



Weekly Market View

Peak rate expectations?

→ The surge in equities and the plunge in US government bond yields and the US dollar below key technical support levels, after US inflation narrowly fell below estimates, showed how pessimistic investors had become about the US inflation and rates outlook.

→ While the data does suggest that US inflation has likely peaked in this cycle, we believe the Fed will need to see further signs of a significant slowdown in cost pressures and job creation before it pauses rates hikes. Thus, a slower pace of rate hikes is more likely in the coming months, rather than an imminent pause.

→ As such, government bond yields are probably closer to their peak in this cycle. Equities still have to contend with the elevated risk of slowing growth and earnings downgrades. As rates and the USD approach a cycle peak, we continue to prefer adding exposure to Investment Grade corporate bonds and beaten down equity markets such as Asia ex-Japan.

What is the impact of US mid-term elections on US equities?

Does China's equity market rebound have legs?

Do the recent developments in the UK change your view on the GBP?

Charts of the week: Have the US dollar and bond yields peaked?

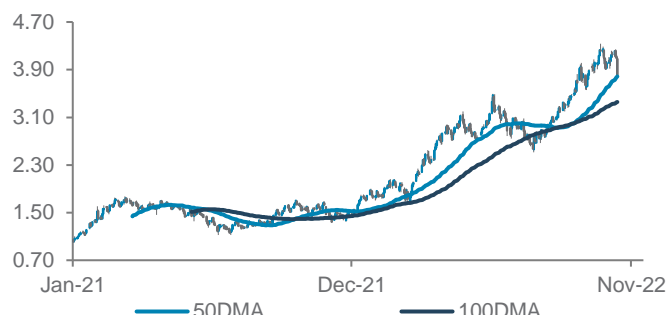
The USD broke below a key support level and the US 10-year bond yield is testing support after the US inflation report

USD index (DXY)



Source: Bloomberg, Standard Chartered

US 10-year government bond yield (%) and moving averages



Editorial

Peak rate expectations?

A lot was riding on the US inflation report for October. The surge in equities and the plunge in US government bond yields and the US dollar below key technical support levels, after price gains narrowly fell below estimates, showed how pessimistic investors had become about the US inflation and rates outlook. While the data does suggest that US inflation has likely peaked in this cycle, we believe the Fed will need to see further signs of a significant slowdown in cost pressures and job creation before it pauses rates hikes. The Fed is cognisant of the risk of going easy on inflation too early, following the lessons learnt in 1980s when it eased too soon. Thus, a slower pace of rate hikes is more likely in the coming months (including a 50bps hike in December to 4.5%), rather than an imminent pause.

As such, government bond yields are probably closer to their peak in this cycle as they have already priced in a Fed terminal rate of close to 5% by mid-2023. Equities still have to contend with the elevated risk of growth and earnings downgrades. As rates and the USD approach a cycle peak, we continue to prefer adding exposure to Investment Grade corporate bonds and beaten down equity markets such as Asia ex-Japan. A diversified basket of income assets is also likely to perform better in this environment than a more balanced allocation as the basket is weighted towards fixed income assets which are likely to benefit the most from peak rate expectations.

The US inflation report missed estimates, but not by a wide enough margin, in our view, to convince the Fed that they have already tightened financial conditions too much. Headline inflation, at 0.4% m/m, missed estimates of 0.6%, but retained the previous month's pace of gains. Core inflation, stripping out energy and food costs, decelerated to 0.3% m/m, from the previous month's 0.6%, falling short of 0.5% estimates. The owners' equivalent rent component of shelter inflation, which has been driving core inflation higher this year, decelerated to 0.6% m/m from 0.8%, although a sharp acceleration in the cost

of lodging away from home meant overall shelter inflation was broadly unchanged. Durable goods deflation intensified to -0.7% from -0.1% as overall consumption shifted to services as the economy continued to normalise after the pandemic.

Nevertheless, looking further under the hood, we notice a continued broadening of some underlying inflation trends - the percent of inflation sub-categories whose three-month percentage changes were greater than the y/y changes accelerated. The Atlanta Fed's so-called 'sticky-price' inflation is still at 7.2% annualised for the past three months, although the core measure decelerated to 5% from 8.3% on a monthly annualised basis. The overall 0.3% m/m core inflation figure itself, when annualised, is well above the Fed's 2% target.

The indecisive US mid-term elections – where the Republicans are likely to get a much narrower-than-expected majority in the US House of Representatives, while the Democrats still have a path to retaining their razor-thin majority in the Senate – means uncertainty around the US government hitting its debt ceiling next year is likely to persist. This points to further government bond issuances, supporting bond yields. With the job market still hot, as signalled by last week's stronger-than-expected non-farm payrolls numbers for October (261,000 net new jobs were created), and two more key inflation and job market data points to come before the Fed's next policy on 14 December, we believe it's still too soon to confirm a peak in Fed rates.

Against this backdrop, while risk assets including rate-sensitive Growth stocks could still outperform in the near term, we continue to believe a basket of income assets remains the most attractive way for investors with a 6-12-month horizon to ride out the emerging macroeconomic landscape. Asia ex-Japan equities are likely to outperform global equities if there are further signs of US interest rates peaking and the USD topping out. Mainland China's measured reopening plans are likely to provide a further fillip to Asia ex-Japan assets (see pages 4-6).

— Rajat Bhattacharya

The weekly macro balance sheet

Our weekly net assessment: On balance, we see the past week's data and policy as neutral for risk assets in the near term.

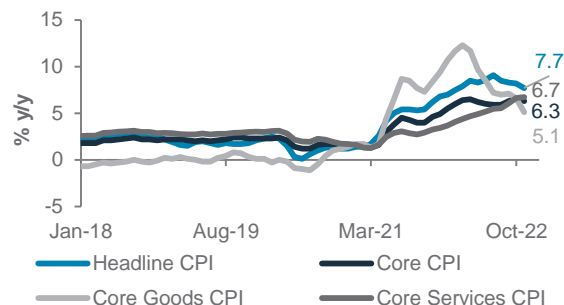
(+) factors: Slower pace of Fed hikes likely after US inflation missed estimates; US Congress gridlock reduces risk of higher bond issuance

(-) factors: Stronger-than-expected US job creation to keep the Fed hawkish

	Positive for risk assets	Negative for risk assets
Macro data	<ul style="list-style-type: none"> US jobless rate rose more than expected to 3.7% US headline (0.4% m/m) and core inflation (0.3% m/m) below estimates Euro area producer price inflation slowed sharply to 1.6% from 5.0% Euro area Sentix investor confidence improved more than expected Euro area retail sales rebounded 0.4% m/m 	<ul style="list-style-type: none"> US non-farm payrolls rose more than expected by 261,000; the average hourly earnings rose more than expected 0.4% m/m China exports slumped unexpectedly -0.3% y/y China's consumer inflation slowed more than expected to 2.1% y/y; new loans missed estimates
	Our assessment: Neutral – Strong US job creation is likely to keep the Fed on its rate hiking path, although the slower-than-expected inflation data means the pace of hikes is likely to slow	
Policy developments	<ul style="list-style-type: none"> China boosted its credit support for developers, eased COVID restrictions, lifted flight bans; officials also signalled more targeted approach towards controlling the pandemic 	<ul style="list-style-type: none"> Fed officials said the softer-than-expected inflation data signalled a slower pace of rate hikes and not a pause
	Our assessment: Neutral – China boost vs slower Fed hikes	
Other developments	<ul style="list-style-type: none"> Russia ordered troops to withdraw from Ukraine's Kherson, the only regional capital seized since Feb US midterm polls pointed to a smaller-than-expected majority for Republicans in the House; control over Senate to be decided by a 6 Dec run-off in Georgia 	<ul style="list-style-type: none"> Russian President Putin dropped plans to attend the G20 summit in Indonesia, reducing the prospects of a rapprochement; Xi and Biden to meet China's new COVID-19 cases continued to rise to their highest daily level since May
	Our assessment: Neutral – A gridlocked US Congress is likely to reduce the chances of higher taxes, but the likely narrow Republican majority is likely to sustain the uncertainty around the US government hitting its debt ceiling next year)	

US inflation decelerated in October, but remains well above the Fed's 2% target

US headline, core, goods and services inflation



Euro area investor confidence and retail sales are showing signs of bottoming

Euro area Sentix Investor Confidence; retail sales



We expect China to continue easing policy as slowing global and domestic demand revives disinflationary pressures

China's exports growth and consumer inflation



Top client questions

Q What is the impact of the US midterm elections on US equities?

Preliminary midterm election results available at the time of writing point to a turn from the previously expected “Republican sweep” to an outcome where the Democrats could retain control of the Senate. At a broad level, we see the midterms as having a largely neutral impact on US equities given the relative importance of other factors such as inflation, the Fed policy and earnings.

One area of pressure has been the US energy sector as Republicans have been regarded as more “pro-carbon” than the Democrats. However, we retain our Overweight stance on the sector and see price weakness as a buying opportunity. The US energy sector has delivered robust earnings beat in Q3 22. The sector’s earnings surprise of 11.5% beats the other sectors across the S&P 500 index, driven by elevated oil prices and effective cost management measures. Meanwhile, valuations in the sector remain attractive, with the P/E at a discount of c.40% to the broader market, wider than the historical average. Finally, a macro backdrop of higher rates and poor risk appetite should also benefit Value sectors like energy.

— **Michelle Kam**, *Investment Strategist*

Q Does China’s equity market rebound have legs?

China equities have had a strong bounce off the bottom since October, with MSCI China and the Hang Seng indices rallying over 10%. This is consistent with our view that China offers tactical opportunities, underpinned by light positioning and cheap valuation.

Domestic drivers include further re-opening measures, including Friday’s decision to ease quarantine restrictions and lift flight bans, and the plan to widen the bond financing program by CNY250 billion for privately-owned property developers. Externally, a weakened greenback also helps, led by the cooling October inflation in the US.

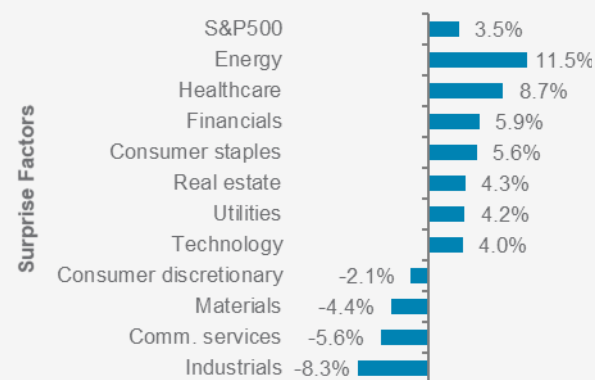
Following this strong market reaction, we will be watching the upcoming Mainland China technology sector earnings releases from 14 Nov, given the soft economic data released of late. October trade figures came in much weaker than expected, with negative growth readings for both exports and imports. CPI moderated to 2.1% and PPI even slipped into negative territory, down 1.3% y/y.

Against these macro headwinds, whether the strength of China equities can sustain going forward, in our view, depends on whether (1) rhetoric against China would lessen from the potentially divided US Congress; (2) any policy boost comes sooner than the December Central Economic Work Conference; and (3) mobility restrictions would be relaxed further.

— **Raymond Cheng CFA, CPA**, *Chief Investment Officer, North Asia*

The US energy sector has delivered the most positive earnings surprise so far in Q3 2022

US earnings surprise by sector for Q3 2022 (as of 4 Nov 2022)



Source: Refinitiv, Standard Chartered

China and HK stocks have rebounded strongly this month; Q3 earnings are the next focus

MSCI China index and Hang Seng Index price performance; performance in grey bar denotes returns since 31 October



Source: Bloomberg, Standard Chartered

Top client questions (cont'd)

Q What can we learn from Europe's Q3 22 earnings season?

About two-thirds of the companies in Europe's Stoxx600 have reported Q3 22 results, according to data from Refinitiv. The results have been broadly positive so far. A total of 60% of the companies that reported have beat earnings expectations, above a historical average of 53%. Most sectors have delivered a positive earnings surprise, led by materials (18% surprise) and industrials (14% surprise). At the index level, earnings have surprised positively by 4.2%. Q3 22 is poised to deliver 32% earnings growth, revised slightly down from 33% growth estimated on 1 October. We believe a significant portion of the earnings growth is driven by euro weakness translating to higher euro-denominated profits, as European companies derive a majority of their revenues abroad. Consensus estimate for the full year 2022 is for earnings growth of 19.5%, similar to the estimate of 20.0% on 1 October.

We continue to see downside risks for Euro area equities as high energy prices and a slowdown in growth contribute to earnings risk for 2023. Within Europe, we prefer to gain exposure via our preferred sectors of energy (5.5% Q3 22 earnings surprise) and financials (Q3 22 earnings in line). Both sectors continue to be attractively valued at a wide discount to the market.

— Fook Hien Yap, Senior Investment Strategist

Q Do the recent developments in the UK change your view on the GBP?

GBP/USD has had a roller-coaster ride since the mini-budget announcement by Finance Minister Kwarteng in September. The pair's 1-month volatility remains unusually high (+2 standard deviations), and GBP/USD has bounced off 50-year lows and has broken above 1.1700, helped by the recent weakness in USD and the optimism around the new government under Prime Minister Rishi Sunak. In the near term, a positive surprise in the fiscal plan announcement on 17 November can push GBP/USD above the key resistance at 1.1790.

However, on a 6-12 month horizon, we expect macroeconomic fundamentals to reassert themselves. GBP/USD remains hamstrung by the weak economic growth outlook for the UK, especially relative to the US. While inflation in the US is showing signs of slowing, inflation in the UK remains stubbornly above 10%, which could lead to unfavourable real interest rate differentials versus the USD. Additionally, we believe the recent political and financial system uncertainty has led to investors embedding a higher risk premium for the GBP. Hence, we continue to expect GBP/USD to retest 1.1000 and potentially 1.0800 levels.

— Abhilash Narayan, Senior Investment Strategist

In Europe, the Energy sector has outperformed significantly in the past year, while financials have outperformed slightly. We expect both sectors to continue outperforming over the next 6-12 months

Total return of MSCI Europe, MSCI Europe Financials and MSCI Europe Energy indices. Rebased to 100=10-Nov-2021



Source: Bloomberg, Standard Chartered

We expect GBP/USD to retest 1.1000 amid near-term technical resistance and medium-term headwinds from slowing growth, rising inflation

GBP/USD



Source: Bloomberg, Standard Chartered

Top client questions (cont'd)

Q Can the weakness in China's real estate sector turn into a systemic risk?

The main challenge for Mainland China's real estate developers continues to be access to liquidity. However, we would need to consider three different aspects of the challenge to assess if this could pose a systemic risk:

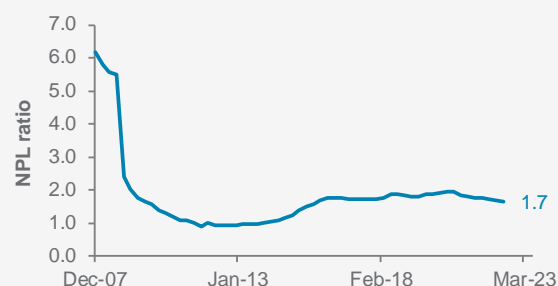
- 1) Banks – exposure to the real estate sector is largely through loans to developers, project loans and mortgages to homebuyers. According to the China Banking and Insurance Regulatory Commission (CBIRC), the estimated exposure via these loans is roughly 26% of banks' total loan book, which the regulator assessed to be "reasonable", especially since the historical non-performing ratio of the sector was a mere 1%. More recently, Chinese regulators also announced several measures to assist distressed developers.
- 2) Homebuyers – the collapse of several highly leveraged developers has delayed home deliveries in certain cities, which resulted in mortgage boycott events in early 2022. Banking regulators have restored market confidence by setting up emergency funds to ensure project delivery. We believe the boycott events are idiosyncratic; the chance of a broadening or boycott appears minimal for now.
- 3) Real estate developers – regulators have used state-backed credit enhancement tools to allow "model developers" to issue bonds in the onshore market. Lately, the PBoC also reintroduced "the second arrow" facility, where the central bank will provide re-financing facilities to buyers of bonds issued by developers. Although we believe the steps are still preliminary in terms of helping resolve the sector's debt challenges, they should be sufficient in preventing individual risks from escalating.

These three lenses suggest the risk of a systemic fallout remains low, in our assessment. Having said that, we continue to see more attractive risk/reward in higher quality bonds. Together, these factors stand behind our preference for the broader Asia USD bonds asset class, which is a predominantly Investment Grade (IG) asset class.

— **Cedric Lam**, Senior Investment Strategist

We see low systemic risks from China's distressed property sector and, thus, continue to prefer Asia USD bonds, which are dominated by Investment Grade bonds

China banks' non-performing loans ratio

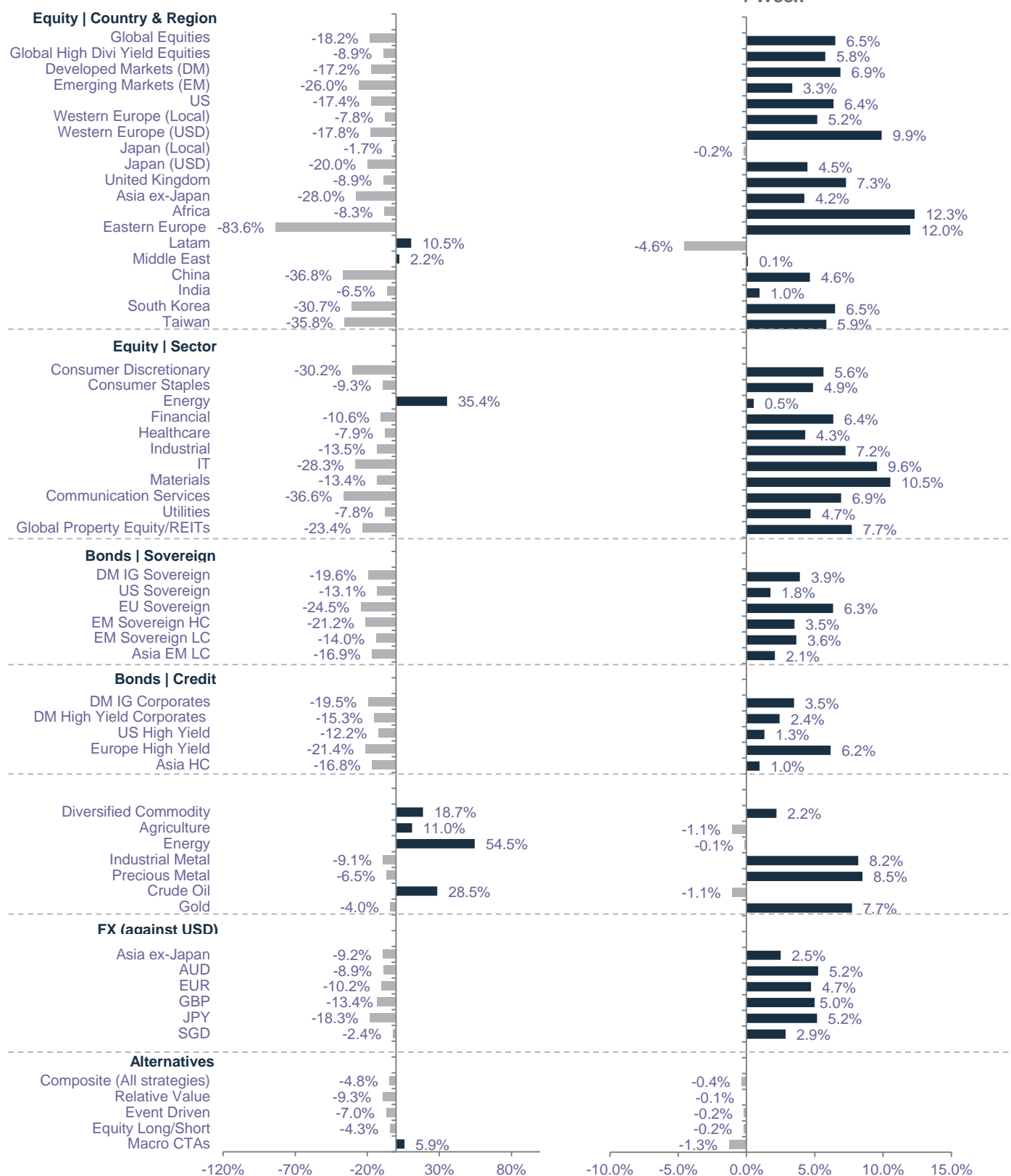


Source: Bloomberg, Standard Chartered

Market performance summary *

YTD

1 Week



Sources: MSCI, JP Morgan, Barclays Capital, Citigroup, Dow Jones, HFRX, FTSE, Bloomberg, Standard Chartered

*Performance in USD terms unless otherwise stated, 2022 YTD performance from 31 December 2021 to 10 November 2022; 1-week period: 03 November 2022 to 10 November 2022

Our 12-month asset class views at a glance

Asset class	
Equities	◆
Euro area	▼
US	◆
UK	▲
Asia ex-Japan	▲
Japan	◆
Other EM	◆
Alternatives	◆
Equity hedge	◆
Event-driven	▼
Relative value	▼
Global macro	▲
Cash	▲
USD	◆
EUR	◆
GBP	◆
CNY	◆
JPY	▲
AUD	▲
NZD	◆
CAD	◆
Bonds (Credit)	◆
Asia USD	▲
Corp DM HY	◆
Govt EM USD	◆
Corp DM IG	▲
Bonds (Govt)	▼
Govt EM Local	▼
Govt DM IG	▼
Gold	◆

Source: Standard Chartered Global Investment Committee

Legend: ▲ Most preferred | ▼ Less preferred | ◆ Core holding

The S&P500 index has next resistance at 3,818

Technical indicators for key markets as of 10 November close

Index	Spot	1st support	1st resistance
S&P 500	3,956	3,818	4,026
STOXX 50	3,847	3,741	3,899
FTSE 100	7,375	7,323	7,402
Nikkei 225	28,201	27,533	28,534
Shanghai Comp	3,082	3,051	3,097
Hang Seng	17,022	16,398	17,329
MSCI Asia ex-Japan	557	550	563
MSCI EM	890	883	898
WTI (Spot)	94.0	91.6	97.5
Gold	1,751	1,700	1,779
UST 10y Yield	3.81	3.68	4.08

Source: Bloomberg, Standard Chartered

Note: These short-term technical levels are based on models and may differ from a more qualitative analysis provided in other pages

Economic and market calendar

Event Next week		Period	Expected	Prior
MON				
	ID	G20 Summit in Bali Indonesia		
TUE	CH	Industrial Production y/y	Oct	5.2% 6.3%
	CH	Retail Sales y/y	Oct	0.7% 2.5%
	CH	Fixed Assets Ex Rural YTD y/y	Oct	5.9% 5.9%
	EC	ZEW Survey Expectations	Nov	– -59.7
	US	PPI Ex Food & Energy y/y	Oct	– 7.2%
WED	US	Retail Sales Ex Auto and Gas	Oct	0.2% 0.3%
	US	Industrial Production m/m	Oct	0.0% 0.4%
THU	US	Housing Starts	Oct	1425k 1439k
	US	Building Permits	Oct	1520k 1564k
FRI/SAT	JN	Natl CPI Ex Fresh Food, Energy y/y	Oct	2.3% 1.8%
	US	Existing Home Sales	Oct	4.38m 4.71m
	US	Leading Index	Oct	-0.4% -0.4%

Source: Bloomberg, Standard Chartered

Prior data are for the preceding period unless otherwise indicated. Data are % change on previous period unless otherwise indicated
P - preliminary data, F - final data, sa - seasonally adjusted, y/y - year-on-year, m/m - month-on-month

Investor diversity has improved for global equities

Our proprietary market diversity indicators as of 10 November

Level 1	Diversity	1-month trend	Fractal dimension
Global Bonds	●	→	1.29
Global Equities	●	↑	1.56
Gold	●	↑	1.74
Equity			
MSCI US	●	→	1.61
MSCI Europe	●	↑	1.69
MSCI AC AXJ	●	→	1.35
Fixed Income			
DM Corp Bond	●	→	1.33
DM High Yield	●	↓	1.49
EM USD	●	→	1.51
EM Local	●	→	1.42
Asia USD	●	↓	1.36
Commodities			
WTI Crude Oil	●	↑	1.77

Source: Bloomberg, Standard Chartered; **Fractal dimensions below 1.25 indicate extremely low market diversity/high risk of a reversal**

Legend: ● High | ● Low to mid | ○ Critically low

Disclosures

This document is confidential and may also be privileged. If you are not the intended recipient, please destroy all copies and notify the sender immediately. This document is being distributed for general information only and is subject to the relevant disclaimers available at our Standard Chartered website under Regulatory disclosures. It is not and does not constitute research material, independent research, an offer, recommendation or solicitation to enter into any transaction or adopt any hedging, trading or investment strategy, in relation to any securities or other financial instruments. This document is for general evaluation only. It does not take into account the specific investment objectives, financial situation or particular needs of any particular person or class of persons and it has not been prepared for any particular person or class of persons. You should not rely on any contents of this document in making any investment decisions. Before making any investment, you should carefully read the relevant offering documents and seek independent legal, tax and regulatory advice. In particular, we recommend you to seek advice regarding the suitability of the investment product, taking into account your specific investment objectives, financial situation or particular needs, before you make a commitment to purchase the investment product. Opinions, projections and estimates are solely those of SCB at the date of this document and subject to change without notice. Past performance is not indicative of future results and no representation or warranty is made regarding future performance. Any forecast contained herein as to likely future movements in rates or prices or likely future events or occurrences constitutes an opinion only and is not indicative of actual future movements in rates or prices or actual future events or occurrences (as the case may be). This document must not be forwarded or otherwise made available to any other person without the express written consent of the Standard Chartered Group (as defined below). Standard Chartered Bank is incorporated in England with limited liability by Royal Charter 1853 Reference Number ZC18. The Principal Office of the Company is situated in England at 1 Basinghall Avenue, London, EC2V 5DD. Standard Chartered Bank is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority. Standard Chartered PLC, the ultimate parent company of Standard Chartered Bank, together with its subsidiaries and affiliates (including each branch or representative office), form the Standard Chartered Group. Standard Chartered Private Bank is the private banking division of Standard Chartered. Private banking activities may be carried out internationally by different legal entities and affiliates within the Standard Chartered Group (each an "SC Group Entity") according to local regulatory requirements. Not all products and services are provided by all branches, subsidiaries and affiliates within the Standard Chartered Group. Some of the SC Group Entities only act as representatives of Standard Chartered Private Bank and may not be able to offer products and services or offer advice to clients. ESG data has been provided by Morningstar and Sustainalytics. Refer to the Morningstar website under Sustainable Investing and the Sustainalytics website under ESG Risk Ratings for more information. The information is as at the date of publication based on data provided and may be subject to change.

Copyright © 2022, Accounting Research & Analytics, LLC d/b/a CFRA (and its affiliates, as applicable). Reproduction of content provided by CFRA in any form is prohibited except with the prior written permission of CFRA. CFRA content is not investment advice and a reference to or observation concerning a security or investment provided in the CFRA SERVICES is not a recommendation to buy, sell or hold such investment or security or make any other investment decisions. The CFRA content contains opinions of CFRA based upon publicly-available information that CFRA believes to be reliable and the opinions are subject to change without notice. This analysis has not been submitted to, nor received approval from, the United States Securities and Exchange Commission or any other regulatory body. While CFRA exercised due care in compiling this analysis, CFRA, ITS THIRD-PARTY SUPPLIERS, AND ALL RELATED ENTITIES SPECIFICALLY DISCLAIM ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, to the full extent permitted by law, regarding the accuracy, completeness, or usefulness of this information and assumes no liability with respect to the consequences of relying on this information for investment or other purposes. No content provided by CFRA (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of CFRA, and such content shall not be used for any unlawful or unauthorized purposes. CFRA and any third-party providers, as well as their directors, officers, shareholders, employees or agents do not guarantee the accuracy, completeness, timeliness or availability of such content. In no event shall CFRA, its affiliates, or their third-party suppliers be liable for any direct, indirect, special, or consequential damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with a subscriber's, subscriber's customer's, or other's use of CFRA's content.

Market Abuse Regulation (MAR) Disclaimer

Banking activities may be carried out internationally by different branches, subsidiaries and affiliates within the Standard Chartered Group according to local regulatory requirements. Opinions may contain outright "buy", "sell", "hold" or other opinions. The time horizon of this opinion is dependent on prevailing market conditions and there is no planned frequency for updates to the opinion.

This opinion is not independent of Standard Chartered Group's trading strategies or positions. Standard Chartered Group and/or its affiliates or its respective officers, directors, employee benefit programmes or employees, including persons involved in the preparation or issuance of this document may at any time, to the extent permitted by applicable law and/or regulation, be long or short any securities or financial instruments referred to in this document or have material interest in any such securities or related investments. Therefore, it is possible, and you should assume, that Standard Chartered Group has a material interest in one or more of the financial instruments mentioned herein. Please refer to our Standard Chartered website under Regulatory disclosures for more detailed disclosures, including past opinions/ recommendations in the last 12 months and conflict of interests, as well as disclaimers. A covering strategist may have a financial interest in the debt or equity securities of this company/issuer. This document must not be forwarded or otherwise made available to any other person without the express written consent of Standard Chartered Group.

Country/Market Specific Disclosures

Botswana: This document is being distributed in Botswana by, and is attributable to, Standard Chartered Bank Botswana Limited which is a financial institution licensed under the Section 6 of the Banking Act CAP 46:04 and is listed in the Botswana Stock Exchange. **Brunei Darussalam:** This document is being distributed in Brunei Darussalam by, and is attributable to, Standard Chartered Bank (Brunei Branch) | Registration Number RFC/61 and Standard Chartered Securities (B) Sdn Bhd | Registration Number RC20001003. Standard Chartered Bank is incorporated in England with limited liability by Royal Charter 1853 Reference Number ZC18 and Standard Chartered Securities (B) Sdn Bhd, which is a limited liability company registered with the Registry of Companies with Registration Number RC20001003 and licensed by Brunei Darussalam Central Bank as a Capital Markets Service License Holder with License Number AMBD/R/CMU/S3-CL and authorised to conduct Islamic investment business through an Islamic window. **China Mainland:** This document is being distributed in China by, and is attributable to, Standard Chartered Bank (China) Limited which is mainly regulated by China Banking and Insurance Regulatory Commission (CBIRC), State Administration of Foreign Exchange (SAFE), and People's Bank of China (PBOC). **Hong Kong:** In Hong Kong, this document, except for any portion advising on or facilitating any decision on futures contracts trading, is distributed by Standard Chartered Bank (Hong Kong) Limited ("SCBHK"), a subsidiary of Standard Chartered PLC. SCBHK has its registered address at 32/F, Standard Chartered Bank Building, 4-4A Des Voeux Road Central, Hong Kong and is regulated by the Hong Kong Monetary Authority and registered with the Securities and Futures Commission ("SFC") to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activity under the Securities and Futures Ordinance (Cap. 571) ("SFO") (CE No. AJI614). The contents of this document have not been reviewed by any regulatory authority in Hong Kong and you are advised to exercise caution in relation to any offer set out herein. If you are in doubt about any of the contents of this document, you should obtain independent professional advice. Any product named herein may not be offered or sold in Hong Kong by means of any document at any time other than to "professional investors" as defined in the SFO and any rules made under that ordinance. In addition, this document may not be issued or possessed for the purposes of issue, whether in Hong Kong or elsewhere, and any interests may not be disposed of, to any person unless such person is outside Hong Kong or is a "professional investor" as defined in the SFO and any rules made under that ordinance, or as otherwise may be permitted by that ordinance. In Hong Kong, Standard Chartered Private Bank is the private banking division of Standard Chartered Bank (Hong Kong) Limited, a subsidiary of Standard Chartered PLC. **Ghana:** Standard Chartered Bank Ghana Limited accepts no liability and will not be liable for any loss or damage arising directly or indirectly (including special, incidental or consequential loss or damage) from your use of these documents. Past performance is not indicative of future results and no representation or warranty is made regarding future performance. You should seek advice from a financial adviser on the suitability of an investment for you, taking into account these factors before making a commitment to invest in an investment. To unsubscribe from receiving further updates, please send an email to feedback . ghana @ sc . com. Please do not reply to this email. Call our Priority Banking on 0302610750 for any questions or service queries. You are advised not to send any confidential and/or important information to the Bank via e-mail, as the Bank makes no representations or warranties as to the security or accuracy of any information transmitted via e-mail. The Bank shall not be responsible for any loss or damage suffered by you arising from your decision to use e-mail to communicate with the Bank. **India:** This document is being distributed in India by Standard Chartered Bank in its capacity as a distributor of mutual funds and referrer of any other third party financial products. Standard Chartered Bank does not offer any 'Investment Advice' as defined in the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013 or otherwise. Services/products related securities business offered by Standard Chartered Bank are not intended for any person, who is a resident of any jurisdiction, the laws of which imposes prohibition on soliciting the securities business in that jurisdiction without going through the registration requirements and/or prohibit the use of any information contained in this document. **Indonesia:** This document is being distributed in Indonesia by Standard Chartered Bank, Indonesia branch, which is a financial institution licensed, registered and supervised by Otoritas Jasa Keuangan (Financial Service Authority). **Jersey:** In Jersey, Standard Chartered Private Bank is the Registered Business Name of the Jersey

Branch of Standard Chartered Bank. The Jersey Branch of Standard Chartered Bank is regulated by the Jersey Financial Services Commission. Copies of the latest audited accounts of Standard Chartered Bank are available from its principal place of business in Jersey: PO Box 80, 15 Castle Street, St Helier, Jersey JE4 8PT. Standard Chartered Bank is incorporated in England with limited liability by Royal Charter in 1853 Reference Number ZC 18. The Principal Office of the Company is situated in England at 1 Basinghall Avenue, London, EC2V 5DD. Standard Chartered Bank is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority. The Jersey Branch of Standard Chartered Bank is also an authorised financial services provider under license number 44946 issued by the Financial Sector Conduct Authority of the Republic of South Africa. Jersey is not part of the United Kingdom and all business transacted with Standard Chartered Bank, Jersey Branch and other SC Group Entity outside of the United Kingdom, are not subject to some or any of the investor protection and compensation schemes available under United Kingdom law. **Kenya:** This document is being distributed in Kenya by, and is attributable to Standard Chartered Bank Kenya Limited. Investment Products and Services are distributed by Standard Chartered Investment Services Limited, a wholly owned subsidiary of Standard Chartered Bank Kenya Limited (Standard Chartered Bank/the Bank) that is licensed by the Capital Markets Authority as a Fund Manager. Standard Chartered Bank Kenya Limited is regulated by the Central Bank of Kenya. **Malaysia:** This document is being distributed in Malaysia by Standard Chartered Bank Malaysia Berhad. Recipients in Malaysia should contact Standard Chartered Bank Malaysia Berhad in relation to any matters arising from, or in connection with, this document. **Nigeria:** This document is being distributed in Nigeria by Standard Chartered Bank Nigeria Limited ("the Bank"), a bank duly licensed and regulated by the Central Bank of Nigeria. The Bank accepts no liability for any loss or damage arising directly or indirectly (including special, incidental or consequential loss or damage) from your use of these documents. You should seek advice from a financial adviser on the suitability of an investment for you, taking into account these factors before making a commitment to invest in an investment. To unsubscribe from receiving further updates, please send an email to clientcare.ng@sc.com requesting to be removed from our mailing list. Please do not reply to this email. Call our Priority Banking on 01-2772514 for any questions or service queries. The Bank shall not be responsible for any loss or damage arising from your decision to send confidential and/or important information to the Bank via e-mail, as the Bank makes no representations or warranties as to the security or accuracy of any information transmitted via e-mail. **Pakistan:** This document is being distributed in Pakistan by, and attributable to Standard Chartered Bank (Pakistan) Limited having its registered office at PO Box 5556, I.I Chundrigar Road Karachi, which is a banking company registered with State Bank of Pakistan under Banking Companies Ordinance 1962 and is also having license issued by Securities & Exchange Commission of Pakistan for Security Advisors. Standard Chartered Bank (Pakistan) Limited acts as a distributor of mutual funds and referrer of other third-party financial products. **Singapore:** This document is being distributed in Singapore by, and is attributable to, Standard Chartered Bank (Singapore) Limited (Registration No. 201224747C/ GST Group Registration No. MR-8500053-0, "SCBSL"). Recipients in Singapore should contact SCBSL in relation to any matters arising from, or in connection with, this document. SCBSL is an indirect wholly owned subsidiary of Standard Chartered Bank and is licensed to conduct banking business in Singapore under the Singapore Banking Act, 1970. Standard Chartered Private Bank is the private banking division of SCBSL. IN RELATION TO ANY SECURITY OR SECURITIES-BASED DERIVATIVES CONTRACT REFERRED TO IN THIS DOCUMENT, THIS DOCUMENT, TOGETHER WITH THE ISSUER DOCUMENTATION, SHALL BE DEEMED AN INFORMATION MEMORANDUM (AS DEFINED IN SECTION 275 OF THE SECURITIES AND FUTURES ACT, 2001 ("SFA")). THIS DOCUMENT IS INTENDED FOR DISTRIBUTION TO ACCREDITED INVESTORS, AS DEFINED IN SECTION 4A(1)(a) OF THE SFA, OR ON THE BASIS THAT THE SECURITY OR SECURITIES-BASED DERIVATIVES CONTRACT MAY ONLY BE ACQUIRED AT A CONSIDERATION OF NOT LESS THAN S\$200,000 (OR ITS EQUIVALENT IN A FOREIGN CURRENCY) FOR EACH TRANSACTION. Further, in relation to any security or securities-based derivatives contract, neither this document nor the Issuer Documentation has been registered as a prospectus with the Monetary Authority of Singapore under the SFA. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the product may not be circulated or distributed, nor may the product be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons other than a relevant person pursuant to section 275(1) of the SFA, or any person pursuant to section 275(1A) of the SFA, and in accordance with the conditions specified in section 275 of the SFA, or pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. In relation to any collective investment schemes referred to in this document, this document is for general information purposes only and is not an offering document or prospectus (as defined in the SFA). This document is not, nor is it intended to be (i) an offer or solicitation of an offer to buy or sell any capital markets product; or (ii) an advertisement of an offer or intended offer of any capital markets product. **Deposit Insurance Scheme:** Singapore dollar deposits of non-bank depositors are insured by the Singapore Deposit Insurance Corporation, for up to S\$75,000 in aggregate per depositor per Scheme member by law. Foreign currency deposits, dual currency investments, structured deposits and other investment products are not insured. This advertisement has not been reviewed by the Monetary Authority of Singapore. **Taiwan:** Standard Chartered Bank ("SCB") or Standard Chartered Bank (Taiwan) Limited

("SCB (Taiwan)") may be involved in the financial instruments contained herein or other related financial instruments. The author of this document may have discussed the information contained herein with other employees or agents of SCB or SCB (Taiwan). The author and the above-mentioned employees of SCB or SCB (Taiwan) may have taken related actions in respect of the information involved (including communication with customers of SCB or SCB (Taiwan) as to the information contained herein). The opinions contained in this document may change, or differ from the opinions of employees of SCB or SCB (Taiwan). SCB and SCB (Taiwan) will not provide any notice of any changes to or differences between the above-mentioned opinions. This document may cover companies with which SCB or SCB (Taiwan) seeks to do business at times and issuers of financial instruments. Therefore, investors should understand that the information contained herein may serve as specific purposes as a result of conflict of interests of SCB or SCB (Taiwan). SCB, SCB (Taiwan), the employees (including those who have discussions with the author) or customers of SCB or SCB (Taiwan) may have an interest in the products, related financial instruments or related derivative financial products contained herein; invest in those products at various prices and on different market conditions; have different or conflicting interests in those products. The potential impacts include market makers' related activities, such as dealing, investment, acting as agents, or performing financial or consulting services in relation to any of the products referred to in this document. **UAE:** DIFC - Standard Chartered Bank is incorporated in England with limited liability by Royal Charter 1853 Reference Number ZC18. The Principal Office of the Company is situated in England at 1 Basinghall Avenue, London, EC2V 5DD. Standard Chartered Bank is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority. Standard Chartered Bank, Dubai International Financial Centre having its offices at Dubai International Financial Centre, Building 1, Gate Precinct, P.O. Box 999, Dubai, UAE is a branch of Standard Chartered Bank and is regulated by the Dubai Financial Services Authority ("DFSA"). This document is intended for use only by Professional Clients and is not directed at Retail Clients as defined by the DFSA Rulebook. In the DIFC we are authorised to provide financial services only to clients who qualify as Professional Clients and Market Counterparties and not to Retail Clients. As a Professional Client you will not be given the higher retail client protection and compensation rights and if you use your right to be classified as a Retail Client we will be unable to provide financial services and products to you as we do not hold the required license to undertake such activities. For Islamic transactions, we are acting under the supervision of our Shariah Supervisory Committee. Relevant information on our Shariah Supervisory Committee is currently available on the Standard Chartered Bank website in the Islamic banking section For residents of the UAE – Standard Chartered Bank UAE does not provide financial analysis or consultation services in or into the UAE within the meaning of UAE Securities and Commodities Authority Decision No. 48/r of 2008 concerning financial consultation and financial analysis. **Uganda:** Our Investment products and services are distributed by Standard Chartered Bank Uganda Limited, which is licensed by the Capital Markets Authority as an investment adviser. **United Kingdom:** Standard Chartered Bank is incorporated in England with limited liability by Royal Charter 1853 Reference Number ZC18. The Principal Office of the Company is situated in England at 1 Basinghall Avenue, London, EC2V 5DD. Standard Chartered Bank is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority. Standard Chartered Bank (trading as Standard Chartered Private Bank) is an authorised financial services provider (license number 45747) in terms of the South African Financial Advisory and Intermediary Services Act, 2002. **Vietnam:** This document is being distributed in Vietnam by, and is attributable to, Standard Chartered Bank (Vietnam) Limited which is mainly regulated by State Bank of Vietnam (SBV). Recipients in Vietnam should contact Standard Chartered Bank (Vietnam) Limited for any queries regarding any content of this document. **Zambia:** This document is distributed by Standard Chartered Bank Zambia Plc, a company incorporated in Zambia and registered as a commercial bank and licensed by the Bank of Zambia under the Banking and Financial Services Act Chapter 387 of the Laws of Zambia.