Standard Chartered Private Bank

weekly market view

macro strategy | 8 June 2018

This reflects the views of the Wealth Management Group

Editorial

Nasdaq regains record highs

- **The technology sector-heavy Nasdaq's recovery bolsters our conviction on US equities. An extended USD reversal is likely to ease pressure on Emerging Markets (EMs).**
- **Equities:** The Nasdaq scaled new record highs, supported by a robust earnings outlook and easing US-China trade frictions. We remain positive on US equities and the technology sector.
- **Bonds:** Fed, ECB policies and Italy's fiscal policy risks likely to keep yields elevated. Rising onshore China defaults support our preference for Investment Grade (over High Yield) bonds in Asia.
- **FX:** EUR/USD continued to rebound from 1.15; the next key resistance is in the 1.1960-1.2060 region. AUD/USD is likely to test a key resistance above the 200DMA around 0.7750.

What's new?

- **Nasdaq regains record highs.** The Nasdaq has recovered the ground it lost since March to scale a new record high. The renewed strength is likely driven at least partly by expectations the US will ease some of the restrictions imposed on China technology companies in doing business with the US and/or acquiring US companies. This has brought the robust earnings outlook for the sector to the fore. The technology sector, which has the largest weight in US benchmark equity indices, has seen one of the strongest earnings upgrades since the start of the year (see chart) and is the top-performing sector in the S&P500 year-to-date, up 14% this year. The strong momentum supports our bullish view on US equities and the technology sector.
- **Strong US data lifts bond yields, fails to boost USD.** Another strong job market report, which showed the US unemployment rate matched the lowest since 1969, helped lift US 10-year yields towards 3%. Higher bond yields are positive for bank earnings, supporting our preference for the US financial sector. However, rising US yields have not translated into further USD gains. The USD's drop this week, if it extends, is likely to ease pressure on EMs that had earlier seen fund outflows (RBI's first rate hike since 2014 and BRL's continued slump were the latest signs that EMs remained under strain from the USD's rebound since April).
- **China bond defaults rise.** Onshore bond defaults, primarily in the property sector, have hurt sentiment. While spillover into the Asian USD bond market has thus far been limited, the development reinforces our preference for Investment Grade bonds in Asia. Having said that, we also note that China property sector equities have gained momentum on positive monthly sales data for May. We retain our preference for China equities within Asia, given strong earnings and attractive valuations.

What we are watching

- **Fed, ECB, BoJ meetings.** While markets have priced in a 100% probability the Fed will raise rates by 25bps to 2% on 13 June, any indication at the ECB meeting that it will end bond purchases by year-end is likely to further boost the EUR (see page 3).
- **Trump-Kim talks, G7 meetings.** The 12 June meeting between the US and North Korean leaders is a key geopolitical event, though expectations of a breakthrough are low.

Contents

Nasdaq regains record highs	*1*
What does this mean for investors?	*2*
Top client questions	*3*
Market performance summary	*4*
Economic & Market Calendar	*5*
Disclosure Appendix	*6*

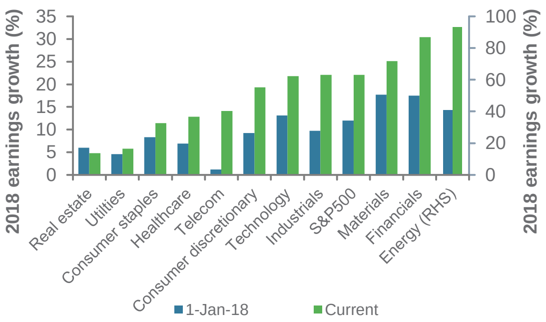
The Nasdaq set a new record high, while the S&P500 volatility index fell to its lowest since January, signalling return of risk appetite

Nasdaq 100 index and S&P500 VIX index

Source: Bloomberg, Standard Chartered

The US technology sector has seen among the strongest earnings upgrades this year, bolstering the outlook for US stocks

2018 earnings expectations of S&P500 industry sectors; right hand scale for energy sector earnings only



Source: Bloomberg, Standard Chartered

Steve Brice
Chief Investment Strategist

Clive McDonnell
Head, Equity Investment Strategy

Manpreet Gill
Head, FICC Investment Strategy

Arun Kelshiker, CFA
Head, Portfolio Strategy

Audrey Goh, CFA
Senior Cross-asset Strategist

Daniel Lam, CFA
Senior Cross-asset Strategist

Belle Chan
Senior Investment Strategist

Rajat Bhattacharya
Senior Investment Strategist

Tariq Ali, CFA
Investment Strategist

Francis Lim
Senior Investment Strategist

Jill Yip, CFA
Senior Investment Strategist

Abhilash Narayan
Investment Strategist

Cedric Lam
Investment Strategist

Trang Nguyen
Portfolio Strategist

DJ Cheong
Investment Strategist

What does this mean for investors?

Global stocks continued to recover, with broad-based gains across most markets. EM government bonds fell amid higher US yields. The USD extended declines amid a return of risk appetite.

Equities: Cyclical sectors underperform in Asia

- **USD strength weighs on Asia's cyclical sectors.** Cyclical sectors in Asia ex-Japan have underperformed defensive sectors YTD as the USD's strength over the past couple of months and trade tensions with the US clouded the growth outlook. We expect USD strength to dissipate and the currency to weaken modestly over the next 12 months, helping Asia's cyclical sectors to recover. Asia ex-Japan remains a preferred region.
- **China, Hong Kong equities break above key resistance.** Both the MSCI China and the Hang Seng indices broke above their respective 100DMAs, having earlier rebounded from just above their 200DMAs, amid increased optimism that the technology sector would not be significantly impacted by the ongoing trade dispute between the US and its trade partners. The positive technical and fundamental outlook supports our preference for Chinese equities within Asia ex-Japan.

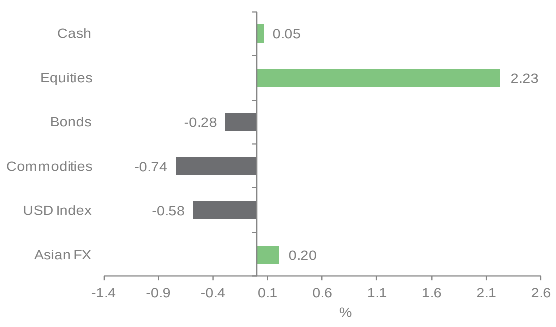
Bonds: EM bonds under pressure from rising US yields

- **US, European yields rise.** US 10-year Treasury yields rebounded towards 3% on the back of solid jobs data for May. However, we note that speculative positions remain extremely short, which should limit any further significant rise in yields. German bond yields extended their rebound as an ECB official signalled the central bank was likely to set out the path for ending its bond purchase programme at its 14 June policy meeting. We would continue to reduce exposure to US and European government bonds, where appropriate, in favour of EM bonds.
- **Pockets of value emerging.** Emerging Market (EM) bonds and Developed Market (DM) Investment Grade (IG) bonds declined, highlighting their sensitivity to higher US Treasury yields. Some EM bonds were particularly hurt by renewed FX weakness in Brazil and Mexico. However, we note that EM bond outflows have moderated off late. We continue to believe EM government bonds offer an increasingly attractive entry opportunity, especially if the USD turns lower, and retain our comfort with Asian USD bonds given their track record of lower volatility relative to their non-Asian peers.

FX: EUR rebounds on ECB policy expectations

- **EUR rebounds from 11-month lows.** EUR/USD jumped from just above 1.15 to a three-week high on comments from an ECB policymaker that suggested the central bank would discuss ending its bond purchase programme at its 14 June meeting. Recent wage growth and inflation data were also a support. The speed and timing of the closure of the bond purchase programme will be watched closely. The EUR/USD's break above 1.1730 and the current momentum suggest the pair could test the 1.1960-1.2060 resistance area in the coming days. The G7 leaders meeting on 8-10 June is another likely driver of the pair.
- **AUD to test key resistance.** AUD/USD continued to rebound from just below 0.75 on strong growth data, although the RBA signalled rates would remain on hold, given little signs of inflationary pressures. We believe the pair is likely to test key resistance just above the 200DMA of 0.7750 in the coming days.

Benchmark (USD) performance w/w*



**Week of 31 May 2018 to 07 June 2018*

Source: MSCI, JP Morgan, DJ-UBS, Citigroup, Bloomberg, Standard Chartered (Indices used are JP Morgan Cash, MSCI AC World TR, Citi World Big, DJ-UBS Commodity, DXY and ADXY)

S&P500 index has the strongest technical support

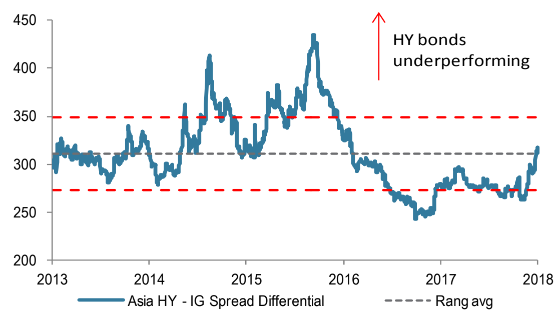
Technical levels of key market indicators as on 07 June

Index	Spot	1st support	1st resistance	Short-term trend
S&P500	2,770	2,676	2,795	↑
STOXX 50	3,460	3,407	3,497	→
FTSE 100	7,704	7,508	7,890	↘
Nikkei 225	22,823	21,900	23,500	↗
Shanghai Comp	3,109	3,020	3,230	↘
Hang Seng	31,513	29,800	31,800	→
MSCI Asia ex-Japan	732	691	750	↗
MSCI EM	1,150	1,097	1,170	↘
Brent crude oil (ICE)	78	72	81	→
Gold	1,297	1,279	1,320	→
UST 10Y Yield	2.94	2.71	3.13	↗

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

Yield premiums on Asia HY bonds have risen more than IG bonds in recent weeks amid China property sector defaults; we continue to prefer IG bonds

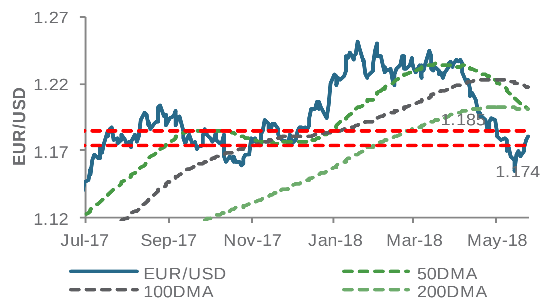
Yield premium differential between Asia HY and IG bonds



Source: Bloomberg, Standard Chartered

EUR/USD extended its rebound as the ECB prepared to discuss ending its bond-buying programme

EUR/USD



Source: Bloomberg, Standard Chartered

Top client questions

Q1. Is the USD recovery losing momentum? Does this mean it is time to raise exposure to the EUR?

The USD has pared back some of the gains made since April. Part of the reason for the pullback is likely that markets have already priced in expectations for a steady tightening policy by the US Federal Reserve, extending into 2019. Thus, on balance, any surprise now would likely be for a more dovish Fed stance. This would be USD-negative. The USD is also likely to remain constrained by broader concerns over the financing of the twin budget/trade deficits. Finally, assuming that markets remain orderly, a more "risk-on" environment is unlikely to be USD-supportive.

Meanwhile, the sharp fall in the EUR since mid-April was likely driven by the historically wide yield spreads in favour of US Treasuries, a period of flat economic performance in Europe, and continued robust growth and inflation in the US. The move took on added momentum due to the unwinding of excessive levels of speculative long EUR positions, in our view. Finally, the formation of a populist government in Italy appeared to threaten the stability of the Euro area. After the "perfect storm", "calmer seas" appear to have returned.

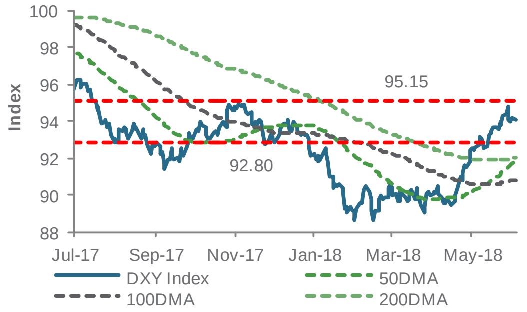
It is likely that the ECB will announce – possibly on 14 June or in July – the roadmap for ending its quantitative easing (QE) programme. This should support the EUR near-term. There also appears to be a "feel-good factor" returning to the broader Euro area markets, and economic performance is likely to improve over the summer.

This combination of European and US perspectives supports our short-term view that the broader USD will continue to weaken and the EUR/USD will track back towards 1.20, where it may begin to meet some resistance. Our longer-term view on the USD remains bearish and EUR/USD remains bullish.

The coming week should bring more clarity on some of the geopolitical and central bank policy drivers, beginning with the G7 meeting this weekend, followed by the Trump/Kim summit on 12 June, the Fed rate announcement on 13 June and the ECB meeting on 14 June.

The USD index has fallen back from around 95 level in recent weeks as risk appetite returned

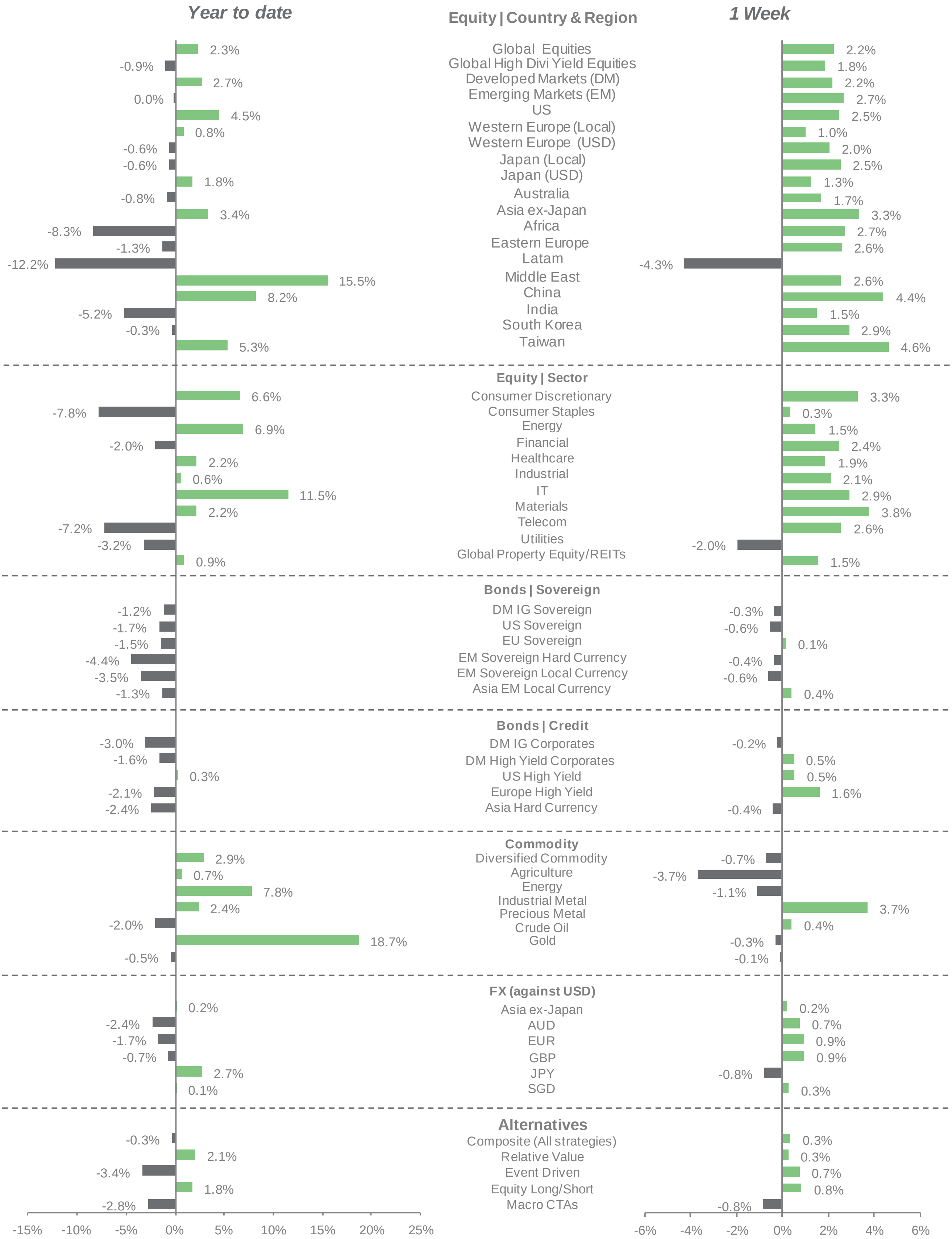
USD index



Source: Bloomberg, Standard Chartered

Standard Chartered Private Bank

Market performance summary*



*Performance in USD terms unless otherwise stated, YTD period from 31 December 2017 to 07 June 2018, 1 week period: 31 May 2018 to 07 June 2018

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

Economic & Market Calendar

	Event	Next Week	Date	Period	Expected	Prior
MON	JN	Core Machine Orders y/y	11-Jun-18	Apr	3.8%	-2.4%
	UK	Industrial Production y/y	11-Jun-18	Apr	–	2.9%
TUE	UK	Average Weekly Earnings 3m/y/y	12-Jun-18	Apr	–	2.6%
	EC	ZEW Survey Expectations	12-Jun-18	Jun	–	2.4
	IN	CPI y/y	12-Jun-18	May	–	4.6%
	US	CPI Ex Food and Energy y/y	12-Jun-18	May	2.2%	2.1%
WED	UK	CPI Core y/y	13-Jun-18	May	–	2.1%
THUR	US	FOMC Rate Decision (Upper Bound)	14-Jun-18	13-Jun	2.0%	1.75%
	CH	Retail Sales y/y	14-Jun-18	May	9.6%	9.4%
	CH	Industrial Production y/y	14-Jun-18	May	7.0%	7.0%
	CH	Fixed Assets Ex Rural YTD y/y	14-Jun-18	May	7.0%	7.0%
	UK	Retail Sales Ex Auto Fuel y/y	14-Jun-18	May	–	1.5%
	EC	ECB Main Refinancing Rate	14-Jun-18	14-Jun	–	0.0%
	US	Retail Sales Ex Auto and Gas	14-Jun-18	May	–	0.3%
FRI/SAT	US	Industrial Production m/m	15-Jun-18	May	0.3%	0.7%
	US	U. of Mich. Sentiment	15-Jun-18	Jun P	98.2	98
	IN	Exports y/y	15-Jun-18	May	–	5.2%
	JN	BOJ Policy Balance Rate	15-Jun-18	15-Jun	–	-0.1%

	Event	This Week	Date	Period	Actual	Prior
MON	EC	Sentix Investor Confidence	4-Jun-18	Jun	9.3	19.2
	EC	PPI y/y	4-Jun-18	Apr	2.0%	2.1%
TUE	CH	Caixin China PMI Composite	5-Jun-18	May	52.3	52.3
	AU	RBA Cash Rate Target	5-Jun-18	5-Jun	1.5%	1.5%
	IN	Nikkei India PMI Composite	5-Jun-18	May	50.4	51.9
	UK	Markit/CIPS UK Composite PMI	5-Jun-18	May	54.5	53.2
	EC	Retail Sales y/y	5-Jun-18	Apr	1.7%	1.5%
	US	ISM Non-Manf. Composite	5-Jun-18	May	58.6	56.8
WED	IN	RBI Repurchase Rate	6-Jun-18	6-Jun	6.25%	6.0%
	US	Trade Balance	6-Jun-18	Apr	-$46.2b	-$47.2b
THUR	GE	Factory Orders WDA y/y	7-Jun-18	Apr	-0.1%	2.9%
FRI/ SAT	GE	Exports SA m/m	8-Jun-18	Apr	–	1.8%
	GE	Industrial Production WDA y/y	8-Jun-18	Apr	–	3.2%
	CH	Exports y/y	8-Jun-18	May	–	12.7%

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, 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.

Investment involves risks. The prices of investment products fluctuate, sometimes dramatically. The price of investment products may move up or down, and may become valueless. It is as likely that losses will be incurred rather than profit made as a result of buying and selling investment products. 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 has not been 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 reproduced, forwarded or otherwise made available to any other person without the express written consent of SCB, nor should it be distributed into any other jurisdiction unless permitted by the local laws and regulations of that jurisdiction. Neither SCB nor any of its directors, employees or agents accept any liability whatsoever for the actions of third parties in this respect.

Standard Chartered Private Bank is the private banking division of SCB. Private banking activities may be carried out internationally by different SCB legal entities and affiliates according to local regulatory requirements. Not all products and services are provided by all SCB branches, subsidiaries and affiliates. Some of the SCB entities and affiliates only act as representatives of the Standard Chartered Private Bank, and may not be able to offer products and services, or offer advice to clients. They serve as points of contact only.

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 – 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 Bank. 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.

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 Regulatory Commission (CBRC), State Administration of Foreign Exchange (SAFE), and People's Bank of China (PBOC).

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 click here. 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: Standard Chartered Bank is registered with Securities and Exchange Board of India as an Investment Advisor (Registration Number: INA000002249) under the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013. You can avail of investment advisory services of Standard Chartered Bank only upon (i) executing separate documents with the Investment Advisory Group of Standard Chartered Bank for availing 'Investment Advice' (as defined in the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013); and (ii) paying specific fees (if applied by Standard Chartered Bank) for such 'Investment Advice'. Standard Chartered Bank acts as a distributor of mutual funds and referrer of other third party financial products, for which Standard Chartered Bank receives commission / referral fees from the product provider.

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 Services Board 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: 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.

Singapore SCBSL: 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 SECURITIES AND FUTURES ACT, CHAPTER 289 ("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 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.

Singapore SCB, Singapore Branch: This document is being distributed in Singapore by SCB, Singapore branch only to accredited investors, expert investors or institutional investors, as defined in the Securities and Futures Act, Chapter 289 of Singapore. Recipients in Singapore should contact SCB, Singapore branch in relation to any matters arising from, or in connection with, this document. In Singapore, Standard Chartered Private Bank is the Private Banking division of SCB, Singapore branch. SCB, Singapore branch (Registration No. S16FC0027L) (GST Registration No.: MR-8500053-0) is licensed to conduct banking business under the Banking Act, Chapter 19 of Singapore. 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. 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, 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. 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. In relation to any collective investment schemes referred to in this document (if any), 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 financial product; or (ii) an advertisement of an offer or intended offer of any financial product.

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

UAE: DIFC - Standard Chartered Bank, Dubai International Financial Centre (SCB DIFC) 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 authorized 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 here.

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.

Uganda: Our Investment products and services are distributed by Standard Chartered Bank Uganda Limited, which is licensed by the Capital Markets Authority as an investment adviser.

United Kingdom: Standard Chartered Bank (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

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.