weekly **market view**

macro strategy | 17 August 2018

This reflects the views of the Wealth Management Group

Editorial

Turkish tantrums

- **We see limited contagion from Turkey's troubles, but a lot depends on credible policy responses. More USD strength and a further escalation of trade rifts are likely bigger risks.**
- **Equities:** US equities are likely to continue outperforming other markets amid economic divergence and ongoing trade tensions. Euro area remains vulnerable to Turkish uncertainty near term.
- **Bonds:** We expect Emerging Market (EM) bonds to be under pressure near term on weak EM sentiment. However, pockets of opportunity are emerging, notably in Asian USD bonds.
- **FX:** EUR/USD likely to weaken further towards 1.1185 support, although crowded bullish USD positioning is a key risk. USD/CNY is likely to face resistance around the 7.0 level.

What's new?

- **Turkish tantrums.** As Turkey's currency plunged to record lows, the biggest impact has been limited to a section of EMs that are known to be vulnerable to external fund flows, notably Argentina and South Africa (while Russia has been affected by further US sanctions). Asian currencies have been mostly resilient, despite a stronger USD, and Asian USD bonds have outperformed EM USD bonds, underlining the region's stronger fundamentals, including high FX reserves. US equity market outperformance has increased and we expect this to continue, although the EUR's weakness this year is likely to support European exporter earnings in H2. We see limited scope for Turkey's crisis to escalate, given its geopolitical importance to the US and Europe. (Turkey's challenge is mainly economic, notably high fiscal deficit and rising inflation - see page 3 for details). The bigger risk remains a stronger USD and escalation in global trade tensions.
- **China's technology sector under pressure.** The MSCI China equity index has lost more than 20% from January's peak, led by the technology sector (which accounts for 39% of the index). Besides concerns about CNY depreciation, technology equities have been hurt by negative earnings surprises, concerns about increased competition and regulatory delay in approval for new online games. While near-term sentiment is likely to be driven by US-China trade tensions and CNY trends, we expect H1 earnings and corporate guidance to confirm the sector's robust outlook on the back of rising local consumption and structural drivers for IT demand.
- **Collapse in market diversity on gold, USD.** Gold plunged to a 20-month low below USD1,200/oz, almost mirroring the CNY's depreciation vs. the USD. Our models suggest an extreme lack of diversity in the market regarding views on gold (i.e. the market is extremely bearish on gold) and USD/CNY (i.e. extremely bullish on the pair). History suggests lack of market diversity often leads to a reversal in trends. With USD/CNY close to 10-year highs near 7.0, any verbal or active intervention by China's central bank could lead to a reversal in both gold and USD/CNY.

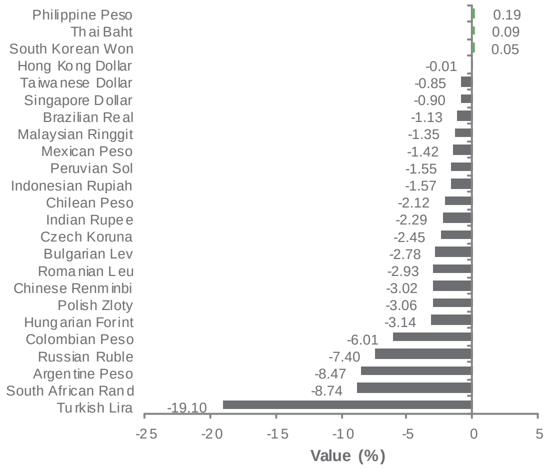
What we are watching

- **US-China talks.** The proposed resumption of talks in late August for the first time in two months could lift market sentiment.

Contents

The impact of the selloff in TRY has been limited to a select group of EMs with weak fundamentals, such as Argentina and South Africa

EM currency performance in the month ending 15 Aug.



Source: Bloomberg, Standard Chartered

Most Asian economies have high FX reserves, underlining their relative resilience to shifts in EM capital flows

Ratio of FX reserves to short-term external debt

Less than 2x	Between 2-3x	Greater than 3x
Argentina	Israel	Korea
Turkey	Indonesia	Colombia
Malaysia	Poland	Thailand
South Africa		Mexico
Czech Republic		India
Chile		Brazil
Hungary		Philippines
		Russia

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

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 declined, led by EMs, amid worries about the fallout from the crisis in Turkey. EM local currency bonds led losses in debt markets as currencies and commodities declined.

Equities: US outperformance likely to continue

- **US benchmark index close to record high.** The S&P 500 index is 1% away from its all-time high, with two members, both from the technology sector, attaining a USD1tn market capitalisation. However, the capitalisation of other index members remains far from this milestone. This, in part, reflects the diminishing diversity of stocks driving the S&P 500 index, with the technology sector accounting for almost 2/3 of the gains YTD. This is typical of a late-cycle bull market. We expect this trend to continue, with the US outperforming other markets on the back of solid earnings expectations and the heavyweight technology sector driving the market on the back of structural demand drivers.
- **Euro area equities are under pressure.** The Euro Stoxx 50 fell through its 50-day moving average (DMA) due to contagion from developments in Turkey, with the banks industry group falling almost 10% so far this month. Euro area Q2 corporate earnings are forecast to decline 3.5%, although we note that earnings revisions have turned positive in recent weeks, potentially reflecting the benefits of a weaker EUR. Nevertheless, developments in Turkey are likely to dominate markets near term.

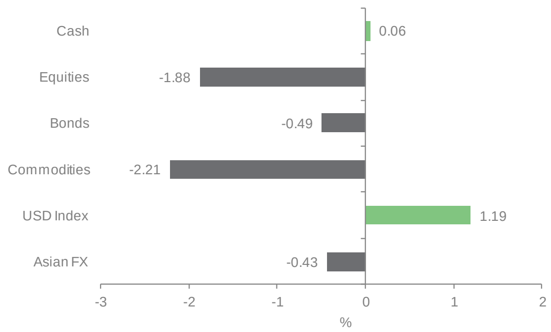
Bonds: Turkish uncertainty hits EM bonds

- **Looking for better entry points.** EM bonds, both USD- and local currency-denominated, fell as the Turkey-led sell-off hurt sentiment. EM local currency bonds were dragged lower by EM currencies, which are likely to remain under pressure in the near term. Hence, we do not view the sell-off as a buying opportunity yet. Although Turkish bonds account for just 3% of EM USD bonds, the asset class delivered negative returns as EM yield premiums rose. There is a risk of yield premiums rising further in the near-term, should sentiment deteriorate further. Though we continue to like EM USD bonds over a 12-month horizon, we could get better entry points in the coming weeks.
- **Asian bonds outperform.** Asian USD bonds remained remarkably resilient, despite the stress in Turkey and the uptick in onshore defaults in China, with yield premiums moving only slightly higher. The recent performance supports our view of Asian USD bonds as a relatively defensive asset class within the EM bond space. Asian bonds remain as a core holding within a diversified allocation.

FX: EUR/USD likely to test new support level

- **EUR/USD weakness likely to extend near term.** EUR/USD broke below the 1.1450 support to a new low of 1.1300 as concerns about the impact of Turkey's crisis on Euro area banks drove safe-haven flows to the USD. EUR/USD has now lost more than 9% since it started its drawdown in April. We see the pair in the final stages of the drawdown, although we believe there is scope for further near-term decline towards the support at 1.1185; on the rebound, 1.1500 should serve as a strong near-term resistance.
- **USD/CNY likely to face resistance around 7.0.** The pair pulled back from close to January 2017 high near 6.99. This suggests that the psychologically important 7.0 level may be defended in the near-term, especially given the market's extremely bullish USD positions.

Benchmark (USD) performance w/w*



**Week of 09 August 2018 to 16 August 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)

EM equity market technical indicators remain weak

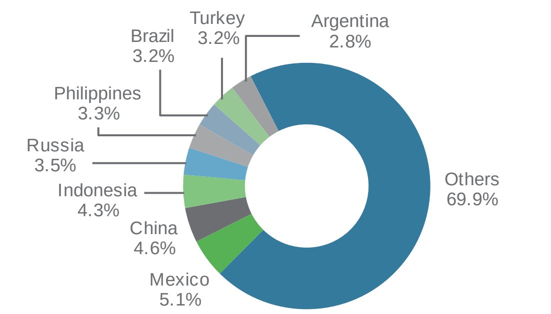
Technical levels of key market indicators as on 16 August

Index	Spot	1st support	1st resistance	Short-term trend
S&P500	2,841	2,795	2,872	↑
STOXX 50	3,378	3,340	3,435	↘
FTSE 100	7,556	7,474	7,610	↘
Nikkei 225	22,293	21,750	23,050	↗
Shanghai Comp	2,705	2,630	2,845	↘
Hang Seng	27,100	26,000	28,900	↘
MSCI Asia ex-Japan	641	618	675	↓
MSCI EM	1,022	972	1,084	↓
Brent (ICE)	71	67	75	↓
Gold	1,179	1,145	1,215	↓
UST 10Y Yield	2.87	2.80	3.01	↗

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

Turkey and Argentina account for only 6% of the EM USD bond index

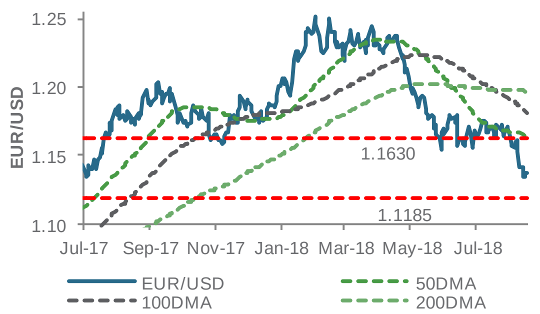
Weights of markets in the EM USD global bond index



Source: JPMorgan EMBI Global Diversified Index, Bloomberg, Standard Chartered

EUR/USD faces the next support at 1.1185

EUR/USD



Source: Bloomberg, Standard Chartered

Top client questions

Q1. Are Turkey's challenges a sign of things to come?

Contagion fears have risen further over the past week after the TRY fell a whopping 18% on 10 August. Emerging Market (EM) currencies have been under pressure for some time, but clearly the TRY's depreciation last week intensified pressures. We have also seen contagion across other asset classes, such as bonds and equities.

Looking forward, Turkey will remain important to short-term EM sentiment. Turkey has traditionally been more vulnerable than most to swings in sentiment towards EMs. Only when the tide goes out do investors see who is naked. Turkey's high current account deficit – which the IMF forecasts will be over 5% of GDP again this year – means the country is very reliant of foreign funding, and thus skimpily dressed at best.

This situation has been exacerbated by a lack of coherence when it comes to policy settings. Inflation has risen from 10% to 15% from 10% this year on the back of earlier currency weakness. Despite this, the central bank has yet to hike interest rates amid President Erdogan's continued commentary that higher interest rates are not acceptable. The recent rebound notwithstanding, until this stance changes, the TRY will be vulnerable.

From a contagion perspective, this leaves three main focus areas:

1) **EM currencies** are likely to remain susceptible to further TRY weakness near term. Longer term, we retain a bearish USD bias, although we acknowledge this is, at least, taking a lot longer to play out than we expected. China's response to EM pressures, both in terms of potential financial support (along the lines of Qatar's investment in Turkey) and its own FX policy, is key.

2) **EM bonds**, both the USD and local currency denominated, have been hit by the sell-off in Turkey. While the direct impact is limited, the impact on risk appetite has been huge. EM currency weakness and/or tighter monetary policies have undermined local currency bonds. In the USD bond space, we have seen an increase in yield premiums across most countries. While an EM crisis is not our base case, EM bonds remain vulnerable to a short-term, continued deterioration in sentiment.

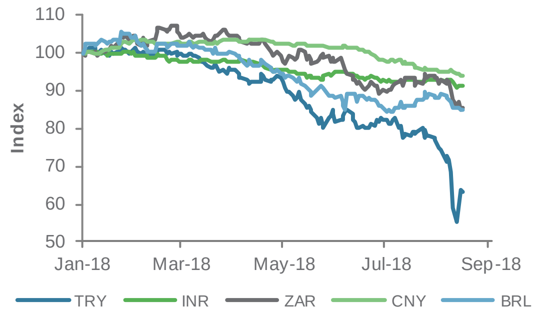
3) **Global equities** have seen an increasingly divergent performance. While the US is 1% below its all-time high and in an uptrend, the rest of the world is down 12% in the same period and firmly in a downtrend (see chart).

   Turkey's challenges have clearly exacerbated this divergence, undermining support for both EM and Euro area equities, the latter due to the banking sector exposure to Turkish companies. Adding to the weakness in EM equities is Chinese technology shares, which have come under pressure following poor quarterly earnings, although we see this as temporary. Euro area equities should ultimately benefit from a weaker EUR, but could continue to underperform global equities until the situation in Turkey stabilises or the EUR weakens significantly further.

   Another risk is contagion spreads to the US equity market. Here, the 1997-98 experience may provide comfort. US equities remained in a strong uptrend in the first 6-9 months of the Asian financial crisis (even as countries experienced full blown debt crises) and only fell sharply when the US financial system was threatened (via the collapse of Long Term Capital Management). Therefore, while a short-term pullback in US equities can never be ruled out, we believe the multi-month trend remains positive.

Accelerated TRY losses merely adds to pressure on EM currencies

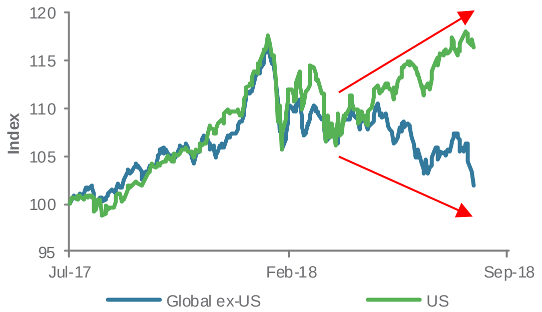
Performance of selected EM currencies relative to the USD (indexed to 100 on Jan 1 2018)



Source: Bloomberg, Standard Chartered

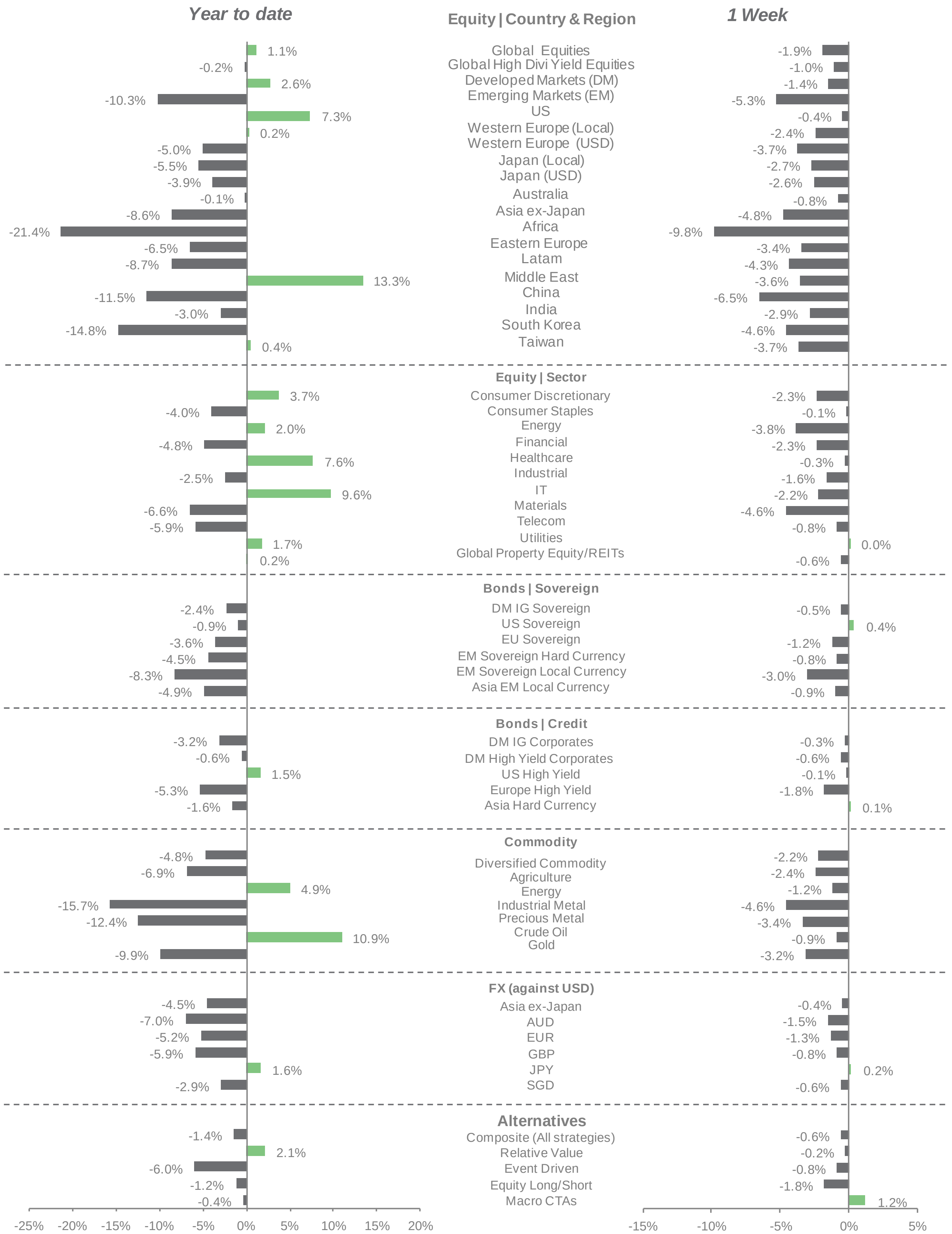
Equity market divergence extends

MSCI all-country world ex-US and US total return indices (USD)



Source: MSCI, Bloomberg, Standard Chartered

Market performance summary*



*Performance in USD terms unless otherwise stated, YTD period from 31 December 2017 to 16 August 2018, 1 week period: 09 August 2018 to 16 August 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
WED	US	Existing Home Sales	22-Aug-18	Jul	5.45m	5.38m
THUR	GE	Markit/BME Germany Composite PMI	23-Aug-18	Aug P	–	55
	EC	Markit Eurozone Manufacturing PMI	23-Aug-18	Aug P	–	55.1
	EC	Markit Eurozone Services PMI	23-Aug-18	Aug P	–	54.2
	EC	Markit Eurozone Composite PMI	23-Aug-18	Aug P	–	54.3
	US	New Home Sales	23-Aug-18	Jul	650k	631k
	EC	Consumer Confidence	23-Aug-18	Aug A	–	-0.6
FRI/SAT	JN	Natl CPI Ex Fresh Food, Energy y/y	24-Aug-18	Jul	–	0.2%
	GE	Exports q/q	24-Aug-18	2Q	–	-1.0%
	US	Cap Goods Orders Nondef Ex Air	24-Aug-18	Jul P	–	0.2%

	Event	This Week	Date	Period	Actual	Prior
MON	IN	CPI y/y	13-Aug-18	Jul	4.2%	4.9%
TUE	CH	Retail Sales y/y	14-Aug-18	Jul	8.8%	9.0%
	CH	Industrial Production y/y	14-Aug-18	Jul	6.0%	6.0%
	CH	Fixed Assets Ex Rural YTD y/y	14-Aug-18	Jul	5.5%	6.0%
	JN	Industrial Production y/y	14-Aug-18	Jun F	-0.9%	-1.2%
	UK	Average Weekly Earnings 3m/y/y	14-Aug-18	Jun	2.4%	2.5%
	EC	ZEW Survey Expectations	14-Aug-18	Aug	-11.1	-18.7
WED	UK	CPI Core y/y	15-Aug-18	Jul	1.9%	1.9%
	US	Unit Labor Costs	15-Aug-18	2Q P	-0.9%	3.4%
	US	Retail Sales Ex Auto and Gas	15-Aug-18	Jul	0.6%	0.2%
	US	Industrial Production m/m	15-Aug-18	Jul	0.1%	1.0%
THUR	JN	Exports y/y	16-Aug-18	Jul	3.9%	6.7%
	UK	Retail Sales Ex Auto Fuel y/y	16-Aug-18	Jul	3.7%	2.9%
	US	Housing Starts	16-Aug-18	Jul	1168k	1158k
	US	Building Permits	16-Aug-18	Jul	1311k	1292k
FRI/SAT	EC	CPI Core y/y	17-Aug-18	Jul F		1.1%
	US	U. of Mich. Sentiment	17-Aug-18	Aug P		97.9

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 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.