

# HSBC USA Inc. Trigger GEARS

\$ Securities Linked to a Global Index Basket due on or about May 31, 2022

## Investment Description

These Trigger GEARS (the "Securities") are senior unsecured debt securities issued by HSBC USA Inc. ("HSBC") linked to the performance of an equally-weighted basket (the "Basket") consisting of the Hang Seng® China Enterprises Index and the Nikkei 225 Index (each an "Index," and together, the "Indices"). The Securities will rank equally with all of our other unsecured and unsubordinated debt obligations. If the Basket Return is greater than zero, HSBC will repay the Principal Amount at maturity plus a return equal to the product of (i) the Principal Amount multiplied by (ii) the Basket Return multiplied by the Upside Gearing of between 1.45 and 1.49 (the actual Upside Gearing will be determined on the Trade Date). If the Basket Return is less than or equal to zero, HSBC will either repay the full Principal Amount at maturity or, if the Basket Ending Level is less than the Downside Threshold, HSBC will pay less than the full Principal Amount at maturity, if anything, resulting in a loss of principal that is proportionate to the negative Basket Return. **Investing in the Securities involves significant risks. You will not receive interest or dividend payments during the term of the Securities. You may lose some or all of your Principal Amount. The contingent repayment of principal applies only if you hold the Securities to maturity. Any payment on the Securities, including any repayment of principal at maturity, is subject to the creditworthiness of HSBC. If HSBC were to default on its payment obligations, you may not receive any amounts owed to you under the Securities and you could lose your entire investment.**

## Features

- ❑ **Enhanced Growth Potential:** If the Basket Return is greater than zero, HSBC will repay the Principal Amount at maturity plus a return equal to the Basket Return multiplied by the Upside Gearing. If the Basket Return is less than zero, investors may be exposed to the negative Basket Return at maturity.
- ❑ **Contingent Repayment of Principal at Maturity:** If the Basket Return is equal to or less than zero and the Basket Ending Level is not less than the Downside Threshold, HSBC will repay the Principal Amount at maturity. However, if the Basket Ending Level is less than the Downside Threshold, HSBC will pay less than the full Principal Amount, if anything, resulting in a loss of principal that is proportionate to the negative Basket Return. The contingent repayment of principal applies only if you hold the Securities to maturity. Any payment on the Securities, including any repayment of principal, is subject to the creditworthiness of HSBC.

## Key Dates<sup>1</sup>

Trade Date	May 29, 2018
Settlement Date	May 31, 2018
Final Valuation Date <sup>2</sup>	May 25, 2022
Maturity Date <sup>2</sup>	May 31, 2022

<sup>1</sup> Expected. In the event we make any change to the expected Trade Date and Settlement Date, the Final Valuation Date and Maturity Date will be changed so that the stated term of the Securities remains the same.

<sup>2</sup> See page 4 for additional details.

**THE SECURITIES ARE SIGNIFICANTLY RISKIER THAN CONVENTIONAL DEBT INSTRUMENTS. THE TERMS OF THE SECURITIES MAY NOT OBLIGATE HSBC TO REPAY THE FULL PRINCIPAL AMOUNT OF THE SECURITIES. THE SECURITIES HAVE DOWNSIDE MARKET RISK SIMILAR TO THE BASKET, WHICH CAN RESULT IN A LOSS OF SOME OR ALL OF THE PRINCIPAL AMOUNT AT MATURITY. THIS MARKET RISK IS IN ADDITION TO THE CREDIT RISK INHERENT IN PURCHASING A DEBT OBLIGATION OF HSBC. YOU SHOULD NOT PURCHASE THE SECURITIES IF YOU DO NOT UNDERSTAND OR ARE NOT COMFORTABLE WITH THE SIGNIFICANT RISKS INVOLVED IN INVESTING IN THE SECURITIES.**

**YOU SHOULD CAREFULLY CONSIDER THE RISKS DESCRIBED UNDER "KEY RISKS" BEGINNING ON PAGE 6 OF THIS FREE WRITING PROSPECTUS AND THE MORE DETAILED "RISK FACTORS" BEGINNING ON PAGE S-1 OF THE ACCOMPANYING EQUITY INDEX UNDERLYING SUPPLEMENT AND BEGINNING ON PAGE S-1 OF THE ACCOMPANYING PROSPECTUS SUPPLEMENT BEFORE PURCHASING ANY SECURITIES. EVENTS RELATING TO ANY OF THOSE RISKS, OR OTHER RISKS AND UNCERTAINTIES, COULD ADVERSELY AFFECT THE MARKET VALUE OF, AND THE RETURN ON, YOUR SECURITIES.**

## Security Offering

These terms relate to an offering of Securities Linked to a Global Index Basket. The Securities are offered at a minimum investment of 100 Securities at the Price to Public described below. The Upside Gearing will be determined on the Trade Date.

Basket	Basket Starting Level	Upside Gearing	Downside Threshold	CUSIP/ISIN
The Hang Seng® China Enterprises Index and the Nikkei 225 Index	100	1.45 to 1.49	70% of the Basket Starting Level	40435M235 / US40435M2355

See "Additional Information About HSBC USA Inc. and the Securities" on page 2 of this free writing prospectus. The Securities offered will have the terms specified in the accompanying prospectus dated February 26, 2018, the accompanying prospectus supplement dated February 26, 2018, the accompanying Equity Index Underlying Supplement dated February 26, 2018 and the terms set forth herein.

*Neither the U.S. Securities and Exchange Commission (the "SEC") nor any state securities commission has approved or disapproved of the Securities or passed upon the accuracy or the adequacy of this document, the accompanying prospectus, prospectus supplement or Equity Index Underlying Supplement. Any representation to the contrary is a criminal offense. The Securities 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 of the United States or any other jurisdiction.*

The Securities will not be listed on any U.S. securities exchange or quotation system. HSBC Securities (USA) Inc., an affiliate of HSBC USA Inc., will purchase the Securities from HSBC USA Inc. for distribution to UBS Financial Services Inc., acting as agent. See "Supplemental Plan of Distribution (Conflicts of Interest)" on the last page of this free writing prospectus for a description of the distribution arrangements.

**The Estimated Initial Value of the Securities on the Trade Date is expected to be between \$9.30 and \$9.70 per Security, which will be less than the price to public.** The market value of the Securities at any time will reflect many factors and cannot be predicted with accuracy. See "Estimated Initial Value" on page 4 and "Key Risks" beginning on page 6 of this document for additional information.

	Price to Public <sup>(1)</sup>	Underwriting Discount <sup>(1)</sup>	Proceeds to Us
Per Security	\$10.00	\$0.30	\$9.70
Total			

<sup>(1)</sup> See "Supplemental Plan of Distribution (Conflicts of Interest)" on the last page of this free writing prospectus.

## The Securities:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
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## Additional Information About HSBC USA Inc. and the Securities

This free writing prospectus relates to the offering of Securities linked to the Basket identified on the cover page. As a purchaser of a Security, you will acquire a senior unsecured debt instrument linked to the Basket, which will rank equally with all of our other unsecured and unsubordinated debt obligations. Although the offering of Securities relates to the Basket identified on the cover page, you should not construe that fact as a recommendation of the merits of acquiring an investment linked to the Basket or either Index, or as to the suitability of an investment in the Securities.

You should read this document together with the prospectus dated February 26, 2018, the prospectus supplement dated February 26, 2018 and the Equity Index Underlying Supplement dated February 26, 2018. If the terms of the Securities offered hereby are inconsistent with those described in the accompanying Equity Index 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 "Key Risks" beginning on page 6 of this free writing prospectus and in "Risk Factors" beginning on page S-1 of the Equity Index Underlying Supplement and beginning on page S-1 of the prospectus supplement, as the Securities involve risks not associated with conventional debt securities. You are urged to consult your investment, legal, tax, accounting and other advisors before you invest in the Securities.

HSBC USA Inc. has filed a registration statement (including the Equity Index Underlying Supplement, prospectus and prospectus supplement) with the SEC for the offering to which this free writing prospectus relates. Before you invest, you should read the Equity Index Underlying Supplement, prospectus and prospectus supplement in that registration statement and other documents HSBC USA Inc. has filed with the SEC for more complete information about HSBC USA Inc. 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 Equity Index Underlying Supplement, prospectus and prospectus supplement if you request them by calling toll-free 1-866-811-8049.

### **You may access these documents on the SEC web site at [www.sec.gov](http://www.sec.gov) as follows:**

- ◆ Equity Index Underlying Supplement dated February 26, 2018:  
[https://www.sec.gov/Archives/edgar/data/83246/000114420418010782/tv486722\\_424b2.htm](https://www.sec.gov/Archives/edgar/data/83246/000114420418010782/tv486722_424b2.htm)
- ◆ Prospectus supplement dated February 26, 2018:  
[https://www.sec.gov/Archives/edgar/data/83246/000114420418010762/tv486944\\_424b2.htm](https://www.sec.gov/Archives/edgar/data/83246/000114420418010762/tv486944_424b2.htm)
- ◆ Prospectus dated February 26, 2018:  
[https://www.sec.gov/Archives/edgar/data/83246/000114420418010720/tv487083\\_424b3.htm](https://www.sec.gov/Archives/edgar/data/83246/000114420418010720/tv487083_424b3.htm)

*As used herein, references to the "Issuer," "HSBC," "we," "us" and "our" are to HSBC USA Inc. References to the "prospectus supplement" mean the prospectus supplement dated February 26, 2018, references to "accompanying prospectus" mean the HSBC USA Inc. prospectus, dated February 26, 2018 and references to the "Equity Index Underlying Supplement" mean the Equity Index Underlying Supplement dated February 26, 2018.*

## Investor Suitability

### **The Securities may be suitable for you if:**

- ◆ You fully understand the risks inherent in an investment in the Securities, including the risk of loss of your entire initial investment.
- ◆ You are willing to make an investment where you could lose some or all of your initial investment and are willing to make an investment that may be exposed to similar downside market risk as the Indices.
- ◆ You believe that the Basket will appreciate over the term of the Securities and you would be willing to invest in the Securities if the Upside Gearing was set equal to the bottom of the range indicated on the cover hereof (the actual Upside Gearing will be set on the Trade Date).
- ◆ You understand and accept the risks associated with the Indices.
- ◆ You seek an investment with returns based on the performance of companies in Hong Kong and Japan.
- ◆ You are willing to hold the Securities to maturity and do not seek an investment for which there is an active secondary market.
- ◆ You are willing to accept the risk and return profile of the Securities versus a conventional debt security with a comparable maturity issued by HSBC or another issuer with a similar credit rating.
- ◆ You do not seek current income from your investment and are willing to forgo dividends paid on the stocks included in either of the Indices.
- ◆ You are willing to assume the credit risk of HSBC, as Issuer of the Securities, and understand that if HSBC defaults on its obligations, you may not receive any amounts due to you, including any repayment of principal.

### **The Securities may not be suitable for you if:**

- ◆ You do not fully understand the risks inherent in an investment in the Securities, including the risk of loss of your entire initial investment.
- ◆ You seek an investment that is designed to return your full principal amount at maturity.
- ◆ You are not willing to make an investment in which you could lose some or all of your principal amount and you are not willing to make an investment that may be exposed to similar downside market risk as the Indices.
- ◆ You believe that the level of the Basket will decline during the term of the Securities.
- ◆ You would be unwilling to invest in the Securities if the Upside Gearing was set equal to the bottom of the range indicated on the cover hereof (the actual Upside Gearing will be set on the Trade Date).
- ◆ You do not understand or accept the risks associated with the Indices.
- ◆ You do not seek an investment with returns based on the performance of companies in Hong Kong and Japan.
- ◆ You are unable or unwilling to hold the Securities to maturity and seek an investment for which there will be an active secondary market.
- ◆ You prefer the lower risk, and therefore accept the potentially lower returns, of conventional debt securities with comparable maturities issued by HSBC or another issuer with a similar credit rating.
- ◆ You seek current income from your investment or prefer to receive the dividends paid on the stocks included in either of the Indices.
- ◆ You are not willing or are unable to assume the credit risk of HSBC, as Issuer of the Securities, including any repayment of principal.

**The suitability considerations identified above are not exhaustive. Whether or not the Securities are a suitable investment for you will depend on your individual circumstances, and you should reach an investment decision only after you and your investment, legal, tax, accounting and other advisors have carefully considered the suitability of an investment in the Securities in light of your particular circumstances. For more information about the Underlying Indices, see pages 12-13 of this free writing prospectus and pages S-17 and S-31 of the accompanying Equity Index Underlying Supplement. You should also carefully review “Key Risks” beginning on page 6 of this free writing prospectus and “Risk Factors” beginning on page S-1 of the Equity Index Underlying Supplement and beginning on page S-1 of the prospectus supplement.**

## Indicative Terms

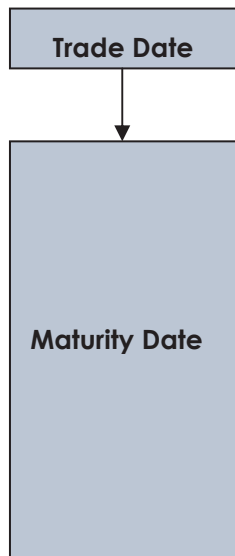
Issuer	HSBC USA Inc.
Issue Price	\$10.00 per Security
Principal Amount	\$10.00 per Security
Term	Approximately 4 years
Trade Date <sup>1</sup>	May 29, 2018
Settlement Date <sup>1</sup>	May 31, 2018
Final Valuation Date <sup>1</sup>	May 25, 2022, subject to adjustment as described under "Additional Terms of the Notes" in the accompanying Equity Index Underlying Supplement.
Maturity Date <sup>1</sup>	May 31, 2022, subject to adjustment as described under "Additional Terms of the Notes" in the accompanying Equity Index Underlying Supplement.
Basket	The Hang Seng® China Enterprises Index (the "HSCEI") and the Nikkei 225 Index (the "NKY")
Basket Weightings	With respect to each Index, 1/2.
Downside Threshold	70% of the Basket Starting Level.
Upside Gearing	1.45 to 1.49. The actual Upside Gearing will be determined on the Trade Date.
Payment at Maturity (per \$10 Security) <sup>2</sup>	<p><b>If the Basket Return is greater than zero</b>, HSBC will pay a cash payment per Security that provides you with the \$10 Principal Amount plus a return equal to the Basket Return multiplied by the Upside Gearing, calculated as follows:</p> $\$10 + [\$10 \times (\text{Basket Return} \times \text{Upside Gearing})]$ <p><b>If the Basket Return is less than or equal to zero and the Basket Ending Level is greater than or equal to the Downside Threshold on the Final Valuation Date</b>, HSBC will pay you a cash payment of:</p> $\$10 \text{ per } \$10 \text{ Security}$ <p><b>If the Basket Ending Level is less than the Downside Threshold on the Final Valuation Date</b>, HSBC will pay you a cash payment at maturity less than the Principal Amount of \$10 per Security, if anything, resulting in a loss of principal that is proportionate to the negative Basket Return, equal to:</p> $\$10 + (\$10 \times \text{Basket Return})$
Basket Return	$\frac{\text{Basket Ending Level} - \text{Basket Starting Level}}{\text{Basket Starting Level}}$
Initial Level	The Official Closing Level of the relevant Index on the Trade Date.
Final Level	The Official Closing Level of the relevant Index on the Final Valuation Date
Basket Starting Level	Set equal to 100 on the Trade Date.
Basket Ending Level	<p>On the Final Valuation Date, the Basket Ending Level will be calculated as follows:</p> $100 \times [1 + (\text{the sum of the Index return multiplied by the respective Basket weighting, for each Index})]$ <p>Each of the returns set forth in the formula above refers to the final return for the relevant Index, which reflects the performance of that Index, expressed as a percentage, from the Initial Level of that Index to its Final Level, calculated as follows:</p> $\frac{\text{Final Level} - \text{Initial Level}}{\text{Initial Level}}$
Calculation Agent	HSBC USA Inc. or one of its affiliates
CUSIP/ISIN	40435M235 / US40435M2355
Estimated Initial Value	The Estimated Initial Value of the Securities will be less than the price you pay to purchase the Securities. The Estimated Initial Value does not represent a minimum price at which we or any of our affiliates would be willing to purchase your Securities in the secondary market, if any, at any time. The Estimated Initial Value will be calculated on the Trade Date and will be set forth in the pricing supplement to which this free writing prospectus relates. See "Key Risks — The Estimated Initial Value of the Securities, Which Will Be Determined by Us on the Trade Date, Will Be Less than the Price to Public and May Differ from the Market Value of the Securities in the Secondary Market, if Any."

**INVESTING IN THE SECURITIES INVOLVES SIGNIFICANT RISKS. YOU MAY LOSE SOME OR ALL OF YOUR PRINCIPAL AMOUNT. ANY PAYMENT ON THE SECURITIES, INCLUDING ANY REPAYMENT OF PRINCIPAL AT MATURITY, IS SUBJECT TO THE CREDITWORTHINESS OF HSBC. IF HSBC WERE TO DEFAULT ON ITS PAYMENT OBLIGATIONS, YOU MAY NOT RECEIVE ANY AMOUNTS OWED TO YOU UNDER THE SECURITIES AND YOU COULD LOSE YOUR ENTIRE INVESTMENT.**

<sup>1</sup> Expected. In the event any change is made to the expected Trade Date and Settlement Date, the Final Valuation Date and Maturity Date will be changed so that the stated term of the Securities remains the same.

<sup>2</sup> Payment at maturity and any repayment of principal is provided by HSBC USA Inc., and therefore, is dependent on the ability of HSBC USA Inc. to satisfy its obligations when they come due.

## Investment Timeline



The Initial Levels of the Indices are determined and the Basket Starting Level is set to 100. The Upside Gearing is set.

The Basket Ending Level and Basket Return are determined on the Final Valuation Date.

If the Basket Return is greater than zero, HSBC will pay you a cash payment per Security that provides you with the \$10 Principal Amount plus a return equal to the product of (i) the Principal Amount multiplied by (ii) the Basket Return multiplied by the Upside Gearing, calculated as follows:

$$\$10 + [\$10 \times (\text{Basket Return} \times \text{Upside Gearing})].$$

If the Basket Return is less than or equal to zero and the Basket Ending Level is greater than or equal to the Downside Threshold on the Final Valuation Date, HSBC will pay you a cash payment of \$10 per \$10 Security.

If the Basket Ending Level is less than the Downside Threshold on the Final Valuation Date, HSBC will pay you a cash payment at maturity that will be less than the Principal Amount of \$10 per Security, resulting in a loss of principal that is proportionate to the negative Basket Return, equal to:

$$\$10 + (\$10 \times \text{Basket Return}).$$

**Under these circumstances, you will lose a significant portion, and could lose all, of your Principal Amount.**

## Key Risks

An investment in the Securities involves significant risks. Some of the risks that apply to the Securities are summarized here, but HSBC urges you to read the more detailed explanation of risks relating to the Securities generally in the "Risk Factors" section of the accompanying Equity Index Underlying Supplement and the accompanying prospectus supplement. HSBC also urges you to consult your investment, legal, tax, accounting and other advisors before you invest in the Securities.

- ◆ **Risk of Loss at Maturity** – The Securities differ from ordinary debt securities in that HSBC will not necessarily pay the full principal amount of the Securities at maturity. The return on the Securities at maturity is linked to the performance of the Basket and will depend on whether, and to the extent which, the Basket Return is positive or negative and if the Basket Return is negative, whether the Basket Ending Level is below the Downside Threshold. If the Basket Ending Level is less than the Downside Threshold, you will be fully exposed to any negative Basket Return and HSBC will pay you less than the Principal Amount at maturity, if anything, resulting in a loss of principal that is proportionate to the decline in the Basket Ending Level as compared to the Basket Starting Level. ***Under these circumstances, you will lose a significant portion, and could lose all, of the Principal Amount.***
- ◆ **The Contingent Repayment of Principal Applies Only if You Hold the Securities to Maturity** – You should be willing to hold your Securities to maturity. If you are able to sell your Securities prior to maturity in the secondary market, you may have to sell them at a loss even if the level of the Basket is above the Downside Threshold.
- ◆ **The Upside Gearing Applies Only if You Hold the Securities to Maturity** – You should be willing to hold your Securities to maturity. If you are able to sell your Securities prior to maturity in the secondary market, the price you receive will likely not reflect the full economic value of the Upside Gearing or the Securities themselves, and the return you realize may be less than the Basket's return, even if that return is positive. You can receive the full benefit of the Upside Gearing from HSBC only if you hold your Securities to maturity.
- ◆ **The Amount Payable on the Securities Is Not Linked to the Level of the Basket at Any Time Other Than on the Final Valuation Date** – The Basket Return will be based on the Basket Ending Level on the Final Valuation Date, subject to postponement for non-trading days and certain market disruption events. Even if the level of the Basket appreciates prior to the Final Valuation Date but then decreases as of the Final Valuation Date, the Payment at Maturity will be less, and may be significantly less, than it would have been had the Payment at Maturity been linked to the level of the Basket prior to such decrease. Although the actual level of the Basket on the Maturity Date or at other times during the term of the Securities may be higher than the Basket Ending Level, the Payment at Maturity will be based solely on the Basket Ending Level on the Final Valuation Date. You may have to sell the Securities at a loss relative to your initial investment even if the level of the Basket at that time is above the Basket Starting Level.
- ◆ **The Securities Are Subject to the Credit Risk of the Issuer** – The Securities 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 Securities 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 Securities, including any repayment 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 Securities and, in the event HSBC were to default on its obligations, you may not receive any amounts owed to you under the terms of the Securities and you could lose your entire investment.
- ◆ **The Estimated Initial Value of the Securities, Which Will Be Determined by Us on the Trade Date, Will Be Less than the Price to Public and May Differ from the Market Value of the Securities in the Secondary Market, if Any** – The Estimated Initial Value of the Securities will be calculated by us on the Trade Date and will be less than the price to public. The Estimated Initial Value will reflect our internal funding rate, which is the borrowing rate we pay to issue market-linked securities, as well as the mid-market value of the embedded derivatives in the Securities. This internal funding rate is typically lower than the rate we would use when we issue conventional fixed or floating rate debt securities. As a result of the difference between our internal funding rate and the rate we would use when we issue conventional fixed or floating rate debt securities, the Estimated Initial Value of the Securities may be lower if it were based on the prices at which our fixed or floating rate debt securities trade in the secondary market. In addition, if we were to use the rate we use for our conventional fixed or floating rate debt issuances, we would expect the economic terms of the Securities to be more favorable to you. We will determine the value of the embedded derivatives in the Securities by reference to our or our affiliates' internal pricing models. These pricing models consider certain assumptions and variables, which can include volatility and interest rates. Different pricing models and assumptions could provide valuations for the Securities that are different from our Estimated Initial Value. These pricing models rely in part on certain forecasts about future events, which may prove to be incorrect. The Estimated Initial Value does not represent a minimum price at which we or any of our affiliates would be willing to purchase your Securities in the secondary market (if any exists) at any time.
- ◆ **The Price of Your Securities in the Secondary Market, if Any, Immediately After the Trade Date Will Be Less than the Price to Public** – The price to public takes into account certain costs. These costs will include our affiliates' projected



hedging profits (which may or may not be realized) for assuming risks inherent in hedging our obligations under the Securities, the underwriting discount and the costs associated with structuring and hedging our obligations under the Securities. These costs, except for the underwriting discount, will be used or retained by us or one of our affiliates. If you were to sell your Securities in the secondary market, if any, the price you would receive for your Securities may be less than the price you paid for them because secondary market prices will not take into account these costs. The price of your Securities in the secondary market, if any, at any time after issuance will vary based on many factors, including the level of the Basket and changes in market conditions, and cannot be predicted with accuracy. The Securities are not designed to be short-term trading instruments, and you should, therefore, be able and willing to hold the Securities to maturity. Any sale of the Securities prior to maturity could result in a loss to you.

- ◆ **If One of Our Affiliates Were to Repurchase Your Securities Immediately After the Settlement Date, the Price You Receive May Be Higher than the Estimated Initial Value of the Securities** – Assuming that all relevant factors remain constant after the Settlement Date, the price at which HSBC Securities (USA) Inc. may initially buy or sell the Securities in the secondary market, if any, and the value that we may initially use for customer account statements, if we provide any customer account statements at all, may exceed the Estimated Initial Value on the Trade Date for a temporary period expected to be approximately 12 months after the Settlement Date. This temporary price difference may exist because, in our discretion, we may elect to effectively reimburse to investors a portion of the estimated cost of hedging our obligations under the Securities and other costs in connection with the Securities that we will no longer expect to incur over the term of the Securities. We will make such discretionary election and determine this temporary reimbursement period on the basis of a number of factors, including the tenor of the Securities and any agreement we may have with the distributors of the Securities. The amount of our estimated costs which we effectively reimburse to investors in this way may not be allocated ratably throughout the reimbursement period, and we may discontinue such reimbursement at any time or revise the duration of the reimbursement period after the Settlement Date of the Securities based on changes in market conditions and other factors that cannot be predicted.
- ◆ **Lack of Liquidity** – The Securities will not be listed on any securities exchange or quotation system. One of our affiliates intends to offer to repurchase the Securities in the secondary market but is not required to do so and may cease any such market-making activities at any time without notice. Because other dealers are not likely to make a secondary market for the Securities, the price at which you may be able to trade your Securities is likely to depend on the price, if any, at which one of our affiliates is willing to buy the Securities, which will exclude any fees or commissions you paid when you purchased the Securities.
- ◆ **No Interest Payments** – As a holder of the Securities, you will not receive interest payments.
- ◆ **Owning the Securities Is Not the Same as Owning the Stocks Included in either of the Indices** – The return on your Securities may not reflect the return you would realize if you actually owned the stocks included in either of the Indices. As a holder of the Securities, you will not have voting rights or rights to receive dividends or other distributions or other rights as would holders of the stocks included in either of the Indices. The Basket Return excludes any cash dividend payments paid on the securities included in either of the Indices.
- ◆ **Potentially Inconsistent Research, Opinions or Recommendations by HSBC, UBS or Their Respective Affiliates** – HSBC, UBS Financial Services Inc., or their respective affiliates may publish research, express opinions or provide recommendations that are inconsistent with investing in or holding the Securities and which may be revised at any time. Any such research, opinions or recommendations could affect the level of the Basket, the Indices or the price of the stocks included in the Indices, and therefore, the market value of the Securities.
- ◆ **Potential HSBC and UBS Financial Services Inc. Impact on Price** – Trading or transactions by HSBC, UBS Financial Services Inc. or any of our or their respective affiliates in the stocks comprising the Indices or in futures, options, exchange-traded funds or other derivative products on stocks comprising the Indices, may adversely affect the market value of the stocks comprising the Indices, the level of the Indices, and, therefore, the market value of your Securities.
- ◆ **Potential Conflicts of Interest** – HSBC, UBS Financial Services Inc., or any of their respective affiliates may engage in business with the issuers of the stocks included in the Indices, which may present a conflict between the obligations of HSBC and you, as a holder of the Securities. The Calculation Agent, which may be HSBC or any of its affiliates will determine the Payment at Maturity based on the Basket Ending Level. The Calculation Agent can postpone the determination of the Basket Ending Level and the Maturity Date if a Market Disruption Event occurs and is continuing on the Final Valuation Date.
- ◆ **Economic and Market Factors Affecting the Terms and Market Price Prior to Maturity** – Because structured notes, including the Securities, can be thought of as having a debt and derivative component, factors that influence the values of debt instruments and options and other derivatives will also affect the terms and features of the Securities at issuance and the market price of the Securities prior to maturity. These factors include the level of the Basket; the volatility of the Indices; the dividend rate paid on stocks included in the Indices; the time remaining to the maturity of the Securities; interest rates in the markets in general; geopolitical conditions and economic, financial, political, regulatory, judicial or other events; and the creditworthiness of HSBC. These and other factors are unpredictable and

interrelated and may offset or magnify each other.

- ◆ **The Securities Are Not Insured or Guaranteed by Any Governmental Agency of the United States or Any Other Jurisdiction** – The Securities are not deposit liabilities or other obligations of a bank and are not insured or guaranteed 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 Securities is subject to the credit risk of HSBC, and in the event that HSBC is unable to pay its obligations as they become due, you may not receive any amount owed to you under the Securities and could lose your entire investment.
- ◆ **A Change in the Level of One Index May Be Offset by a Change in the Level of the Other Index** – A change in the level of one Index as of the Final Valuation Date may not correlate with a change in the level of the other Index. The level of one Index may increase, while the level of the other Index may not increase as much, or may even decrease. Therefore, in calculating the Basket Ending Level, an increase in the level of one Index may be moderated, or wholly offset, by a lesser increase or decrease in the level of the other Index.
- ◆ **Non-U.S. Securities Markets Risks** – The value of the Indices depend upon stocks of non-U.S. companies and are traded on various non-U.S. exchanges. These stocks may be more volatile and may be subject to different political, market, economic, exchange rate, regulatory and other risks than stocks issued by U.S. companies and listed on U.S. exchanges. The foreign securities held by the Indices may have less liquidity and could be more volatile than many of the securities traded in U.S. or other longer-established securities markets. Direct or indirect government intervention to stabilize the relevant foreign securities markets, as well as cross shareholdings in foreign companies, may affect trading levels or prices and volumes in those markets. The other special risks associated with foreign securities may include, but are not limited to: less liquidity and smaller market capitalizations; less rigorous regulation of securities markets; different accounting and disclosure standards; governmental interference; currency fluctuations; higher inflation; and social, economic and political uncertainties. These factors may adversely affect the performance of the Basket and, as a result, the value of the Securities.
- ◆ **The Payments on the Notes Will Not Be Adjusted for Changes in Exchange Rates Relative to the U.S. Dollar Even Though the Index Constituent Stocks are Traded in a Foreign Currency and the Securities are Denominated in U.S. Dollars** – Although the equity securities held by the Indices are traded in currencies other than U.S. dollars, and the Securities are denominated in U.S. dollars, the amount payable on the Securities at maturity, if any, will not be adjusted for changes in the exchange rates between the U.S. dollar and the currencies in which these non-U.S. equity securities are denominated. Changes in exchange rates, however, may also reflect changes in the applicable non-U.S. economies that in turn may affect the value of the Indices, and therefore the Securities. The amount we pay in respect of the Securities on the maturity date, if any, will be determined solely in accordance with the procedures described in this pricing supplement.
- ◆ **The Probability that the Basket Will Fall Below the Downside Threshold on the Final Valuation Date Will Depend on the Volatility of the Indices** – “Volatility” refers to the frequency and magnitude of changes in the level of the Indices. Greater expected volatility with respect to the Indices reflects a higher expectation as of the Trade Date that the Basket could close below its Downside Threshold on the Final Valuation Date, resulting in the loss of some or all of your investment. However, an index's volatility can change significantly over the term of the Securities. The level of the Indices, and therefore the Basket, could fall sharply, which could result in a significant loss of principal.
- ◆ **Uncertain Tax Treatment** – Significant aspects of the tax treatment of the Securities are uncertain. You should consult your tax advisor about your own tax situation. See “What Are the Tax Consequences of the Securities?” beginning on page 11 of this free writing prospectus and the discussion under “U.S. Federal Income Tax Considerations” in the accompanying prospectus supplement.



## Hypothetical Scenario Analysis and Examples at Maturity

The scenario analysis and examples below are hypothetical and provided for illustrative purposes only. **The hypothetical terms used below are not the actual terms that will apply to the Securities, which are indicated on the cover hereof.** They do not purport to be representative of every possible scenario concerning increases or decreases in the Basket Ending Level relative to the Basket Starting Level. We cannot predict the Basket Ending Level on the Final Valuation Date. You should not take the scenario analysis and these examples as an indication or assurance of the expected performance of the Basket. The numbers appearing in the examples below have been rounded for ease of analysis. The following scenario analysis and examples illustrate the Payment at Maturity for a \$10.00 Security on a hypothetical offering of the Securities, with the following assumptions\*:

Investment term:	Approximately 4 years
Basket Starting Level:	100.00
Downside Threshold:	70.00 (70.00% of the Basket Starting Level)
Hypothetical Upside Gearing:	1.45 (the low end of the range of 1.45 to 1.49)

\* The actual Upside Gearing for the Securities will be determined on the Trade Date.

**Example 1— The level of the Basket increases from a Basket Starting Level of 100 to a Basket Ending Level of 110.** The Basket Return is greater than zero and expressed as a formula:

$$\text{Basket Return} = (110.00 - 100.00) / 100.00 = 10.00\%$$

$$\text{Payment at Maturity} = \$10 + [\$10 \times (10.00\% \times 1.45)] = \$11.45$$

Because the Basket Return is equal to 10.00%, the Payment at Maturity is equal to \$11.45 per \$10.00 Principal Amount of Securities, and the return on the Securities is 14.50%.

**Example 2— The Basket Ending Level is equal to the Basket Starting Level of 100.** The Underlying Index Return is zero and expressed as a formula:

$$\text{Basket Return} = (100.00 - 100.00) / 100.00 = 0.00\%$$

$$\text{Payment at Maturity} = \$10.00$$

Because the Basket Return is zero, the Payment at Maturity per Security is equal to the original \$10.00 Principal Amount per Security (a return of zero percent).

**Example 3— The level of the Basket decreases from a Basket Starting Level of 100 to a Basket Ending Level of 90.** The Basket Return is negative and expressed as a formula:

$$\text{Basket Return} = (90.00 - 100.00) / 100.00 = -10.00\%$$

$$\text{Payment at Maturity} = \$10.00$$

Because the Basket Return is less than zero, but the Basket Ending Level is greater than or equal to the Downside Threshold on the Final Valuation Date, HSBC will pay you a Payment at Maturity equal to \$10.00 per \$10.00 Principal Amount of Securities (a return of zero percent).

**Example 4— The level of the Basket decreases from a Basket Starting Level of 100 to a Basket Ending Level of 40.** The Basket Return is negative and expressed as a formula:

$$\text{Basket Return} = (40 - 100) / 100 = -60.00\%$$

$$\text{Payment at Maturity} = \$10 + (\$10 \times -60.00\%) = \$4.00$$

Because the Basket Return is less than zero and the Basket Ending Level is below the Downside Threshold on the Final Valuation Date, the Securities will be fully exposed to any decline in the level of the Basket on the Final Valuation Date. Therefore, the return on the Securities is -60.00%. In this case, you would incur a loss of 60.00% on your Securities.

***If the Basket Ending Level is below the Downside Threshold on the Final Valuation Date, the Securities will be fully exposed to any decline in the Basket, and you will lose some or all of your Principal Amount at maturity.***

**Scenario Analysis – Hypothetical Payment at Maturity for each \$10.00 Principal Amount of Securities.**

Performance of the Basket*			Performance of the Securities	
Hypothetical Basket Ending Level	Hypothetical Basket Return	Upside Gearing	Hypothetical Return on Securities <sup>(1)</sup>	Hypothetical Payment at Maturity
200.00	100.00%	1.45	145.00%	\$24.500
180.00	80.00%	1.45	116.00%	\$21.600
160.00	60.00%	1.45	87.00%	\$18.700
150.00	50.00%	1.45	72.50%	\$17.250
130.00	30.00%	1.45	43.50%	\$14.350
120.00	20.00%	1.45	29.00%	\$12.900
110.00	10.00%	1.45	14.50%	\$11.450
105.00	5.00%	1.45	7.25%	\$10.725
102.00	2.00%	1.45	2.90%	\$10.290
100.00	0.00%	N/A	0.00%	\$10.000
95.00	-5.00%	N/A	0.00%	\$10.000
90.00	-10.00%	N/A	0.00%	\$10.000
80.00	-20.00%	N/A	0.00%	\$10.000
70.00	-30.00%	N/A	0.00%	\$10.000
60.00	-40.00%	N/A	-40.00%	\$6.000
50.00	-50.00%	N/A	-50.00%	\$5.000
40.00	-60.00%	N/A	-60.00%	\$4.000
20.00	-80.00%	N/A	-80.00%	\$2.000
0.00	-100.00%	N/A	-100.00%	\$0.000

\* The Basket Return excludes cash dividend payments on the stocks included in the Indices.

<sup>(1)</sup> This "return" is the number, expressed as a percentage, that results from comparing the Payment at Maturity per \$10 principal amount Security.

## What Are the Tax Consequences of the Securities?

You should carefully consider, among other things, the matters set forth in the section "U.S. Federal Income Tax Considerations" in the accompanying prospectus supplement. The following discussion summarizes the U.S. federal income tax consequences of the purchase, beneficial ownership, and disposition of each of the Securities. This summary supplements the section "U.S. Federal Income Tax Considerations" in the accompanying prospectus supplement and supersedes it to the extent inconsistent therewith.

There are no statutory provisions, regulations, published rulings or judicial decisions addressing the characterization for U.S. federal income tax purposes of securities with terms that are substantially the same as those of the Securities. Under one reasonable approach, the Securities should be treated as pre-paid executory contracts with respect to the Basket. HSBC intends to treat the Securities consistent with this approach and pursuant to the terms of the Securities, you agree to treat the Securities under this approach for all U.S. federal income tax purposes. Subject to certain limitations described in the accompanying prospectus supplement, and based on certain factual representations received from HSBC, in the opinion of HSBC's special U.S. tax counsel, Mayer Brown LLP, it is reasonable to treat the Securities in accordance with this approach. Pursuant to this approach, HSBC does not intend to report any income or gain with respect to the Securities prior to their maturity or an earlier sale or exchange and HSBC intends 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 Security for more than one year at such time for U.S. federal income tax purposes. See "U.S. Federal Income Tax Considerations — Tax Treatment of U.S. Holders — Certain Notes Treated as a Put Option and a Deposit or an Executory Contract — Certain Notes Treated as Executory Contracts" in the accompanying prospectus supplement for certain U.S. federal income tax considerations applicable to Securities that are treated as pre-paid executory contracts.

Because there are no statutory provisions, regulations, published rulings or judicial decisions addressing the characterization for U.S. federal income tax purposes of securities with terms that are substantially the same as those of the Securities, other characterizations and treatments are possible and the timing and character of income in respect of the Securities might differ from the treatment described above. For example, the Securities could be treated as debt instruments that are "contingent payment debt instruments" for U.S. federal income tax purposes, subject to the treatment described under the heading "U.S. Federal Income Tax Considerations — Tax Treatment of U.S. Holders — U.S. Federal Income Tax Treatment of the Notes as Indebtedness for U.S. Federal Income Tax Purposes — Contingent Notes" in the accompanying prospectus supplement.

In Notice 2008-2, the Internal Revenue Service ("IRS") and the Treasury Department requested comments as to whether the purchaser of an exchange traded note or pre-paid forward contract (which may include the Securities) should be required to accrue income during its term under a mark-to-market, accrual or other methodology, whether income and gain on such a note or contract should be ordinary or capital, and whether foreign holders should be subject to withholding tax on any deemed income accrual. Accordingly, it is possible that regulations or other guidance could provide that a U.S. holder (as defined in the accompanying prospectus supplement) of a Security is required to accrue income in respect of the Security prior to the receipt of payments with respect to the Security or its earlier sale. Moreover, it is possible that any such regulations or other guidance could treat all income and gain of a U.S. holder in respect of a Security as ordinary income (including gain on a sale). Finally, it is possible that a non-U.S. holder (as defined in the accompanying prospectus supplement) of the Security could be subject to U.S. withholding tax in respect of a Security. It is unclear whether any regulations or other guidance would apply to the Securities (possibly on a retroactive basis). Prospective investors are urged to consult with their tax advisors regarding Notice 2008-2 and the possible effect to them of the issuance of regulations or other guidance that affects the U.S. federal income tax treatment of the Securities.

We will not attempt to ascertain whether either Index or any of the entities whose stock is included in either Index 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 either Index or one or more of the entities whose stock is included in either Index 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 each Index and consult your tax advisor regarding the possible consequences to you if one or more of the entities whose stock is included in either Index is or becomes a PFIC or USRPHC.

Under current law, while the matter is not entirely clear, individual non-U.S. holders, and entities whose property is potentially includible in those individuals' gross estates for U.S. federal estate tax purposes (for example, a trust funded by such an individual and with respect to which the individual has retained certain interests or powers), should note that, absent an applicable treaty benefit, the Securities are likely to be treated as U.S. situs property, subject to U.S. federal estate tax. These individuals and entities should consult their tax advisors regarding the U.S. federal estate tax consequences of investing in the Securities.

PROSPECTIVE PURCHASERS OF SECURITIES SHOULD CONSULT THEIR TAX ADVISORS AS TO THE U.S. FEDERAL, STATE, LOCAL, AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF SECURITIES.

## The Hang Seng® China Enterprises Index

### Description of the HSCEI

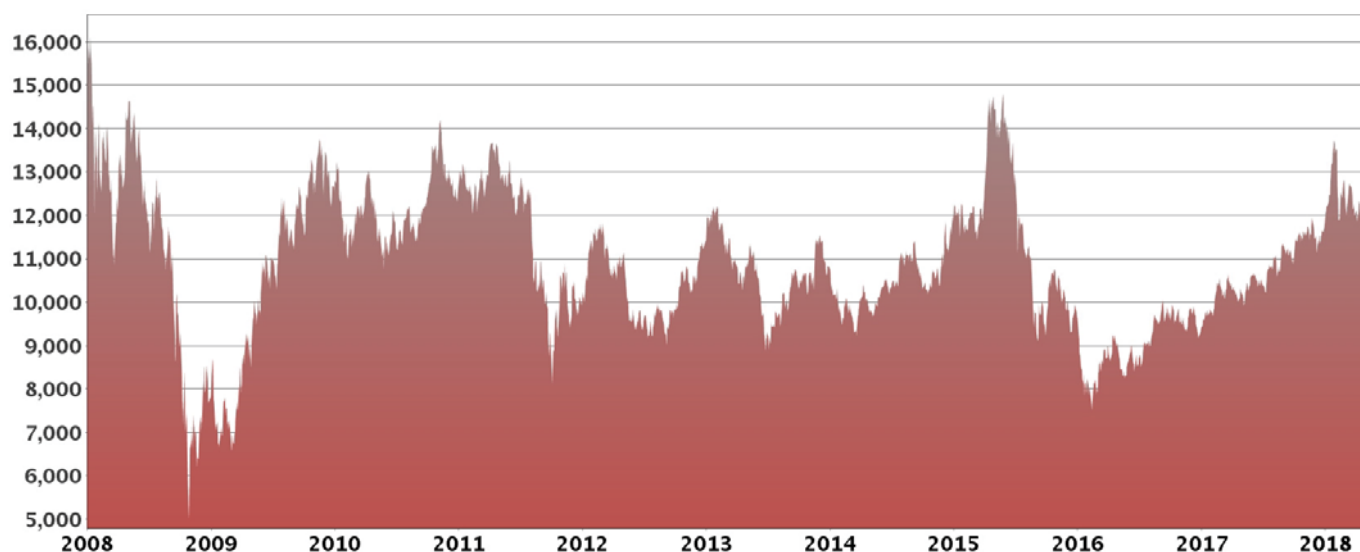
The Hang Seng® China Enterprises Index is a free-float capitalization-weighted index comprised of H-shares, red-chips and private enterprises (P-chips) listed on the Hong Kong Stock Exchange. The base value of this index is 2000 as of January 3, 2000. This index replaced the old HSCE index on October 3, 2001.

For more information about the HSCEI, see "The Hang Seng® China Enterprises Index" beginning on page S-17 of the accompanying Equity Index Underlying Supplement.

### Historical Information

The following graph sets forth the historical performance of the HSCEI based on the daily historical closing levels from January 1, 2008 through May 15, 2018 as reported on the Bloomberg Professional® service. We have not undertaken any independent review of, or made any due diligence inquiry with respect to, the information obtained from the Bloomberg Professional® service.

**Historical Performance of the Hang Seng® China Enterprises Index**



Source: Bloomberg

***Past performance of the Underlying Index is not indicative of its future performance.***

## The Nikkei 225 Index

### Description of the NKY

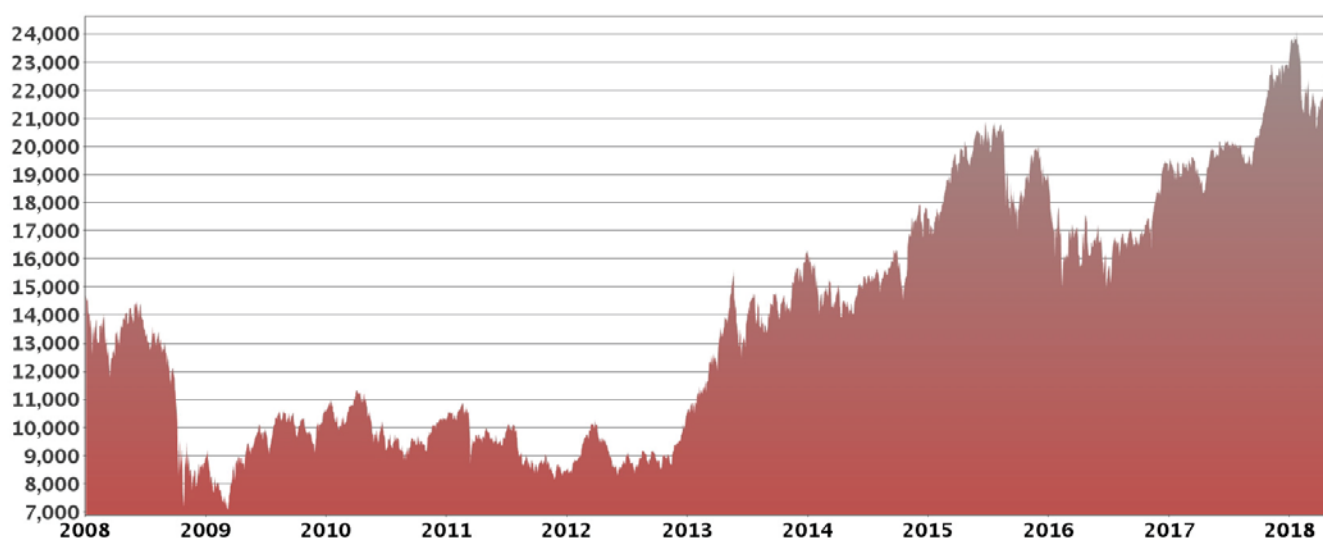
The Nikkei 225 Index is an index with price-weighted average of 225 top-rated Japanese companies listed in the First Section of the Tokyo Stock Exchange. This price-weighted average method, the Nikkei Stock Average, was first published on May 16, 1949, where the average price was ¥176.21 with a divisor of 225.

For more information about the NKY, see "The Nikkei 225 Index" beginning on page S-31 of the accompanying Equity Index Underlying Supplement.

### Historical Information

The following graph sets forth the historical performance of the NKY based on the daily historical closing levels from January 1, 2008 through May 15, 2018 as reported on the Bloomberg Professional® service. We have not undertaken any independent review of, or made any due diligence inquiry with respect to, the information obtained from the Bloomberg Professional® service.

**Historical Performance of the Nikkei 225 Index**



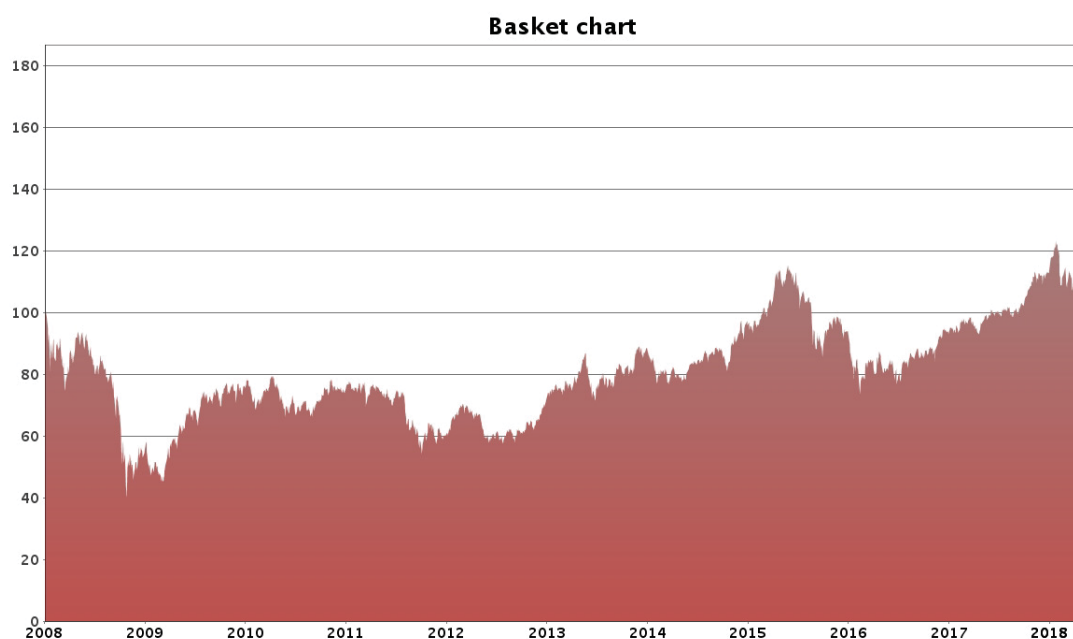
Source: Bloomberg

***Past performance of the Underlying Index is not indicative of its future performance.***

## Hypothetical Performance of the Basket

The following graph illustrates the hypothetical daily performance of the Basket from January 1, 2008 through May 15, 2018 based on closing level information from the Bloomberg Professional® service, if the level of the Basket was made to equal 100 on January 1, 2008. The hypothetical performance reflects the performance the Basket would have exhibited based on the actual historical performance of the Indices. Neither the hypothetical performance of the Basket nor the actual historical performance of any Index should be taken as indications of future performance.

We cannot give you assurance that the performance of the Basket will result in the return of your initial investment. You may lose all of your initial investment.





## Events of Default and Acceleration

If the Securities have become immediately due and payable following an Event of Default (as defined in the accompanying prospectus) with respect to the Securities, the Calculation Agent will determine the accelerated payment due and payable at maturity in the same general manner as described in "Indicative Terms" in this free writing prospectus. In that case, the scheduled trading day immediately preceding the date of acceleration will be used as the Final Valuation Date for the purposes of determining the Basket Return. If a Market Disruption Event exists with respect to an Index on that scheduled trading day, then the accelerated Final Valuation Date for that Index 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 also be postponed by an equal number of business days. For the avoidance of doubt, if no Market Disruption Event exists with respect to an Index on the scheduled trading day preceding the date of acceleration, the determination of such Index's Final Level will be made on such date, irrespective of the existence of a Market Disruption Event with respect to the other Index occurring on such date.

If the Securities have become immediately due and payable following an Event of Default, you will not be entitled to any additional payments with respect to the Securities. 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 Securities from HSBC for distribution to UBS Financial Services Inc. (the "Agent"). HSBC Securities (USA) Inc. will agree to sell to the Agent, and the Agent will agree to purchase, all of the Securities at the price to public less the underwriting discount indicated on the cover of the pricing supplement, which is the document that will be filed pursuant to Rule 424(b)(2) containing the final pricing terms of the Securities. HSBC has agreed to indemnify the Agent against liabilities, including liabilities under the Securities Act of 1933, as amended, or to contribute to payments that the Agent may be required to make relating to these liabilities as described in the prospectus supplement and the prospectus. The Agent may allow a concession to its affiliates not in excess of the underwriting discount set forth on the cover of this free writing prospectus.

Subject to regulatory constraints, HSBC USA Inc. (or an affiliate thereof) intends to offer to purchase the Securities in the secondary market, but is not required to do so and may cease making such offers at any time. HSBC or its affiliate will enter into swap agreements or related hedge transactions with one of its other affiliates or unaffiliated counterparties, which may include the Agent, in connection with the sale of the Securities and the Agent and/or an affiliate may earn additional income as a result of payments pursuant to the swap or related hedge transactions.

We expect that delivery of the Securities will be made against payment for the securities on or about the Settlement Date set forth on the cover page of this document, which is more than two business days following the Trade Date. Under Rule 15c6-1 under the Securities Exchange Act of 1934, trades in the secondary market generally are required to settle in two business days, unless the parties to that trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Securities more than two business days prior to the Settlement Date will be required to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement, and should consult their own advisors.

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

See "Supplemental Plan of Distribution (Conflicts of Interest)" on page S-61 in the accompanying prospectus supplement.