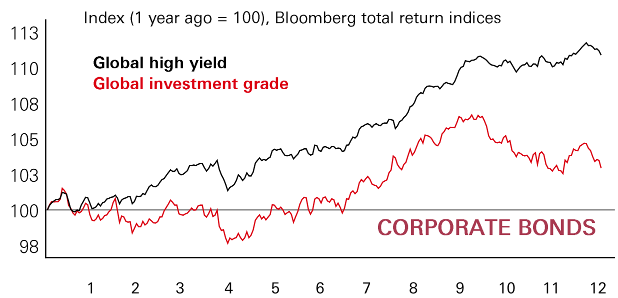
Selected asset performance

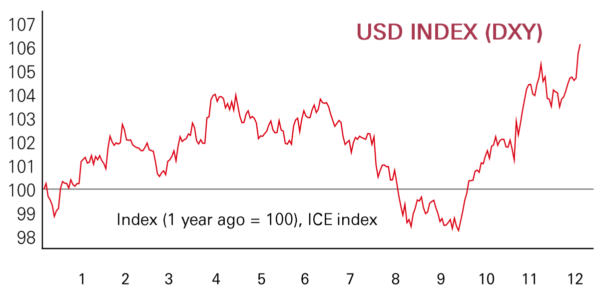


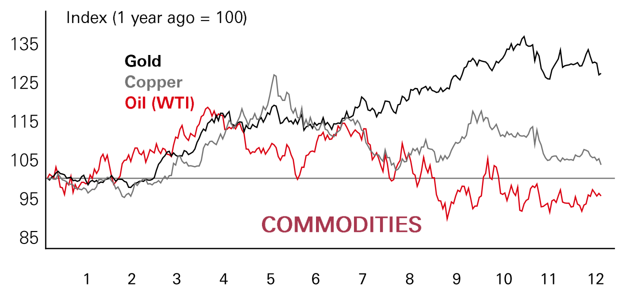












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Market data

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)	839	-3.1	-1.0	0.2	17.3	15.5	875	710	19.9
North America									
US Dow Jones Industrial Average	42,342	-3.4	-2.5	0.7	14.2	12.3	45,074	37,073	22.6
US S&P 500 Index	5,867	-3.0	-0.8	2.9	24.9	23.0	6,100	4,682	24.2
US NASDAQ Composite Index	19,373	-2.8	2.1	7.9	31.1	29.1	20,205	14,478	35.0
Canada S&P/TSX Composite Index	24,414	-3.4	-2.5	2.3	18.5	16.5	25,843	20,467	16.5
Europe									
MSCI AC Europe (USD)	529	-2.9	-0.1	-8.2	0.1	-0.8	595	510	14.3
Euro STOXX 50 Index	4,879	-1.8	3.2	0.2	7.6	7.9	5,122	4,381	14.4
UK FTSE 100 Index	8,105	-2.3	0.3	-1.5	5.0	4.8	8,474	7,404	11.8
Germany DAX Index*	19,970	-2.1	5.1	6.7	19.3	19.2	20,523	16,345	15.1
France CAC-40 Index	7,294	-1.6	1.3	-2.7	-3.8	-3.3	8,259	7,030	14.3
Spain IBEX 35 Index	11,440	-2.7	-1.3	-2.7	13.3	13.2	12,154	9,799	10.8
Italy FTSE MIB Index	33,787	-3.2	1.7	0.1	11.3	11.3	35,474	29,926	9.9
Asia Pacific									
MSCI AC Asia Pacific ex Japan (USD)	573	-2.2	-1.4	-2.0	11.2	8.3	632	490	14.9
Japan Nikkei-225 Stock Average	38,702	-1.9	0.9	2.6	14.9	15.7	42,427	31,156	20.3
Australian Stock Exchange 200	8,067	-2.8	-3.1	-1.7	7.0	6.3	8,515	7,322	18.6
Hong Kong Hang Seng Index	19,766	-1.0	0.3	8.3	19.0	15.9	23,242	14,794	9.4
Shanghai Stock Exchange Composite Index	3,368	-0.7	0.0	23.1	16.1	13.2	3,674	2,635	13.5
Hang Seng China Enterprises Index	7,159	-0.4	1.0	12.2	27.6	24.1	8,373	4,943	8.7
Taiwan TAIEX Index	22,510	-2.2	-0.8	1.6	27.6	25.5	24,417	17,152	18.6
Korea KOSPI Index	2,404	-3.6	-3.1	-7.3	-8.0	-9.5	2,896	2,360	9.9
India SENSEX 30 Index	78,739	-4.1	1.5	-6.9	11.7	9.0	85,978	69,920	22.6
Indonesia Jakarta Stock Price Index	6,997	-4.5	-2.6	-9.6	-3.1	-3.8	7,911	6,699	11.8
Malaysia Kuala Lumpur Composite Index	1,598	-0.7	0.0	-4.3	9.1	9.8	1,685	1,446	14.8
Philippines Stock Exchange PSE Index	6,406	-3.2	-8.2	-11.7	-1.8	-0.7	7,605	6,158	10.9
Singapore FTSE Straits Times Index	3,726	-2.2	-0.5	2.8	19.9	15.0	3,843	3,092	11.8
Thailand SET Index	1,370	-4.3	-6.3	-5.6	-2.1	-3.2	1,507	1,273	15.9
Latam									
Argentina Merval Index	2,419,894	2.1	12.8	32.7	163.1	160.3	2,679,556	864,522	10.2
Brazil Bovespa Index*	121,188	-2.7	-5.5	-7.5	-7.4	-9.7	137,469	118,685	8.0
Chile IPSA Index	6,700	-1.0	1.9	5.8	10.3	8.1	6,838	5,823	11.9
Colombia COLCAP Index	1,373	-0.5	-0.9	4.0	18.1	14.9	1,451	1,161	5.4
Mexico S&P/BMV IPC Index	49,254	-4.6	-1.8	-5.6	-13.5	-14.2	59,021	49,201	11.5
EEMEA									
Saudi Arabia Tadawul Index	11,892	-1.7	0.2	-1.6	1.6	-0.6	12,883	11,318	N/A
South Africa JSE Index	84,540	-3.0	-0.9	0.8	12.9	9.9	87,884	71,635	11.9
Turkey ISE 100 Index*	9,793	-3.3	8.4	-1.1	27.8	31.1	11,252	7,203	5.8

*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	-3.1	-0.9	0.5	17.2	19.1	21.8	61.8
US equities	-3.1	-0.8	3.5	24.3	26.2	31.5	93.0
Europe equities	-2.9	0.0	-7.9	1.9	2.9	6.6	24.4
Asia Pacific ex Japan equities	-2.2	-1.4	-1.9	10.7	13.8	1.9	17.4
Japan equities	-3.8	-0.8	-5.0	4.9	7.4	6.3	22.7
Latam equities	-5.3	-8.8	-14.4	-25.6	-23.6	11.0	-14.1
Emerging Markets equities	-2.3	-1.0	-2.1	8.1	11.0	-1.7	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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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)	579	-0.6	0.3	-1.1	3.4	3.2
JPM EMBI Global	897.0	-1.4	-0.3	-2.0	6.1	5.7
BarCap US Corporate Index (USD)	3285.0	-1.2	-0.5	-3.3	2.3	2.0
BarCap Euro Corporate Index (Eur)	258.0	-0.3	0.6	1.5	4.9	4.8
BarCap Global High Yield (Hedged in USD)	625.6	-0.8	0.2	1.1	11.0	10.5
Markit iBoxx Asia ex-Japan Bond Index (USD)	224.7	-0.6	-0.2	-1.2	5.4	5.1
Markit iBoxx Asia ex-Japan High-Yield Bond Index (USD)	261	-0.9	-0.4	1.0	14.1	13.6

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	1.04	1.05	1.05	1.12	1.09	1.10	1.12	1.03	-1.2
GBP/USD	1.25	1.26	1.27	1.33	1.26	1.27	1.34	1.23	-0.9
CHF/USD	1.11	1.12	1.13	1.18	1.16	1.19	1.20	1.08	-0.5
CAD	1.44	1.42	1.40	1.36	1.34	1.32	1.45	1.32	-1.1
JPY	157	154	155	144	144	141	162	140	-2.1
AUD/USD	0.62	0.64	0.65	0.68	0.67	0.68	0.69	0.62	-2.0
NZD/USD	0.56	0.58	0.59	0.62	0.62	0.63	0.64	0.56	-2.3
Asia									
HKD	7.77	7.78	7.78	7.79	7.81	7.81	7.84	7.76	0.1
CNY	7.30	7.27	7.25	7.05	7.14	7.10	7.30	7.00	-0.3
INR	85.1	84.8	84.4	83.6	83.2	83.2	85.1	82.6	-0.3
MYR	4.51	4.45	4.47	4.20	4.66	4.59	4.81	4.09	-1.3
KRW	1450	1435	1400	1332	1299	1291	1454	1283	-1.0
TWD	32.7	32.5	32.5	32.0	31.3	30.6	32.9	30.5	-0.6
Latam									
BRL	6.14	6.06	5.77	5.51	4.91	4.85	6.32	4.80	-1.4
COP	4378	4318	4403	4152	3940	3875	4546	3739	-1.4
MXN	20.3	20.1	20.3	19.4	17.1	17.0	20.8	16.3	-0.9
ARS	1022	1018	1003	963	804	808	1023	804	-0.4
EEMEA									
RUB	102.8	104.6	100.5	92.4	90.9	89.5	114.7	82.7	1.7
ZAR	18.4	17.9	18.1	17.4	18.3	18.4	19.4	17.0	-2.8
TRY	35.2	35.0	34.5	34.1	29.1	29.5	35.2	29.1	-0.6

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	4.30	4.32	4.53	4.65	5.38	5.33	-2
2-Year	4.30	4.24	4.31	3.59	4.33	4.25	5
5-Year	4.40	4.25	4.28	3.50	3.84	3.85	15
10-Year	4.55	4.40	4.41	3.74	3.85	3.88	15
30-Year	4.73	4.60	4.60	4.08	3.99	4.03	13
10-year bond yields (%)							
Japan	1.05	1.03	1.07	0.84	0.55	0.61	1
UK	4.58	4.41	4.47	3.90	3.52	3.53	17
Germany	2.30	2.26	2.35	2.21	1.97	2.02	5
France	3.11	3.04	3.10	2.96	2.48	2.56	7
Italy	3.47	3.39	3.58	3.55	3.59	3.69	8
Spain	3.00	2.92	3.06	3.00	2.90	2.98	8
China	1.71	1.78	2.09	2.04	2.64	2.56	-7
Australia	4.49	4.29	4.56	3.92	4.05	3.96	21
Canada	3.35	3.18	3.38	2.95	3.06	3.11	17

*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	2,607	-1.6	-1.7	-0.6	28.3	26.4	2,790	1,984
Brent Oil	72.5	-2.6	0.0	-0.5	-6.0	-2.5	85	68
WTI Crude Oil	69.1	-2.5	0.8	-0.1	-4.7	-0.8	80	64
R/J CRB Futures Index	290.2	-1.3	1.4	2.8	8.9	10.0	300	262
LME Copper	8,941	-1.2	-1.6	-5.7	4.2	4.5	11,105	8,127

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Source: HSBC Asset Management. Bloomberg. Data as at 7.30am UK time 20 December 2024.

Note: Asset class performance on Page 1 is represented by different indices.

US 60/40: Bloomberg EQ:FI 60:40 Index, 10yr UST: ICE BofA 10yr US Treasury Index, Global Linkers: ICE BofA Global Inflation-Linked Government Index, Global IG: Bloomberg Barclays Global IG Total Return Index unhedged. Global High Yield Index: ICE BoFa US High Yield Index, EMD local currency: JP Morgan EMBI Global Total Return local currency. Global Equities: MSCI ACWI Net Total Return USD Index. Value: MSCI Value Index, Growth: MSCI Growth Index, Global Emerging Market Equities: MSCI Emerging Market Net Total Return USD Index. China: MSCI China Index, India: MSCI India Index. Frontier: MSCI Frontier Markets Total Return Index, Alternatives: USD: DXY Index, Gold Spot $/OZ, Oil: WTI crude oil, Hedge funds: Credit Suisse Hedge Fund Index, Private Credit: Bloomberg Debt Private Equity Index (up to 1Q24), Infra Debt: iBoxx USD Infrastructure Total Return Index, Infra Equity: Dow Jones Brookfields Global Infrastructure Total Return Index, REITS Real Estate: FTSE EPRA/NAREIT Global Index TR USD. Crypto: Bloomberg Galaxy Crypto Index.

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