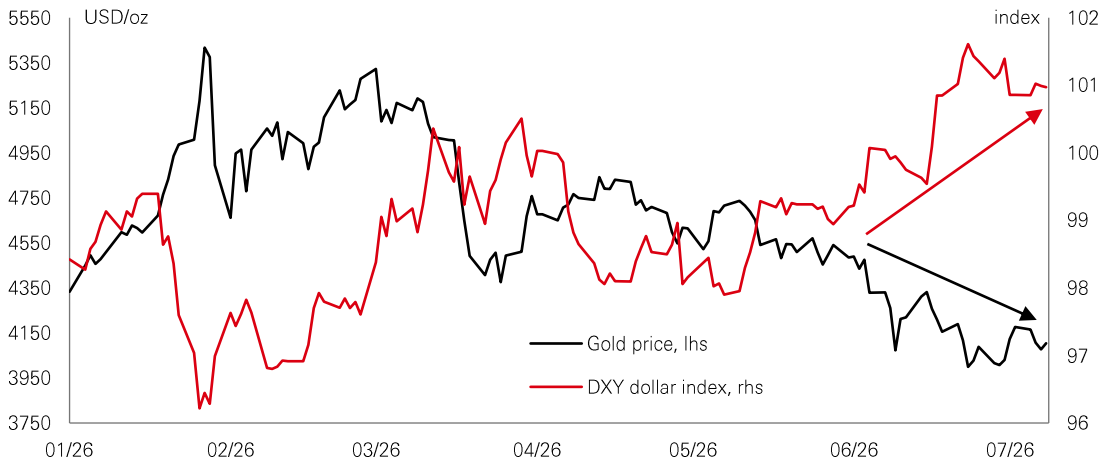


Investment Weekly

10 July 2026

For Professional Clients only. Marketing Communication.

Chart of the week – Debasement in the basement?



Is the debasement trade heading for the basement? It's been dollar up and gold down in 2026 so far, and that is naturally leading to questions about whether the **"debasement trade"** – of a weaker dollar and stronger gold – is over? We don't think so.

The reality is that we're in a world of "deficits forever", with G7 governments pursuing active fiscal policy. The macro regime is what we call **"two shocks and a boom"**: a set-up where supply shocks create a spikier inflation profile, even if the CPI trend doesn't look scary every month.

That plays into the strategic case for gold, where the story isn't just higher prices, but also policy uncertainty, fiscal dominance risk, and inflation spikiness. The trade-off is that hedging with the "barbarous relic" now comes with much higher volatility than many investors have been used to.

Meanwhile, dollar strength assumes a more hawkish Federal Reserve. Can investors rely on that? Markets are priced for hawkishness, but the signalling framework has shifted: less forward guidance and more discretion. We call it **"backward guidance"** – policy reacting to data and data inferences, not promises.

Our base case remains that the Fed is on hold in 2026, and we'd be sceptical about placing much weight on precise point forecasts.

The debasement trade isn't dead – it's just had a tough 2026 so far. Markets don't move in straight lines. Over the medium term, we remain focussed on the macro fundamentals. [#debasement](#) [#dollar](#) [#gold](#)

Market Spotlight

Complexity pays

CLOs – or collateralised loan obligations – can sound complicated. In fact, they're a liquid asset class that even comes with a "complexity premium" (an additional yield). Yet the idea is straightforward: take a broad pool of corporate loans and package the cash flows into different layers of risk, allowing investors to pick their risk point.

Given the prospect of higher-for-longer rates, the floating rate nature of CLOs is likely to reinforce their appeal. Our securitised credit specialists see several other demand drivers:

First, CLOs offer a **yield premium** over similarly rated corporate bonds, with spreads attractive at every risk point versus corporate credit. Second, **credit quality** remains resilient. Loan defaults remain low at ~1.5%, which is well below long-term averages of 3.0%-4.0%. Third **CLO manager selection is critical**, with experienced managers able to adjust portfolios, avoid weaker sectors, and improve risk-adjusted returns. Lastly, CLOs benefit from **credit enhancement**, which is a structural cushion against losses, particularly in higher-rated bonds. Overall, despite their perceived complexity, **CLOs can play a clear role for investors seeking income and portfolio diversification.**

[#CLOs](#) [#credit](#)

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. The level of yield is not guaranteed and may rise or fall in the future. 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. 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. 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, Factset, Bloomberg, Macrobond. Data as at 7.30am UK time 10 July 2026.

Equities →

Reading between the lines of tech earnings and valuations

Frontier Markets →

Exploring the performance of Frontier equities in H1

Hedge Funds →

How hedge funds can help defend against volatility

Read our latest views:
[Mid-Year Outlook:](#)
[Different Worlds](#)

Earnings up, cash down

At first glance, tech stocks don't appear overly expensive. Their 12-month forward price-to-earnings (PE) ratio sits at 22.5x – well below last October's levels of 30x and the bubble-era levels of 2000.

Today's modest PE is down to surging earnings that have outpaced index prices. One driver is huge capex by hyperscalers, which is driving exceptional profits in tech hardware. It strongly echoes the late '90s, when the telecoms sector poured billions into fibre to chase the internet boom.

Crucially, reported earnings do not equal cash flow. Earnings are subject to accounting adjustments. Because capex is depreciated through earnings over several years, current earnings per share (EPS) are flattered. Cash flow, however, takes an immediate hit when the capital is actually spent. This explains the stark divergence between cash PE and earnings PE. At 30x, the cash P/E is now back near its 2000 bubble peak.

But the broader point is that **while vast AI capex may pay off in time, today's spending locks in a hidden accounting drag on future tech earnings**. This leaves the sector vulnerable if anticipated growth disappoints or, worse, rapid obsolescence sets in. [#technology](#) [#earnings](#)

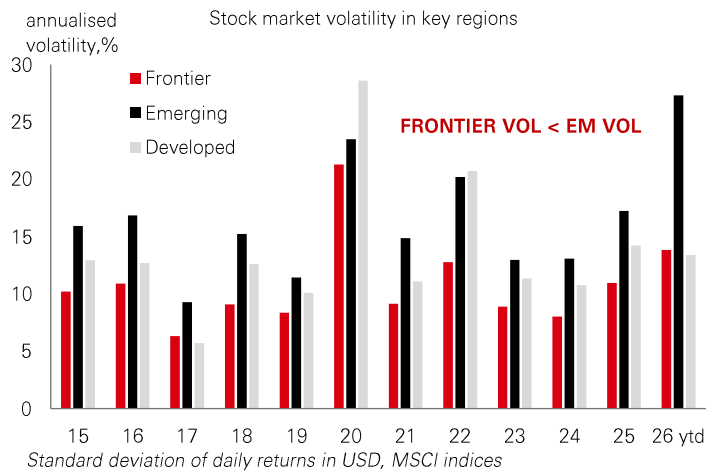


Frontier as a vol dampener

Frontier Markets performed well in H1 2026, with the MSCI Select Frontier & Emerging Markets Capped Index up 14%. While this lagged broader EM performance – reflecting the impact of the US-Iran conflict on GCC markets and lower exposure to the AI-led rally – **Frontiers were significantly less volatile**. Whereas EM gains have been concentrated in South Korea and Taiwan and increasingly tied to AI-related sentiment, Frontier returns were broad-based, with solid gains across the benchmark, including Egypt, Kazakhstan, and select central European constituents.

Valuations still look eye-catching. The Frontier benchmark trades at around 12x PE versus 19x for EM, a discount that doesn't reflect growth or earnings prospects. Frontiers still exhibit world-leading GDP growth rates and are expected to deliver 15-20% earnings growth this year.

The key first-half takeaway is that **Frontiers have lived up to their low-volatility track record**. They continue to offer discounted valuations, strong earnings momentum, and differentiated return drivers – all useful building blocks for portfolio diversification. [#H1](#) [#frontiers](#)



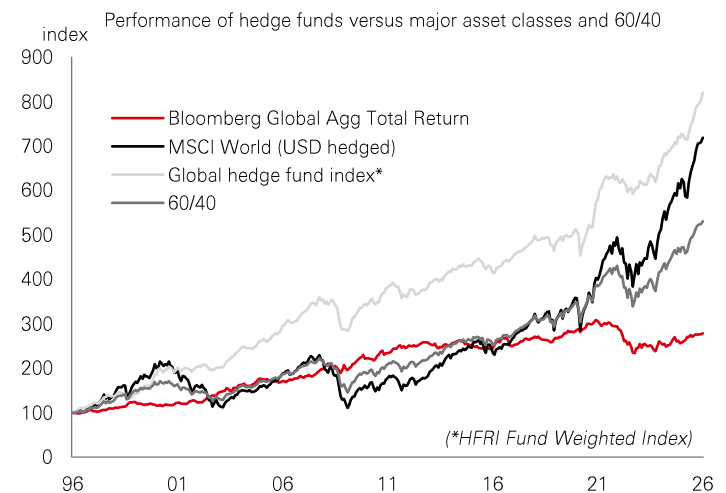
Cutting hedge

In the first half of 2026, a complex macro and market backdrop once again challenged the assumption that bonds provide reliable diversification during equity volatility. It's no surprise then that investors are looking for alternative ways to build resilient portfolios.

With the correlation between stocks and bonds generally turning positive in the 2020s, hedge funds have come to the fore as a complement – or partial substitute – for bonds, having historically delivered lower volatility, stronger returns, and fewer drawdowns than a 60/40 portfolio.

Our hedge funds team highlights three fund strategies well-positioned to perform in the current environment: 1) global macro managers may benefit from elevated rates, geopolitical fragmentation, and volatility; 2) equity long/short managers may be well placed to exploit stock market dispersion, particularly in Asia, given cheaper relative valuations there; and 3) multi-strategy managers excel in complex environments given their scale, diversification, and ability to adjust allocations quickly across styles.

As investors search for portfolio resilience, select **hedge fund strategies can help "diversify the diversifiers"**. [#hedgefunds](#) [#diversifiers](#)



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. Costs may vary with fluctuations in the exchange rate. Source: HSBC Asset Management, Macrobond, Bloomberg, Refinitiv, FactSet. Data as at 7.30am UK time 10 July 2026.



Asset class views

The global economy faces a complex set of supply shocks, but markets have shaken off geopolitical worries, helped by strong corporate profits. The confusing macro landscape means episodic volatility is to be expected. As spillovers from the AI capex boom become more apparent, strong profits performance should hold and broaden beyond borders into non-tech sectors. Emerging markets could be well-placed to benefit. Higher yields in bond markets mean that “diversified income” opportunities have improved across fixed income and defensive equity sectors

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

	Asset Class	-	View	+	Comments				
Macro Factors	Global growth	■	■	■	■	■	■	■	Global growth has remained solid, but the outlook is highly uncertain, and inflation is sticky. Consequently, a cautiously pro-risk stance in investment portfolios appears appropriate. We prefer to access the growth factor in regions with lower valuations, such as Asia and emerging markets
	Duration	■	■	■	■	■	■	■	The shape of the yield curve is highly dependent on Fed policies and the fiscal and inflation outlook. We expect a trend of modest steepening, as the Fed eases policy late in the year. 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. Limited inflation pressures, Fed policy easing, and a weaker USD have paved the way for more countries to cut rates. China policy remains supportive, but global trade fragmentation is a challenge
Bonds	US 10yr Treasuries	■	■	■	■	■	■	■	Yields have been in a relatively narrow channel of late and the near-term outlook appears range bound as the market struggles to price upside inflation risks and downside growth risks. Significantly lower yields are likely to require clear evidence that the labour market is cracking
	EMD Local	■	■	■	■	■	■	■	Local rates are likely to remain differentiated as the Middle East conflict feeds through unevenly. Latam and parts of Africa are potentially better-placed to continue easing, while higher energy-driven inflation is potentially more of a near-term issue for the rates path in EM Europe and Asia
	Asia Local	■	■	■	■	■	■	■	Fiscal policy has been Asia’s first line of defence against the energy shock. Monetary policy responses have had a near-term hawkish tilt, but have varied regionally, creating idiosyncratic market opportunities. Asian bonds offer good diversification benefits for global portfolios
Credits	Global Credit	■	■	■	■	■	■	■	Investment grade credit spreads remain tight, despite geopolitical headwinds. Fundamentals are supportive, with the balance sheets of investment grade issuers remaining healthy. We maintain a defensive stance with a preference for higher quality credits
	Global High-Yield	■	■	■	■	■	■	■	Global high yield spreads remain at relatively tight levels. Growth and inflation risks linked to geopolitical tensions and policy uncertainty present potential headwinds, but robust corporate earnings could offset this. We stay quality-biased, favouring higher-quality HY
	Asia Credit	■	■	■	■	■	■	■	Tight spreads leave limited room for further compression to offset rates and geopolitical risks. The relative resilience of Asia credits is aided by shorter duration, robust local funding markets, and lower external vulnerability as corporate fundamentals remain sound
	EMD Hard Currency Bonds	■	■	■	■	■	■	■	Spreads are expected to trade sideways from current levels. In Sovereigns, more rating outlooks are improving than deteriorating. The broad EM opportunity set enables selective positioning away from concentrated geopolitical hotspots, while staying ready to add risk where valuations compensate
Equities	DM Equities	■	■	■	■	■	■	■	Global indices have pushed higher, with strong profits growth driven by the AI boom and steady real rates. We expect “broadening out 2.0” driven by AI spillovers to upstream and downstream sectors. However, a persistently elevated oil price and higher for longer rates could pose a risk to growth
	EM Equities	■	■	■	■	■	■	■	Idiosyncratic drivers have supported earnings upgrades across many EMs. Geopolitical tensions may raise volatility, but EMs are structurally more resilient. Favourable valuations and improving profit growth should underpin performance
	Asia ex Japan	■	■	■	■	■	■	■	The strong earnings outlook in Asian markets has been largely driven by the AI investment boom, but the region also offers broad sector exposure. Risks of supply chain disruption due to geopolitical tensions persist, but supportive macro policies and other long-term growth themes remain positives
Alternatives	Commodities	■	■	■	■	■	■	■	Investors need to monitor the size, speed and persistence of the recent oil shock to gauge its impact on the growth/inflation mix, corporate profits, and market sentiment. In precious metals, gold’s long-term outlook is supported by its appeal as a haven, a portfolio diversifier, and a store of value
	Hedge Funds	■	■	■	■	■	■	■	Hedge funds can be good diversifiers in an environment of elevated inflation and market phases where there are sharp upticks in volatility. Macro and CTA strategies can be particularly attractive alternatives to bonds when there are positive stock-bond correlations
	Real Assets	■	■	■	■	■	■	■	In Real Estate, investment activity is stabilising with capital value growth continuing to be driven by rental income and income growth. Infrastructure is in demand as the backbone of long-term themes like AI data centres, energy transition, and transport networks

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. Costs may vary with fluctuations in the exchange rate. 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 10 July 2026.



Key Events and Data Releases

This week

Date	Country	Indicator	Data as of	Actual	Prior	Comment
Mon. 06 July	US	ISM Services Index	Jun	54.0	54.5	The headline figure edged lower on weaker new orders and business activity while "tariff impacts continued to be a theme"
	US	Speech by Federal Reserve Governor Christopher Waller				Waller noted that "forward guidance can impair policy transmission if guidance is too strong or rigid"
	EZ	Speech by ECB Executive Board member Isabel Schnabel				Schnabel was hawkish, noting gas prices are "still around 40% higher" than pre-Gulf war
Tue. 07 July		NATO Summit				NATO reiterated its commitment to increasing allies defence capabilities and spending
Wed. 08 July	NZ	RBNZ Official Cash Rate	Jul	2.50%	2.25%	The RBNZ delivered a 25bp rate hike and signalled further tightening, although the timing is "highly uncertain"
	US	FOMC Minutes				All participants backed holding rates, a few favoured a June hike, while others supported some tightening if inflation stays elevated
		IMF World Economic Outlook Update				The global growth outlook was little changed from April, but inflation was revised up and is expected to decline more slowly
Thu. 09 July	CN	CPI (yoy)	Jun	1.0%	1.2%	Declines in food prices continued to weigh on headline CPI, while a subdued core gauge reflects tepid domestic demand
Fri. 10 July	BR	CPI (yoy)	Jun	-	4.7%	Headline inflation has increased recently. Services sector inflation is sticky amid continued tight labour market conditions

US - United States, EZ - Eurozone, NZ - New Zealand, CN - China, BR - Brazil

The week ahead

Date	Country	Indicator	Data as of	Survey	Prior	Comment
Mon. 13 July	US	Corporate Profits	Q2			S&P500 Q2 results start next week with the large US banks. 24% yoy EPS growth expected, close to top end versus history
Tue. 14 July	US	NFIB Index of Small Business Optimism	Jun	95.3	95.3	Confidence is expected to be broadly unchanged at below average levels. Hiring intentions have softened in recent months
	US	CPI (yoy)	Jun	3.9%	4.2%	Headline inflation should fall on lower oil prices, but core inflation is expected to remain stable at close to 3.0%
	CN	Trade Balance (USD)	Jun	120.1bn	105.4bn	Strong AI-related demand and new energy products should drive exports, boosting the trade surplus
Wed. 15 July	US	PPI (mom)	Jun	0.0%	1.1%	Declining energy prices point to a weaker headline PPI print. Trade services inflation has been volatile recently
	CN	Industrial Production (yoy)	Jun	4.6%	4.5%	Industrial production should stay solid, driven by strong external demand, new energy sectors and high-end manufacturing
	CN	Retail Sales (yoy)	Jun	-0.1%	-0.6%	Retail sales are likely to remain subdued, reflecting unfavourable base effects from trade-in subsidies and soft non-tech demand
	CA	BoC Policy Rate	Jul	2.25%	2.25%	Benign core inflation, weak growth and a soft labour market point to a prolonged period of unchanged interest rates
	CN	GDP (yoy)	Q2	4.5%	5.0%	Advanced production and AI tech are supporting growth, while non-tech and "old economy" sectors are lagging
Thu. 16 July	US	Retail Sales (mom)	Jun	0.3%	0.9%	Retail sales growth is likely to soften, although consumer spending remains resilient as households dip into savings
	KO	Bank of Korea Base Rate	Jul	2.75%	2.50%	A 25bp is likely given above target inflation and robust growth, driven by a buoyant semi-conductor sector
Fri. 17 July	US	Industrial Production (mom)	Jun	0.2%	0.1%	Industrial production and manufacturing output have been trending higher since late 2024 amid resilient global activity

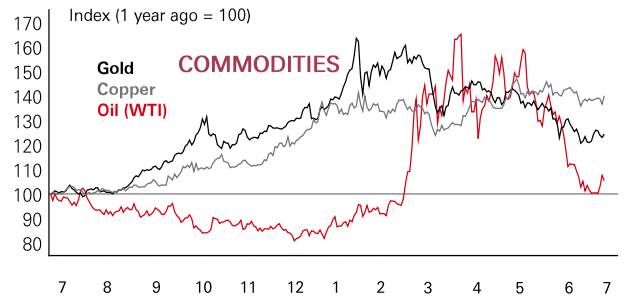
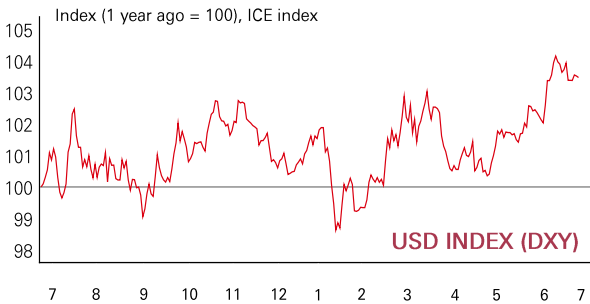
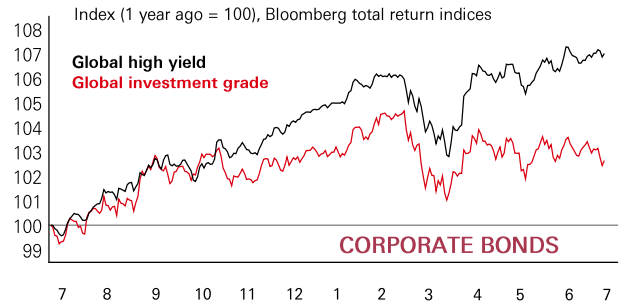
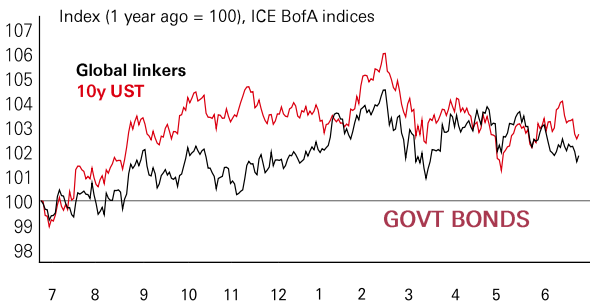
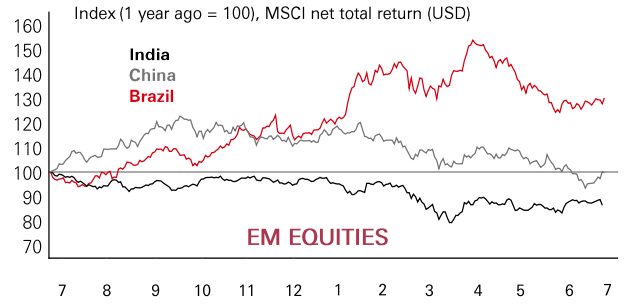
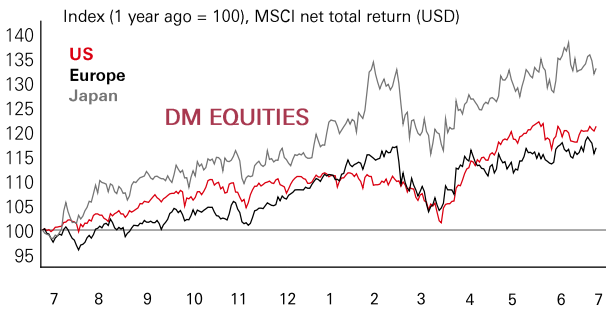
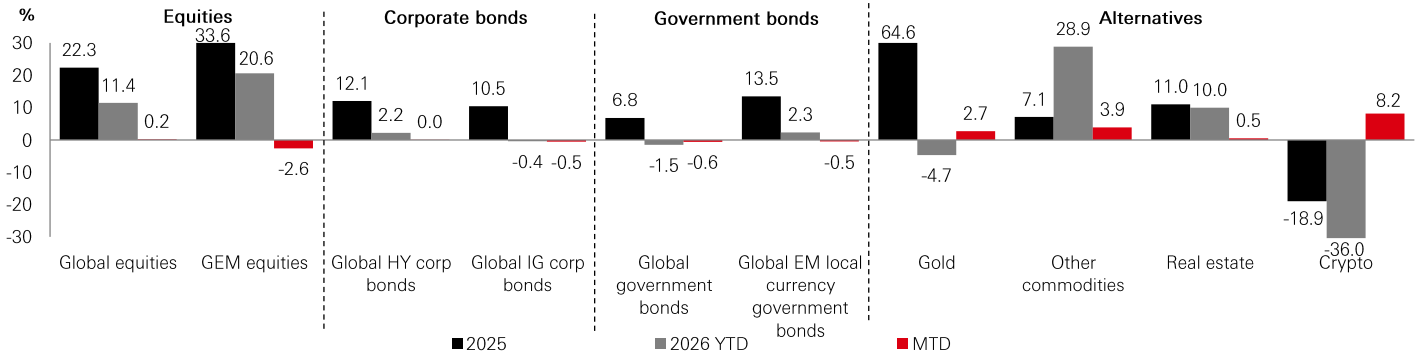
US - United States, CN - China, CA - Canada, KO - South Korea

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. 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. Data as at 7.30am UK time 10 July 2026.

This week

Global equities came under pressure as oil prices rose amid renewed geopolitical tensions in the Middle East. In the US, major indices traded without clear direction ahead of the Q2 earnings season: the S&P 500 and Nasdaq advanced as semiconductor shares rebounded, while the Dow Jones Industrial Average slipped and the small-cap Russell 2000 was broadly flat. European bourses fell across the board, while Asian equities were mixed. Hong Kong's Hang Seng led regional gains, while Japan's Nikkei 225 declined and Korea's Kospi extended its pullback in choppy trading amid concerns about the durability of the AI-led tech rally. In rates, higher oil prices rekindled global inflation worries, prompting a modest bear-steepening in the US Treasury curve and a broad rise in European sovereign yields. In FX, most major currencies strengthened against the US dollar.

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 UK time 10 July 2026. 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 Global HY Total Return Index value unhedged. Bloomberg Global IG Total Return Index unhedged. Government bonds: Bloomberg Global Aggregate Treasuries Total Return Index. JP Morgan EMBI Global Total Return local currency. Commodities and real estate: Gold Spot S/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.



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)	1,122	-0.2	3.2	8.4	21.1	10.6	1,138	915	18.8
North America									
US Dow Jones Industrial Average	52,487	-0.8	5.1	9.5	17.6	9.2	53,289	43,341	22.1
US S&P 500 Index	7,544	0.8	3.8	10.7	20.1	10.2	7,621	6,202	21.9
US NASDAQ Composite Index	26,207	1.4	4.1	14.4	27.0	12.8	27,190	20,493	29.3
Canada S&P/TSX Composite Index	35,200	-0.2	3.1	4.5	30.0	11.0	35,630	26,847	16.7
Europe									
MSCI AC Europe (USD)	740	-1.8	2.8	2.0	13.9	5.9	756	617	15.7
Euro STOXX 50 Index	6,284	-2.0	4.6	6.0	15.6	8.5	6,431	5,155	16.1
UK FTSE 100 Index	10,472	-1.9	2.1	-1.2	16.7	5.4	10,935	8,867	13.0
Germany DAX Index*	25,118	-2.6	3.8	5.5	2.7	2.6	25,900	21,864	16.3
France CAC-40 Index	8,327	-2.1	2.0	0.8	5.4	2.2	8,642	7,505	15.2
Spain IBEX 35 Index	19,323	-2.7	6.5	6.1	36.6	11.6	19,879	13,856	14.8
Italy FTSE MIB Index	52,382	-0.8	4.7	10.0	29.2	16.5	53,221	39,650	14.2
Asia Pacific									
MSCI AC Asia Pacific ex Japan (USD)	864	-2.4	0.6	9.1	33.8	19.7	929	643	13.3
Japan Nikkei-225 Stock Average	68,838	-1.3	7.3	20.9	73.6	36.7	72,832	39,289	23.8
Australian Stock Exchange 200	8,793	-0.6	1.6	-1.9	2.4	0.9	9,201	8,262	17.5
Hong Kong Hang Seng Index	24,330	4.2	-0.3	-6.0	1.3	-5.1	28,056	22,518	10.9
Shanghai Stock Exchange Composite Index	4,040	-0.1	1.2	1.3	15.1	1.8	4,259	3,483	14.4
Hang Seng China Enterprises Index	8,088	5.0	-2.8	-6.6	-6.7	-9.3	9,770	7,404	9.8
Taiwan TAIEX Index	45,355	-3.0	4.9	28.1	99.9	56.6	48,219	22,513	21.9
Korea KOSPI Index	7,547	-6.7	-2.4	28.8	137.1	79.1	9,386	3,079	7.6
India SENSEX 30 Index	77,436	-0.4	4.7	-0.1	-6.9	-9.1	86,159	71,546	20.0
Indonesia Jakarta Stock Price Index	5,918	0.7	0.3	-20.6	-15.5	-31.6	9,174	5,318	9.3
Malaysia Kuala Lumpur Composite Index	1,695	0.9	0.9	0.2	10.3	0.9	1,771	1,510	14.9
Philippines Stock Exchange PSE Index	6,332	2.3	6.6	3.8	-2.0	4.6	6,674	5,584	9.7
Singapore FTSE Straits Times Index	5,463	4.2	10.2	9.5	34.0	17.6	5,467	4,061	16.7
Thailand SET Index	1,617	0.4	3.4	7.3	45.6	28.4	1,621	1,115	16.5
Latam									
Argentina Merval Index	3,202,490	0.2	1.6	6.8	54.8	4.9	3,390,505	1,635,451	10.6
Brazil Bovespa Index*	172,742	-0.8	2.4	-12.5	26.3	7.2	199,355	131,550	8.5
Chile IPSA Index	11,025	1.9	5.5	-0.5	32.1	5.2	11,721	8,038	13.3
Colombia COLCAP Index	2,293	-0.1	1.3	-0.4	36.2	10.9	2,562	1,672	9.9
Mexico S&P/BMV IPC Index	66,107	-1.4	2.0	-5.6	16.5	2.8	72,111	55,288	13.0
EEMEA									
Saudi Arabia Tadawul Index	10,808	-0.2	-1.9	-4.7	-4.2	3.0	11,782	10,194	N/A
South Africa JSE Index	109,489	-1.8	-0.1	-8.0	12.5	-5.5	129,339	96,484	9.6
Turkey ISE 100 Index*	14,105	-2.2	2.6	0.2	36.5	25.3	15,205	9,990	4.8

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	3.3	8.8	11.4	22.7	73.7	67.7
US equities	0.8	4.0	11.1	10.6	20.9	76.5	77.9
Europe equities	-1.8	2.9	3.1	7.8	16.7	61.2	52.6
Asia Pacific ex Japan equities	-2.4	0.9	9.8	21.0	36.2	82.0	44.3
Japan equities	-1.8	3.5	6.7	16.0	33.8	67.1	58.9
Latam equities	-0.1	4.0	-9.9	11.4	35.5	42.8	61.4
Emerging Markets equities	-2.6	0.8	9.0	20.6	38.6	82.3	43.5

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 10 July 2026.



Market data

	Close	1-week Change (%)	1-month Change (%)	3-month Change (%)	1-year Change (%)	YTD Change (%)
Bond indices - Total Return						
BarCap GlobalAgg (Hedged in USD)	612	-0.4	0.2	0.3	2.9	0.6
JPM EMBI Global	1041.7	-0.3	0.6	1.4	9.7	2.3
BarCap US Corporate Index (USD)	3553.6	-0.4	0.1	0.1	4.0	0.2
BarCap Euro Corporate Index (Eur)	267.9	-0.4	0.4	1.0	1.8	0.8
BarCap Global High Yield (Hedged in USD)	709.5	0.0	0.9	2.0	7.8	2.9
Markit iBoxx Asia ex-Japan Bond Index (USD)	244.7	-0.1	0.3	0.5	4.7	1.0
Markit iBoxx Asia ex-Japan High-Yield Bond Index (USD)	295	0.0	0.7	2.0	8.2	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 2025	52-week High	52-week Low	1-week Change (%)
Developed markets									
EUR/USD	1.14	1.14	1.15	1.17	1.17	1.17	1.21	1.13	0.0
GBP/USD	1.34	1.34	1.34	1.35	1.36	1.35	1.39	1.30	0.6
CHF/USD	1.24	1.24	1.25	1.27	1.25	1.26	1.32	1.22	-0.2
CAD	1.42	1.42	1.39	1.38	1.37	1.37	1.42	1.35	0.3
JPY	162	161	161	159	146	157	163	145	-0.1
AUD/USD	0.69	0.69	0.70	0.71	0.66	0.67	0.73	0.64	0.1
NZD/USD	0.58	0.57	0.58	0.58	0.60	0.58	0.61	0.56	1.0
Asia									
HKD	7.84	7.84	7.84	7.83	7.85	7.78	7.85	7.77	0.1
CNY	6.78	6.78	6.78	6.83	7.18	6.99	7.21	6.76	0.0
INR	95.3	95.2	95.3	92.7	85.6	89.9	97.0	85.7	-0.1
MYR	4.07	4.07	4.07	3.97	4.25	4.06	4.28	3.88	0.1
KRW	1506	1530	1522	1484	1373	1440	1562	1365	1.6
TWD	32.2	31.9	31.7	31.7	29.2	31.4	32.2	29.2	-0.8
Latam									
BRL	5.12	5.17	5.19	5.01	5.53	5.47	5.63	4.88	1.0
COP	3291	3334	3550	3634	4011	3778	4204	3288	1.3
MXN	17.5	17.5	17.4	17.3	18.6	18.0	19.0	17.1	-0.3
ARS	1488	1488	1433	1371	1256	1452	1495	1248	0.0
EEMEA									
RUB	76.0	77.1	71.8	77.0	74.1	78.8	86.6	70.0	1.4
ZAR	16.3	16.2	16.6	16.4	17.7	16.6	18.4	15.6	-0.4
TRY	47.0	46.8	46.1	44.6	40.1	43.0	47.0	40.1	-0.4

Bonds	Close	1-week Ago	1-month Ago	3-months Ago	1-year Ago	Year End 2025	1-week basis point change*
US Treasury yields (%)							
3-Month	3.75	3.75	3.71	3.67	4.35	3.63	0
2-Year	4.16	4.14	4.14	3.80	3.87	3.47	2
5-Year	4.26	4.23	4.28	3.94	3.93	3.73	3
10-Year	4.53	4.48	4.55	4.32	4.35	4.17	5
30-Year	5.05	4.99	5.03	4.91	4.87	4.84	6
10-year bond yields (%)							
Japan	2.76	2.78	2.68	2.43	1.50	2.06	-1
UK	4.90	4.78	4.93	4.83	4.59	4.48	11
Germany	3.08	2.93	3.08	3.06	2.70	2.85	15
France	3.85	3.72	3.85	3.71	3.40	3.56	13
Italy	3.84	3.71	3.85	3.84	3.56	3.55	13
Spain	3.53	3.42	3.52	3.52	3.32	3.29	11
China	1.73	1.74	1.74	1.81	1.66	1.86	-1
Australia	4.83	4.80	4.89	4.97	4.28	4.74	4
Canada	3.52	3.44	3.49	3.47	3.41	3.43	8

*Numbers may not add up due to rounding.

Commodities	1-week Change (%)	1-month Change (%)	3-month Change (%)	1-year Change (%)	YTD Change (%)	52-week High	52-week Low	
Gold	4,117	-1.4	1.1	-13.3	23.8	-4.7	5,595	3,268
Brent Oil	76.4	5.9	-16.5	-9.8	16.2	26.9	103	59
WTI Crude Oil	72.1	4.9	-18.4	-11.3	15.8	26.4	100	55
R/J CRB Futures Index	368.5	4.4	-1.3	-0.2	22.7	23.3	406	292
LME Copper	13,490	0.9	-0.2	5.0	39.1	8.6	14,528	9,572

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. Costs may vary with fluctuations in the exchange rate.

Source: HSBC Asset Management. Bloomberg. Data as at 7.30am UK time 10 July 2026.

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.

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-authorized 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).

- 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, this document is issued 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 France, Belgium, Netherlands, Luxembourg, Portugal, Greece, Finland, Norway, Denmark and Sweden this document is issued by HSBC Global Asset Management (France), a Portfolio Management Company authorised by the French regulatory authority AMF (no. GP99026);
- In Germany, this document is issued by HSBC Global Asset Management (Deutschland) GmbH which is regulated by BaFin (German clients) respectively by the Austrian Financial Market Supervision FMA (Austrian clients);
- In Hong Kong, this document is issued by HSBC Global Asset Management (Hong Kong) Limited, which is regulated by the Securities and Futures Commission. This content has not been reviewed by the Securities and Futures Commission;
- In India, this document is issued by HSBC Asset Management (India) Pvt Ltd. which is regulated by the Securities and Exchange Board of India;
- In Italy, this document is issued by HSBC Global Asset Management (France), a Portfolio Management Company authorised by the French regulatory authority AMF (no. GP99026) and through the Italian branch of HSBC Global Asset Management (France), regulated by Banca d'Italia and Commissione Nazionale per le Società e la Borsa (Consob) in Italy;
- In Japan, this document is issued by HSBC Asset Management (Japan) Ltd (JRN 3010001124868), regulated by the Financial Services Agency;
- In Malta, this document is issued 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, this document is issued 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, this document is issued by HSBC Investment Funds (Luxembourg) S.A. – Dubai Branch (Level 20, HSBC Tower, PO Box 66, Downtown Dubai, United Arab Emirates) regulated by the Capital Market Authority (CMA) in the UAE to conduct investment fund management, portfolios management, fund administration activities (CMA Category 2 license No.20200000336) and promotion activities (CMA Category 5 license No.20200000327).
- In the United Arab Emirates, this document is issued 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 Capital Market Authority in the UAE under CMA 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 Singapore, this document is issued 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, this document is issued 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, this document is issued by HSBC Global Asset Management (Taiwan) Limited which is regulated by the Financial Supervisory Commission R.O.C. (Taiwan);
- In Turkiye, this document is issued 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, this document is issued by HSBC Global Asset Management (UK) Limited, which is authorised and regulated by the Financial Conduct Authority;
- In the US, this document is issued by HSBC Securities (USA) Inc., an HSBC broker dealer registered in the US with the Securities and Exchange Commission under the Securities Exchange Act of 1934. HSBC Securities (USA) Inc. is also a member of NYSE/FINRA/SIPC. HSBC Securities (USA) Inc. is not authorized by or registered with any other non-US regulatory authority. The contents of this document are confidential and may not be reproduced or further distributed to any person or entity, whether in whole or in part, for any purpose without prior written permission.
- 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. Obtain information 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 Costa Rica, the Fund and any other products or services referenced in this document are not registered with the Superintendencia General de Valores ("SUGIVAL") and no regulator or government authority has reviewed this document, or the merits of the products and services referenced herein. This document is directed at and intended for institutional investors only.
- 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 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 2026. 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 Asset Management.

Content ID: D074608; Expiry Date: 10.01.2027