Standard Chartered Priority

weekly market view

This reflects the views of the Wealth Management Group

macro strategy | 27 March 2017

Editorial

A healthy consolidation

- **US stocks witnessed their first 1% one-day drawdown since October 2016 amid growing doubts US President Trump can deliver his promised stimulus. Treasury yields and USD fell.**
- **Equities:** This decline comes after a long rally and is healthy for the market. Trump's ability to steer Obamacare's replacement bill through Congress could determine the next leg of the rally.
- **Bonds:** The pullback in US Treasury yields opens up another opportunity to rebalance to less rate-sensitive bonds. High Yield (HY) bonds look attractive after the recent rise in yield premiums.
- **FX:** The USD decline may extend amid uncertainty about the timing of the next hike and seasonality (USD has weakened in April historically). We remain tactically bullish on EUR and GBP.

What's new?

- **Healthy pullback.** Before this week's drop, the S&P500 had not seen a more-than-1% single-day drawdown since October 2016, making it one of the longest rallies on record. Although US economic data and earnings are robust, there are growing doubts whether Trump can deliver his promised agenda of tax cuts, deregulation and infrastructure spending.
- **US banks under pressure.** The US financials sector has been the biggest loser since the Fed reiterated a gradual rate hiking path at its 15 March meeting, reversing expectations of a faster pace of hikes. The decline in US Treasury yields since then and the concurrent flattening of the yield curve pared back earlier expectations of a boost to bank margins. There are also growing doubts whether Trump will be able ease bank regulations enacted under President Obama. We remain cautious on the sector, favouring the less policy-sensitive technology sector that relies on secular growth drivers.
- **GBP resilient to Brexit talks, terror attack.** The GBP/USD's stability as the UK formally launches Brexit talks suggests most Brexit risks are priced in for now and downside is limited to 1.200. Technically, GBP/USD has broken above key moving averages and is now poised to test a key level (1.265). GBP short positions are at a record high, leaving scope for a reversal. The continued rise in inflation increases the risk of an early BoE rate hike, which should be supportive for the GBP medium term.

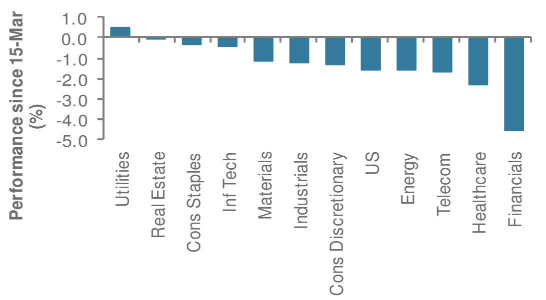
Implications

- **Obamacare replacement, technicals are key for US stocks.** A successful replacement of Obamacare by the US Congress would boost confidence in Trump's ability to push through other reforms and would be positive for US stocks (see pg 4). The next technical support for S&P500 is 2,335, 0.5% below current level.
- **Euro area equities, EUR appear attractive.** We expect the broad support for pro-EU parties seen in the Dutch elections to be repeated in the French polls, removing a key risk. Euro area valuations are attractive, and earnings are likely to get a further boost from rising inflation, which helps corporate pricing power.
- **What are we watching?** Fed speakers; US, Euro area and Japan inflation; and corporate results in China and Hong Kong.

Contents

US financials sector has underperformed since the Fed's March meeting amid guidance for gradual rate hikes and waning expectations for easier regulations

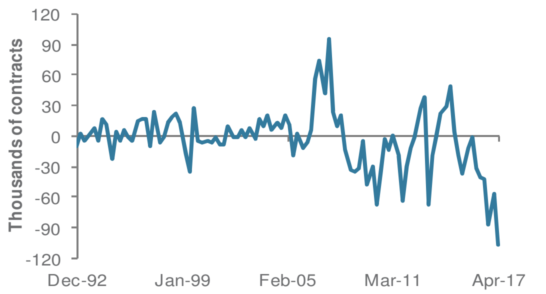
Performance of S&500 sectors in 15-22 March



Source: FactSet, Standard Chartered

Short positions on the GBP are at record highs, leaving scope for a reversal

Net investor positions on GBP futures



Source: Bloomberg, CFTC, Standard Chartered

Steve Brice
Chief Investment Strategist

Clive McDonnell
Head, Equity Strategy

Manpreet Gill
Head, FICC Strategy

Adi Monappa, CFA
Head, Asset Allocation & Portfolio Solutions

Audrey Goh, CFA
Director, Asset Allocation & Portfolio Solutions

Arun Kelshiker, CFA
Executive Director, Asset Allocation & Portfolio Solutions

Rajat Bhattacharya
Strategist

Tu-Vi Nguyen
Strategist

Tariq Ali, CFA
Strategist

Abhilash Narayan
Strategist

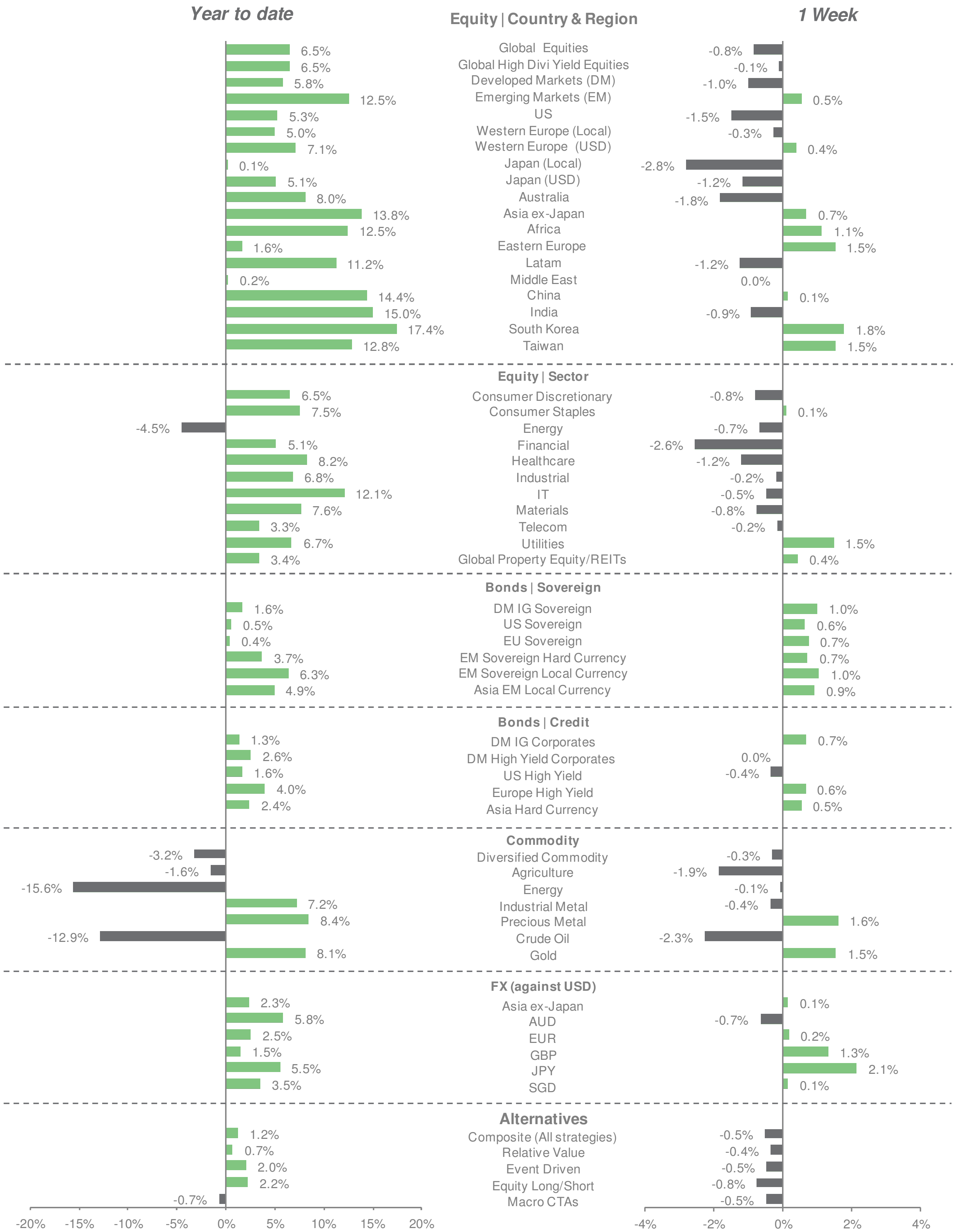
Trang Nguyen
Analyst, Asset Allocation & Portfolio Solutions

DJ Cheong
Strategist

Jeff Chen
Analyst, Asset Allocation & Portfolio Solutions

Audrey Tan
Strategist

Market performance summary*



**Performance in USD terms unless otherwise stated, YTD period from 31 December 2016 to 23 March 2017, 1 week period: 16 Mar 2017 to 23 March 2017*

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

What does this mean for investors?

Global stocks declined, led by US and Japan equities, along with the USD, amid doubts about Trump's stimulus plan. US Treasury yields continued to decline, helping a recovery in gold.

Equities: Opportunities in the Euro area

- **Euro area turning more attractive.** Euro area equities have outperformed US equities since Trump's election in November 2016. We believe the outcome of the recent Dutch elections, where pro-EU parties prevailed, is likely to be repeated in the French elections in April-May, reducing Euro area political risks. Moreover, the market is increasingly constructive on Euro area earnings amid rising inflation (which boosts corporate pricing power) and improving outlook for Emerging Markets (EM), which account for a quarter of Euro area's revenue. We continue to look for opportunities to add exposure to the region's equities.
- **Singapore banks resilient despite another energy sector default.** Singapore saw its second major default over the past year in the marine services sector following a US bankruptcy filing. Although the challenges faced by the sector have weighed on local banks, the lenders have managed to post solid share price gains YTD, as their loan books remain well diversified and they remain well capitalised. Singapore's banking sector remains a core holding in Asia for the attractive dividends.

Bonds: Fed, inflation expectations drive Treasury yields lower

- **US yields near bottom of the range.** US 10y Treasury yields fell to c. 2.40%, approaching the bottom of the 2.30-2.65% range seen since December, as market expectations of Fed rate hikes declined at the margin along with inflation expectations. Although yields could move marginally lower near term, we would use the opportunity to rebalance out of US and Euro area Investment Grade (IG) bonds into HY bonds and US floating rate notes.
- **Opportunity to enter HY bonds.** The yield premium on HY bonds over US Treasuries has risen 50bps in recent days, driven by the pullback in oil prices and concern about likely delays in Trump's tax reform agenda. We continue to believe oil prices will trend higher in the longer term. While HY valuations are still expensive by historical standards, we expect strong US growth to reduce the default risk. Given this, we believe current yields of above 6% offer an attractive opportunity to add exposure.

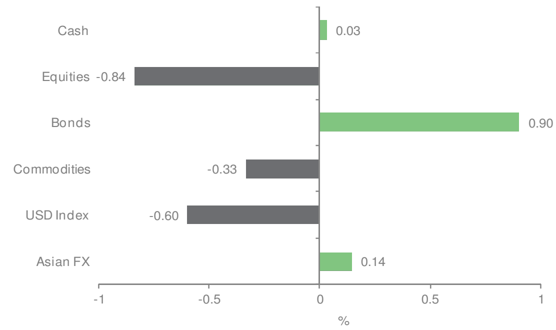
FX: Expect a further decline in USD

- **USD faces twin pressures.** We believe there is a potential for further retracement for two reasons: a) Timing of the next Fed rate hike remains uncertain, and b) we are entering a seasonally weak period for the USD. Historically, over the past 20 years April has been a month when the USD has weakened. These trends are even clearer against the GBP and SGD. The USD index has strong support at 99.2, and then within a range of 98.0-98.5.
- **Remain tactically bullish on EUR.** The breach at 1.0700 sets EUR on course to test the next resistance at 1.085, a break of which could take it to 1.1000. We also see likely strength in the JPY, especially if the sell-off in equities continues. We believe USD/JPY can decline close to 108, before eventually rising.

Commodities: Gold likely to continue recovery in the near term

- **Pullback in equities, USD and Treasury yields support gold.** Gold's rebound from USD 1,200/oz is likely to continue near-term, helping it test, and possibly breach, resistance at USD 1,260/oz. We would reduce exposure above this level, as we expect US Treasury yields to gradually rise in the longer term.

Benchmark (USD) performance w/w*



**Week of 16 March 2017 to 23 March 2017*

Source: MSCI, JP Morgan, Citigroup, Bloomberg, Standard Chartered (Indices used are JP Morgan Cash, MSCI AC World TR, Citi Non-MBS WorldBig Govt/Govt Sponsored, Bloomberg Commodity, DXY and ADXY)

S&P500 is 0.5% above its next key technical support

Technical levels of key market indicators as of 23 March

Index	Spot	1st support	1st resistance	Short-term trend
S&P500	2,346	2,335	2,400	↗
STOXX 50	3,452	3,396	3,471	↗
FTSE 100	7,341	7,230	7,397	↑
Nikkei 225	19,138	18,850	19,500	→
Shanghai Comp	3,249	3,195	3,300	↗
Hang Seng	24,328	23,800	24,900	↗
MSCI Asia ex-Japan	585	565	590	↗
MSCI EM	968	960	1,004	↑
Brent crude oil (ICE)	51	50	54	↘
Gold	1,245	1,217	1,260	↗
UST 10Y Yield	2.43	2.29	2.65	↗

Source: Trading Central, Standard Chartered
Note: Arrows represent short-term trend opinions

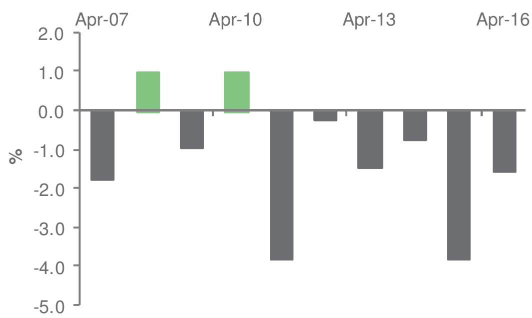
US HY bond yield premiums have risen more than 50bps this month, making them attractive once again

US HY bond yield premiums over US Treasury yields

Source: Bloomberg, Standard Chartered

Historically, the USD has weakened in the month of April during most of the last 20 years

USD (DXY) index performance in April in the last 10 years



Source: Bloomberg, Standard Chartered

Top client questions

Q: When should investors start dipping back into equities after the ongoing pullback? What indicators would signal a turn?

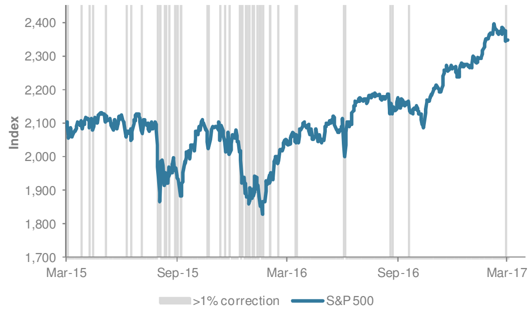
The S&P500 has declined 1.7% since the Fed hiked rates on 15 March. The decline marks the first time since October 2016 that the market has witnessed a correction of more than 1%. Drivers of the correction include a dovish tone from the Fed at the March meeting, which has pushed down 10-year Treasury yields, flattened the yield-curve and sent investors back to safe-havens, including gold.

In the past, we have advocated a "buy the dips" strategy for the S&P500. However, we are now adopting a more cautious tone and would suggest investors look to the Euro area, which is our second-most preferred market after the US. Aside from monitoring the S&P500's first support at 2,335, we are also watching US 10-year Treasury yields, where there is support at 2.29% and, in the FX market, at EUR/USD where the next technical resistance is at 1.085.

Our caution stems from uncertainty over the ability of President Trump to deliver his healthcare reform plans and his pro-growth agenda. At the time of writing, a vote on the proposed reforms to healthcare is scheduled in the House of Representatives for Friday morning US Eastern Standard Time. It remains uncertain if the President has sufficient votes to pass the reforms both through the House and the US Senate. Successful passage of the reforms could strengthen his hand in future tax reform negotiations. However, if he uses too much political capital on healthcare, he may find it challenging to co-opt lawmakers on his proposed tax reforms which are expected to have a positive effect on job creation in some sectors, but also lead to job losses in others.

The S&P500 has not had a more than 1% single-day drawdown since October 2016

S&P500, highlighting 1%+ drawdown days



Source: Bloomberg, Standard Chartered

Q: What is the outlook for Asian currencies following their recent strength? What would be a trigger to buy USD?

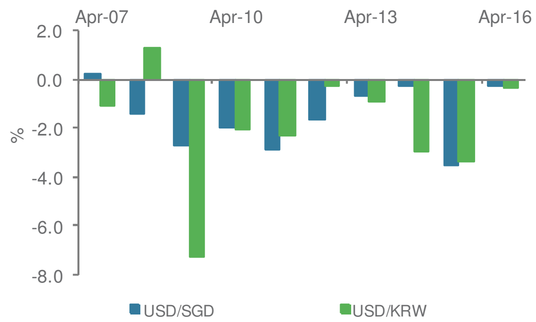
We believe seasonal factors and repricing of more dovish Fed interest rate expectations can further weaken the USD against Asia-ex-Japan currencies in April. We believe there is likely to be further declines in USD/KRW and USD/SGD, although this could be short-lived, as historically some of the seasonal effects reverse in the following month. In this context, we would aim to accumulate the USD against the SGD at 1.38 and at 1,100 against the KRW.

However, we do not expect FX performance to be uniform. The PBoC has limited CNY gains against the backdrop of a broadly weaker USD against Asia-ex-Japan currencies. This implies a weakening in the CNY trade-weighted basket, which has fallen below its recent range. It may be too early to conclude this is an active policy choice on the part of the PBoC, as we believe the authorities' focus remains on reducing systemic risks.

In the case of the INR, we believe most positives may have already been priced-in following the surge in equity capital inflows after the recent state election win by the ruling party BJP. Hence, we would not chase the INR higher from here. We would expect the central bank to intervene to reduce USD supply, accumulate FX reserves and limit INR gains. We also see a strong technical support at 64.51.

Seasonality supports the SGD and KRW against the USD in the near term

USD/SGD and USD/KRW performance in April in the last 10 years



Source: Bloomberg, Standard Chartered

Economic & Market Calendar

	Event	Next Week	Date	Period	Expected	Prior
MON	CH	Industrial Profits y/y	27-03-2017	Feb	–	2.3%
	GE	IFO Expectations	27-03-2017	Feb	104.3	104.0
TUE	US/EU	Fed's Evans and Kaplan and ECB's Praet speak US Conference Board Consumer Confidence Index	28-03-2017	Mar	113.4	114.8
WED	US	Fed's George, Kaplan, Evans and Rosengren speak at different events	29-03-2017			
THUR	US	Fed's Williams, Mester and Kaplan speak at different events	30-03-2017			
	EC	Economic Confidence	30-03-2017	Mar	–	108
	GE	CPI EU Harmonized y/y	30-03-2017	Mar P	–	2.2%
	US	GDP Annualized q/q	30-03-2017	4Q T	2.0%	1.9%
FRI/SAT	US/EU	Fed's Kashkari answers questions at Banking Conference and ECB's Coeure speaks in Brussels	31-03-2017			
	JN	National CPI Ex Fresh Food, Energy y/y	31-03-2017	Feb	–	0.2%
	JN	Industrial Production y/y	31-03-2017	Feb P	–	3.7%
	CH	Manufacturing/Non-Manufacturing PMI	31-03-2017	Mar	51.6/-	51.6/54.2
	EC	CPI Core y/y	31-03-2017	Mar A	–	0.9%
	US	Personal Income	31-03-2017	Feb	0.4%	0.4%
	US	PCE Core y/y	31-03-2017	Feb	–	1.7%

	Event	This Week	Date	Period	Actual	Prior
MON	EC	EU Finance Ministers meet in Brussels	20-03-2017			
TUE	UK	CPI Core y/y	21-03-2017	Feb	2.0%	1.6%
	US	Fed's Evans speaks on economy and policy	21-03-2017			
WED	JN	Exports y/y	22-03-2017	Feb	11.3%	1.3%
	JN	BoJ minutes of 30-31 Jan. meeting	22-03-2017			
	US	Existing Home Sales	22-03-2017	Feb	5.48m	5.69m
	US	Fed's Mester speaks at Univ. Of Richmond	22-03-3017			
THUR	UK	Retail Sales Ex Auto Fuel y/y	23-03-2017	Feb	4.1%	2.1%
	US	New Home Sales	23-03-2017	Feb	592k	558k
	US	Fed's Yellen speaks at Community Development Conf.	23-03-2017			
FRI/SAT	JN	Nikkei Japan PMI Mfg	24-03-2017	Mar P	–	53.3
	US	Fed's Kashkari, Kaplan and Evans speak at separate events today	24-03-2017			
	GE	Markit/BME Germany Composite PMI	24-03-2017	Mar P	–	56.1
	EC	Markit Eurozone Composite PMI	24-03-2017	Mar P	–	56
	US	Durable Goods Orders	24-03-2017	Feb P	–	2.0%

Previous 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

Previous 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

Source: Bloomberg, Standard Chartered; key indicators highlighted in blue

Disclosure Appendix

THIS IS NOT A RESEARCH REPORT AND HAS NOT BEEN PRODUCED BY A RESEARCH UNIT.

This document is not research material and it has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research. This document does not necessarily represent the views of every function within Standard Chartered Bank, ("SCB") particularly those of the Global Research function.

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.

Banking activities may be carried out internationally by different Standard Chartered Bank branches, subsidiaries and affiliates (collectively "SCB") according to local regulatory requirements. With respect to any jurisdiction in which there is a SCB entity, this document is distributed in such jurisdiction by, and is attributable to, such local SCB entity. Recipients in any jurisdiction should contact the local SCB entity in relation to any matters arising from, or in connection with, this document. Not all products and services are provided by all SCB entities.

This document is being distributed for general information only and it does not constitute 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.

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 has not and will not be registered as a prospectus in any jurisdiction and it is not authorised by any regulatory authority under any regulations.

SCB makes no representation or warranty of any kind, express, implied or statutory regarding, but not limited to, the accuracy of this document or the completeness of any information contained or referred to in this document. This document is distributed on the express understanding that, whilst the information in it is believed to be reliable, it has not been independently verified by us. SCB 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 this document, howsoever arising, and including any loss, damage or expense arising from, but not limited to, any defect, error, imperfection, fault, mistake or inaccuracy with this document, its contents or associated services, or due to any unavailability of the document or any part thereof or any contents.

SCB, and/or a connected company, may at any time, to the extent permitted by applicable law and/or regulation, be long or short any securities, currencies or financial instruments referred to on this document or have a material interest in any such securities or related investment, or may be the only market maker in relation to such investments, or provide, or have provided advice, investment banking or other services, to issuers of such investments. Accordingly, SCB, its affiliates and/or subsidiaries may have a conflict of interest that could affect the objectivity of this document. This document must not be forwarded or otherwise made available to any other person without the express written consent of SCB.

Country 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

China: This document is being distributed in China by, and is attributable to, Standard Chartered Bank (China) Limited which is mainly regulated by China Banking Regulatory Commission (CBRC), State Administration of Foreign Exchange (SAFE), and People's Bank of China (PBOC).

Dubai International Financial Centre ("DIFC"): The attached material is circulated by Standard Chartered Bank DIFC on behalf of the product and/or Issuer. Standard Chartered Bank DIFC is regulated by the Dubai Financial Services Authority (DFSA) and is authorised to provide financial products and services to persons who meet the qualifying criteria of a Professional Client under the DFSA rules. The protection and compensation rights that may generally be available to retail customers in the DIFC or other jurisdictions will not be afforded to Professional Clients in the DIFC.

Hong Kong: This document, except for any portion advising on or facilitating any decision on futures contracts trading, is being distributed in Hong Kong by, and is attributable to, Standard Chartered Bank (Hong Kong) Limited 渣打銀行（香港）有限公司 (CE#AJI614) which is regulated by the Hong Kong Monetary Authority and the Securities and Futures Commission in Hong Kong.

India: SCB in its capacity of a distributor or referrer of Investment Products may offer advice which is incidental to its activity of distribution/referral. SCB will not be charging any fee/consideration for such advice and such advice should not be construed as 'Investment Advice' as defined in the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013. The client can avail of the investment advisory services of SCB only upon (i) executing separate documents with the Investment Advisory Group of SCB for availing 'Investment Advice' (as defined in the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013) from it; and (ii) paying specific fees (if applied by SCB) for such 'Investment Advice'.

Kenya: Our 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.

Philippines: This document may be distributed in the Philippines by, and is attributable to, Standard Chartered Bank (Philippines) which is regulated by the Bangko Sentral ng Pilipinas. This document is for information purposes only and does not offer, sell, offer to sell or distribute securities in the Philippines that are not registered with the Securities and Exchange Commission unless such offer or sale qualifies as an exempt transaction under Section 10 of the Securities Regulation Code.

Singapore: This document is being distributed in Singapore by, and is attributable to, Standard Chartered Bank (Singapore) Limited ("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, Chapter 19.

IN RELATION TO ANY FIXED INCOME AND STRUCTURED SECURITIES REFERRED TO IN THIS DOCUMENT (IF ANY), THIS DOCUMENT TOGETHER WITH THE ISSUER DOCUMENTATION SHALL BE DEEMED AN INFORMATION MEMORANDUM (AS DEFINED IN SECTION 275 OF THE SFA). IT IS INTENDED FOR DISTRIBUTION TO ACCREDITED INVESTORS, AS DEFINED IN SECTION 4A OF THE SFA, OR ON TERMS THAT THE SECURITIES 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 fixed income and structured securities mentioned (if any), neither this document nor the Issuer Documentation have been, and will not be, 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 (iii) pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Singapore dollar deposits of non-bank depositors are insured by the Singapore Deposit Insurance Corporation, for up to S$50,000 in aggregate per depositor per Scheme member by law. Foreign currency deposits, dual currency investments, structured deposits and other investment products are not insured.

Thailand: Please study the Scheme Information Documents carefully e.g. investment policy, risks, fund performance before investing.

UAE: 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.

United Kingdom: Standard Chartered Bank (trading as Standard Chartered Private Bank) is an authorised financial services provider (licence number 45747) in terms of the South African Financial Advisory and Intermediary Services Act, 2002.

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.

Market Abuse Regulation (MAR) Disclaimer (2017)

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. Banking activities may be carried out internationally by different Standard Chartered Bank branches, subsidiaries and affiliates (collectively "SCB") 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 SCB's own trading strategies or positions. SCB 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 SCB has a material interest in one or more of the financial instruments mentioned herein. If specific companies are mentioned in this communication, please note that SCB may at times do business or seek to do business with the companies covered in this communication; hold a position in, or have economic exposure to, such companies; and/or invest in the financial products issued by these companies. Further, SCB may be involved in activities such as dealing in, holding, acting as market makers or liquidity providers, or performing financial or advisory services including but not limited to, lead manager or co-lead manager in relation to any of the products referred to in this communication. SCB may have received compensation for these services and activities. Accordingly, SCB may have a conflict of interest that could affect the objectivity of this communication. SCB has in place policies and procedures, logical access controls and physical information walls to help ensure confidential information, including material non-public or inside information is not disclosed unless in line with its policies and procedures and the rules of its regulators.

Please refer to https://www.sc.com/en/banking-services/market-disclaimer.html for more detailed disclosures, including past opinions in the last 12 months and conflict of interests, as well as disclaimers.

This document must not be forwarded or otherwise made available to any other person without the express written consent of SCB.

THIS IS NOT A RESEARCH REPORT AND HAS NOT BEEN PRODUCED BY A RESEARCH UNIT.