Market Watch

Blue Wave: Democrats sweep the US midterms

Summary

Event: The Democrats gained control of the House of Representatives and the Senate at the US midterm elections that took place this week.

Our View: With the US government now no longer under unified control of the Republicans, gridlock has returned to Washington. **We believe investors should not overreact to these results and should stay invested**.

In equities, investors should continue to diversify their equity exposure into more defensive sectors. As we transition to mid-cycle for the equity markets, we expect stocks to continue to deliver positive returns in the 8-10% range per annum, a downshift from the torrid pace of gains in the earlier part of the cycle.

In bonds, income remains attractive given recent spread widening. We favour non-hyperscaler investment grade corporate bonds at the three to seven-year part of the curve. We continue to expect the US dollar to remain range-bound in the near term, as we expect two more rate hikes from the Fed, but as this mini rate hike cycle ends in the second quarter of 2027, the USD index (DXY) is likely to depreciate towards 98.5 as markets start to anticipate a Fed rate cut in the second half of next year.

Oil is likely to rebound in the short-term on heightened geopolitical risk, but as supply chains adapt to the current situation and Congress exercises oversight on defense spending, WTI prices are likely to drift towards our 12-month target of USD 80 per barrel.

Democrats made solid gains across the Senate, House of Representatives and State Governors

Results reported as at 7:45PM Singapore Time

US midterm election results			
	Senate	House of Representatives	State Governors
Democrats	54 (Gained 7)	228 (Gained 25)	28 (Gained 5)
Republicans	44 (Lost 7)	139 (Lost 25)	20 (Lost 5)

Source: The Wall Street Journal, Standard Chartered

Major implications of Democrat control of Congress

1) **Fiscal expansionary policies may slow.** Democrats are now in position to block any new tax cuts or spending plans from the Trump administration. At the same time, any fiscal policies proposed by Democrats may also face Trump's veto. Hence the fiscal trajectory of the US will likely remain stuck over the next two years. As we get into the second half of 2027, the US debt ceiling will once again loom, and gridlock could potentially bring back government shutdowns. However, as they have always done in the past, compromise will ultimately prevail, in our opinion.

2) **Trump remains in control of foreign policy.** With the midterms now out of the way, could Trump decide to re-start combat operations with Iran? We believe there is a risk that US and Israel – now that both countries' have concluded important elections – will once again be tempted to restart combat operations to force an end to the conflict. However, the duration of any renewed hostilities may be limited by Congress next year as the Democrats will likely withhold funding for further military operations. In the near-term, oil prices may experience renewed volatility before stabilising at a lower level next year. The introduction of new tariffs on trading partners may prove harder with Democrat oversight.

3) **AI data centre moratoriums could grow, though model development regulatory changes would be harder to pass.** While the headlines have focused on the House and Senate results, one important development has also occurred at the gubernatorial level. Notably, Democrats have won the governor races in Texas and Georgia, two big data centre states. As data centre build out permits are largely decided at the local state level, this will have important ramifications for build out plans next year. However, any Democratic proposals to regulate AI model developments would need to be signed off by President Trump, who continues to wield veto power on any such proposals.

Asset class strategy

Equities: Remain invested and continue to diversify. While investors initially overreacted, President Trump's relatively conciliatory response has provided some welcome relief, helping markets recover strongly from their pre-market lows. **Hence, we recommend investors avoid overreacting, remain invested and continue to diversify their equity exposure across sectors and regions.**

A few themes stand out from the early pre-market reaction to the mid-term elections. On the positive side, defensive stocks continue to fare well, while themes favoured by Democrats are also outperforming. Clean energy is a notable beneficiary, with solar stocks among the biggest winners

Policy uncertainty and a change in the innovation cycle is consistent with our view of a mid-cycle transition, where equity returns moderate but remain positive

Comparison of recent equity bull markets

Cycle	Period	S&P annualised returns	Control of chambers	Innovation cycle
Early cycle	Jan 2009 to Jan 2015	19.1%	United / divided	Smartphone / cloud ramp
Mid-cycle	Jan 2015 to Jan 2017	8.3%	Opposition	Smartphone / cloud consolidation
Early cycle	Jan 2023 to Jan 2027	20.5%	United / divided	AI ramp
Mid-cycle	Jan 2027 to Jan 2029	??	Opposition	AI consolidation

Source: FactSet, Bloomberg, Standard Chartered

Our opportunistic ideas have a more defensive stance on average

Equity opportunistic ideas

Idea	Inception date
Global High Dividend	18-Jun-26
*US Healthcare	12-Oct-26
*MSCI Switzerland	29-Oct-26
Euro Area Banks	27-Aug-26
Japan Banks	18-Jun-26

Source: Standard Chartered. *New idea

Diversify across sectors during mid-cycle

The four growth pillars of the S&P 500

	Technology	Financials & Real Estate	Resources	Healthcare & others
Preferred US sectors	**Information Technology**	**Financials**	**Materials**	**Healthcare**
Other exposures	Comm. Services Consumer Discretionary	Real Estate	Industrials Energy Utilities	Consumer Staples Others
Share of S&P 500 2027 EPS	47.6%	17.9%	20.2%	14.3%

Source: FactSet, Bloomberg, Standard Chartered

today. Affordability-related themes are also rallying, including companies that could benefit from potential tariff rollbacks. Medicaid-related stocks are also moving higher on expectations that potential policy changes could provide a tailwind for the healthcare sector.

On the negative side, semiconductor weakness continues amid concerns around potential data centre moratoriums. Our AI capex estimates remain conservative relative to consensus, but with a potential reset in expectations around data centre spending, investors should remain selective. After downgrading semiconductors last month, we have maintained a conservative stance on the industry, with a lower recommended allocation compared to September.

While we believe the mid-term election outcome is not a complete surprise to markets, particularly given pre-election polling and the recent weakness in both the S&P 500 and Nasdaq, the overnight correction highlights how complacent investors had become, with the VIX initially surging more than 10% in pre-market trading, although down from intra-day highs after President Trump's comments.

As we have highlighted in our recent notes on the transition to mid-cycle, this phase is typically characterised by greater political headwinds. The mid-term election outcome reinforces the trend. The experience of 2015-2017, highlighted in the second table, offers a useful historical parallel. Despite the knee-jerk reaction, investors should not overreact based on one day's moves. While we had trimmed equities to a core allocation last week, we continue to expect equities to deliver mid-to-high single-digit returns per annum during the mid-cycle, even amid political headwinds, supported by steady underlying earnings growth in both 2027 and 2028.

So, what should investors do to navigate the next few months before the newly elected representatives are sworn in and take control of the House and Senate? As we have been highlighting in recent notes, equity markets should still deliver positive returns, albeit at a more moderate pace. Hence, we recommend staying invested but diversification remains key to navigating the next phase of the cycle.

FX: DXY near-term support at 100.7, 12-month target at 98.5. A Democratic sweep potentially removes the legislative runway for further tariff escalation and for fiscal expansion, the two structural pillars of US exceptionalism that have anchored dollar demand in 2026. Reduced fiscal impulse compresses the growth and yield differential that has kept the US dollar well-bid all year. Additionally, potential Democratic restrictions on AI and data centre investment could weigh on US equity outperformance, which is likely to act as a secondary dollar-negative channel.

However, despite historical readings supporting a near-term DXY headwind from a Democratic sweep, the magnitude will

USD Index (DXY) weakened modestly

Currency	3 Nov 26 Price	4 Nov 26 Price	Post-Result % Change
DXY	101.9	101.4	-0.47%
EUR/USD	1.1	1.1	0.54%
GBP/USD	1.3	1.3	0.52%
AUD/USD	0.7	0.7	0.43%
USD/JPY	158.7	158.3	-0.26%

Source: Bloomberg, Standard Chartered

We expect further USD depreciation in 2027 as Fed policy pivots from two further hikes to one cut in H2 2027

DXY vs Weighted interest rate differentials



Source: Bloomberg, Standard Chartered

US government bond yields are generally lower after mid-term election results

US government bond yields

Yield (%)	2y	5y	7y	10y	30y
3 Nov 2026 - close	4.632	4.763	4.850	4.965	5.329
4 Nov 2026 - 6pm SGT	4.615	4.724	4.806	4.918	5.288
Change (bps)	-1.7	-3.9	-4.4	-4.7	-4.1

Source: Bloomberg, Standard Chartered

likely be modest and short-lived unless compounded by a weaker than expected non-farm payrolls report on Friday. We see the Fed narrative, not the election, as the dominant medium-term driver. Near-term we see USD index (DXY) support at 100.7, and retain our 12-month target at 98.5.

Fixed Income: Still attractive all-in yields; prefer investment grade corporates at three-to-seven year tenors to earn income and manage interest rate risk. The US Treasury bond market reaction appears to reflect a moderation in expectations of future economic growth after the election results. Yields at the intermediate end of the curve dropped the most, while the 30-year US yield moderated more modestly. We continue to expect two more Fed rate hikes between now and H1 2027 as still sticky inflation and the robust economy support further tightening.

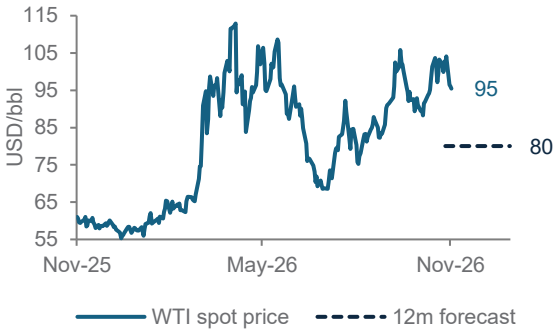
In the past few weeks, the US Treasury yield curve has broadly shifted downwards, after our opportunistic call to go long 10-year Treasuries at the end of September. We are of the view the ultra-long end downshift in yields is overdone (given the still challenging US fiscal trajectory) and would recommend investors who had earlier taken long duration exposures at the 20 to 30-year parts of the curve reduce their positions now. We continue to believe the 3 to 7-year part of the curve offers the most optimal balance of income and interest rate risk, particularly via investment corporate bonds.

Within corporate credit, we expect a potentially slower pace of AI data centre buildouts could marginally improve market technicals, as hyperscaler and tech sector bond issuance may slow (and reduce "crowding out" of other bond issuances). Conversely, from a credit perspective, we believe this dynamic may also make the data centre focused deals less viable, and would be cautious on some of this sector's lower quality names. Meanwhile, less AI capex dependent issuers continue to offer solid credit profiles amidst the still strong economy. High yield corporate spreads have widened in recent weeks but dispersion within the complex is wide, with BBs and Bs credit spreads staying relatively resilient, while CCCs have widened to distressed levels. For income-focused investors, we would recommend staying within the crossover range of between BBB-BB.

Commodities: As noted in the opening section, we believe there is a higher near-term risk of a restart of combat operations in Iran given the conclusion of the midterm elections. Given that, **we believe there is a risk that oil prices could see a short-term spike, despite recent diplomatic overtures from Iran. However, for 2027 we continue to expect oil to stabilise at lower levels**, as we think the Mideast situation should de-escalate given Democratic oversight of the defense budget, and the likely re-configuration of oil supply chains. On the margin, we are also closely monitoring regulatory developments in the US shale

We expect oil prices to drift towards USD 80 a barrel as oil supply chains adapt, and Congress restrains the US defense budget

WTI crude spot price vs our 12m forecast



Source: Bloomberg, Standard Chartered

oil industry as the Democrats may seek to introduce new regulations on the sector.

On gold, we view the recent change in control in the Congress as only having a marginal impact and thus stay Overweight. USD strength is a headwind (which is more dependent on Fed policy), but gold's sensitivity to real yields has eased amid continued central bank buying, led by China, and resilient investor demand.

— Jonathan Liang, CFA, *CIO, Fixed Income & FX*

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 SC 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. The value of investments, and the income from them, can go down as well as up, and you may not recover the amount of your original investment. You are not certain to make a profit and may lose money. 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 Global 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 Global Private Bank and may not be able to offer products and services or offer advice to clients.

Copyright © 2026, 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. All covering strategist are licensed to provide investment recommendations under Monetary Authority of Singapore or Hong Kong Monetary Authority. This document must not be forwarded or otherwise made available to any other person without the express written consent of Standard Chartered Group.

Sustainable Investments

Any ESG data used or referred to has been provided by Morningstar, Sustainalytics, MSCI or Bloomberg. Refer to 1) Morningstar website under Sustainable Investing, 2) Sustainalytics website under ESG Risk Ratings, 3) MCSI website under ESG Business Involvement Screening Research and 4) Bloomberg green, social & sustainability bonds guide for more information. The ESG data is as at the date of publication based on data provided, is for informational purpose only and is not warranted to be complete, timely, accurate or suitable for a particular purpose, and it may be subject to change. The ESG data providers may not provide data coverage of all companies or securities in our Sustainable Investment Universe or Fund Select funds. As a result, a small subset of companies or securities will not be in scope for exclusionary screening. Sustainable Investments (SI): This refers to funds that have been classified as 'ESG Intentional Investments - Overall' by Morningstar. SI funds have explicitly stated in their prospectus and regulatory filings that they either incorporate ESG factors into the investment process or have a thematic focus on the environment, gender diversity, low carbon, renewable energy, water or community development. For equity, it refers to shares/stocks issued by companies with Sustainalytics ESG Risk Rating of Low/Negligible. For bonds, it refers to debt instruments issued by issuers with Sustainalytics ESG Risk Rating of Low/Negligible, and/or those being certified green, social, sustainable bonds by Bloomberg. For structured products, it refers to products that are issued by any issuer who has a Sustainable Finance framework that aligns with Standard Chartered's Green and Sustainable Product Framework, with underlying assets that are part of the Sustainable Investment universe or separately approved by Standard Chartered's Sustainable Finance Governance Committee. Sustainalytics ESG risk ratings shown are factual and are not an indicator that the product is classified or marketed as "green", "sustainable" or similar under any particular classification system or framework.

Shariah ("Shariah Compliant or Shariah Compliance")

For any reason to enter only into transactions which comply or are consistent with the principles of the Shariah, the client certifies that he/she/it has made his /her/its own investigation into and satisfied itself as to the Shariah compliance of the Islamic security and all necessary action to confirm that the Islamic security is Shariah compliant has been taken (including the obtaining of a fatwa, where required) and the Client will not claim any dispute on the grounds of any lack of Shariah compliance of these investments. The Client has not relied on Standard Chartered Group or any written declaration, fatwa, opinion or other documents prepared by, on behalf or at the request of Standard Chartered Group for the purposes of a determination or confirmation that these instruments are Shariah compliant.

Country/Market Specific Disclosures

Bahrain: This document is being distributed in Bahrain by Standard Chartered Bank, Bahrain Branch, having its address at P.O. 29, Manama, Kingdom of Bahrain, is a branch of Standard Chartered Bank and is licensed by the Central Bank of Bahrain as a conventional retail bank. **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. Standard Chartered Securities (B) Sdn Bhd 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 BDCB/R/CMU/S3-CL and it is 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 National Financial Regulatory Administration (NFRA),

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 Global Private Bank is the private banking division of SCBHK, 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 Standard Chartered via e-mail, as Standard Chartered makes no representations or warranties as to the security or accuracy of any information transmitted via e-mail. Standard Chartered 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:** Standard Chartered Bank, India ("Bank") (ARN-1209) is an AMFI-registered distributor of select Mutual Funds and a referrer of certain third-party financial products. The Bank is not registered with SEBI as an Investment Adviser and does not provide investment advisory services or financial planning services as defined under the SEBI (Investment Advisers) Regulations, 2013. Any information contained herein is for informational purposes only and should not be construed as investment advice, recommendation, research report, or an offer to buy or sell any security or financial product. Mutual Fund investments are subject to market risks. Please read all scheme-related documents carefully before investing. The services/products described herein are not intended for any person resident in a jurisdiction where their distribution, solicitation or use would be contrary to local laws or regulations. **Indonesia:** This document is being distributed in Indonesia by Standard Chartered Bank, Indonesia branch, which is a financial institution licensed and supervised by Otoritas Jasa Keuangan (Financial Service Authority) and Bank Indonesia. **Jersey:** 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 Standard Chartered Group Offices 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 that is licensed by the Capital Markets Authority in Kenya, 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 ("SCBMB"). Recipients in Malaysia should contact SCBMB in relation to any matters arising from, or in connection with, this document. This document has not been reviewed by the Securities Commission Malaysia. The product lodgement, registration, submission or approval by the Securities Commission of Malaysia does not amount to nor indicate recommendation or endorsement of the product, service or promotional activity. Investment products are not deposits and are not obligations of, not guaranteed by, and not protected by SCBMB or any of the affiliates or subsidiaries, or by Perbadanan Insurans Deposit Malaysia, any government or insurance agency. Investment products are subject to investment risks, including the possible loss of the principal amount invested. SCBMB expressly disclaim

any liability and responsibility for any loss arising directly or indirectly (including special, incidental or consequential loss or damage) arising from the financial losses of the Investment Products due to market condition. **Nigeria:** This document is being distributed in Nigeria by Standard Chartered Bank Nigeria Limited (SCB Nigeria), a bank duly licensed and regulated by the Central Bank of Nigeria. SCB Nigeria 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 02 012772514 for any questions or service queries. SCB Nigeria shall not be responsible for any loss or damage arising from your decision to send confidential and/or important information to Standard Chartered via e-mail. SCB Nigeria 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 licensed 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 Global 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$100,000 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:** SC Group Entity 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 SC or SCB (Taiwan). The author and the above-mentioned employees of SC or SCB (Taiwan) may have taken related actions in respect of the information involved (including communication with customers of SC 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 SC or SCB (Taiwan). SC 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 SC 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 SC or SCB (Taiwan). SC, SCB (Taiwan), the employees (including those who have discussions with the author) or customers of SC 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 UAE ("SC UAE") is licensed by the Central Bank of the U.A.E. SC UAE is licensed by Securities and Commodities Authority to practice Promotion Activity. SC 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:** In the UK, Standard Chartered Bank is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority. This communication has been approved by Standard Chartered Bank for the purposes of Section 21 (2) (b) of the United Kingdom's Financial Services and Markets Act 2000 ("FSMA") as amended in 2010 and 2012 only. Standard Chartered Bank (trading as Standard Chartered Global Private Bank) is also an authorised financial services provider (license number 45747) in terms of the South African Financial Advisory and Intermediary Services Act, 2002. The Materials have not been prepared in accordance with UK legal requirements designed to promote the independence of investment research, and that it is not subject to any prohibition on dealing ahead of the dissemination of investment research. **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.