

[text] **Forex Brokers News Source:** [Pepperstone Forex Broker](#) ([Review and Forex cashback](#)) Hong Kong 50 (**HK50**) and the US 2000 (**US2000**). The HK50 is a market-cap weighted index of the largest 50 shares on the Hong Kong Stock Exchange. The index makes up around 60% of the total market and includes major names such as HSBC, China Construction Bank and China Mobile. The index is heavily weighted towards Financials, which make up almost half of the index, followed by IT and Construction. As of June, the underlying index trades at a price-earnings ratio of 10.83 and a 3.46% dividend yield – making it relatively attractive to overseas investors facing overvalued domestic markets. The HK50 has not followed the exuberance found in mainland China's indices – staying relatively flat over the last few years; a move higher in April was attributed to investors chasing arbitrage profits, causing inflows from the mainland to relatively undervalued Hong Kong stocks. The US2000 is also a market-cap weighted index, but unlike the HK50 it is an index of the *smallest* 2000 stocks in the larger US3000 index – making up 98% of the total US market. This index allows you to play the broader US market without a large influence from some of the biggest stocks such as Apple, Exxon and Microsoft. As a small-cap index, the US 2000 provides exposure to IT, Healthcare, Financial Services and Consumer Discretionary sectors. As of May, the underlying index has a price-earnings ratio of around 80 – making it quite highly valued relative to earnings – and a dividend yield of 1.32%. The index holds a number of speculative stocks in sectors such as Biotech and there

have been warnings of a potential bubble in this sector as prices have risen 600% since the GFC; should this prove to be true, it could weigh on the US2000 when it bursts. [Latest Forex Brokers News by PipSafe.com](#)

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