standard chartered

Wealth Management Global Chief Investment Office
30 June 2023

Weekly Market View

Policy expectations flaring; keep CALM

→ Resilient US economic data and hawkish Fed underpin our H2 outlook, calling for a delay of the recession to Q1 of 2024. In H2, the markets will likely be caught between two extreme scenarios: a recession case (implying risk assets should be avoided) vs a “no-landing” scenario (equities should be chased higher). Our view is we will likely fall somewhere in between, and investors should keep CALM.

→ The market-implied probability of a 25bps rate hike in the upcoming July FOMC meeting has shot up to over 83%. Any rate hike for the rest of the year will only exacerbate the tightening of monetary conditions at a time when more liquidity would be sucked out by the Treasury General Account refill. This makes the delayed recession case more likely.

→ The JPY and CNH continue to react to hawkish Fed remarks. We recommend leaning towards Asia USD bonds and Asia equities, with the next catalyst as the July Politburo meeting, from which more targeted fiscal policy support should stabilise sentiment towards China assets.

What are your thoughts on the forthcoming US Q2 earnings season?

What is your view on the debate between cash and bonds?

How would a strong JPY impact your Overweight on Japan equities?

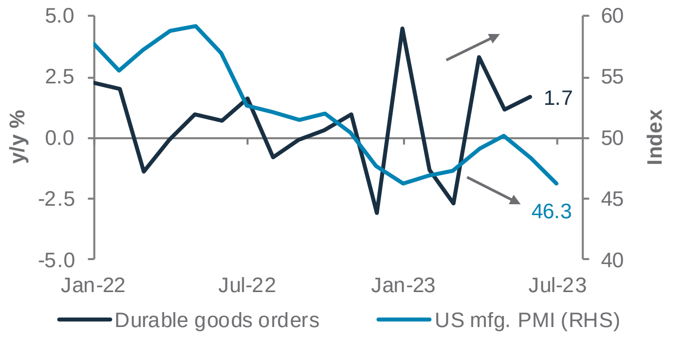
Do the recent PBoC actions indicate a near-term peak in USDCNH?

Important disclosures can be found in the Disclosures Appendix.

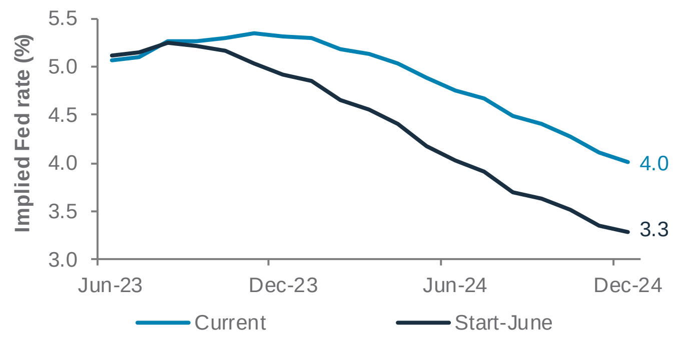
Charts of the week: Markets turning more hawkish on hard data beat

Hard data (durable goods orders) vs. survey-based data (PMI); markets pricing in a more resilient economy

US durable goods orders and manufacturing PMI index



Market-implied Fed funds rate



Source: Bloomberg, Standard Chartered

Editorial

Policy expectations flaring; keep CALM

Resilient US economic data and hawkish Fed underpin the base case from our H2 outlook, calling for a delay of the recession to Q1 of 2024. During H2, the markets will likely be caught between two extreme scenarios: a recession case (implying risk assets should be avoided) vs a "no-landing" scenario (equities should be chased higher). We will likely fall somewhere in between, and investors should keep CALM.

Our delayed US recession scenario reinforced: Fed Chair Powell repeatedly highlighted over the week the possibility of up to two rate hikes before the end of this year. This was notwithstanding the June manufacturing PMI that fell further in contractionary territory. US equities slumped earlier on recession fears, only to rebound as consumer confidence, new home sales and durable goods orders surprised positively.

Markets turning hawkish: Against the strong US consumer data and the Fed's commitment to fighting inflation, the market-implied probability of a 25bps rate hike in the upcoming July FOMC meeting shot up to over 83%. We are watchful of the PCE core deflator (due 30th June) as a better gauge of the next Fed move. But any rate hikes for the rest of the year will only exacerbate the tightening of monetary conditions at a time when more liquidity will be sucked out of the system by the Treasury General Account refill. This makes the delayed recession case more likely.

JPY and CNH down on hawkish Fed: Noticeably, USD/JPY has edged higher to 143-145, despite comments from Japan's key currency official, Masato Kanda, this week that he would not rule out the option of intervention. Based on options market pricing, markets assign a low probability to any intervention, at least until the JPY weakens towards 150. We believe interest rate differentials and BoJ policy remain key to USD/JPY.

Policy hopes ignited in China: USD/CNH surged past 7.25, despite the PBoC's moves to set the reference rate at 7.22. Apart from widening interest rate differentials, the CNY also reacted to the less-than-desirable economic data in China. First, tourism revenue during the Dragon Boat Festival declined 5.1% from the 2019 level, implying per-capita tourism spending fell by 15%. Second, industrial profits contracted by 18.8% in the first 5 months of 2023 (page 3). Against all this, Premier Li Qiang's speech at the Summer Davos Forum this week, emphasizing more effective measures to tap the potential of domestic demand, has reignited hopes for policy support.

Investment implications: While markets are pricing more US rate hikes this year, the 10-year government bond yield is likely capped by delayed recession fears, trading in a range and facing strong resistance at 4%. With the 10-year yield likely to retreat to 3%-3.25% in 12 months, our **CALM** strategy calls for an Overweight on high quality bonds, with a tilt to long duration, as a key tenor to **C**apitalise on market conditions. The other prong is to have a core allocation to global equities.

Allocating broadly across asset classes, e.g., gold, is key to building a diversified foundation portfolio. Gold deserves a core allocation, given Emerging Market central banks' buying and geopolitical risks. This week's (short-lived) unrest in Moscow and the anticipated intensification of the US restrictions on chip exports to China serve as good reminders.

Lean to Asia USD bonds and Asia equities: Our near-term view on the JPY is supportive of our positive stance on Japan equities (page 5). We anticipate China equities to be supported by targeted fiscal policy measures from the July Politburo meeting. We recommend balanced positioning between onshore and offshore China equities.

Last, but not least, **M**anaging volatility is important in navigating uncertain times. One approach is to use our sectoral preferences to balance defensive (US healthcare) and growth exposures (US tech, see page 4).

— Raymond Cheng

The weekly macro balance sheet

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

(+) factors: Prospects of China policy support, upwardly revised US Q1 GDP, improving US consumer confidence, lower initial jobless claims

(-) factors: Hawkish ECB; weaker Euro Area mfg. and services PMI

	Positive for risk assets	Negative for risk assets
Macro data	• US Conference Board consumer confidence rose more than expected • US durable goods orders rose unexpectedly by 1.7% y/y, the second month of increase • US house price index rose more than expected by 0.7% m/m • US new home sales rose more than expected to 763,000 • US Q1 GDP revised up to 2%, beating estimates • US initial jobless claims dropped by the most since October 2021 to 239,000 • Euro area consumer confidence rose more than expected to 36.2	• US mfg. PMI fell unexpectedly to 46.3, services PMI fell as expected to 54.1 • US pending home sales dropped more than expected by -20.8% y/y in May • Euro area mfg. and services PMI fell more than expected to 43.6 and 52.4, respectively • Euro area money supply cooled more than expected to 1.4% y/y • China domestic travel spending during the Dragon Boat Festival fell short of pre-COVID-19 levels • China non-manufacturing PMI weaker than expected
	Our assessment: Neutral to Positive – Improving US cons. confidence, durable goods orders, housing market vs weaker Euro Area PMI, disappointing China consumption	
Policy developments	• Fed's Bostic called for a hold on interest rates • China Premier Li Qiang committed to more practical and effective measures to boost domestic demand	• President Lagarde said the ECB would not be able to declare the end of its hiking cycle soon
	Our assessment: Neutral– Prospects of China policy support vs hawkish Developed Market central banks	
Other developments		• Reports the US will cut off certain investments in China and tighten AI curbs; China Premier Li Qiang warns economic barriers would lead to confrontation
	Our assessment: Negative – Geopolitical tensions	

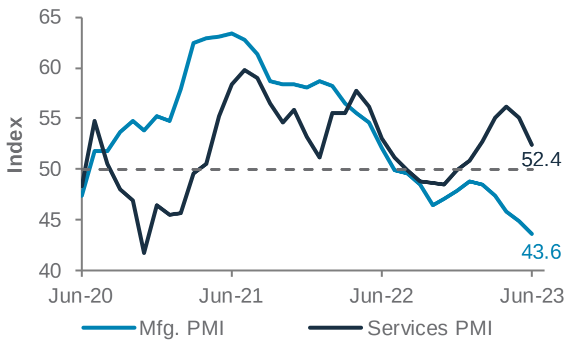
US consumer confidence rebounded

US Conference Board consumer confidence

Source: Bloomberg; Standard Chartered

Euro area manufacturing and services PMI continued its decline in June

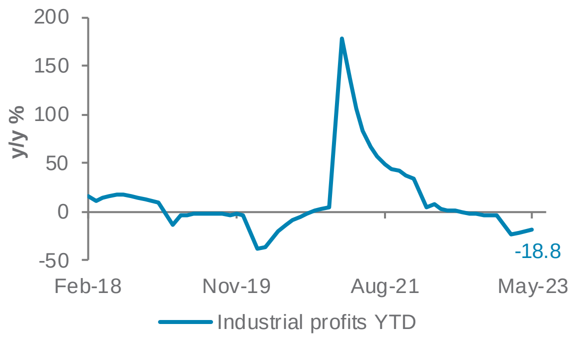
Euro area manufacturing and services PMI



Source: Bloomberg, Standard Chartered

The downtrend of China industrial profits reflects soft domestic demand and re-ignites hopes for more policy support

China industrial profits YTD y/y



Source: Bloomberg, Standard Chartered

Top client questions

What are your thoughts on the forthcoming US Q2 earnings season?

The US Q2 earnings season begins in earnest in the week of 10 July, with major US banks among the first to report. **Q2 is expected to be the worst quarter for the year**, registering a 5.6% y/y drop in earnings, according to Refinitiv's consensus estimates. Earnings growth is expected to revert to positive territory in Q3 (+1.6%) before accelerating in Q4 (+9.6%). The expectation for full-year 2023 earnings growth remains positive at 1.4%.

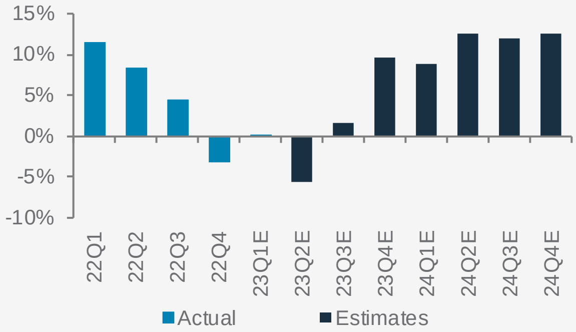
We believe it will be crucial to monitor any change to the expected 2023 earnings growth, as well as to the expected 2024 earnings growth, which currently stands at +11.8%. Therefore, **forward guidance will take on additional importance** to get a sense of whether these elevated expectations are achievable. We have a Neutral allocation to US equities over the next 6-12 months, with 2023 earnings expected to remain resilient. This is in line with our view for a US recession to start only in Q1 2024.

Our preferred US sectors are communication services, technology and healthcare. **Technology sector earnings are expected to see a pause in 2023 (+1.0%) before accelerating in 2024 (+17.5%).** Technology's largest segment is software, which continues to see defensive recurring revenue, while AI has sparked significant orders benefitting the semiconductor segment. Valuations are elevated, but we expect the strong price momentum to continue as investor positioning is not extreme.

— **Fook Hien Yap,** *Senior Investment Strategist*

Q2 is expected to be the worst quarter for the year for US equity earnings growth, before recovering in Q3 and accelerating in Q4

Consensus earnings growth y/y for S&P500 index, by quarter



Source: Refinitiv, Standard Chartered

What is your view on the debate between cash and bonds?

Short-term cash returns have outperformed long-term bonds during one of the most rapid rate hiking cycles in history. As major Developed Market (DM) central banks vow to hike rates further, short-term rates are likely to remain elevated in the short term, supporting the investment case for deposits. While we acknowledge the portfolio benefits of having a cash allocation, especially in times of heightened uncertainty, we believe locking in longer term yields via high quality bonds makes sense.

While the absolute return on cash may beat bonds in the near-term, such an allocation comes with reinvestment risk, i.e. the yield available when cash deposits mature may be much lower. **We see reinvestment risk increasing over time** as interest rates peak and fall in 2024.

Investing in bonds reduces reinvestment risk by locking yields for future years to come. In addition, when benchmark rates edge lower as risk-adverse demand surges, long-term bonds enjoy capital gains (surge in bond prices) in addition to coupon returns, starting to outperform deposits. Hence, in this juncture of economic cycle, **we are Overweight bonds, especially higher-quality bonds**, and expect them to outperform in the next 12 months.

— **Cedric Lam,** *Senior Investment Strategist*

Cash return diminishes as reinvestment risk surges; bonds offer capital gain in addition to interest income

Cash return vs bond return

	Rate changes				
	-40bps	-20bps	0bps	+20bps	+40bps
1st year return					
Cash	5.86%	5.86%	5.86%	5.86%	5.86%
Bonds	6.59%	4.98%	3.38%	1.77%	0.16%
2nd year return					
Cash	4.02%	4.02%	4.02%	4.02%	4.02%
Bonds	6.31%	4.84%	3.38%	1.91%	0.44%
3rd year return					
Cash	3.28%	3.28%	3.28%	3.28%	3.28%
Bonds	6.03%	4.70%	3.38%	2.05%	0.72%
36-month return (annualized)					
Cash	**4.38%**	**4.38%**	**4.38%**	**4.38%**	**4.38%**
Bonds	**6.31%**	**4.84%**	**3.37%**	**1.91%**	**0.44%**

1. Return of cash estimated using Bloomberg-compiled 12-month USD deposit rate
2. Using 1y1y fwd OIS & 2y1y fwd OIS as proxies of 2nd & 3rd year cash deposit rate
3. Return of bonds estimated using on-the-run 10Y UST

Source: Bloomberg, Standard Chartered

Top client questions (cont'd)

How would a strong JPY impact your Overweight on Japan equities?

This may sound like a strange question given the recent JPY weakness, but our longer-term view is that **a potential tightening in Bank of Japan (BoJ) policies**, such as relaxation of yield curve control, **may lead to JPY strength**. In our opinion, this is the key risk to the rally in Japanese equities, as a stronger JPY is likely to impact corporate earnings and put pressure on share prices.

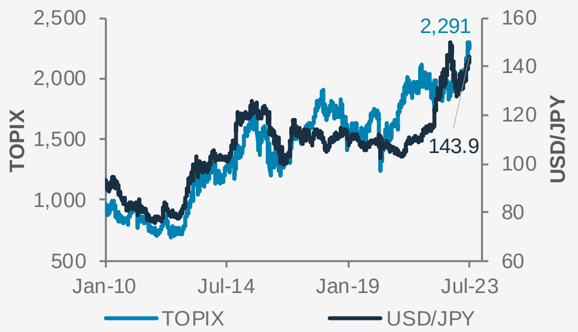
However, from the perspective of a USD-denominated investor, the pressure on corporate earnings is partially offset by gains from the strengthening JPY vs USD. On top of that, this time around, the **improvement in corporate governance is a key structural tailwind to Japanese equities**, which has long been the "Achilles' heel" to Japanese equities. **We remain Overweight Japanese equities** and continue to expect a rerating there.

In terms of sectors, **tighter BoJ policies are likely to lead to higher yields that favour Japanese banks** in general. This is because higher yields often lead to widening in net interest margin, which means better profitability for the banks. The stronger-than-expected economic data in Japan also provides a favourable environment for banks to outperform.

— **Daniel Lam,** *Head, Equity Strategy*

Strong JPY (ie, falling USD/JPY) may hurt Japanese equities, offset by improvement in corporate governance)

TOPIX Index vs USD/JPY (RHS)



Source: Bloomberg, Standard Chartered

Do the recent PBoC actions indicate a near-term peak in USD/CNH?

The recent bout of weakness in the CNH, since the beginning of May, has been primarily driven by a combination of:

1. Disappointment with China's economic data, which has led to interest rate cuts, as well as expectations of further stimulus.
2. Increased Fed hawkishness, which has led to higher 2-year US government bond yield and wider interest rate differentials.
3. Increased geopolitical risks, including news about the latest round of AI chip curbs by the US, potentially leading to subdued investor sentiment.

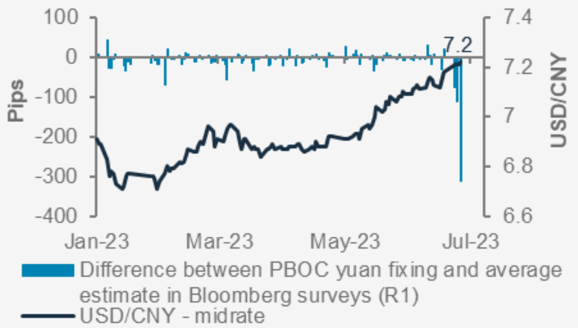
As USD/CNH breached 7.20 level, Chinese authorities stepped in to moderate the pace of the decline by setting a stronger fix. While this could lead to near-term consolidation in USD/CNH, our expectation of further policy stimulus means **the USD-CNH interest rate divergence is likely to increase in the near term, pushing USD-CNH to 7.30,** or even possibly the 2022 high of 7.37.

However, over the next 6-12 months, we expect the combination of stronger growth in China and weaker US growth to lead to a narrowing of interest rate differentials, greater investor optimism and fund inflows to push USD/CNH towards 7.05-7.08.

— **Abhilash Narayan,** *Senior Investment Strategist*

PBOC has started to set stronger fixes since USD/CNH breached 7.20

Difference in PBoC CNY fix and the market expectation; USD/CNY mid-rate



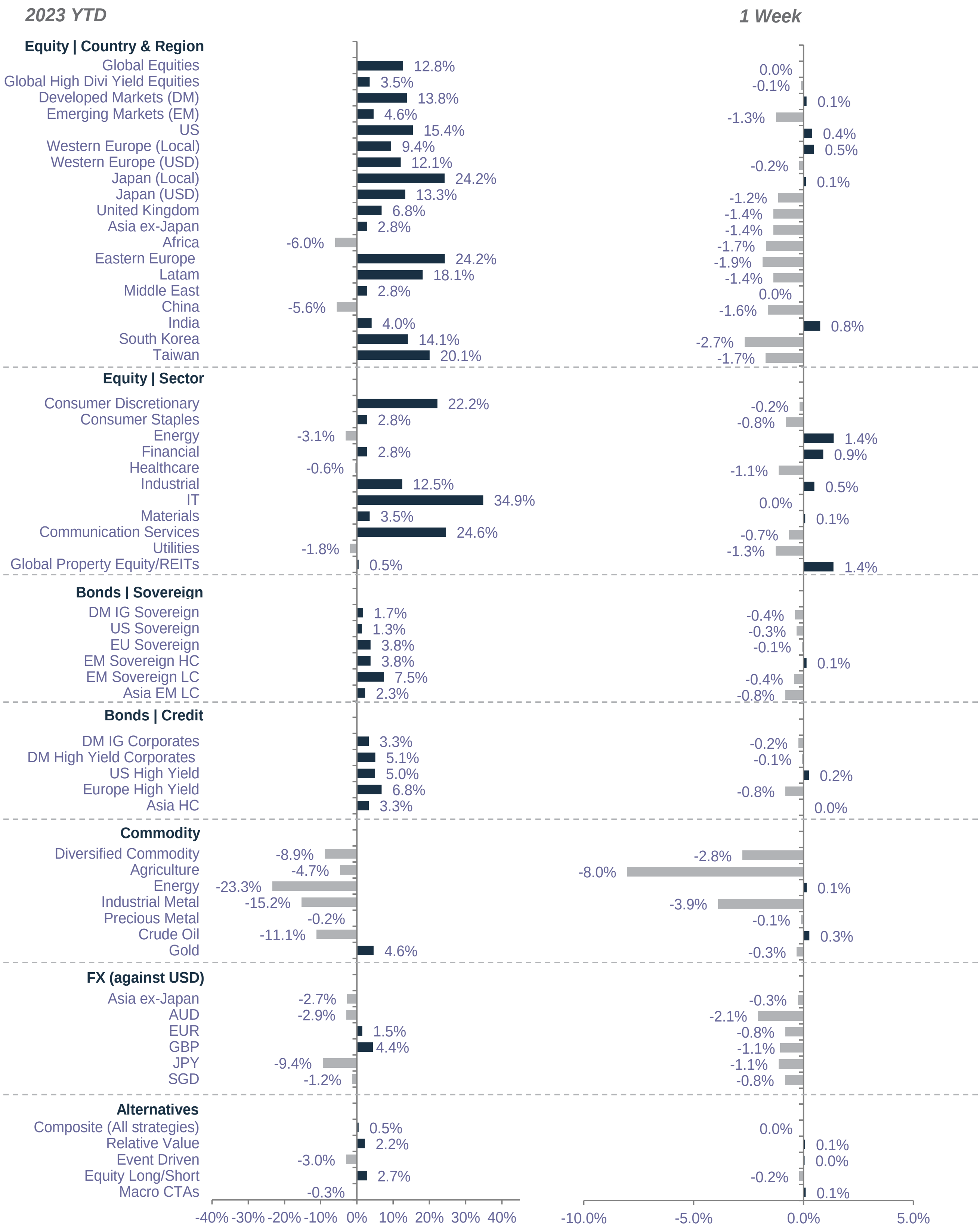
Source: Bloomberg, Standard Chartered

Divergent monetary policy between US and China is a key driver for the recent CNH weakness

USD/CNH and 2-year US – China interest rate differential

Source: Bloomberg, Standard Chartered

Market performance summary *



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

*Performance in USD terms unless otherwise stated, 2023 YTD performance from 31 December 2022 to 15 June 2023; 1-week period: 22 June 2023 to 29 June 2023

Our 12-month asset class views at a glance

Asset class			
Equities	◆	**Preferred Sectors**	
Euro area	◆	US Communication	▲
US	◆	US Technology	▲
UK	▼	US Healthcare	▲
Asia ex-Japan	▲	Europe Technology	▲
Japan	▲	Europe Discretionary	▲
Other EM	◆	Europe Financials	▲
		China Communication	▲
Bonds (Credit)	◆	China Discretionary	▲
Asia USD	▲		
Corp DM HY	▼	**Alternatives**	◆
Govt EM USD	▼		
Corp DM IG	◆	**Gold**	◆
Bonds (Govt)	▲		
Govt EM Local	◆		
Govt DM IG	▲		

Source: Standard Chartered Global Investment Committee

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

Economic and market calendar

		Event Next week	Period	Expected	Prior
MON	CH	Caixin China PMI Mfg	Jun	50.0	50.9
	US	ISM Manufacturing	Jun	47.3	46.9
	US	ISM New Orders	Jun	–	42.6
TUE					
WED	CH	Caixin China PMI Services	Jun	55.6	57.1
	EC	PPI y/y	May	–	1.0%
THU	EC	Retail Sales y/y	May	–	-2.6%
	US	ADP Employment Change	Jun	250k	278k
	US	Trade Balance	May	-$70.2b	-$74.6b
	US	JOLTS Job Openings	May	–	10103k
	US	ISM Services Index	Jun	51.2	50.3
FRI/SAT	US	Change in Nonfarm Payrolls	Jun	213k	339k
	US	Unemployment Rate	Jun	3.6%	3.7%

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

The US S&P500 index's next resistance is at 4,419

Technical indicators for key markets as of 29 June close

Index	Spot	1st support	1st resistance
S&P 500	4,396	4,351	4,419
STOXX 50	4,355	4,299	4,382
FTSE 100	7,472	7,450	7,497
TOPIX	2,296	2,267	2,312
Shanghai Comp	3,182	3,159	3,198
Hang Seng	18,934	18,762	19,140
MSCI Asia ex-Japan	629	628	633
MSCI EM	987	984	992
Brent (ICE)	74.3	73.0	75.0
Gold	1,908	1,903	1,919
UST 10Y Yield	3.84	3.75	3.88

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

Investor diversity narrowed in US equities, EM local bonds

Our proprietary market diversity indicators as of 28 June

Level 1	Diversity	1-month trend	Fractal dimension
Global Bonds	●	↑	1.92
Global Equities	◐	↓	1.36
Gold	●	↑	1.57
Equity			
MSCI US	◐	↓	1.30
MSCI Europe	●	↓	1.59
MSCI AC AXJ	●	↑	2.04
Fixed Income			
DM Corp Bond	●	→	1.77
DM High Yield	◐	↓	1.44
EM USD	◐	↓	1.42
EM Local	◐	↓	1.34
Asia USD	●	↓	1.76
Currencies			
EUR/USD	●	→	1.69

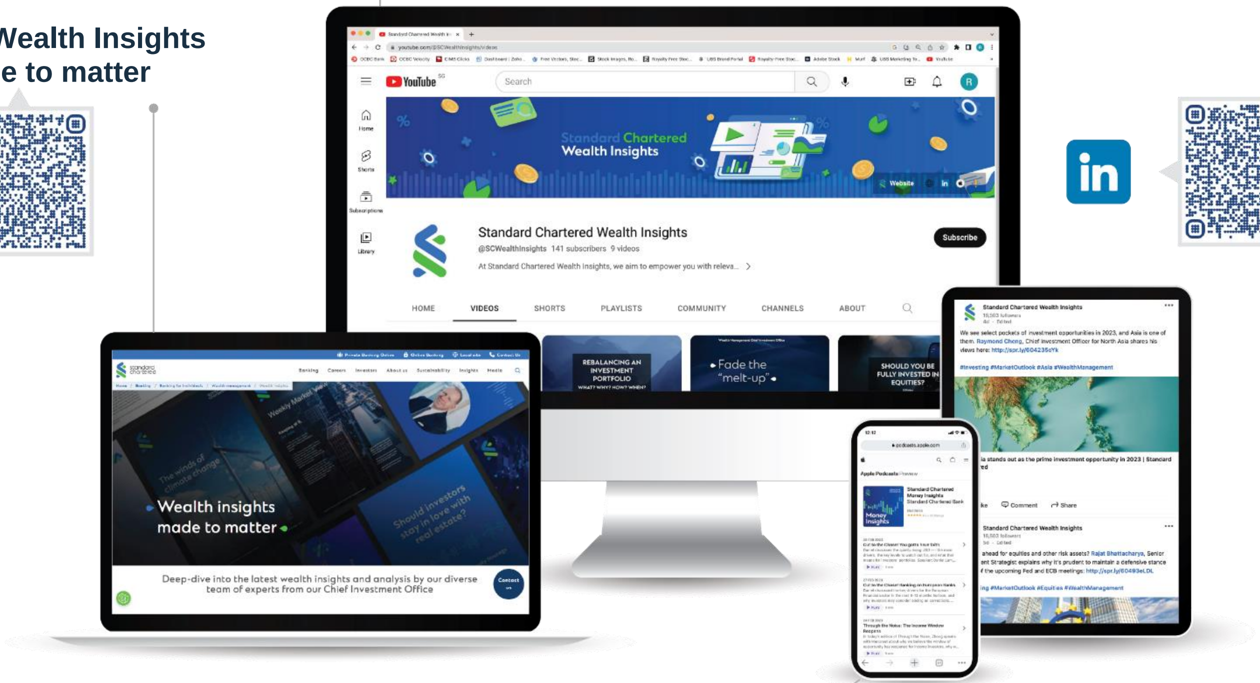
Source: Bloomberg, Standard Chartered; **Fractal dimensions below 1.25 indicate extremely low market diversity/high risk of a reversal**

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

For more CIO Office insights

SC Wealth Insights

SC Wealth Insights made to matter



SC Money Insights

3 podcasts shows on Spotify, Apple, and Google platforms

Cut to the Chase!

Daily update on what happened overnight and what to look out for

For clients who are more sophisticated investors who are looking for shorter term trading opportunities or advice on timing portfolio additions

Through the Noise

Weekly update on financial markets, implications for our outlook and call to action actions

For clients who are less experienced investors trying to build/maintain a diversified allocation

InvesTips

Helping investors adopt healthy investment techniques

For clients who are less experienced investors or Investors with bad investment experiences

Listen on Spotify

Listen on Apple Podcasts

Listen on Google Podcasts

Speak to your Relationship Manager/Investment Advisor today for access to our security specific publications.

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.

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 Charted 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 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 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