

Structured  
Investments

HSBC USA Inc.

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Contingent Buffered Enhanced Notes (CBEN) Linked to the Market Vectors® Gold  
Miners ETF due October 24, 2013

## General

- Terms used in this free writing prospectus are described or defined herein and in the accompanying ETF Underlying Supplement, prospectus supplement and prospectus. The Notes offered will have the terms described in the accompanying ETF Underlying Supplement, prospectus supplement and prospectus as supplemented by this free writing prospectus. **The Notes do not guarantee any return of principal, and you may lose up to 100.00% of your initial investment. The Notes will not bear interest.**
- This free writing prospectus relates to a single note offering. The purchaser of a Note will acquire a security linked to a single Reference Asset described below.
- Although the offering relates to a Reference Asset, you should not construe that fact as a recommendation as to the merits of acquiring an investment linked to the Reference Asset or any component security held by the Reference Asset or as to the suitability of an investment in the Notes.
- Senior unsecured debt obligations of HSBC USA Inc. maturing October 24, 2013.
- Minimum denominations of \$10,000 and integral multiples of \$1,000 in excess thereof.
- **If the terms of the Notes set forth below are inconsistent with those described in the accompanying ETF Underlying Supplement, the terms set forth below will supersede.**
- Any payment on the Notes is subject to the Issuer's credit risk, and you have no ability to pursue the issuer of the Reference Asset for payment. The Issuer has not undertaken any independent review of, or made any due diligence inquiry with respect to, the publicly available information provided herein regarding the Reference Asset.

## Key Terms

Issuer:	HSBC USA Inc.
Reference Asset:	The Market Vectors® Gold Miners ETF ("GDX")
Principal Amount:	\$1,000 per Note.
Trade Date:	October 4, 2012
Pricing Date:	October 4, 2012
Original Issue Date:	October 10, 2012
Final Valuation Date:	October 21, 2013, subject to adjustment as described herein and in the accompanying ETF Underlying Supplement.
Maturity Date:	3 business days after the Final Valuation Date, and expected to be October 24, 2013. The Maturity Date is subject to further adjustment as described under "Additional Note Terms — Market Disruption Events" in the accompanying ETF Underlying Supplement.
Knock-Out Event:	A Knock-Out Event occurs if on the Final Valuation Date, the Final Price (as defined below) has decreased, as compared to the Initial Price, by a percentage that is more than the Knock-Out Buffer Amount.
Knock-Out Buffer Amount:	30.00%
Contingent Minimum Return:	0.00%
Maximum Cap:	18.00%
Payment at Maturity:	<b>If a Knock-Out Event has occurred</b> , you will receive a cash payment on the Maturity Date that will reflect the performance of the Reference Asset. Under these circumstances, your Payment at Maturity per \$1,000 Principal Amount of Notes will be calculated as follows: \$1,000 + (\$1,000 × Reference Return)

*If a Knock-Out Event has occurred, you will lose some or all of your investment. This means that if the Reference Return is -100.00%, you will lose your entire investment.*

**If a Knock-Out Event has not occurred**, you will receive a cash payment on the Maturity Date that will reflect the performance of the Reference Asset, subject to the Contingent Minimum Return and the Maximum Cap. If a Knock-Out Event has not occurred, your Payment at Maturity per \$1,000 Principal Amount of Notes will equal the lesser of (A) \$1,000 plus the product of (a) \$1,000 multiplied by (b) the greater of (i) the Reference Return and (ii) the Contingent Minimum Return, and (B) \$1,000 plus the product of (a) \$1,000 multiplied by (b) the Maximum Cap. For additional clarification, please see "What is the Total Return on the Notes at Maturity Assuming a Range of Performances for the Reference Asset?" herein.

Reference Return:	The quotient, expressed as a percentage, calculated as follows: $\frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}}$
Initial Price:	The Official Closing Price of the Reference Asset on the Pricing Date.
Final Price:	The Official Closing Price of the Reference Asset on the Final Valuation Date.
Official Closing Price:	The Official Closing Price of the Reference Asset on any scheduled trading day as determined by the calculation agent based upon the value displayed on Bloomberg Professional® service page "GDX UP <EQUITY>" or any successor page on the Bloomberg Professional® service or any successor service, as applicable, adjusted by the calculation agent as described under "Additional Note Terms — Antidilution and Reorganization Adjustments" in the accompanying ETF Underlying Supplement.
Calculation Agent:	HSBC USA Inc. or one of its affiliates
CUSIP/ISIN:	4042K16W8/US4042K16W87
Form of Notes:	Book-Entry
Listing:	The Notes will not be listed on any U.S. securities exchange or quotation system.

**Investment in the Notes involves certain risks. You should refer to "Selected Risk Considerations" beginning on page 3 of this document and "Risk Factors" beginning on page S-2 of the ETF Underlying Supplement and page S-3 of the prospectus supplement.**

Neither the U.S. Securities and Exchange Commission, or the SEC, nor any state securities commission has approved or disapproved of the Notes or determined that this free writing prospectus, or the accompanying ETF Underlying Supplement, prospectus supplement and prospectus, is truthful or complete. Any representation to the contrary is a criminal offense.

HSBC Securities (USA) Inc. or another of our affiliates or agents may use the pricing supplement to which this free writing prospectus relates in market-making transactions in any Notes after their initial sale. **Unless we or our agent informs you otherwise in the confirmation of sale, the pricing supplement to which this free writing prospectus relates will be used in a market-making transaction.** HSBC Securities (USA) Inc., an affiliate of ours, will purchase the Notes from us for distribution to the placement agent. See "Supplemental Plan of Distribution (Conflicts of Interest)" on the last page of this free writing prospectus.

We have appointed J.P. Morgan Securities LLC and certain of its registered broker-dealer affiliates as placement agent for the sale of the Notes. J.P. Morgan Securities LLC and certain of its registered broker-dealer affiliates will offer the Notes to investors directly or through other registered broker-dealers.

	Price to Public <sup>(1)</sup>	Fees and Commissions	Proceeds to Issuer
Per Note	\$1,000	\$10	\$990
Total			

<sup>(1)</sup> Certain fiduciary accounts purchasing the Notes will pay a purchase price of \$990 per Note, and the placement agent with respect to sales made to such accounts will forgo any fees.

## The Notes:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
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**JPMorgan**  
Placement Agent  
October [•], 2012

## Additional Terms Specific to the Notes

This free writing prospectus relates to a single note offering linked to the Reference Asset identified on the cover page. The purchaser of a Note will acquire a senior unsecured debt security linked to the Reference Asset. We reserve the right to withdraw, cancel or modify this offering and to reject orders in whole or in part. Although the Note offering relates only to the Reference Asset identified on the cover page, you should not construe that fact as a recommendation as to the merits of acquiring an investment linked to the Reference Asset or any securities held by the Reference Asset or as to the suitability of an investment in the Notes.

You should read this document together with the prospectus dated March 22, 2012, the prospectus supplement dated March 22, 2012 and the ETF Underlying Supplement dated March 22, 2012. If the terms of the Notes offered hereby are inconsistent with those described in the accompanying ETF Underlying Supplement, prospectus supplement or prospectus, the terms described in this free writing prospectus shall control. You should carefully consider, among other things, the matters set forth in "Selected Risk Considerations" beginning on page 3 of this free writing prospectus and "Risk Factors" beginning on page S-2 of the ETF Underlying Supplement and page S-3 of the prospectus supplement, as the Notes involve risks not associated with conventional debt securities. We urge you to consult your investment, legal, tax, accounting and other advisors before you invest in the Notes. As used herein, references to the "Issuer", "HSBC", "we", "us" and "our" are to HSBC USA Inc.

HSBC has filed a registration statement (including a prospectus, a prospectus supplement and the ETF Underlying Supplement) with the SEC for the offering to which this free writing prospectus relates. Before you invest, you should read the prospectus, prospectus supplement and ETF Underlying Supplement in that registration statement and other documents HSBC has filed with the SEC for more complete information about HSBC and this offering. You may get these documents for free by visiting EDGAR on the SEC's web site at [www.sec.gov](http://www.sec.gov). Alternatively, HSBC Securities (USA) Inc. or any dealer participating in this offering will arrange to send you the prospectus, prospectus supplement and the ETF Underlying Supplement if you request them by calling toll-free 1-866-811-8049.

You may also obtain:

- The ETF Underlying Supplement at: [http://www.sec.gov/Archives/edgar/data/83246/000114420412016689/v306692\\_424b2.htm](http://www.sec.gov/Archives/edgar/data/83246/000114420412016689/v306692_424b2.htm)
- The prospectus supplement at: [www.sec.gov/Archives/edgar/data/83246/000104746912003151/a2208335z424b2.htm](http://www.sec.gov/Archives/edgar/data/83246/000104746912003151/a2208335z424b2.htm)
- The prospectus at: [www.sec.gov/Archives/edgar/data/83246/000104746912003148/a2208395z424b2.htm](http://www.sec.gov/Archives/edgar/data/83246/000104746912003148/a2208395z424b2.htm)

We are using this free writing prospectus to solicit from you an offer to purchase the Notes. You may revoke your offer to purchase the Notes at any time prior to the time at which we accept your offer by notifying HSBC Securities (USA) Inc. We reserve the right to change the terms of, or reject any offer to purchase, the Notes prior to their issuance. In the event of any material changes to the terms of the Notes, we will notify you.

## Selected Purchase Considerations

- **APPRECIATION POTENTIAL** — The Notes provide the opportunity to participate in the appreciation of the Reference Asset at maturity up to the Maximum Cap on the Notes of 18.00%, or a maximum Payment at Maturity of \$1,180 for every \$1,000 Principal Amount of Notes. ***If a Knock-Out Event has not occurred***, you will receive at maturity at least the Principal Amount of the Notes. Because the Notes are our senior unsecured debt obligations, payment of any amount at maturity is subject to our ability to pay our obligations as they become due.
- **THE CONTINGENT MINIMUM RETURN APPLIES ONLY IF A KNOCK-OUT EVENT HAS NOT OCCURRED** — ***If a Knock-Out Event has not occurred***, you will receive at least the Principal Amount at maturity even if the Final Price is below the Initial Price. ***If a Knock-Out Event has occurred***, you will lose 1.00% of your Principal Amount for every 1.00% that the Final Price is less than the Initial Price. If the Reference Return is -100.00%, you will lose your entire investment.
- **TAX TREATMENT** — There is no direct legal authority as to the proper tax treatment of the Notes, and therefore significant aspects of the tax treatment of the Notes are uncertain as to both the timing and character of any inclusion in income in respect of the Notes. Under one approach, a Note should be treated as a pre-paid executory contract with respect to the Reference Asset. We intend to treat the Notes consistent with this approach. Pursuant to the terms of the Notes, you agree to treat the Notes under this approach for all U.S. federal income tax purposes. Subject to the limitations described therein, and based on certain factual representations received from us, in the opinion of our special U.S. tax counsel, Morrison & Foerster LLP, it is reasonable to treat a Note as a pre-paid executory contract with respect to the Reference Asset. Pursuant to this approach, and subject to the discussion below regarding "constructive ownership transactions", we do not intend to report any income or gain with respect to the Notes prior to their maturity or an earlier sale or exchange and we intend to treat any gain or loss upon maturity or an earlier sale or exchange as long-term capital gain or loss, provided that you have held the Note for more than one year at such time for U.S. federal income tax purposes.

Despite the foregoing, U.S. holders (as defined under "Certain U.S. Federal Income Tax Considerations" in the accompanying prospectus supplement) should be aware that the Internal Revenue Code of 1986, as amended (the "Code") contains a provision, Section 1260 of the Code, which sets forth rules which are applicable to what it refers to as "constructive ownership transactions." Due to the manner in which it is drafted, the precise applicability of Section 1260 of the Code to any particular transaction is often uncertain. In general, a "constructive ownership transaction" includes a contract under which an investor will receive payment equal to or credit for the future value of any equity interest in a regulated investment company (such as shares of the Reference Asset (the "Underlying Shares")). Under the "constructive ownership" rules, if an investment in the Notes is treated as a "constructive ownership transaction," any long-term capital gain recognized by a U.S. holder in respect of a Note will be recharacterized as ordinary income to the extent such gain exceeds the amount of "net underlying long-term capital gain" (as defined in Section 1260 of the Code) of the U.S. holder determined as if the U.S. holder had acquired the Underlying Shares on the Original Issue Date of the Note at fair market value and sold them at fair market value on the Maturity Date (if the Note was held until the Maturity Date) or on the date of

sale or exchange of the Note (if the Note was sold or exchanged prior to the Maturity Date) (the “Excess Gain”). In addition, an interest charge will also apply to any deemed underpayment of tax in respect of any Excess Gain to the extent such gain would have resulted in gross income inclusion for the U.S. holder in taxable years prior to the taxable year of the sale, exchange or maturity of the Note (assuming such income accrued at a constant rate equal to the applicable federal rate as of the date of sale, exchange or maturity of the Note).

Although the matter is not clear, there exists a substantial risk that an investment in the Notes will be treated as a “constructive ownership transaction.” If such treatment applies, it is not entirely clear to what extent any long-term capital gain recognized by a U.S. holder in respect of a Note will be recharacterized as ordinary income. It is possible, for example, that the amount of the Excess Gain (if any) that would be recharacterized as ordinary income in respect of each Note will equal the excess of (i) any long-term capital gain recognized by the U.S. holder in respect of such a Note over (ii) the “net underlying long-term capital gain” such U.S. holder would have had if such U.S. holder had acquired a number of the Underlying Shares at fair market value on the Original Issue Date of such Note for an amount equal to the “issue price” of the Note and, upon the date of sale, exchange or maturity of the Note, sold such Underlying Shares at fair market value (which would reflect the percentage increase in the value of the Underlying Shares over the term of the Note). Accordingly, U.S. holders should consult their tax advisors regarding the potential application of the “constructive ownership” rules.

We will not attempt to ascertain whether any of the entities whose stock is included in, or owned by, the relevant Reference Asset, as the case may be, would be treated as a passive foreign investment company (“PFIC”) or United States real property holding corporation (“USRPHC”), both as defined for U.S. federal income tax purposes. If one or more of the entities whose stock is included in, or owned by, the relevant Reference Asset, as the case may be, were so treated, certain adverse U.S. federal income tax consequences might apply. You should refer to information filed with the SEC and other authorities by the entities whose stock is included in, or owned by, the relevant Reference Asset, as the case may be, and consult your tax advisor regarding the possible consequences to you if one or more of the entities whose stock is included in, or owned by, the relevant Reference Asset, as the case may be, is or becomes a PFIC or a USRPHC.

For a discussion of certain of the U.S. federal income tax consequences of your investment in a Note, please see the discussion under “Certain U.S. Federal Income Tax Considerations” in the accompanying product supplement and the discussion under “Certain U.S. Federal Income Tax Considerations” in the accompanying prospectus supplement.

### Selected Risk Considerations

An investment in the Notes involves significant risks. Investing in the Notes is not equivalent to investing directly in any of the component securities of the Reference Asset. These risks are explained in more detail in the “Risk Factors” sections of the accompanying ETF Underlying Supplement and prospectus supplement.

- **SUITABILITY OF NOTES FOR INVESTMENT** — You should only reach a decision to invest in the Notes after carefully considering, with your advisors, the suitability of the Notes in light of your investment objectives and the information set out in this free writing prospectus. Neither HSBC nor any dealer participating in the offering makes any recommendation as to the suitability of the Notes for investment.
- **YOUR INVESTMENT IN THE NOTES MAY RESULT IN A LOSS** — The Notes do not guarantee any return of principal. The return on the Notes at maturity is linked to the performance of the Reference Asset, subject to the Maximum Cap and will depend on whether a Knock-Out Event has occurred and whether, and the extent to which, the Reference Return is positive or negative. If the Final Price of the Reference Asset decreases, as compared to the Initial Price, by a percentage that is more than the Knock-Out Buffer Amount of 30.00%, a Knock-Out Event will have occurred, and you will be fully exposed to any decline in the Reference Asset and will not be entitled to receive the benefit provided by the Contingent Minimum Return on the Notes. Under these circumstances, you will lose 1.00% of the Principal Amount of your investment for every 1.00% decline of the Final Price as compared to the Initial Price. **IF A KNOCK-OUT EVENT OCCURS, YOU MAY LOSE UP TO 100% OF YOUR INVESTMENT.**
- **YOUR MAXIMUM GAIN ON THE NOTES IS LIMITED TO THE MAXIMUM CAP** — If the Final Price is greater than the Initial Price, for each \$1,000 Principal Amount of Notes you hold, you will receive at maturity \$1,000 plus an additional amount that will not exceed the Maximum Cap of 18.00% of the Principal Amount, regardless of the appreciation in the Reference Asset, which may be significantly greater than the Maximum Cap. **YOU WILL NOT RECEIVE A RETURN ON THE NOTES GREATER THAN THE MAXIMUM CAP.**
- **THE NOTES ARE SUBJECT TO THE CREDIT RISK OF HSBC USA INC.** — The Notes are senior unsecured debt obligations of the Issuer, HSBC, and are not, either directly or indirectly, an obligation of any third party. As further described in the accompanying prospectus supplement and prospectus, the Notes will rank on par with all of the other unsecured and unsubordinated debt obligations of HSBC, except such obligations as may be preferred by operation of law. Any payment to be made on the Notes, including any return of principal at maturity, depends on the ability of HSBC to satisfy its obligations as they come due. As a result, the actual and perceived creditworthiness of HSBC may affect the market value of the Notes and, in the event HSBC were to default on its obligations, you may not receive the amounts owed to you under the terms of the Notes.
- **POTENTIALLY INCONSISTENT RESEARCH, OPINIONS OR RECOMMENDATIONS BY HSBC AND JPMORGAN** — HSBC, JPMorgan, or their respective affiliates may publish research, express opinions or provide recommendations that are inconsistent with investing in or holding the Notes and which may be revised at any time. Any such research, opinions or recommendations could affect the price of the Reference Asset, the prices of the stocks held by the Reference Asset, and therefore, the market value of the Notes.
- **CERTAIN BUILT-IN COSTS ARE LIKELY TO ADVERSELY AFFECT THE VALUE OF THE NOTES PRIOR TO MATURITY** — While the Payment at Maturity described in this free writing prospectus is based on the full Principal Amount of your Notes, the original issue price of the Notes includes the placement agent’s commission and the estimated cost of hedging our obligations under the Notes through one or more of our affiliates. As a result, the price, if any, at which HSBC Securities (USA) Inc. will be willing to purchase Notes from you in secondary market transactions, if at all, will likely be lower than the original issue price, and any sale of Notes by you prior to the Maturity Date could result in a substantial loss to you. The Notes are not designed to be short-term trading instruments. Accordingly, you should be able and willing to hold your Notes to maturity.

- **THERE IS LIMITED ANTI-DILUTION PROTECTION** — The calculation agent will adjust the Final Price, for certain events affecting the shares of the Reference Asset, such as stock splits and corporate actions which may affect the price of the Reference Asset. The calculation agent is not required to make an adjustment for every corporate action which affects the shares of the Reference Asset. If an event occurs that does not require the calculation agent to adjust the price of the shares of the Reference Asset, the market price of the Notes and the Payment at Maturity may be materially and adversely affected. See “Additional Notes Terms—Antidilution and Reorganization Adjustments” on page S-54 of the accompanying ETF Underlying Supplement.
- **THE VALUE OF SHARES OF THE REFERENCE ASSET MAY NOT COMPLETELY TRACK THE VALUE OF THE UNDERLYING INDEX** — Although the trading characteristics and valuations of shares of the Reference Asset will usually mirror the characteristics and valuations of the underlying index, the value of the shares of the Reference Asset may not completely track the level of the underlying index. The Reference Asset may reflect transaction costs and fees that are not included in the calculation of the underlying index. Additionally, because the Reference Asset may not actually hold all of the stocks comprising the underlying index but invests in a representative sample of securities which have a similar investment profile as the stocks comprising the underlying index, the Reference Asset may not fully replicate the performance of the underlying index.
- **MANAGEMENT RISK** — The Reference Asset is not managed according to traditional methods of “active” investment management, which involve the buying and selling of securities based on economic, financial and market analysis and investment judgment. Instead, the Reference Asset, utilizing a “passive” or indexing investment approach, attempts to approximate the investment performance of the underlying index by investing in a portfolio of securities that generally replicate the underlying index. Therefore, unless a specific security is removed from the underlying index, the Reference Asset generally would not sell a security because the security’s issuer was in financial trouble. In addition, the Reference Asset is subject to the risk that the investment strategy of the investment adviser may not produce the intended results. Your investment is linked to the Reference Asset, which is an index fund. Any information relating to the underlying index is only relevant to understanding the index that the Reference Asset seeks to replicate.
- **NO INTEREST OR DIVIDEND PAYMENTS OR VOTING RIGHTS** — As a holder of the Notes, you will not receive interest payments, and you will not have voting rights or rights to receive cash dividends or other distributions or other rights that holders of shares of the Reference Asset or shares of the securities held by the Reference Asset would have. In addition, the Reference Asset Issuer and the issuers of the securities held by the Reference Asset will not have any obligation to consider your interests as a holder of the Notes in taking any corporate action that might affect the price of the Reference Asset and the value of the Notes.
- **THE NOTES LACK LIQUIDITY** — The Notes will not be listed on any securities exchange. HSBC Securities (USA) Inc. may offer to purchase the Notes in the secondary market. However, it is not required to do so and may cease making such offers at any time, if at all. Because other dealers are not likely to make a secondary market for the Notes, the price at which you may be able to trade your Notes is likely to depend on the price, if any, at which HSBC Securities (USA) Inc. is willing to buy the Notes. Even if there is a secondary market, it may not provide enough liquidity to allow you to trade or sell the Notes easily.
- **POTENTIAL CONFLICTS** — We and our affiliates play a variety of roles in connection with the issuance of the Notes, including acting as calculation agent and hedging our obligations under the Notes. In performing these duties, the economic interests of the calculation agent and other affiliates of ours are potentially adverse to your interests as an investor in the Notes. We will not have any obligation to consider your interests as a holder of the Notes in taking any corporate action that might affect the price of the Reference Asset and the value of the Notes. The calculation agent is under no obligation to consider your interests as a holder of the Notes in taking any actions that might affect the value of your Notes.
- **THE NOTES ARE NOT INSURED BY ANY GOVERNMENTAL AGENCY OF THE UNITED STATES OR ANY OTHER JURISDICTION** — The Notes are not deposit liabilities or other obligations of a bank and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency or program of the United States or any other jurisdiction. An investment in the Notes is subject to the credit risk of the Issuer, and in the event that we are unable to pay our obligations as they become due, you may not receive the full Payment at Maturity of the Notes.
- **MANY ECONOMIC AND MARKET FACTORS WILL IMPACT THE VALUE OF THE NOTES** — In addition to the price of the Reference Asset on any day, the value of the Notes will be affected by a number of economic and market factors that may either offset or magnify each other, including:
  - the actual and expected volatility of the Reference Asset;
  - the time to maturity of the Notes;
  - the dividend rate on the equity securities held by the Reference Asset or comprising the underlying index;
  - interest and yield rates in the market generally;
  - a variety of economic, financial, political, regulatory or judicial events that affect the equity securities held by the Reference Asset or the stock markets generally; and
  - our creditworthiness, including actual or anticipated downgrades in our credit ratings.

## What Is the Total Return on the Notes at Maturity Assuming a Range of Performances for the Reference Asset?

The following table illustrates the hypothetical total return at maturity on the Notes. The “total return” as used in this free writing prospectus is the number, expressed as a percentage, that results from comparing the Payment at Maturity per \$1,000 Principal Amount of Notes to \$1,000. The hypothetical total returns set forth below reflect the Knock-Out Buffer Amount of 30.00%, the Contingent Minimum Return on the Notes of 0.00% and the Maximum Cap of 18.00% and assume an Initial Price of \$37.15. The actual Initial Price will be determined on the Pricing Date. The hypothetical total returns set forth below are for illustrative purposes only and may not be the actual total returns applicable to a purchaser of the Notes. The numbers appearing in the following table and examples have been rounded for ease of analysis.

Hypothetical Final Price	Hypothetical Reference Return	Hypothetical Total Return on the Notes
\$96.68	80.00%	18.00%
\$88.62	65.00%	18.00%
\$80.57	50.00%	18.00%
\$75.19	40.00%	18.00%
\$69.82	30.00%	18.00%
\$64.45	20.00%	18.00%
\$61.77	15.00%	15.00%
\$59.08	10.00%	10.00%
\$56.40	5.00%	5.00%
\$54.78	2.00%	2.00%
\$54.52	1.50%	1.50%
\$53.98	0.50%	0.50%
\$53.71	0.00%	0.00%
\$51.02	-5.00%	0.00%
\$48.34	-10.00%	0.00%
\$45.65	-15.00%	0.00%
\$42.97	-20.00%	0.00%
\$37.60	-30.00%	0.00%
\$32.23	-40.00%	-40.00%
\$26.86	-50.00%	-50.00%
\$21.48	-60.00%	-60.00%
\$16.11	-70.00%	-70.00%
\$10.74	-80.00%	-80.00%
\$5.37	-90.00%	-90.00%
\$0.00	-100.00%	-100.00%

### Hypothetical Examples of Amounts Payable at Maturity

The following examples illustrate how the total returns set forth in the table above are calculated.

**Example 1: A Knock-Out Event has not occurred, and the price of the Reference Asset decreases from the Initial Price of \$37.15 to a Final Price of \$48.34.** Because a Knock-Out Event has not occurred and the Reference Return of -10.00% is less than the Contingent Minimum Return of 0.00%, the investor benefits from the Contingent Minimum Return and receives a Payment at Maturity of \$1,000.00 per \$1,000 Principal Amount of Notes.

**Example 2: A Knock-Out Event has not occurred, and the price of the Reference Asset increases from the Initial Price of \$37.15 to a Final Price of \$59.08.** Because a Knock-Out Event has not occurred and the Reference Return of 10.00% is greater than the Contingent Minimum Return of 0.00% but less than the Maximum Cap of 18.00%, the investor receives a Payment at Maturity of \$1,100.00 per \$1,000 Principal Amount of Notes, calculated as follows:

$$\$1,000 + (\$1,000 \times 10.00\%) = \$1,100.00$$

**Example 3: A Knock-Out Event has not occurred, and the price of the Reference Asset increases from the Initial Price of \$37.15 to a Final Price of \$69.82.** Because a Knock-Out Event has not occurred and the Reference Return of 30.00% is greater than the Maximum Cap of 18.00% the investor receives a Payment at Maturity of \$1,180.00 per \$1,000 Principal Amount of Notes, calculated as follows:

$$\$1,000 + (\$1,000 \times 18.00\%) = \$1,180.00$$

**Example 4: A Knock-Out Event has occurred, and the price of the Reference Asset decreases from the Initial Price of \$37.15 to a Final Price of \$32.23.** Because a Knock-Out Event has occurred, and the Reference Return is -40.00%, the investor is exposed to the performance of the Reference Asset and receives a Payment at Maturity of \$600.00 per \$1,000.00 Principal Amount of Notes, calculated as follows:

$$\$1,000 + (\$1,000 \times -40.00\%) = \$600.00$$



## Description of the Reference Asset

### The Market Vectors® Gold Miners ETF

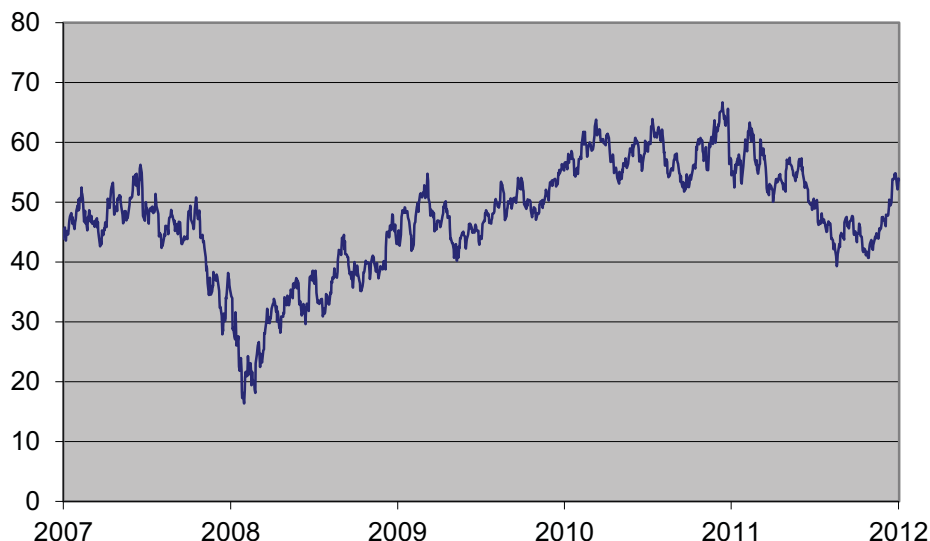
The GDX seeks investment results that correspond to the price and yield performance, before fees and expenses, of the NYSE Arca Gold Miners Index. The NYSE Arca Gold Miners Index includes common stocks and ADRs of selected companies that are involved in mining for gold and silver and are listed on the NYSE or the NYSE Amex or quoted on the NASDAQ Stock Market.

For more information about the GDX, see “The Market Vectors Gold Miners ETF” on page S-30 of the accompanying ETF Underlying Supplement.

### Historical Performance of Reference Asset

The following graph sets forth the historical performance of the Reference Asset based on the daily historical Official Closing Prices from September 28, 2007 through September 28, 2012. The Official Closing Price for the Reference Asset on September 28, 2012 was \$37.15. We obtained the Official Closing Prices below from the Bloomberg Professional® service. We have not made any independent investigation as to the accuracy or completeness of the information obtained from the Bloomberg Professional® service.

The historical prices of the Reference Asset should not be taken as an indication of future performance, and no assurance can be given as to the Official Closing Price on the Final Valuation Date. We cannot give you assurance that the performance of the Reference Asset will result in the return of any of your initial investment.



<u>Quarter Begin</u>	<u>Quarter End</u>	<u>Quarterly High</u>	<u>Quarterly Low</u>	<u>Quarterly Close</u>
7/2/2007	9/28/2007	\$45.96	\$32.79	\$45.10
10/1/2007	12/31/2007	\$53.60	\$42.31	\$45.85
1/2/2008	3/31/2008	\$56.87	\$44.88	\$47.75
4/1/2008	6/30/2008	\$51.43	\$41.61	\$48.52
7/1/2008	9/30/2008	\$51.83	\$27.36	\$34.08
10/1/2008	12/31/2008	\$35.49	\$15.83	\$33.88
1/2/2009	3/31/2009	\$38.93	\$27.15	\$36.88
4/1/2009	6/30/2009	\$45.10	\$30.81	\$37.76
7/1/2009	9/30/2009	\$48.40	\$34.05	\$45.29
10/1/2009	12/31/2009	\$55.40	\$40.92	\$46.21
1/4/2010	3/30/2010	\$51.16	\$39.48	\$44.41
4/1/2010	6/30/2010	\$54.83	\$45.36	\$51.96
7/1/2010	9/30/2010	\$56.86	\$46.80	\$55.93
10/1/2010	12/31/2010	\$64.62	\$53.68	\$61.47
1/3/2011	3/31/2011	\$62.02	\$52.47	\$60.06
4/1/2011	6/30/2011	\$64.14	\$51.11	\$54.59
7/1/2011	9/30/2011	\$66.97	\$53.03	\$55.19
10/3/2011	12/30/2011	\$63.70	\$49.22	\$51.43
1/3/2012	3/30/2012	\$57.93	\$48.05	\$49.57
4/2/2012	6/30/2012	\$50.76	\$39.08	\$44.77
7/1/2012	9/28/2012	\$55.25	\$40.41	\$53.71

### Events of Default and Acceleration

If the Notes have become immediately due and payable following an event of default (as defined in the accompanying prospectus) with respect to the Notes, the calculation agent will determine the accelerated payment due and payable at maturity in the same general manner as described in “Payment at Maturity” in this free writing prospectus. In that case, the scheduled trading day preceding the date of acceleration will be used as the Final Valuation Date for purposes of determining the Final Price. If a market disruption event exists with respect to the Reference Asset on that scheduled trading day, then the accelerated Final Valuation Date will be postponed for up to five scheduled trading days (in the same manner used for postponing the originally scheduled Final Valuation Date). The accelerated Maturity Date will then be the third business day following the postponed accelerated Final Valuation Date.

If the Notes have become immediately due and payable following an event of default, you will not be entitled to any additional payments with respect to the Notes. For more information, see “Description of Debt Securities — Senior Debt Securities — Events of Default” in the accompanying prospectus.

### Supplemental Plan of Distribution (Conflicts of Interest)

Pursuant to the terms of a distribution agreement, HSBC Securities (USA) Inc., an affiliate of HSBC, will purchase the Notes from HSBC for distribution to J.P. Morgan Securities LLC and certain of its registered broker-dealer affiliates, at the price indicated on the cover of the pricing supplement, the document that will be filed pursuant to Rule 424(b)(2) containing the final pricing terms of the Notes. J.P. Morgan Securities LLC and certain of its registered broker-dealer affiliates will act as placement agent for the Notes and will receive a fee that will not exceed \$10.00 per \$1,000 Principal Amount of Notes.

In addition, HSBC Securities (USA) Inc. or another of its affiliates or agents may use the pricing supplement to which this free writing prospectus relates in market-making transactions after the initial sale of the Notes, but is under no obligation to do so and may discontinue any market-making activities at any time without notice.

See “Supplemental Plan of Distribution (Conflicts of Interest)” on page S-49 in the prospectus supplement.