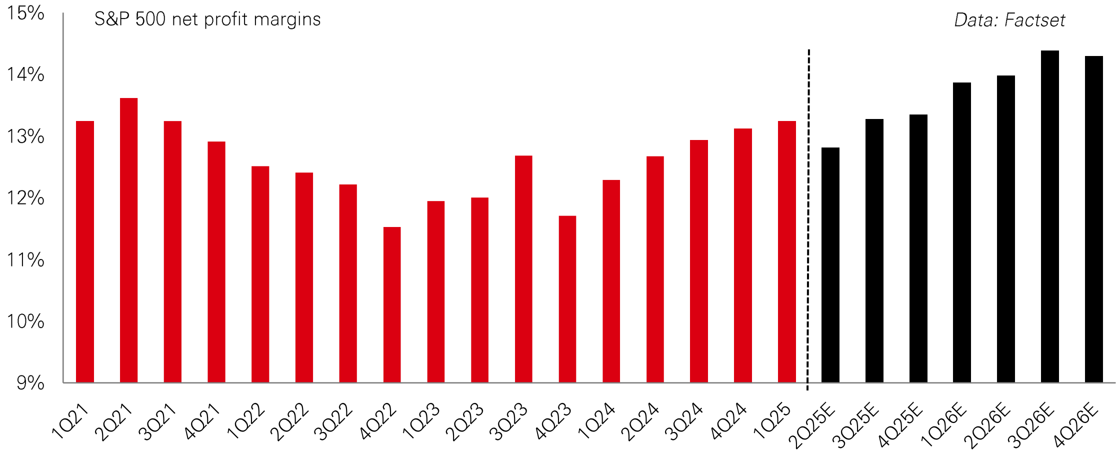
Investment Weekly

11 July 2025
For Professional Clients only.

Chart of the week – What to watch in Q2 profits season



Q2 profits reporting season gets started in earnest in the US next week against a backdrop of continued uncertainty about further tariff announcements. A strong Q1, helped by firms frontloading ahead of expected tariffs, saw year-on-year profits grow by 13% – double consensus expectations at the start of the year. Today, all eyes are on whether Q2 will see something similar. Forecasts have been falling through the quarter – in part driven by tariff uncertainty – leaving expected year-on-year growth at a modest 5%.

The big question remains – will companies absorb tariffs, or pass them on? Evidence so far suggests many are initially choosing to soak them up to protect market share. With net profit margin estimates at an above-average 12.8%, companies appear to have space to weather these headwinds. This implies margins may struggle to increase as analysts expect over the coming quarters, especially if the economy slows.

Meanwhile, this week's news that Nvidia had become the first USD4 trillion market cap company is a reminder of the outsized influence of the technology and communication services sectors on the US stock market. Together they account for over 60% of expected profit growth in 2025. However, tech sector valuations and profitability levels are back at all-time highs, which could make beating profit forecasts more challenging. So, while global investors can't ignore US stocks (see page 2), **dollar weakness and profits challenges support our view that US exceptionalism is fading, which should encourage a broadening out of performance globally**. #earningsseason #dollar #spx #tariffs

Market Spotlight

Megatrend investing

A key investment attraction of **listed infrastructure** is its role as a long duration play that can potentially generate dependable cashflows and high dividend yields. For that reason, it tends to be a defensive, low volatility building block. So, it's eye-catching that recent returns from listed infrastructure are linked to its strong connection to sectors involved in one of the biggest megatrends in global markets – AI.

Take the rapid roll-out of data centres in the US. Major construction of facilities to power AI has been an unfolding infrastructure theme for some time, and big-tech hyperscalers remain active in the sector. Meanwhile, data centres are fueling vast demand for power generation. Against a backdrop of the longer-term energy transition, this is driving investment in key areas like electrification, transmission, and distribution grids.

After a strong recent performance from US infrastructure-related sectors, **our infrastructure team think there could now be more compelling valuations found in Europe, the UK, and China on a relative basis**. Meanwhile, at around 4%, the current average dividend from infrastructure is well above the average for global equities – reinforcing its appeal as a defensive income option for portfolios. #infrastructure #ai #value

Global Stocks →

How FX has influenced equity returns this year

Asian Investment Flows →

Exploring trends in global flows to Asian markets

Multipolar World →

What global fragmentation means for investors

Read our latest views: 2025 Mid-Year Investment Outlook

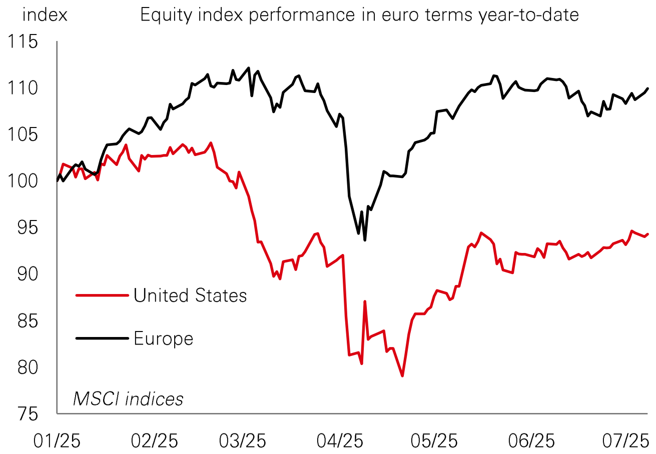
The value of investments and any income from them can go down as well as up and investors may not get back the amount originally invested. Past performance does not predict future returns. **The level of yield is not guaranteed and may rise or fall in the future.** For informational purposes only and should not be construed as a recommendation to invest in the specific country, product, strategy, sector, or security. Diversification does not ensure a profit or protect against loss. Any views expressed were held at the time of preparation and are subject to change without notice. Any forecast, projection or target where provided is indicative only and is not guaranteed in any way. HSBC Asset Management accepts no liability for any failure to meet such forecast, projection or target. Source: HSBC Asset Management, Bloomberg. Data as at 7.30am UK time 11 July 2025.

Spot the difference

At first sight, you'd be forgiven for thinking that after a slow start to the year, US stocks have finally caught up with their European counterparts. In local currency terms, the performance differential between European and US indices has certainly narrowed – although it still favours Europe. But in euro terms, US stocks are still down 6% in 2025.

Much of the difference is to do with the weaker US dollar. Global investors normally leave equity allocations unhedged – because stock market volatility tends to dominate FX volatility – and for years exposure to the strong dollar has been a return driver. But that's not the case this year.

Meanwhile, the recent pick-up in US momentum reflects a combination of investor relief post-Liberation Day, and resurgent interest in the AI and technology megatrend. And the tailwind of a weaker dollar boosts the profitability of the US's world-leading exporters. So, even at today's rich forward price/earnings ratio of 22x, and with weak macro vibes weighing on profits, investors can't overlook US stocks. **But it all makes for a complicated outlook for global investors, and a key lesson from H1 is that FX can't be ignored**. #spx #dollar #euro #stocks.

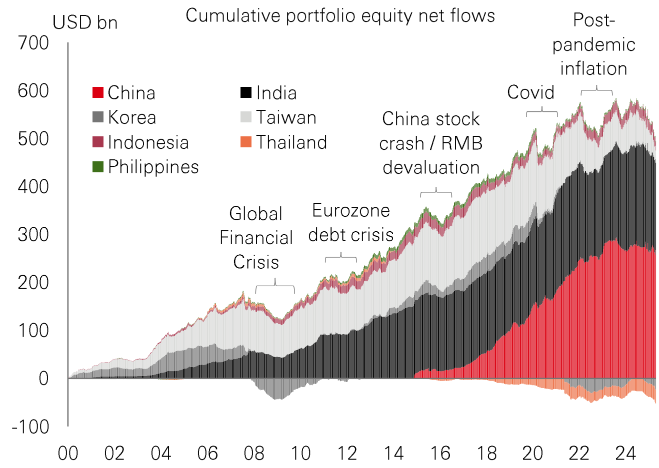


Ebb and flow

Foreign investments into Asian markets have risen sharply over the past 25 years. Global factors – like recent US dollar weakness – drive these flows, but local valuations, earnings growth, and supportive policy play an increasingly influential role.

Research by our Multi-Asset team shows the region is evolving how it absorbs and responds to global economic forces. In the past, equity flows surged on tech-led booms in Taiwan and South Korea, and the economic rise of India and China. But they partly reversed amid the post-pandemic slowdown and policy uncertainty. Big exporters saw sharp outflows, but domestically-focused economies in India, Indonesia and the Philippines were much more resilient. Bond flows are also vulnerable to macro shocks but have tended to be more stable, especially in markets with favourable policies and supportive structures, like ASEAN and China.

Against a backdrop of fading US exceptionalism and a broadening out of global leadership, the research shows Asian markets becoming more resilient. It supports our view that **selective emerging market exposure can be a portfolio diversifier and insulate against global risks**. #asia #emergingmarkets #diversification



G-zero economics

A central theme of our Mid-Year Outlook is that the global landscape is shifting from a world dominated by a single economic power to one where influence is shared across multiple regions. The traditional dominance of the US or G10 economies is giving way to a fragmented "G-zero" landscape, where no single country has the capacity to lead. **This presents complex dynamics and opportunities for investors**.

One outcome has been a rise in geopolitical tensions. The number of international conflicts has increased in recent years, adding uncertainty to the macroeconomic outlook. It can contribute to an environment of frequent supply shocks, volatile inflation, and constrained growth.

Yet in a G-zero landscape, emerging and frontier markets – such as India, Indonesia, Brazil, and Vietnam – are gaining economic and political influence. Many are building deeper trade relationships, investing in domestic capacity, and benefiting from demographic trends. These markets are well-positioned for future growth but are underrepresented in global portfolios. In a more fragmented world, diversification across these economies can help investors manage risk and access structural upside. #gzero #multipolarworld #emergingmarkets

Past performance does not predict future returns. The level of yield is not guaranteed and may rise or fall in the future. For informational purposes only and should not be construed as a recommendation to invest in the specific country, product, strategy, sector, or security. Diversification does not ensure a profit or protect against loss. Any views expressed were held at the time of preparation and are subject to change without notice. Index returns assume reinvestment of all distributions and do not reflect fees or expenses. You cannot invest directly in an index. Any forecast, projection or target where provided is indicative only and is not guaranteed in any way. HSBC Asset Management accepts no liability for any failure to meet such forecast, projection or target. Source: HSBC Asset Management. Macrobond, Bloomberg, Uppsala Conflict Data Program. Data as at 7.30am UK time 11 July 2025

Asset class views

Our baseline macro scenario is for below-trend growth and above-target inflation in the US while other major economies experience more trend-like growth and limited inflation pressures. But policy uncertainty remains high, and the data flow is likely to remain bumpy. 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 shape of the yield curve is highly dependent on Fed policies. While there may be periods of flattening, we expect a trend of modest steepening over the medium term, as US fiscal concerns build. 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, modest Fed policy easing, and a weaker USD should pave the way for more countries to cut rates. China policy remains supportive, but US tariffs will exert a meaningful drag on some EM economies
Bonds	US 10yr Treasuries	□□□□□■□□□	Yields have been volatile in recent months reflecting the uncertain macro and policy outlook. Slower growth should lead to modest Fed easing, with a gradual decline in rates, but inflation risks and fiscal concerns are likely to keep yields above 4%
	EMD Local	□□□□□□■□□	Inflation does not appear to be an issue in EM. Several central banks are cutting rates despite the Fed pause, supporting growth in many regions. Broad US dollar weakness, reflecting weaker US growth expectations, is a tailwind
	Asia Local	□□□□□□■□□	Macro-stability indicators are largely sound, and the inflation outlook is broadly benign. We expect most EM Asian central banks to ease policy opportunistically given growth concerns from US policy/global trade uncertainty, while staying vigilant on FX volatility/financial stability concerns
Credits	Global Credit	□□□□□■□□□	IG credit spreads reversed the widening seen in April's bout of volatility and are low in a historical context. Nonetheless, all-in yields remain reasonable. Global policy uncertainty remains a potential risk, particularly if it leads to a widespread loss of confidence and unexpectedly sharp slowdown
	Global High-Yield	□□□■□□□□□	The risk to spreads may be to the upside given their rapid retracement from April's peak at a time when the uncertain outlook is starting to filter through to the latest corporate earnings guidance for 2025. We maintain a more defensive stance with a preference for higher quality
	Asia Credit	□□□□□■□□□	Spreads have compressed recently. Any future widening is expected to be modest given the balance of macro risks. High all-in yields and low issuance are positives. Trade tensions are a risk, but low duration and strong balance-sheet quality are further positives for the asset class
	EMD Hard Currency Bonds	□□□□□□■□□	EM hard-currency debt is a structurally improving asset class with ratings upgrades outpacing downgrades. Moreover, policy stimulus from China and Europe provides some offset to head winds from trade tariffs. Any spread widening from here is likely to be limited
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	□□□□□□■□□	EM growth premiums (vs DM) are expected to widen, with overall valuations favorable and the USD playing a key role in their performance. They remain unloved, as reflected in low P/E multiples. However, EMs should not be treated as a single bloc given their idiosyncrasies
	Asia ex Japan	□□□□□□■□□	Asian markets offer broad sector diversification and fair valuations, with China's policy measures and other structural stories as positives. Tech remains the profit engine amid rising optimism over China's AI developments, but export-oriented markets are more vulnerable to external shocks
Alternatives	Private Credit	□□□□□□□■□	As interest rates normalise, private credit continues to offer attractive 'all in' yields, and an illiquidity premium that suits long-term investors. It can also serve as a useful portfolio diversifier. Default rates remain consistently low
	Hedge Funds	□□□□□□□■□	Hedge funds can be good diversifiers in an environment of elevated inflation and should there be sharp upticks in volatility. Macro and CTA strategies can be potentially attractive alternatives to bonds when there are positive stock-bond correlations
	Global Real Estate	□□□□□□□■□	After a multi-year correction, returns are expected to improve towards long-run averages, driven by income. Traditional sectors (retail, logistics, residential) have turned modestly positive recently, but office space remains a laggard. Global policy uncertainty could hamper investment volumes

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. Any forecast, projection or target where provided is indicative only and is not guaranteed in any way. HSBC Asset Management accepts no liability for any failure to meet such forecast, projection or target. Source: HSBC Asset Management. Data as at 7.30am UK time 11 July 2025.

Key Events and Data Releases

This week

Date	Country	Indicator	Data as of	Actual	Prior	Comment
Tue. 08 July	US	US President's tariff announcement	Jul			The US President delayed imposing higher tariffs until 1 August, but announced a new 25% reciprocal tariff rate on Japan and Korea
	US	NFIB Index of Small Business Optimism	Jun	98.6	98.8	Business sentiment stabilised amid lower uncertainty. Taxes remain the biggest concern, followed by high labour costs
	AU	RBA Cash Target Rate	Jul	3.85%	3.85%	The RBA surprisingly kept rates unchanged, reflecting its cautious and data-dependent approach to easing
Wed. 09 July	CN	CPI (yoy)	Jun	0.1%	-0.1%	Headline inflation increased on smaller declines in industrial, consumer goods, and food prices. Core inflation rose slightly
	NZ	RBNZ Official Cash Rate	Jul	3.25%	3.25%	The RBNZ left policy unchanged after six consecutive cuts, signalling further easing if price pressures continue to subside
	US	FOMC minutes	Jun			FOMC participants were divided over the impact of higher tariffs on US inflation and the trajectory for US interest rates
Thu. 10 July	KO	Bank of Korea Base Rate	Jul	2.50%	2.50%	The BoK kept its benchmark steady as it monitors the effects of policy easing, the local housing market, and US tariff developments

US - United States, AU - Australia, CN - China, NZ - New Zealand, KO - South Korea

The week ahead

Date	Country	Indicator	Data as of	Survey	Prior	Comment
Mon. 14 July	US	Earnings	Q2			Following a strong Q1, the Q2 earnings season starts with the larger banks. Consensus US EPS growth for Q2 is 5% yoy
	CN	Trade Balance (USD)	Jun	113.2bn	103.2bn	China's trade surplus is likely to remain sizeable, buoyed by solid exports following the US-China tariff de-escalation
	IN	CPI (yoy)	Jun	2.3%	2.8%	Disinflation should persist in June, driven by a sustained moderation in food prices
Tue. 15 July	US	CPI (yoy)	Jun	2.6%	2.4%	Increased evidence of higher tariffs should be evident in June. Some goods prices, such as major appliances, have risen
	CN	Industrial Production (yoy)	Jun	5.6%	5.8%	Industrial production has been bolstered by resilient exports, equipment upgrades and high-end manufacturing
	CN	Retail Sales (yoy)	Jun	5.1%	6.4%	Retail sales may decelerate after May's robust figure, but should remain solid amid ongoing policy support
	CN	GDP (yoy)	Q2	5.1%	5.4%	Q2 macro data has been resilient following a robust Q1 despite uneven growth momentum across industries
Wed. 16 July	US	PPI (mom)	Jun	0.2%	0.1%	PPI should firm in June, led by higher prices in import-sensitive sectors amid recent dollar weakness
	ID	Bank Indonesia Rate	Jul	5.38%	5.50%	Benign inflation and a stable IDR provide scope for easing in H225. Governor Warjiyo has signalled the need for further rate cuts
	UK	CPI (yoy)	Jun	-	3.4%	Headline inflation should be little changed in June, with core CPI moderating on softer service sector inflation
	US	Industrial Production (mom)	Jun	0.1%	-0.2%	Industrial production has slowed in Q2 as frontloading ahead of anticipated tariffs in early 2025 has faded
Thu. 17 July	US	Retail Sales (mom)	Jun	0.0%	-0.9%	A weak print in retail sales is likely in June, led by soft auto sales, heralding weak consumer spending in Q225
	JP	CPI (yoy)	Jun	3.3%	3.5%	Headline inflation should edge higher, and core CPI (exc fresh food) may soften on lower energy prices and renewed petrol subsidies

US - United States, CN - China, IN - India, ID - Indonesia, UK - United Kingdom, JP - Japan

Source: HSBC Asset Management. Data as at 7.30am UK time 11 July 2025. 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. Any forecast, projection or target where provided is indicative only and is not guaranteed in any way.

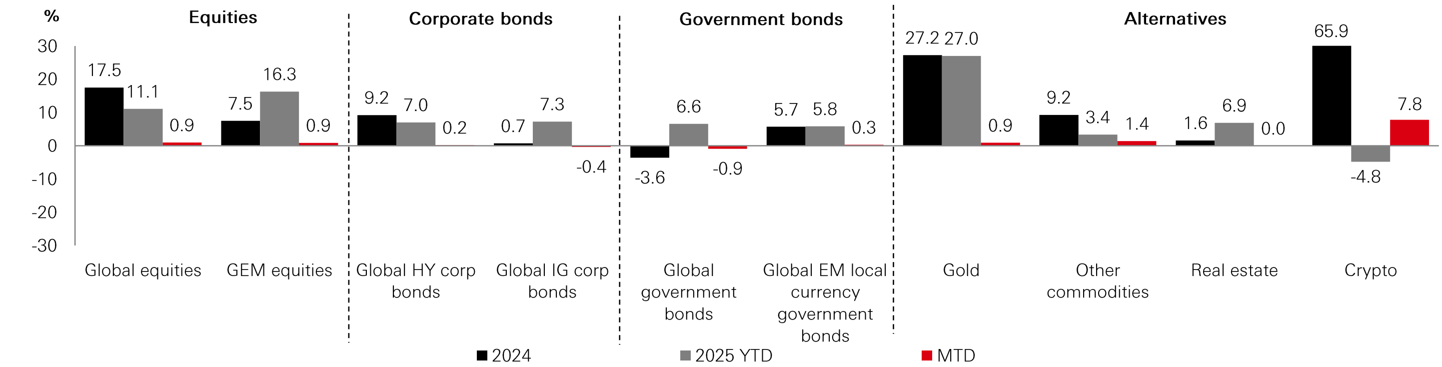
PUBLIC

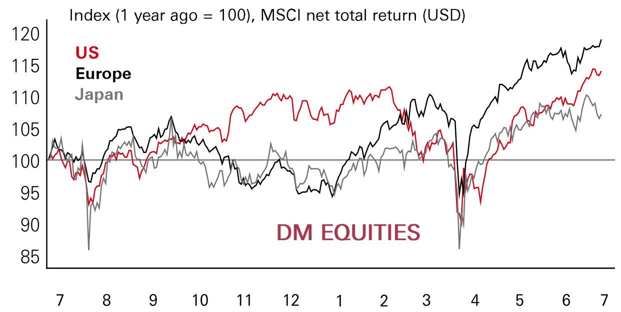
Market review

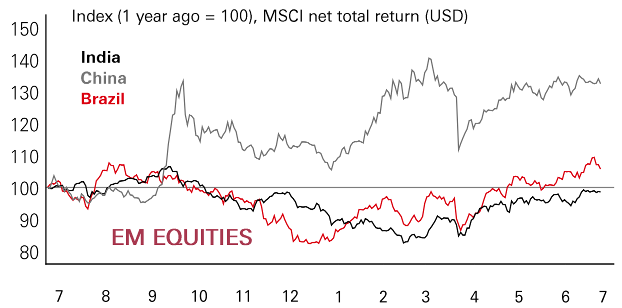
This week

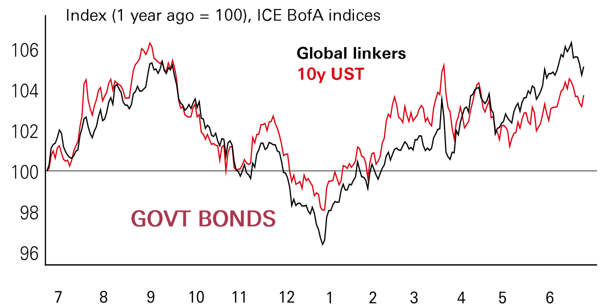
Risk markets were cautious ahead of the start of the Q2 earnings season in the US, with trade uncertainty weighing on sentiment. The US dollar index saw modest gains. US Treasuries were firm, supported by solid debt auction results. US IG and HY spreads widened, in contrast to narrowing corporate spreads in Europe. In stock markets, the S&P 500 hovered near its record high. The Euro Stoxx 50 advanced, and the UK's FTSE 100 reached an all-time high, driven by strength in mining stocks. Japan's Nikkei 225 lagged, as longer-dated JGBs weakened amid persistent fiscal concerns ahead of election. Other Asian markets broadly rose, with Korea's Kospi leading the rallies. Chinese equities also traded higher, but India's Sensex declined. In Latin America, Brazil's Bovespa fell on growth concerns and tariff uncertainty. Meanwhile, oil and gold prices consolidated.

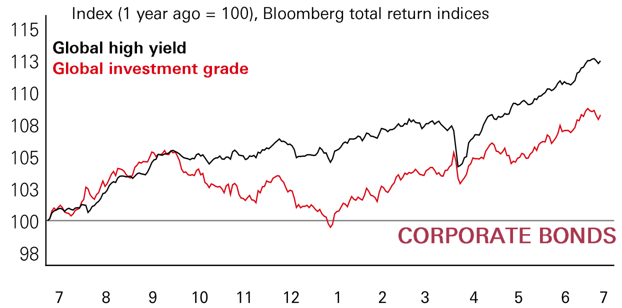
Selected asset performance

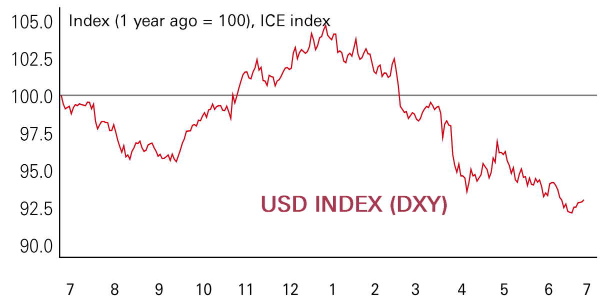


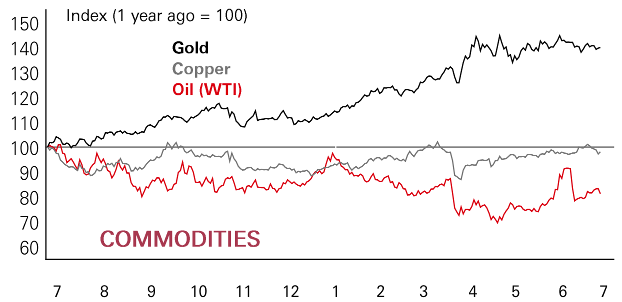












Past performance does not predict future returns. The level of yield is not guaranteed and may rise or fall in the future. For informational purposes only and should not be construed as a recommendation to invest in the specific country, product, strategy, sector or security. Any views expressed were held at the time of preparation and are subject to change without notice. Index returns assume reinvestment of all distributions and do not reflect fees or expenses. You cannot invest directly in an index. Source: HSBC Asset Management. Macrobond, Bloomberg. Data as at 7.30am am UK time 11 July 2025. Note: Asset class performance is represented by different indices. Global Equities: MSCI ACWI Net Total Return USD Index. Gem Equities: MSCI Emerging Net Total Return USD Index. Corporate Bonds: Bloomberg Barclays Global HY Total Return Index value unhedged. Bloomberg Barclays Global IG Total Retrun Index unhedged. Government bonds: Bloomberg Barclays Global Aggregate Treasuries Total Return Index. JP Morgan EMBI Global Total Return local currency. Commodities and real estate: Gold Spot $/OZ/ Other commodities: S&P GSCI Total Return CME. Real Estate: FTSE EPRA/NAREIT Global Index TR USD. All the data above is in in USD, total return, month-to-date terms.

PUBLIC

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)	926	0.1	3.3	17.1	12.4	10.1	927	723	20.0
North America									
US Dow Jones Industrial Average	44,651	-0.4	4.2	11.0	12.3	5.0	45,074	36,612	22.2
US S&P 500 Index	6,280	0.0	4.3	17.1	12.5	6.8	6,290	4,835	23.8
US NASDAQ Composite Index	20,631	0.1	5.2	23.4	12.8	6.8	20,655	14,784	31.6
Canada S&P/TSX Composite Index	27,082	0.2	2.1	14.8	20.1	9.5	27,120	21,659	17.1
Europe									
MSCI AC Europe (USD)	650	1.3	2.0	16.8	13.9	22.9	654	516	15.4
Euro STOXX 50 Index	5,438	2.8	0.8	13.6	9.3	11.1	5,568	4,474	16.1
UK FTSE 100 Index	8,976	1.7	1.3	12.7	9.1	9.8	8,979	7,545	13.7
Germany DAX Index*	24,457	2.8	2.1	20.0	32.0	22.8	24,639	17,025	17.2
France CAC-40 Index	7,902	2.7	1.6	11.2	3.6	7.1	8,258	6,764	15.7
Spain IBEX 35 Index	14,142	1.2	0.1	15.1	26.6	22.0	14,371	10,299	12.6
Italy FTSE MIB Index	40,528	2.3	0.9	19.1	18.1	18.6	40,966	30,653	12.2
Asia Pacific									
MSCI AC Asia Pacific ex Japan (USD)	646	0.3	1.6	19.0	10.2	13.5	649	507	15.1
Japan Nikkei-225 Stock Average	39,636	-0.4	3.2	18.0	-6.1	-0.6	42,427	30,793	20.7
Australian Stock Exchange 200	8,577	-0.3	-0.2	12.2	8.7	5.1	8,639	7,169	19.6
Hong Kong Hang Seng Index	24,487	2.4	0.5	17.1	37.3	22.1	24,874	16,441	10.8
Shanghai Stock Exchange Composite Index	3,540	2.0	4.1	9.3	19.2	5.6	3,674	2,690	13.7
Hang Seng China Enterprises Index	8,824	2.5	-0.5	13.1	38.5	21.0	9,211	5,772	10.0
Taiwan TAIEX Index	22,751	0.9	1.3	16.5	-6.7	-1.2	24,417	17,307	17.3
Korea KOSPI Index	3,172	3.8	9.1	30.4	9.7	32.2	3,183	2,285	11.5
India SENSEX 30 Index	82,548	-1.1	0.0	9.8	3.3	5.6	85,978	71,425	23.0
Indonesia Jakarta Stock Price Index	7,036	2.5	-2.6	12.3	-3.6	-0.6	7,911	5,883	11.7
Malaysia Kuala Lumpur Composite Index	1,541	-0.6	1.1	5.9	-5.1	-6.2	1,685	1,387	14.1
Philippines Stock Exchange PSE Index	6,478	1.3	1.5	6.5	-2.0	-0.8	7,605	5,805	10.4
Singapore FTSE Straits Times Index	4,097	2.1	4.5	16.6	17.9	8.2	4,080	3,198	13.1
Thailand SET Index	1,128	0.7	-1.2	-0.1	-15.2	-19.5	1,507	1,054	12.4
Latam									
Argentina Merval Index	2,068,736	-0.5	-4.7	-8.0	21.3	-18.3	2,867,775	1,333,622	8.3
Brazil Bovespa Index*	136,743	-3.2	-0.3	7.1	6.6	13.7	141,564	118,223	8.5
Chile IPSA Index	8,344	0.7	0.3	12.3	27.5	24.3	8,493	6,082	11.9
Colombia COLCAP Index	1,683	-0.2	1.4	7.8	22.3	22.0	1,702	1,272	7.4
Mexico S&P/BMV IPC Index	56,740	-2.1	-1.8	10.2	4.3	14.6	59,735	48,770	12.4
EEMEA									
Saudi Arabia Tadawul Index	11,277	0.3	2.5	-2.0	-4.4	-6.3	12,536	10,429	N/A
South Africa JSE Index	97,364	0.2	1.0	12.7	20.1	15.8	98,140	77,165	11.4
Turkey ISE 100 Index*	10,331	0.5	6.7	10.1	-6.3	5.1	11,252	8,567	4.1

*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	0.1	3.4	17.7	11.1	14.0	61.9	85.3
US equities	0.0	4.3	17.8	7.4	14.1	69.0	105.8
Europe equities	1.3	2.1	18.3	25.3	17.0	67.3	73.8
Asia Pacific ex Japan equities	0.3	1.9	20.1	15.1	12.6	35.2	33.0
Japan equities	-2.2	-0.7	12.0	8.0	3.3	45.2	47.0
Latam equities	-4.2	0.4	17.6	27.2	4.6	40.3	56.8
Emerging Markets equities	0.0	2.2	18.9	16.3	11.9	35.4	30.1

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.

Past performance does not predict future returns. For informational purposes only and should not be construed as a recommendation to invest in the specific country, product, strategy, sector or security. Index returns assume reinvestment of all distributions and do not reflect fees or expenses. You cannot invest directly in an index. Source: HSBC Asset Management. Bloomberg. Data as at 7.30am UK time 11 July 2025.

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)	595	-0.2	0.4	1.8	4.9	2.5
JPM EMBI Global	949.4	-0.1	1.6	6.8	8.2	5.8
BarCap US Corporate Index (USD)	3415.4	-0.1	1.1	4.1	5.0	3.8
BarCap Euro Corporate Index (Eur)	263.2	-0.3	0.3	2.0	5.4	2.0
BarCap Global High Yield (Hedged in USD)	658.1	0.0	1.3	6.6	10.7	5.0
Markit iBoxx Asia ex-Japan Bond Index (USD)	233.7	0.0	0.8	3.4	5.9	3.8
Markit iBoxx Asia ex-Japan High-Yield Bond Index (USD)	272	-0.1	1.0	4.8	7.3	4.4

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

Currencies (vs USD)	Latest	1-week Ago	1-month Ago	3-months Ago	1-year Ago	Year End 2024	52-week High	52-week Low	1-week Change (%)
Developed markets									
EUR/USD	1.17	1.18	1.15	1.14	1.09	1.04	1.18	1.01	-0.9
GBP/USD	1.35	1.37	1.35	1.31	1.29	1.25	1.38	1.21	-0.8
CHF/USD	1.25	1.26	1.22	1.23	1.12	1.10	1.27	1.09	-0.4
CAD	1.37	1.36	1.37	1.39	1.36	1.44	1.48	1.34	-0.7
JPY	147	144	145	144	159	157	159	140	-1.7
AUD/USD	0.66	0.66	0.65	0.63	0.68	0.62	0.69	0.59	0.3
NZD/USD	0.60	0.61	0.60	0.58	0.61	0.56	0.64	0.55	-0.8
Asia									
HKD	7.85	7.85	7.85	7.75	7.81	7.77	7.85	7.75	0.0
CNY	7.17	7.17	7.19	7.29	7.26	7.30	7.35	7.01	-0.1
INR	85.9	85.4	85.5	86.1	83.6	85.6	88.0	83.4	-0.6
MYR	4.26	4.22	4.24	4.42	4.69	4.47	4.69	4.09	-0.8
KRW	1377	1363	1369	1422	1372	1472	1487	1303	-1.0
TWD	29.2	28.9	29.9	32.7	32.5	32.8	33.3	28.8	-1.1
Latam									
BRL	5.53	5.42	5.54	5.87	5.44	6.18	6.32	5.38	-2.0
COP	4011	3984	4180	4277	3978	4406	4566	3916	-0.7
MXN	18.7	18.6	18.9	20.3	17.8	20.8	21.3	17.6	-0.2
ARS	1256	1241	1182	1075	919	1031	1270	919	-1.2
EEMEA									
RUB	77.8	78.8	79.5	83.3	87.7	113.5	115.1	74.1	1.2
ZAR	17.8	17.6	17.7	19.2	18.0	18.8	19.9	17.0	-1.1
TRY	40.2	39.9	39.2	37.9	32.8	35.4	41.3	32.8	-0.7

Bonds	Close	1-week Ago	1-month Ago	3-months Ago	1-year Ago	Year End 2024	1-week basis point change*
US Treasury yields (%)							
3-Month	4.34	4.35	4.35	4.31	5.34	4.31	-1
2-Year	3.87	3.88	3.95	3.96	4.51	4.24	-1
5-Year	3.94	3.94	4.02	4.16	4.14	4.38	0
10-Year	4.36	4.35	4.42	4.49	4.21	4.57	1
30-Year	4.88	4.86	4.92	4.87	4.42	4.78	2
10-year bond yields (%)							
Japan	1.50	1.43	1.46	1.30	1.08	1.09	7
UK	4.59	4.55	4.55	4.75	4.07	4.56	4
Germany	2.70	2.61	2.53	2.57	2.46	2.36	10
France	3.40	3.28	3.23	3.35	3.12	3.19	12
Italy	3.56	3.44	3.45	3.81	3.78	3.52	12
Spain	3.32	3.22	3.12	3.30	3.23	3.06	10
China	1.67	1.65	1.69	1.66	2.26	1.68	2
Australia	4.32	4.19	4.28	4.40	4.37	4.36	13
Canada	3.41	3.35	3.35	3.26	3.43	3.23	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	3,333	-0.1	-0.7	2.9	38.0	27.0	3,500	2,353
Brent Oil	68.9	0.8	-0.1	9.3	-12.7	-5.2	79	58
WTI Crude Oil	66.9	-0.2	0.0	11.7	-10.2	-3.8	78	54
R/J CRB Futures Index	300.4	0.1	-0.9	3.4	3.4	1.2	317	265
LME Copper	9,701	-1.7	0.5	6.0	-0.9	10.6	10,165	8,105

Past performance does not predict future returns. The level of yield is not guaranteed and may rise or fall in the future. For informational purposes only and should not be construed as a recommendation to invest in the specific country, product, strategy, sector or security. Index returns assume reinvestment of all distributions and do not reflect fees or expenses. You cannot invest directly in an index.
Source: HSBC Asset Management. Bloomberg. Data as at 7.30am UK time 11 July 2025.

Important Information

For Professional Clients and intermediaries within countries and territories set out below; and for Institutional Investors and Financial Advisors in the US. This document should not be distributed to or relied upon by Retail clients/investors.
The value of investments and the income from them can go down as well as up and investors may not get back the amount originally invested. The performance figures contained in this document relate to past performance, which should not be seen as an indication of future returns. Future returns will depend, inter alia, on market conditions, investment manager's skill, risk level and fees. Where overseas investments are held the rate of currency exchange may cause the value of such investments to go down as well as up. Investments in emerging markets are by their nature higher risk and potentially more volatile than those inherent in some established markets. Economies in Emerging Markets generally are heavily dependent upon international trade and, accordingly, have been and may continue to be affected adversely by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries and territories with which they trade. These economies also have been and may continue to be affected adversely by economic conditions in the countries and territories in which they trade.

This document provides a high level overview of the recent economic environment. It is for marketing purposes and does not constitute investment research, investment advice nor a recommendation to any reader of this content to buy or sell investments. 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."

The contents of this document may not be reproduced or further distributed to any person or entity, whether in whole or in part, for any purpose. All non-authorised reproduction or use of this document will be the responsibility of the user and may lead to legal proceedings. The material contained in this document is for general information purposes only and does not constitute advice or a recommendation to buy or sell investments. Some of the statements contained in this document may be considered forward looking statements which provide current expectations or forecasts of future events. Such forward looking statements are not guarantees of future performance or events and involve risks and uncertainties. Actual results may differ materially from those described in such forward-looking statements as a result of various factors. We do not undertake any obligation to update the forward-looking statements contained herein, or to update the reasons why actual results could differ from those projected in the forward-looking statements. This document has no contractual value and is not by any means intended as a solicitation, nor a recommendation for the purchase or sale of any financial instrument in any jurisdiction in which such an offer is not lawful. The views and opinions expressed herein are those of HSBC Asset Management at the time of preparation, and are subject to change at any time. These views may not necessarily indicate current portfolios' composition. Individual portfolios managed by HSBC Asset Management primarily reflect individual clients' objectives, risk preferences, time horizon, and market liquidity. Foreign and emerging markets. Investments in foreign markets involve risks such as currency rate fluctuations, potential differences in accounting and taxation policies, as well as possible political, economic, and market risks. These risks are heightened for investments in emerging markets which are also subject to greater illiquidity and volatility than developed foreign markets. This commentary is for information purposes only. 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. This document is not contractually binding nor are we required to provide this to you by any legislative provision.
All data from HSBC Asset Management unless otherwise specified. Any third party information has been obtained from sources we believe to be reliable, but which we have not independently verified.
HSBC Asset Management is the brand name for the asset management business of HSBC Group, which includes the investment activities that may be provided through our local regulated entities. HSBC Asset Management is a group of companies in many countries and territories throughout the world that are engaged in investment advisory and fund management activities, which are ultimately owned by HSBC Holdings Plc. (HSBC Group). The above communication is distributed by the following entities:

- In Australia, this document is issued by HSBC Bank Australia Limited ABN 48 006 434 162, AFSL 232595, for HSBC Global Asset Management (Hong Kong) Limited ARBN 132 834 149 and HSBC Global Asset Management

(UK) Limited ARBN 633 929 718. This document is for institutional investors only, and is not available for distribution to retail clients (as defined under the Corporations Act). HSBC Global Asset Management (Hong Kong) Limited and HSBC Global Asset Management (UK) Limited are exempt from the requirement to hold an Australian financial services license under the Corporations Act in respect of the financial services they provide. HSBC Global Asset Management (Hong Kong) Limited is regulated by the Securities and Futures Commission of Hong Kong under the Hong Kong laws, which differ from Australian laws. HSBC Global Asset Management (UK) Limited is regulated by the Financial Conduct Authority of the United Kingdom and, for the avoidance of doubt, includes the Financial Services Authority of the United Kingdom as it was previously known before 1 April 2013, under the laws of the United Kingdom, which differ from Australian laws;

- in Bermuda by HSBC Global Asset Management (Bermuda) Limited, of 37 Front Street, Hamilton, Bermuda which is licensed to conduct investment business by the Bermuda Monetary Authority;
- in Chile: Operations by HSBC's headquarters or other offices of this bank located abroad are not subject to Chilean inspections or regulations and are not covered by warranty of the Chilean state. Further information may be obtained about the state guarantee to deposits at your bank or on www.cmfchile.cl ;
- in Colombia: HSBC Bank USA NA has an authorized representative by the Superintendencia Financiera de Colombia (SFC) whereby its activities conform to the General Legal Financial System. SFC has not reviewed the information provided to the investor. This document is for the exclusive use of institutional investors in Colombia and is not for public distribution;
- in France, Belgium, Netherlands, Luxembourg, Portugal, Greece, Finland, Norway, Denmark and Sweden by HSBC Global Asset Management (France), a Portfolio Management Company authorised by the French regulatory authority AMF (no. GP99026);
- in Germany by HSBC Global Asset Management (Deutschland) GmbH which is regulated by BaFin (German clients) respective by the Austrian Financial Market Supervision FMA (Austrian clients);
- in Hong Kong by HSBC Global Asset Management (Hong Kong) Limited, which is regulated by the Securities and Futures Commission. This video/content has not be reviewed by the Securities and Futures Commission;
- in India by HSBC Asset Management (India) Pvt Ltd. which is regulated by the Securities and Exchange Board of India;
- in Italy and Spain by HSBC Global Asset Management (France), a Portfolio Management Company authorised by the French regulatory authority AMF (no. GP99026) and through the Italian and Spanish branches of HSBC Global Asset Management (France), regulated respectively by Banca d'Italia and Commissione Nazionale per le Società e la Borsa (Consob) in Italy, and the Comisión Nacional del Mercado de Valores (CNMV) in Spain;
- in Malta by HSBC Global Asset Management (Malta) Limited which is regulated and licensed to conduct Investment Services by the Malta Financial Services Authority under the Investment Services Act;
- in Mexico by HSBC Global Asset Management (Mexico), SA de CV, Sociedad Operadora de Fondos de Inversión, Grupo Financiero HSBC which is regulated by Comisión Nacional Bancaria y de Valores;
- in the United Arab Emirates, Qatar, Bahrain & Kuwait by HSBC Global Asset Management MENA, a unit within HSBC Bank Middle East Limited, U.A.E Branch, PO Box 66 Dubai, UAE, regulated by the Central Bank of the U.A.E. and the Securities and Commodities Authority in the UAE under SCA license number 602004 for the purpose of this promotion and lead regulated by the Dubai Financial Services Authority. HSBC Bank Middle East Limited is a member of the HSBC Group and HSBC Global Asset Management MENA are marketing the relevant product only in a sub-distributing capacity on a principal-to-principal basis. HSBC Global Asset Management MENA may not be licensed under the laws of the recipient's country of residence and therefore may not be subject to supervision of the local regulator in the recipient's country of residence. One of more of the products and services of the manufacturer may not have been approved by or registered with the local regulator and the assets may be booked outside of the recipient's country of residence.

- in Peru: HSBC Bank USA NA has an authorized representative by the Superintendencia de Banca y Seguros in Perú whereby its activities conform to the General Legal Financial System - Law No. 26702. Funds have not been registered before the Superintendencia del Mercado de Valores (SMV) and are being placed by means of a private offer. SMV has not reviewed the information provided to the investor. This document is for the exclusive use of institutional investors in Perú and is not for public distribution;
- in Singapore by HSBC Global Asset Management (Singapore) Limited, which is regulated by the Monetary Authority of Singapore. The content in the document/video has not been reviewed by the Monetary Authority of Singapore;
- In Switzerland by HSBC Global Asset Management (Switzerland) AG. This document is intended for professional investor use only. For opting in and opting out according to FinSA, please refer to our website; if you wish to change your client categorization, please inform us. HSBC Global Asset Management (Switzerland) AG having its registered office at Gartenstrasse 26, PO Box, CH-8002 Zurich has a licence as an asset manager of collective investment schemes and as a representative of foreign collective investment schemes. Disputes regarding legal claims between the Client and HSBC Global Asset Management (Switzerland) AG can be settled by an ombudsman in mediation proceedings. HSBC Global Asset Management (Switzerland) AG is affiliated to the ombudsman FINOS having its registered address at Talstrasse 20, 8001 Zurich. There are general risks associated with financial instruments, please refer to the Swiss Banking Association ("SBA") Brochure "Risks Involved in Trading in Financial Instruments;
- in Taiwan by HSBC Global Asset Management (Taiwan) Limited which is regulated by the Financial Supervisory Commission R.O.C. (Taiwan);
- in Turkiye by HSBC Asset Management A.S. Turkiye (AMTU) which is regulated by Capital Markets Board of Turkiye. Any information here is not intended to distribute in any jurisdiction where AMTU does not have a right to. Any views here should not be perceived as investment advice, product/service offer and/or promise of income. Information given here might not be suitable for all investors and investors should be giving their own independent decisions. The investment information, comments and advice given herein are not part of investment advice activity. Investment advice services are provided by authorized institutions to persons and entities privately by considering their risk and return preferences, whereas the comments and advice included herein are of a general nature. Therefore, they may not fit your financial situation and risk and return preferences. For this reason, making an investment decision only by relying on the information given herein may not give rise to results that fit your expectations.
- in the UK by HSBC Global Asset Management (UK) Limited, which is authorised and regulated by the Financial Conduct Authority;
- and in the US by HSBC Global Asset Management (USA) Inc. which is an investment adviser registered with the US Securities and Exchange Commission.
- In Uruguay, operations by HSBC's headquarters or other offices of this bank located abroad are not subject to Uruguayan inspections or regulations and are not covered by warranty of the Uruguayan state. Further information may be obtained about the state guarantee to deposits at your bank or on www.bcu.gub.uy.

Copyright © HSBC Global Asset Management Limited 2025. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, on any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of HSBC Global Asset Management Limited.

Content ID: D048758_v1.0; Expiry Date: 11.01.2026