Standard Chartered Private Bank

# weekly market view

macro strategy | 14 December 2018

This reflects the views of the Wealth Management Group

## Editorial

*This is our final Weekly for 2018. We will resume publication on 11 January 2019. We wish readers a Happy New Year!*

## Preparing for tactical opportunities

- **We continue to prefer a broadly diversified allocation. Within this, we believe Asia-ex-Japan equities and Emerging Market (EM) government bonds offer tactical opportunities.**
- **Equities:** We prefer the energy sector in the US and Euro area on the back of our positive oil price view. Continued progress in US-China trade talks would be positive for China equities.
- **Bonds:** Any signal from the Fed that it may pause rate hikes after its 18-19 December meeting is likely to be particularly bullish for EM USD government bonds.
- **FX:** GBP/USD rebounded from a 20-month low after PM May survived a no-confidence vote. The next resistance is at 1.2925.

### What's new?

- **China takes measures to ease US trade rift.** The revival of high-level talks, after President Trump and President Xi agreed to a 90-day trade truce, has helped partly ease concerns about further escalation. China has also announced measures aimed at narrowing its trade surplus with the US, including restarting imports of US LNG and soybeans. There is also talk of cutting auto import tariffs to 15% from 40%. Reports suggest Beijing is also revising its 'Made in China 2025' plan (aimed at making the country a technology leader) to ease US concerns about its technology acquisition strategy. Although these positive measures were partly offset by the arrest of a top Chinese technology executive in Canada, we believe the two sides are keen to resolve their disputes before it damages the outlook for both economies. Any signs of a resolution would be positive for Asia ex-Japan stocks in the near term (see chart on right).
- **ECB stays cautious.** The central bank confirmed it was ending its bond buying programme, but cut its growth and inflation forecasts for 2019 amid further signs of a slowdown in the Euro area economy (both Sentix Investor Confidence and Zew Survey Expectations for growth fell to multi-year lows). Markets are now pricing the first rate hike in Q1 2020. Although there were signs of progress in EU's budget talks with Italy, the ongoing French populist protests are likely to put upward pressure on the French budget deficit as President Macron announced tax cuts and minimum wage hikes. The region's economic challenges underscore why we rank Euro area equities as least-preferred.
- **GBP jumps as May survives vote.** The GBP rebounded from a 20-month low after Prime Minister May won a no-confidence vote. The premier's next challenge is to get parliament's approval for her Brexit plan (as agreed with the EU), a likely tougher task than winning the confidence vote. If GBP/USD recovers this week's losses and breaks early-December highs around 1.2850, it could signal that the medium-term downtrend is easing. Any failure to break higher could lead to a retest of this week's lows around 1.2475. The 1.20 level remains a strong psychological support.

### What we are watching

- **Fed meeting**. Any signals from the meeting of a pause in rate hikes would be positive for global equities and EM assets.

### Contents



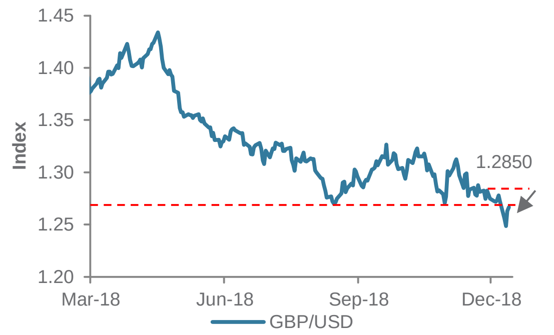
**The MSCI Asia ex-Japan equity index has so far been unable to sustainably break above the November-high of 615; a break could lead to an 8% gain**

*MSCI Asia ex-Japan index*


*Source: Bloomberg, Standard Chartered*

**GBP/USD rebounded from a 20-month low; any break above the December high of 1.2850 could signal an easing in the medium-term downtrend**

*GBP/USD*




*Source: Bloomberg, Standard Chartered*


**Steve Brice**
*Chief Investment Strategist*

**Rajat Bhattacharya**
*Senior Investment Strategist*

**Clive McDonnell**
*Head, Equity Investment Strategy*

**Francis Lim**
*Senior Investment Strategist*

**Manpreet Gill**
*Head, FICC Investment Strategy*

**Thursten Cheok, CFA**
*Senior Portfolio Strategist*

**Arun Kelshiker, CFA**
*Head, Portfolio Strategy*

**Abhilash Narayan**
*Investment Strategist*

**Audrey Goh, CFA**
*Senior Cross-asset Strategist*

**Cedric Lam**
*Investment Strategist*

**Daniel Lam, CFA**
*Senior Cross-asset Strategist*

**Trang Nguyen**
*Portfolio Strategist*

**Belle Chan**
*Senior Investment Strategist*

**DJ Cheong**
*Investment Strategist*

# What does this mean for investors?

**Global equities extended declines, although Asian equities and EM bonds gained amid signs of easing US-China trade tensions. Crude oil rebounded after OPEC and Russia agreed to cut output.**

## Equities: Tactical opportunities in select sectors

- **Energy and healthcare sectors preferred in the US and Euro area.** We expect Brent crude oil prices to rebound to a USD 65-75/bbl range over the next 12 months after OPEC and Russia agreed to cut their combined crude oil output by 1.2mbpd. The expected rebound is likely to boost energy sector equities after they suffered a 15-20% peak-to-trough drop in Q3. Our preference for the healthcare sector reflects our strategy to balance our cyclical exposure (to oil) with a more defensive sector. Healthcare is also less impacted by trade tensions.
- **The US financial sector remains under pressure,** with banks leading declines. Expectations of a slower pace of Fed rate hikes in 2019 are weighing on expected net interest margins. Slower economic activity could also negatively impact loan growth and bank fee-based income. Consensus expectations in 2019 are for 10% earnings growth in the financial sector, down from the 30% forecast for 2018. As a result, we see the financial sector in the US and Euro area as a core holding, rather than preferred.
- **Prefer utilities in China.** The arrest of a leading Chinese technology executive in Canada has renewed concerns of possible escalation in US-China tensions. Market turnover in Hong Kong and China has shrunk, likely due to the uncertainty. Also, the roll-out of new policies arising from US-China trade negotiations has affected sentiment, with the proposed tariff cut for auto imports into China raising competition concerns and hurting the auto sector. Hence, in China, we prefer the utilities sector given it is likely less affected by trade tensions.

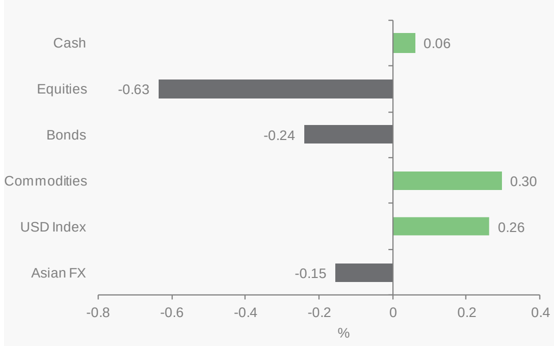
## Bonds: Focus on the Fed

- **The 10-year US Treasury yield bounced-off key technical support at 2.81%.** We expect the Fed to hike rates next week and twice more in 2019, which is more than the current market expectation (see chart). We believe this adjustment of expectations may help drive yields modestly higher, likely back above 3.00%, over the next few months.
- **EM USD government bonds, our preferred bonds asset class,** outperformed over the past week as yield premiums declined owing to improved risk sentiment. Despite the recent rally, EM USD government bonds continue to offer attractive relative value and overall yield, in our opinion. Asian USD bonds, a core holding for us, were largely flat as higher-than-expected supply led to a slight increase in yield premiums. We continue to view Asian USD bonds, especially Investment Grade (IG) bonds, as a core holding owing to their relatively high credit quality and low volatility.

## FX: USD shows signs of fatigue

- **No signs yet of a reversal in the uptrend.** The multi-month USD rally continued to show signs of fatigue around the August-high of 96.98. However, the loss of momentum has not been associated with a price confirmation (such as break of a technical support level). The early November low of 95.68 is an important support. A break below the support would indicate that the upward pressure has eased. In the absence of any bearish evidence, the broad USD trend remains up. The weakness in EUR/USD on the back of a dovish ECB outlook is likely to add further support to the USD. We believe the EUR/USD is likely to test its support at 1.1190 in the near-term.

### Benchmark (USD) performance w/w*




*Week of 06 December 2018 to 13 December 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)*

### US equity market technicals have turned positive

*Technical levels of key market indicators as on 13 Dec*

| Index | Spot | 1st support | 1st resistance | Short-term trend |
|---|---|---|---|---|
| S&P500 | 2,651 | 2,600 | 2,710 | ↗ |
| STOXX 50 | 3,112 | 2,950 | 3,151 | ↘ |
| FTSE 100 | 6,878 | 6,570 | 7,010 | ↘ |
| Nikkei 225 | 21,816 | 20,960 | 22,040 | → |
| Shanghai Comp | 2,634 | 2,552 | 2,690 | ↓ |
| Hang Seng | 26,524 | 25,600 | 26,700 | ↓ |
| MSCI Asia ex-Japan | 611 | 568 | 619 | ↓ |
| MSCI EM | 986 | 930 | 1,008 | ↓ |
| Brent (ICE) | 61 | 58 | 65 | ↓ |
| Gold | 1,242 | 1,230 | 1,255 | ↗ |
| UST 10Y Yield | 2.91 | 2.80 | 3.04 | ↘ |

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

### Although market expectations of Fed rate hikes have eased to just over one 25bps hike in 2019, we expect two increases (which would support Treasury yields)

*Market expectations of Fed rate hikes*

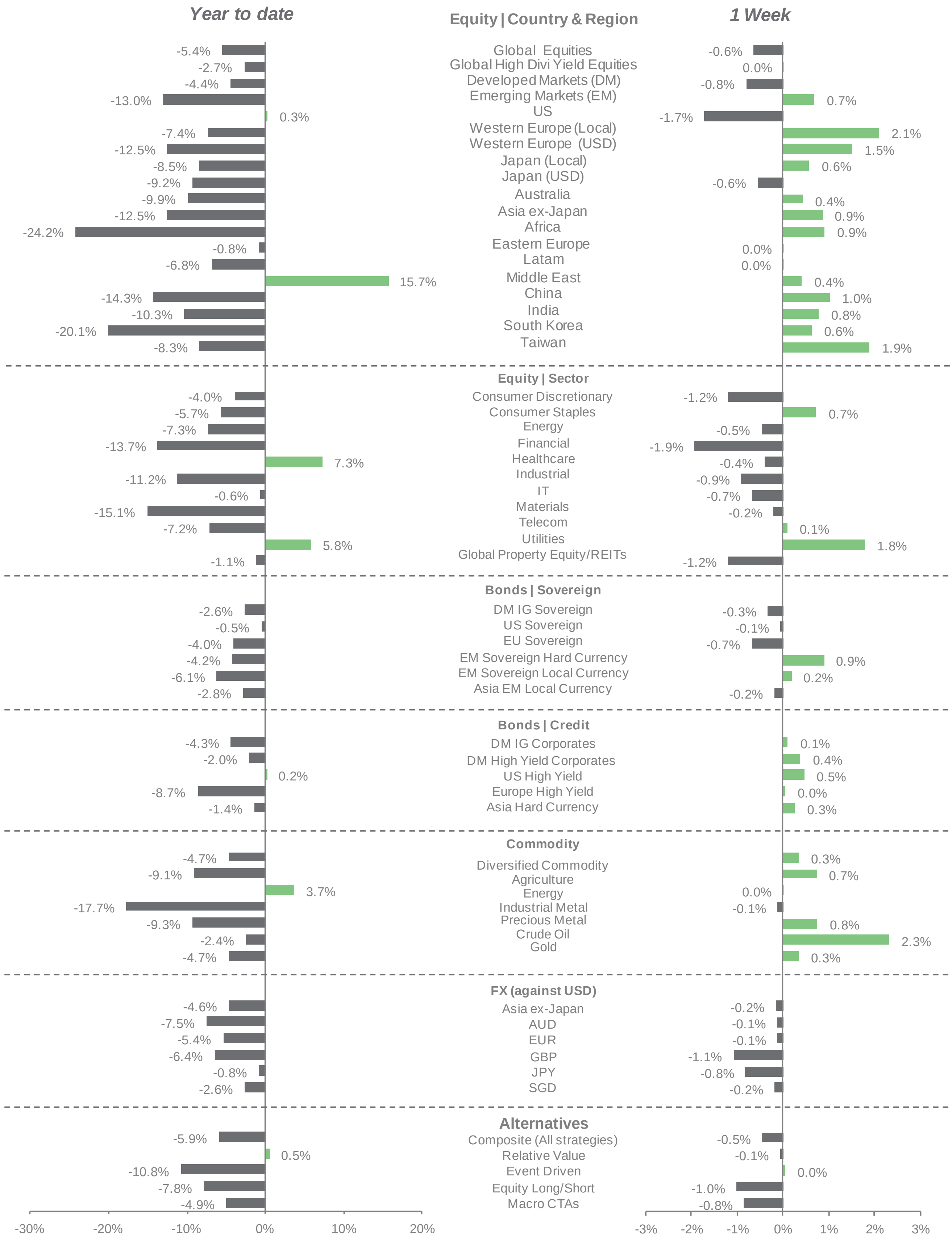

*Source: Bloomberg, Standard Chartered*

### The broad USD uptrend is showing signs of fatigue, although it has remained above key support levels

*USD (DXY) index*


*Source: Bloomberg, Standard Chartered*

# Market performance summary*




**Performance in USD terms unless otherwise stated, YTD period from 31 December 2017 to 13 December 2018, 1 week period: 06 December 2018 to 13 December 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 |
|---|---|---|---|---|---|---|
| TUE | US | Building Permits | 18-Dec-18 | Nov | 1265k | 1265k |
| | US | Housing Starts | 18-Dec-18 | Nov | 1230k | 1228k |
| | JN | Exports y/y | 18-Dec-18 | Nov | 1.9% | 8.2% |
| WED | UK | CPI y/y | 19-Dec-18 | Nov | – | 2.4% |
| | US | Existing Home Sales | 19-Dec-18 | Nov | 5.20m | 5.22m |
| | JN | BOJ Policy Balance Rate | 19-Dec-18 | 20-Dec | – | -0.1% |
| | US | FOMC Rate Decision (Upper Bound) | 19-Dec-18 | 19-Dec | 2.5% | 2.3% |
| THUR | EC | ECB Current Account SA | 20-Dec-18 | Oct | – | 16.9b |
| | UK | Bank of England Bank Rate | 20-Dec-18 | 20-Dec | – | 0.8% |
| | UK | BOE Asset Purchase Target | 20-Dec-18 | Dec | – | 435b |
| FRI/SAT | US | Cap Goods Orders Nondef Ex Air | 21-Dec-18 | Nov P | – | 0.0% |
| | US | Personal Consumption | 21-Dec-18 | 3Q T | – | 3.6% |
| | EC | Consumer Confidence | 21-Dec-18 | Dec A | – | -3.9 |
| | US | PCE Core y/y | 21-Dec-18 | Nov | 1.8% | 1.8% |
| | US | Personal Income | 21-Dec-18 | Nov | 0.3% | 0.5% |

| | Event | This Week | Date | Period | Actual | Prior |
|---|---|---|---|---|---|---|
| MON | GE | Exports SA m/m | 10-Dec-18 | Oct | 0.7% | -0.4% |
| | EC | Sentix Investor Confidence | 10-Dec-18 | Dec | -0.3 | 8.8 |
| | UK | Manufacturing Production y/y | 10-Dec-18 | Oct | -1.0% | 0.5% |
| TUE | EC | ZEW Survey Expectations | 11-Dec-18 | Dec | -21.0 | -22.0 |
| | US | PPI Ex Food and Energy y/y | 11-Dec-18 | Nov | 2.7% | 2.6% |
| | JN | Core Machine Orders y/y | 11-Dec-18 | Oct | 4.5% | -7.0% |
| | CH | Money Supply M2 y/y | 11-Dec-18 | Nov | 8.0% | 8.0% |
| WED | IN | CPI y/y | 12-Dec-18 | Nov | 2.3% | 3.4% |
| | US | CPI Ex Food and Energy y/y | 12-Dec-18 | Nov | 2.2% | 2.1% |
| THUR | EC | ECB Main Refinancing Rate | 13-Dec-18 | 13-Dec | 0.0% | 0.0% |
| | BZ | Selic Rate | 13-Dec-18 | 12-Dec | 6.50% | 6.50% |
| | TU | One-Week Repo Rate | 13-Dec-18 | 13-Dec | 24.00% | 24.00% |
| FRI/SAT | CH | Retail Sales y/y | 14-Dec-18 | Nov | 8.1% | 8.6% |
| | CH | Fixed Assets Investment Ex-Rural YTD y/y | 14-Dec-18 | Nov | 5.9% | 5.7% |
| | CH | Industrial Production y/y | 14-Dec-18 | Nov | 5.4% | 5.9% |

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 and Area 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 Securities (B) Sdn Bhd which is a limited liability company registered with the Registry of Companies with Registration Number RC20001003 and licensed by Autoriti Monetari Brunei Darussalam as a Capital Markets Service License Holder with License Number AMBD/R/CMU/S3-CL.

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).

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.

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 Sector Conduct Authority of the Republic of South Africa.

Jersey is not part of the United Kingdom and all business transacted with Standard Chartered Bank, Jersey Branch and other Standard Chartered Group Offices outside of the United Kingdom, are not subject to some or any of the investor protection and compensation schemes available under United Kingdom law.

Kenya: 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.

Taiwan: Standard Chartered Bank ("SCB") or Standard Chartered Bank (Taiwan) Limited ("SCB (Taiwan)") may be involved in the financial instruments contained herein or other related financial instruments. The author of this document may have discussed the information contained herein with other employees or agents of SCB or SCB (Taiwan). The author and the above-mentioned employees of SCB or SCB (Taiwan) may have taken related actions in respect of the information involved (including communication with customers of SCB or SCB (Taiwan) as to the information contained herein). The opinions contained in this document may change, or differ from the opinions of employees of SCB or SCB (Taiwan). SCB and SCB (Taiwan) will not provide any notice of any changes to or differences between the above-mentioned opinions. This document may cover companies with which SCB or SCB (Taiwan) seeks to do business at times and issuers of financial instruments. Therefore, investors should understand that the information contained herein may serve as specific purposes as a result of conflict of interests of SCB or SCB (Taiwan). SCB, SCB (Taiwan), the employees (including those who have discussions with the author) or customers of SCB or SCB

(Taiwan) may have an interest in the products, related financial instruments or related derivative financial products contained herein; invest in those products at various prices and on different market conditions; have different or conflicting interests in those products. The potential impacts include market makers' related activities, such as dealing, investment, acting as agents, or performing financial or consulting services in relation to any of the products referred to in this document

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 Standard Chartered Bank.

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