Standard Chartered

FOR EXTERNAL DISTRIBUTION TO THE FOLLOWING GROUP OF CUSTOMERS ONLY:

1. **Accredited Investors (Singapore: Priority Banking).**

Further distribution of this publication to other group(s) is STRICTLY PROHIBITED.

Asia Top30 **equity strategy**

This reflects the views of the Wealth Management Group

equities | 20 November 2014

Japan: The land of rising optimisim

- **Add:** WisdomTree Japan Hedged Equity ETF (DXJ US): We believe that the outlook for the Japanese equity market has brightened, and we are adding the Japan ETF to our Asia Top30 list.
- **Cut:** We have removed Angang Steel (347 HK) after the stock has a strong run since October. We took profits of 14.7% on the name (see Equity Flash, 11 November 2014).
- **On Watch:** Hutchison Port's Holdings Trust (HPHT) dividend payout policy is expected to be under review. We would suggest investors trim exposure on a price rebound.
- Asian equity markets have rebounded 3.2% over the past 30 days, lagging the recovery in global markets. Concerns over the impact of a weak yen continue to act as a drag on Korea, as do China growth concerns.
- The technology sector was the best-performing sector over the same period as investors took advantage of the recent dip to accumulate quality stocks and took comfort from a strong Q3 earnings season ex-selected large-cap stocks.
- **This will be the last edition of the Asia Top30 for 2014.**

Contents

Clive McDonnell
Head, Equity Investment Strategy

Audrey Goh, CFA
Investment Strategist

Victor Teo, CFA
Investment Strategist

Asia Top30 (Refer to appendix for a summary of the rationale behind each stock's selection)

Ticker	Name	Country	Sector	Stock Price	Consensus Rating	12m Fwd P/E	12m Fwd P/B	Div Yield%	Div Payout%	1M% TR Local	YTD% TR Local	ITD% TR Local
1833 HK	Intime Retail Gr	China	Discretionary	6.7	4.2	11.3	1.2	4.0	39.5	1.7%	-14.4%	-30.3%
489 HK	Dongfeng Motor-H	China	Discretionary	11.0	4.4	5.5	0.9	2.0	14.7	-8.7%	-8.1%	-11.7%
1044 HK	Hengan Intl	China	Staples	83.3	4.0	22.7	5.3	2.2	61.2	4.7%	-7.0%	11.7%
WIL SP	Wilmar Internati	Singapore	Staples	3.2	3.8	11.9	1.0	2.3	30.6	6.6%	-3.4%	-12.0%
386 HK	Sinopec Corp-H	China	Energy	6.2	3.6	8.7	0.9	4.8	42.3	-5.3%	2.1%	-5.9%
1088 HK	China Shenhua-H	China	Energy	20.7	4.3	8.0	1.0	5.5	40.2	-0.7%	-11.2%	-31.0%
PTTGC TB	PTT Global Chem	Thailand	Energy	63.8	4.7	9.0	1.1	4.9	21.9	12.3%	-15.6%	-3.9%
1299 HK	AIA Group Ltd	Hong Kong	Financials	43.8	4.0	18.8	2.2	1.0	23.3	6.4%	13.7%	45.0%
2388 HK	BOC Hong Kong Ho	Hong Kong	Financials	27.1	4.1	10.7	1.5	3.7	48.0	8.0%	13.6%	10.7%
CCT SP	CapitaCommercial	Singapore	Financials	1.7	3.6	20.6	1.0	4.9	62.5	6.9%	23.3%	20.8%
1109 HK	China Res Land	Hong Kong	Financials	17.0	4.5	7.5	0.9	2.6	17.3	-4.1%	-8.8%	-24.6%
DBS SP	DBS Group Hldgs	Singapore	Financials	19.5	4.8	11.2	1.2	3.0	38.7	8.8%	17.7%	39.0%
CDREIT SP	CDL REIT	Singapore	Financials	1.7	3.6	14.8	1.0	6.5	76.0	1.2%	9.1%	1.6%
1398 HK	ICBC-H	China	Financials	5.0	4.3	4.7	0.8	6.6	35.0	1.2%	1.4%	-3.3%
KBANK TB	Kasikornbank PCL	Thailand	Financials	239.0	4.5	11.1	2.0	1.5	20.3	7.2%	56.1%	24.6%
2318 HK	Ping An Insura-H	China	Financials	58.9	4.7	9.1	1.5	1.5	18.3	0.1%	-14.0%	-13.2%
4 HK	Wharf Hldg	Hong Kong	Financials	54.9	3.8	12.5	0.6	3.2	17.5	-0.8%	-4.5%	-15.4%
CIMB MK	CIMB Group Hldgs	Malaysia	Financials	6.2	3.0	11.1	1.3	3.3	39.4	-3.1%	-16.3%	-19.6%
ICICIBC IN	ICICI Bank Ltd	India	Financials	1681.2	4.5	14.1	N/A	1.4	24.1	11.7%	55.4%	8.8%
HPHT SP	Hutchison Port-U	Singapore	Industrials	0.7	3.6	26.2	0.7	7.8	213.3	0.7%	8.8%	-3.5%
694 HK	Beijing Cap Ai-H	China	Industrials	5.9	3.8	12.8	1.1	2.6	40.0	7.2%	0.4%	5.8%
13 HK	Hutchison Whampoa	Hong Kong	Industrials	98.6	4.6	11.6	0.9	9.5	31.5	2.8%	2.5%	-0.4%
STE SP	Singap Tech Eng	Singapore	Industrials	3.4	3.1	18.2	4.5	4.7	80.2	-4.5%	-9.7%	-5.7%
SINA US	SINA Corp	China	Technology	39.0	4.6	46.2	1.4	N/A	0.0	-0.1%	-53.7%	-48.0%
BIDU US	Baidu Inc-Sp ADR	China	Technology	242.8	4.7	27.9	7.4	N/A	0.0	14.7%	36.5%	42.7%
NTES US	NetEase Inc-ADR	China	Technology	101.9	4.3	13.9	2.9	2.1	25.0	15.7%	33.5%	72.2%
992 HK	Lenovo Group Ltd	China	Technology	10.5	4.1	14.9	3.4	2.3	39.4	-3.3%	12.8%	35.4%
914 HK	Anhui Conch-H	China	Materials	24.6	4.3	8.2	1.4	1.8	19.8	0.4%	-13.1%	-16.9%
358 HK	Jiangxi Copper-H	China	Materials	13.3	3.5	13.3	0.8	4.7	48.7	2.9%	0.0%	-14.0%
DXJ US	WisdomTree Jpn-H	Japan	Fund	54.6	N/A	N/A	N/A	2.8	N/A	15.4%	8.7%	0%

Source: Bloomberg, Standard Chartered, data as of 18 November 2014

Asia Top30

Our key themes and sector calls in Asia over the next 12 months	
Energy (OW)	• Prefer companies that benefit from reforms in China • These include clean energy, downstream refiners and gas producers • Focus on companies with strong cost controls and those that accrete value to shareholders within upstream, exploration and production companies
Technology (OW)	• Select China internet, software and services stocks with reasonable valuations • Focus on smartphone/component makers that can expand market share • Focus on quality companies that are likely to benefit from a recovery in the PC market
Industrials (OW)	• Select airlines with exposure to Developed Market (DM) recovery and limited competition from low-cost carriers (LCC) • Focus on companies benefitting from a decline in energy prices

Source: Standard Chartered

Top30 stocks review

Add: WisdomTree Japan Hedged Equity ETF (DXJ US)

- The Japanese equity market rose c.19% over the past 30 days as investors cheered the Bank of Japan's (BoJ) announcement that it would raise its target for quantitative easing from JPY 60trn-JPY 70trn to JPY 80trn.
- Investors were also excited by the announcement by the Government Pension Investment Fund (GPIF) that it will increase its holdings of both domestic and overseas equities and carry out a commensurate reduction of its bond holdings.
- The positive effect of the weaker yen and an improvement in overseas growth has considerably lifted the earnings growth of Japanese companies. Japan stands out as the only developed market with positive earnings revisions for 2015.
- Seen as a whole, we believe that the outlook for the Japanese equity market has brightened, and we are adding the WisdomTree Japan Hedged Equity ETF to our Asia Top30 list.
- The WisdomTree Japan Hedged Equity ETF tracks the performance of the WisdomTree Japan Hedged Equity index, which is a dividend-weighted index that includes dividend-paying companies in Japan. These companies derive 80% (or more) of their revenue outside Japan.
- The FX hedge is designed to shield USD investors from currency fluctuations and would add value if the yen weakens, but would detract from performance if it strengthens.

Cut: Angang Steel (347 HK)

- Angang Steel has risen significantly since October on the back of in line Q3 14 results and better-than-expected China Steel PMI. China Steel PMI recovered to 46 in October from 43.6 earlier. This was driven by a recovery in new orders and a drawdown in inventory, which suggests a stabilising growth outlook near term.
- **We have cut the name from the Asia Top30 list reported on 11 November 2014, taking a profit of 14.7%. Near term, we expect the stock to remain largely within a trading range of HKD 4.50-6.0.**

Stock	Ticker	Note
WisdomTree Japan Hedged Equity ETF	DXJ US	Add
Angang Steel	347 HK	Cut
Alibaba	BABA US	Highlight
Hutchison Ports Holding Trust	HPHT SP	On Watch
SINA Corp	SINA US	On Watch
Anhui Conch	914 HK	On Watch
Hengan International	1044 HK	On Watch
Ping An Insurance	2318 HK	Beat
ICICI Bank	ICICIBC IN	Beat
Baidu	BIDU US	Beat
DBS Holdings	DBS SP	Beat
Sinopec	386 HK	In Line
ICBC	1398 HK	In Line
CapitaCommercial Trust	CCT SP	In Line
CDL Hospitality REIT	CDREIT SP	Miss
Lenovo	992 HK	Miss

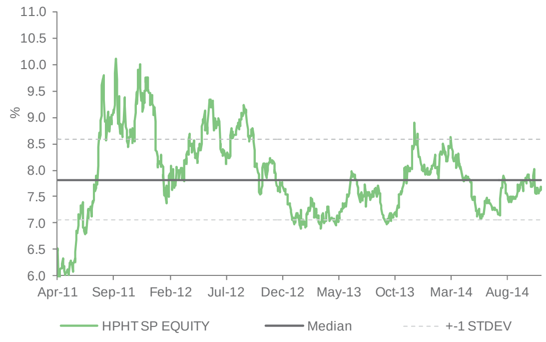
On Watch: Hutchison Ports Holding Trust (HPHT SP)

- Results were in line, with a distribution per unit (DPU) of HKD 0.19, driven by improvements in throughput volume. Exports to the US are recovering, while European exports are starting to slow. Management is guiding for single-digit volume growth in 2015, driven by strength in the US.
- The trust is expected to significantly hike tariff rates for vessels in 2015. This would impact half of its customers in 2015 and would be the first tariff adjustment since 2010. While the tariff hike is a near-term catalyst, we are concerned management may adjust its payout policy going forward. Capex cost from the acquisition of a land parcel in Shenzhen may result in the trust paying out an amount in excess of their distributable income, while maintaining its guidance of a minimum HKD 0.41/unit distribution, is clearly unsustainable.
- The trust still provides a forward distribution yield of c.7.5%. It has outperformed the broader Singapore market and is up 9.5% YTD. **We would be inclined to reduce positions on a rebound around HKD 0.70.**

Risks: Faster-than-expected hike in interest rates, deterioration in global trade, cuts in dividend payouts and strikes among ports workers.

HPHT still offers a attractive yield of c.7.5%

Hutchison Ports historical dividend yield



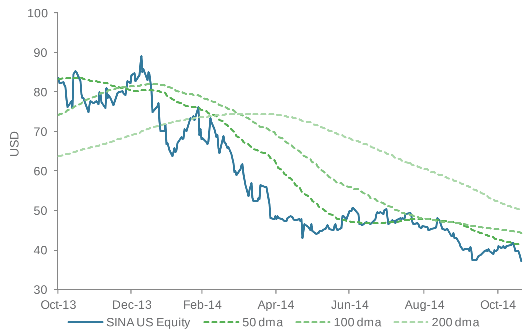
Source: Bloomberg, Standard Chartered

On Watch: SINA Corp (SINA US)

- SINA's Q3 14 results were in line, with revenue growth of 8% y/y, driven by strong performance from Weibo (WB US). However, its legacy portal business declined by 6% y/y as a result of advertisers' shift from web portal to other verticals and mobile platforms.
- SINA intends to restructure its portal business and undertake more investment. While this should support its longer-term outlook, it would negatively impact its margins over the next few quarters.
- The stock's market cap is currently c.USD 2.5bn, which appears to look cheap based on its cash/cash equivalents and short-term investments of USD 2.3bn against its long-term debt of USD 800m. This does not take into account its 57% stake in Weibo, which is worth c.USD 2bn based on SINA's current market price of USD 18.28. Should SINA's share price decline further, it would increasingly look attractive as a takeover candidate, given that little value is ascribed to its core media portal business.
- **We struggle to find any catalysts for SINA to outperform in the short term and suggest short-term investors to trim their exposure on any rebound. In the short-term, 41.25 and 34.75/30.00 are key resistance and supports, respectively.**

We suggest short term investors to trim exposure to the stock on rebounds

Sina's share price



Source: Bloomberg, Standard Chartered

On Watch:

Hutchison Ports Holding Trust (HPHT SP), SINA Corp (SINA US), Anhui Conch (914 HK) and Hengan International (1044 HK) remain on our watchlist.

Highlight: Alibaba (BABA US)

The stock has done well since its IPO in 28 September 2014, surging to a record level of USD 119 before scaling back to USD 110.8 (as of 18 November 2014). There has been increasing interest in the name since our initial comments on the IPO (see Global Top30, 26 September 2014), where we briefly highlighted the company's business model and risks, together with a comparison with online retailing giant, Amazon (AMZN US). Since that release, we dug deeper into the business structure and earnings outlook for the company.

Alibaba is the world's largest online and mobile marketplace in retail and wholesale trade, as well as in cloud computing and trade services. It operates three retail marketplaces in China (Taobao, Tmall and Juhuasuan), which account for c.82% of its revenues. The company's outlook is supported by strong structural tailwinds of increasing internet penetration in China and discretionary spending from the growing middle class.

E-commerce in China today accounts for only c.8% of China retail sales, and we believe Alibaba, being the dominant player with a market share of 79%, will stand to gain from the increased penetration of online retail. The company's revenues are mostly derived from online marketing services (69%), commissions (28%) and other fees (3%).

We believe Alibaba's asset-light model (compared to Amazon) will help support its higher-than-industry margins trend. This is largely due to a relatively higher operating leverage and little/no risk of inventory markdowns. Since the company does not directly own manufacturing or logistical infrastructure, its capex is mostly on bolt-on acquisitions and strengthening its proprietary technology platform. These investments, as we have seen so far, have offered cost advantages and scalability through traffic- and resource-sharing across its business units. Longer term, we have identified tailwinds that could drive further stock rerating:

- A relatively underpenetrated market (ie, internet and e-commerce) should drive gross merchandise volume growth momentum
- Ongoing integration of mobile platforms (ie, UCWeb and Autonavi) should help expedite mobile monetisation

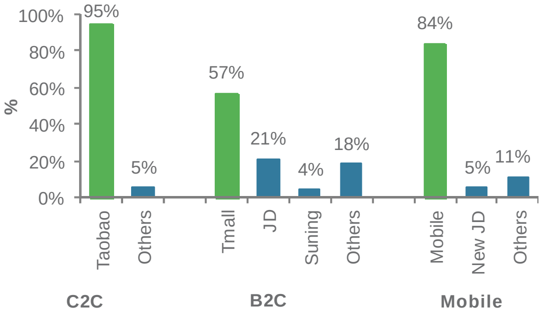
While the investment thesis for Alibaba is compelling, we would like to highlight a couple of downside risks. Apart from intensifying competition from key rivals such as JD.com, Amazon and VipShop, Alibaba is expected to face increased regulatory scrutiny over its online and mobile transactions services, given its 'monopoly' within the space. In addition, its corporate structure has also caused concern. Alibaba's is a partnership structure, which essentially gives the board full voting power despite its minority shareholding. This, we believe, may undermine the interests of other shareholders (non-voting) with respect to Alibaba's strategy and investment decisions.

Valuations are not cheap at 40.7x 12-month forward P/E, a premium to global internet peers like Facebook, Baidu, Tencent and eBay.com, which trade at 18-39x 12-month forward P/E. Management has guided for a lukewarm margin outlook, expecting gross margins to contract to c.50% from 59% due to the dilution effect of new acquisitions and a step-up in marketing and promotions.

While consensus expects margins to rebound in the long term, failure to do so could see a contraction in its valuation multiples. **Given Alibaba's strong outperformance, we prefer to stay on the sidelines and await a better opportunity for entry.**

Alibaba has dominant market share in both PC and Mobile GMV

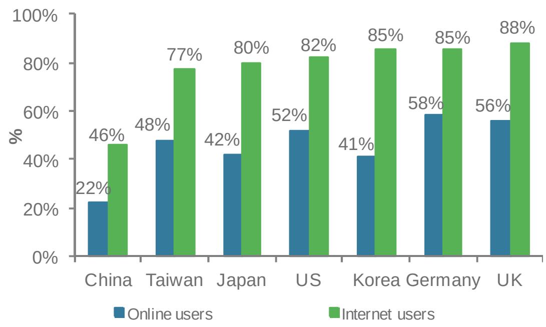
Gross merchandise volume (GMV) market share by segments



Source: Bloomberg, Standard Chartered

China online retail penetration still lags other markets

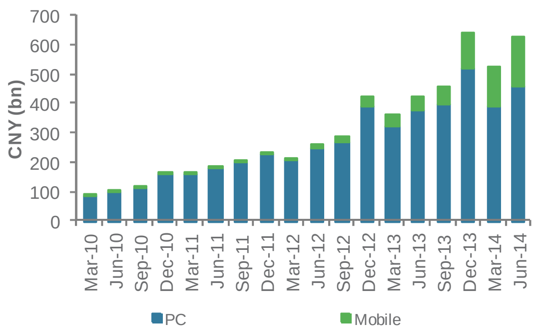
Internet and online shoppers penetration rates across the world



Source: IDC, Bloomberg, Standard Chartered

Mobile e-commerce likely to drive gross merchandise volume growth

China e-commerce gross merchandise volume by mobile and PC segments



Source: Bloomberg, Standard Chartered

Singapore REIT sector – not too hot, not too cold

Going into 2015, investors are rightly concerned about the impact of rising rates on the interest rate-sensitive REIT sector. In our view, such concerns are likely priced in since the sell-off in the sector from May to December 2013 during the 'taper tantrum'.

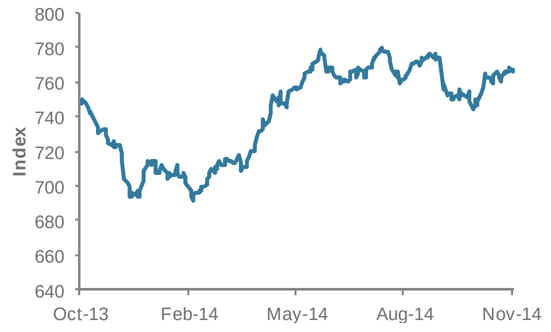
- Our central view on the US rate hike is that it will be gradual, with the first rate hike occurring sometime in mid-2015.
- While rising rates may present a medium-term overhang, it is important to note that some REITs have the ability to reprice their 'rents' upwards as rates move higher in tandem with stronger growth and inflation.
- Singapore REITs offer a forward dividend yield of 6.3%, a c.380bps spread over Singapore 10-year government bond yields. This is roughly in line with the historical median spread of 400bps.
- Sector valuation is fair, with both dividend yield and price-to-book (P/B) around their respective 5-year means. This implies further significant price appreciation for the sector would have to be driven by higher rents and distribution growth unless global rates decline further, which is not our central scenario.
- We view the industry's lease expiry profile and debt maturity profile as reasonably well-balanced. This should underpin a stable distribution profile over the next few years.
- Sector gearing at 32% debt-to-assets is lower than the peak of 36% in 2008. Most REITs have also proactively extended their loan maturity and hedged against exposure to floating rates, with c.75-80% of loans being hedged. Therefore, any near-term gradual rise in interest rates should be manageable, in our view.
- The proposed MAS regulatory changes should help improve corporate governance and increase REIT managers' independence to manage their assets and distribution growth. This could drive a lower risk premium and potentially higher valuation for the sector.

Be selective:

- Office REITS have been the top performer YTD, followed by select industrial and retail REITs; hospitality REITs have generally underperformed.
- **Office REITs:** Likely to remain well-supported into 2015 given the healthy net demand anticipated. **New supply, however, is expected to almost double in 2016; as such, we encourage investors be agile in 2015 and keep a stop loss around their positions.**
  - **We prefer CapitaCommercial Trust (CCT SP).** It has the lowest gearing among office REITs. The completion of CapitaGreen by end-2014 should allow CCT to capture the expected up-move in office rents in 2015.
  - **Keppel REIT (KREIT SP) tends to be more defensive,** given its longer weighted lease expiry profile of approximately six years. We believe valuation is fair around its 6% dividend yield. Its portfolio of quality Grade A offices is expected to stay resilient, given the c.100% occupancy.
- **Hospitality REITs:** 2015 is likely to be another lacklustre year, with room rate/occupancy expected to stay flat. The sector offers some value but lacks catalysts, in our opinion.

The REIT index has been resilient after the 'taper tantrum' in May 2013

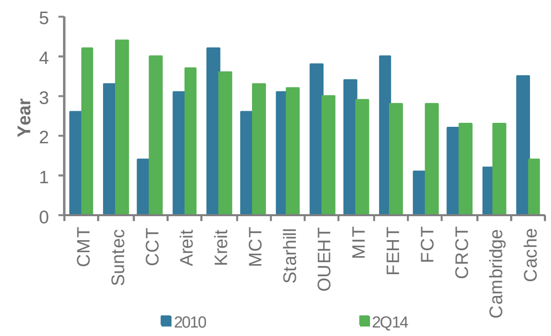
FTSE Straits Times REITs Index



Source: Bloomberg, Standard Chartered

Most REITs have proactively lengthened their loan maturity

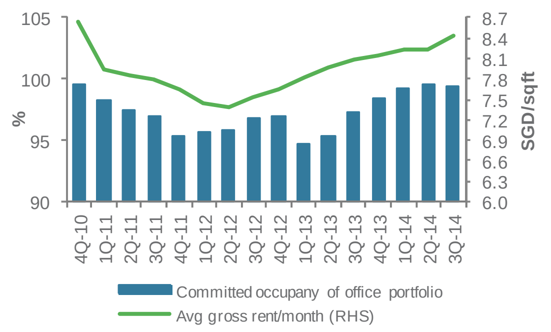
Average loan to maturity for SG REITs



Source: Company, Standard Chartered

CCT continues to see positive rental revisions

Committed occupancy and average monthly rent for CCT's office portfolio



Source: Company, Standard Chartered

- **We prefer CDL Hospitality REIT (CDREIT SP).** It has one of the lowest gearing among peers, providing it with a strong ability to grow by acquisitions. Trading at an inexpensive 1x P/B and 6.7% yield, the bulk of its income is derived from Singapore, and we note c.17% of its revenue from Australia and New Zealand. Any weakness in AUD and NZD currency may cap upside.
- **Ascott Residence Trust (ART SP) is a diversified service residence REIT, which spans Asia (39% of revenue), the Euro area (21%), the UK (16%) and Japan (13%).** It trades at a 6.8% dividend yield and is significantly leveraged to a pickup in economic growth and foreign direct investment in regions in which it operates.
- While the lease tenure tends to be longer (6 months or longer) than hotels, we note there may be more variability in its income, given its exposure to various foreign currencies.
- **We are less sanguine about Ascendas Hospitality Trust (ASCHT SP):** Its predominantly Australia-based assets are expected to continue facing headwinds from a weak AUD and decelerating growth from a slowdown in the mining sector. This is only mitigated by its valuations at 0.7x P/B and 8% dividend yield.

Risks: Bond yields spiking unexpectedly, weaker-than-expected rental growth and reversion, slowdown in tourism arrivals.

Singapore REIT sector still trading at a significant spread over Singapore government bonds

FTSE Straits Times REITs Index

Source: Bloomberg, Standard Chartered

Earnings update:

Ping An Insurance (2318 HK) – Beat

- Q3 net income surged 89% y/y to CNY 10.3bn, supported by higher investment returns and a strong contribution from its banking unit.
- Investment income climbed 28% y/y on the back of higher market returns, but non-performing loans (NPL) spiked. NPLs rose 30% y/y on a YTD basis driven by deterioration of retail loans and accounts receivable.
- Gross premiums for the first 9 months of the year rose 22.8% y/y to CNY 251.1bn. Property and casualty (P&C) and life premiums grew 25.8% y/y and 15.4% y/y, respectively.
- Ping An Bank, which is the banking unit of the group, reported an 35% y/y increase in profit to CNY 15.7bn, driven by margin expansion and higher income growth. Its NIM improved 4bps q/q to 2.6%.

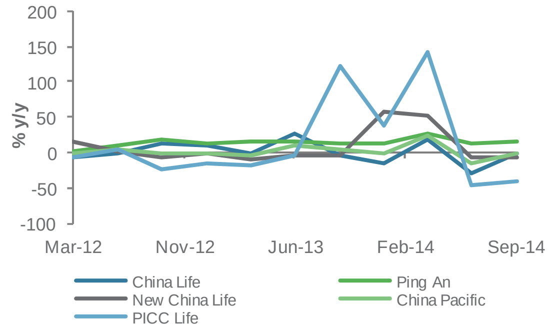
View: Over the month, Ping An Insurance obtained regulatory approval to raise as much as USD 5bn for an H-share placement. This trend is being seen across the sector as insurers and banks seek to bolster capital in China. Longer term, we believe the company will benefit from ongoing pricing liberalisation of the insurance sector. Also, the relaxation of investment regulations for insurers should enable the company to seek higher returns, provide more product differentiation and help lower earnings volatility going forward.

We believe the stock has re-rating potential, trading at 1.0x FY2014 P/EV, a discount to China insurance peers. The stock offers a dividend yield of 1.5%.

Risks: Regulatory risks, asset quality deterioration in the banking unit.

Ping An's life premium revenues have outgrown peers'

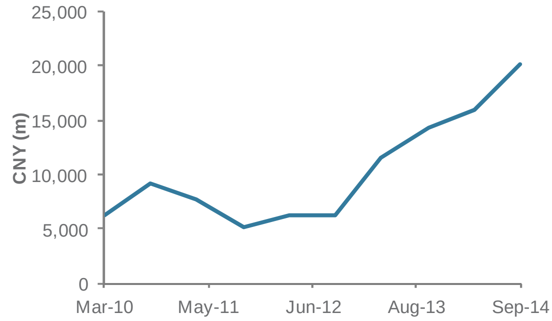
Life premiums growth by insurers (y/y %)



Source: Bloomberg, Standard Chartered

Investment income climbed on the back of higher market returns

Ping An's investment income



Source: Bloomberg, Standard Chartered

ICICI Bank (ICICIBC IN) – Beat

- ICICI Bank's profit after tax of INR 27.1bn in Q2 FY 15 (up 15% y/y and 2% q/q) was slightly higher than consensus. Earnings were strong, driven by stable NIM q/q, an improving cost-to-income ratio and higher other non-interest income.
- Loans rose 14% y/y and 4% q/q, driven by a strong 25% growth in retail loans. Similarly, growth in retail fees (20% y/y) outpaced corporate fees, which declined.
- Fresh non-performing assets (NPA) rose q/q to INR 16.73bn from INR 11.95bn, but we find comfort in the fact that fresh restructuring fell sequentially, leading to a 3% q/q decline in total stress loan formation to INR 25.0bn.

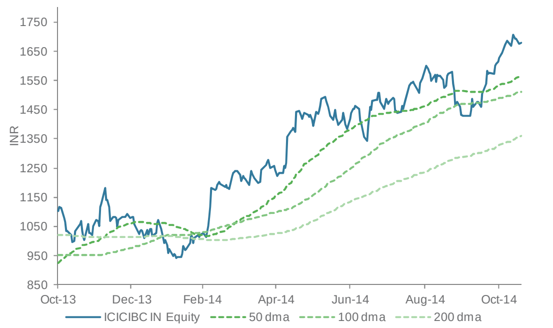
View: ICICI Bank is likely to be a key beneficiary of the expected macro recovery given its strong capitalisation and retail franchise. The company remains well positioned to capitalise on a capex recovery, given the strong mandate on reforms by the new government. We expect the stock to likely see further upside as earnings momentum picks up.

The stock currently trades at 14.1x 12m forward P/E and 2.5x P/B, a slight premium to industry peers. We remain comfortable with current valuations given the higher-than-industry returns on equity (ROE) of 15.2%. The stock offers a dividend of 1.4%.

Risks: Delay in the macro recovery, higher-than-expected slippage in its 'restructuring portfolio' and weak demand for loan growth.

We believe there may be further upside to ICICI Bank

ICICI Bank's share price



Source: Bloomberg, Standard Chartered

Baidu (BIDU US) – Beat

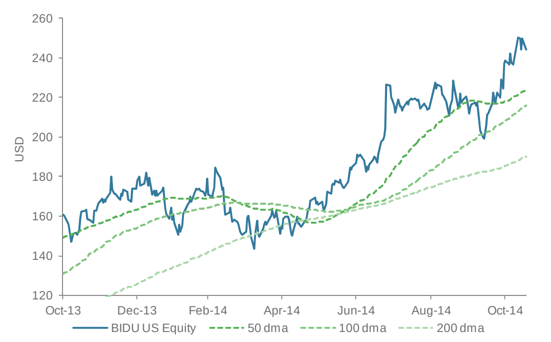
- Q3 earnings were solid across the business, with Q3 net income rising 27% to CNY 3.88bn. Top-line revenue growth of 52% y/y was mainly driven by a 36% y/y expansion in average revenue per user (ARPU) and 11% y/y growth in advertisements.
- Management has guided for Q4 revenue growth of 45-50% y/y, driven by continued mobile monetisation.
- The key highlight for investors was seeing mobile traffic surpassing traffic from PCs for the first time ever, with revenues from mobile devices reaching 36% of total search revenue. The higher contribution came mainly from an improvement in traffic growth and conversions to paid services.
- Operating costs increased on the back of aggressive mobile promotions. The traffic acquisition cost ratio inched up to 12.9%, while the content cost ratio rose to 3.7%. The company guided for more investment in R&D for location-based services (LBS) and mobile search going forward.

View: The latest results suggest that mobile monetisation is gaining traction as mobile traffic and revenue both increased over the quarter. Mobile click-throughs also closed in on those of the PC platform. Management has started to shift its focus towards developing its mobile business (ecosystem, O2O, etc.), on top of ensuring a smooth transition of its search engines to mobile platforms. The launch of Baidu Connect should help expedite the integration of the various applications of the mobile platform, including the e-commerce market. Valuations remains compelling at 27.9x 12-month forward P/E, slightly cheaper than historical and industry averages.

Risks: Higher-than-expected traffic acquisition costs and mobile investments and regulatory risks.

Q3 earnings beat propelled the stock price to an all-time high

Baidu's share price



Source: Bloomberg, Standard Chartered

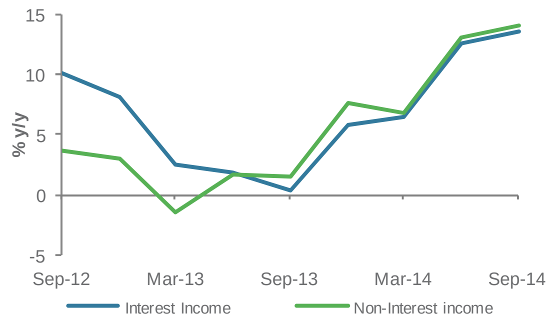
DBS Holdings (DBS SP) – Beat

- Q3 net income rose 17% y/y to USD 1bn, underpinned by 23% y/y growth in its non-interest income segment. Non-interest income was USD 912m as investment banking fees doubled, while trading income rose 44% y/y and wealth management fees increased 39% y/y.
- NIM expanded 8bps to 1.68%, driving net interest income (NII) up 14% y/y. Loan growth slowed over the previous quarter, but still rose 8.3% y/y to USD 262bn.
- Management has guided loan growth to moderate to c.8% next year due to lacklustre demand from the housing and corporate segments, but the NIM should remain resilient for the rest of the year.
- Property exposure remains manageable, with most of its mortgages based on owner-occupied properties. SME credit quality is resilient. Expect higher NII from rising rates.

View: The company has mitigated slowing domestic loan growth by sharpening focus on non-interest income streams and diversifying its revenue exposure. We believe this shift in strategy is starting to bear fruit, as reflected by the improvement in non-interest-related segments like wealth management, which was boosted by the acquisition of Société Générale's private banking unit.

Non-interest income has outgrown traditional income streams

DBS's interest income and non-interest income growth (y/y %)



Source: Bloomberg, Standard Chartered

We continue to prefer DBS Bank within the Singapore banking space due to its lower relative exposure to property and higher leverage to rate hikes. The stock trades at 1.2x P/B, 1 std deviation higher than its historical average. Given the strong YTD outperformance, we believe valuations are no longer cheap. However, given its superior asset quality and solid deposit franchise, we would not be surprised if the stock continues to outperform.

Risks: Longer-than-expected monetary tightening in the US, a spike in non-performing loans, regulatory risks for overseas franchise.

Sinopec (386 HK) – In line

- Q3 net income slid 12.3% to CNY 19.3bn, as lower oil prices and rising costs dragged profitability in most of its segments. Stripping off the one-time gains from the sale of shares in China Gas, earnings were lower than expected.
- Crude oil production rose 7.66% y/y to 268.7 million barrels, largely driven by overseas demand as domestic production stayed flat. Q3 free cash flow improved due to capex discipline – YTD capex fell 20% y/y.
- Operating profit at the E&P and marketing segment fell by 15% y/y and 25% y/y respectively. The only bright spot came from the chemicals segment, which rose 29% y/y, but still accounts for only 2% of total operating profit.

View: The stock now looks oversold, having corrected by more than 20% since the beginning of September in the wake of a sharp decline in oil prices. We do note that given Sinopec's significant refining operations, it would be less impacted than pure upstream oil/gas producers to a sustained decline in oil prices. We would not be surprised if the share price rebounded in the short term. Valuation does not look expensive at 8.7x P/E and a 4.8% dividend yield.

Risk: Prolonged weakness in crude oil prices, decline in refining margins, regulatory risks, significant slowdown in China growth.

ICBC (1398 HK) – In line

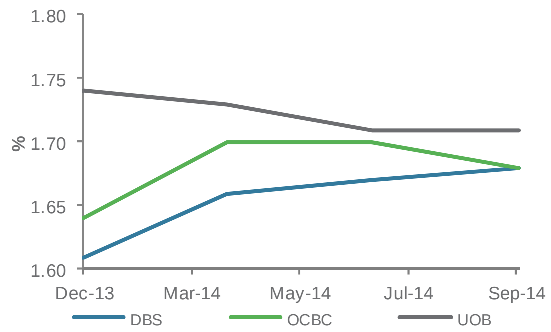
- ICBC reported Q3 net income of CNY 72.4bn, up 7% y/y, largely in line with market expectations. Better-than-expected interest income offset weak fee income. NIM expanded 4bps to 2.68% on improving asset yields and a favourable deposit mix.
- NPLs rose 9% y/y to CNY 115.5bn, the largest quarterly increase since 2006. The bank has stepped up its efforts to build a buffer against the rise in credit costs by setting aside CNY 8.2bn, 30% more than a year earlier.
- The deteriorating trend of NPLs at Chinese banks was highlighted in the last quarterly earnings update; however, we believe ICBC's asset quality remains sound, with NPL ratios significantly lower than mid/small-cap banks. While we are not overly concerned at this juncture, we will continue to monitor for signs of significant deterioration in asset quality

View: We believe the bank, as one of the largest in the sector, will also be better positioned to withstand the impact of interest-rate liberalisation given its larger deposit base that provides it with ample low-cost liquidity. Valuations are cheap at 4.7x 12-month forward P/E and downside support from its attractive dividend policy, with yields currently at 6.6%.

Risks: Further deterioration in asset quality, increased funding pressure due to ongoing interest rate liberalisation.

DBS's NIM remains resilient compared to industry peers

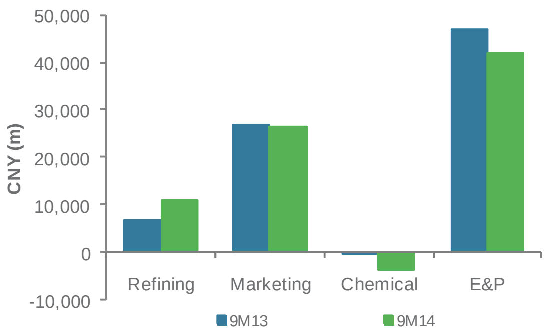
Net interest margins of Singapore banks



Source: Bloomberg, Standard Chartered

Lower oil prices had a negative impact on operating profits

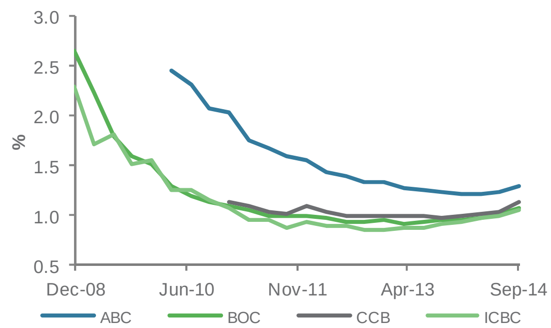
Sinopec 9M 14 operating income by segments



Source: Company, Standard Chartered

NPLs have begun to trend up

NPL ratios of the top four Chinese banks by market capitalisation



Source: Bloomberg, Standard Chartered

CapitaCommercial Trust (CCT SP) – In Line

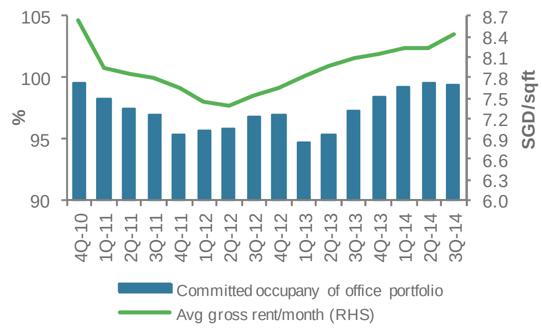
- Results were in line with Q3 14 DPU of SGD 0.213 on the back of high occupancy and improvement in rental fees since the beginning of the year.
- The REIT continues to benefit from a pick-up in office space demand amidst limited new office supply. Pre-commitment at its new CapitaGreen office building stands at 40% and is estimated to reach c.50% when it is completed in December 2014.

View: The stock has significantly outperformed the REIT sector since the beginning of this year. The REIT is likely to be well supported from a search for yield given that it is currently a significant c.250bps above the Singapore 10-year government bond. We expect the dividend yield of c.5% to form the bulk of its expected returns, with some upside from office rental growth as existing leases expire.

Risks: A faster-than-expected hike in interest rates, decline in office rentals and increased regulatory oversight.

CCT continues to see positive rental revisions

Committed occupancy and average monthly rent for CCT's office portfolio



Source: Company, Standard Chartered

Lenovo (992 HK) – Miss

- Q2 net income rose 19% y/y to USD 262.1, as global smartphone shipments rose 38% y/y to 16.9m units. Revenues came in at USD 10.5bn, but fell short of consensus estimates as the company reported its slowest sales growth in six quarters.
- Management guided for the end of 'hypergrowth' in China and expects a slowdown in smartphone growth due to intensifying competition and inventory correction.
- The company posted 11.4% y/y growth in PC shipments (versus the 0.5% y/y deceleration in the global growth of PC shipments) and expanded its global market share to 19.8% from 17.7% last quarter. Management continues to see opportunities in the market and remains confident of expanding its share.

View: The slowdown in global smartphone shipment growth is not unfamiliar to us, as we have highlighted the deterioration in our previous Top30 publications. However, we believe Lenovo is well placed to ride out the normalisation of the 'hypergrowth' era, given its diversified exposure to other growth markets such as Southeast Asia and emerging EMEA region. Results suggest the company delivered record smartphone volumes in 45 countries, with many markets outside China delivering superlative growth of above 100% y/y, albeit from a lower base. The rapid expansion into growth markets will likely drive further market share and challenge the top two market leaders.

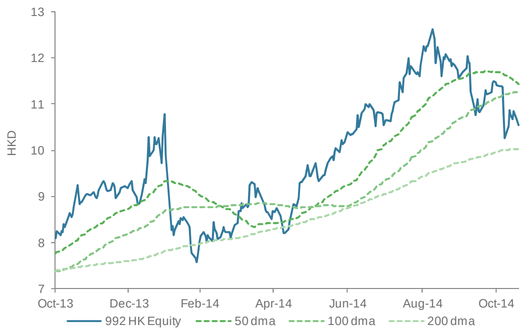
Going forward, as the PC market enters a consolidation phase, Lenovo is expected to be a key beneficiary given its position as the market leader. Management has guided improvement in sales and profitability and has set a target of achieving 30% market share (current: 19.7%). While we are less sanguine on a cyclical recovery in the Chinese PC market in the near term, any positive surprise from local shipments could act as a catalyst for the stock.

Management guided that the integration of the IBM servers business is gaining traction, and we are similarly confident of Lenovo's ability to leverage its local channels and meaningfully scale up the business. The stock is currently trading at 14.9x 12-month forward P/E and 3.4x P/B. We believe the premium to US-based peers such at Dell and HP is justified given the market share gains in the PC segment, improving profitability in smartphones and strong Emerging Markets (EM) exposure. The stock offers ROE of 31% and a dividend yield of 2.3%.

Risks: Significant slowdown in the global economy, higher-than-expected integration costs for Motorola Mobility and IBM x86 servers.

Stock saw a pullback after weak management guidance

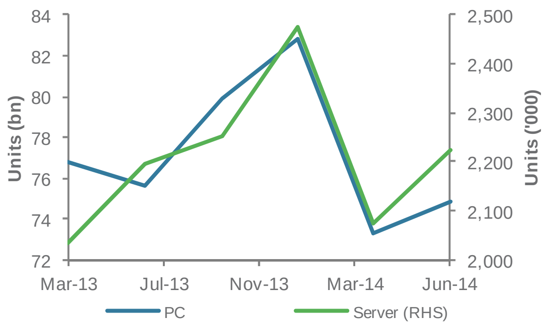
Lenovo's share price



Source: Bloomberg, Standard Chartered

Increased hardware shipments will help drive revenue growth

Global PC and server shipments (units)



Source: Bloomberg, Standard Chartered

CDL Hospitality REIT (CDREIT SP) – Miss

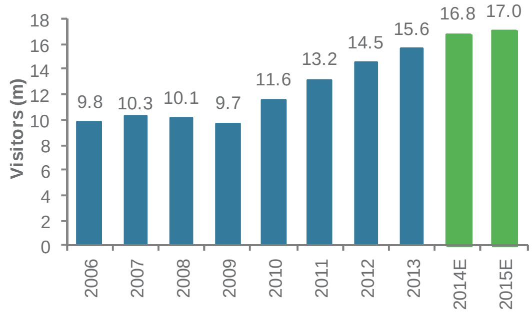
- CDREIT's Q3 DPU below consensus at SGD 0.261.
- RevPar grew 0.5% (versus -6% y/y in Q2 14 and -3% y/y in 1H 14). This is driven by 92% occupancy in Q3 in Singapore, offset by room rates falling 4% y/y.

View: Going forward, local revenue per available room (RevPar) is likely to remain flat in 2015 on the back of moderating growth in tourist arrivals and downward pressure in room rates. While the stock has underperformed the Singapore REIT sector in the H1 14, we believe the stock offers good value given its high yield of 6.7% and at c.1x P/B.

Risks: Bond yields spiking unexpectedly, weaker-than-expected rental growth and reversion and slowdown in tourist arrivals.

The Singapore Tourism Board expects tourism arrivals to improve

International visitors arrival in Singapore



Source: Company, Singapore Tourism Board, Standard Chartered

Standard Chartered Priority

Market views

- Asian equity markets have rebounded 3.2% over the past 30 days, lagging the recovery in global markets. Concerns over the impact of a weak yen continue to act as a drag on Korea, as do growth concerns about China.
- We believe that the outlook for the Japanese equity market has brightened, and we are adding the **WisdomTree Japan Hedged Equity ETF (DXJ US)** to our Asia Top30 list.
- The c.9% decline in WTI oil prices over the past 30 days has fuelled optimism for a recovery in the US and worldwide but has had a nuanced effect on Asia.
- The technology sector was the best-performing over the same period as investors took advantage of the recent dip to accumulate quality stocks and took comfort from a strong Q3 earnings season ex-select large-cap stocks.

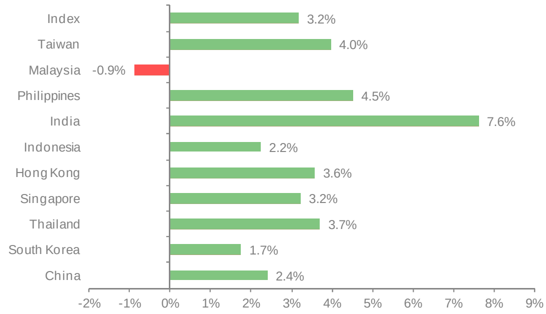
Japan: The land of rising optimism

- The Japanese equity market has increased c.19% over the past 30 days as investors cheered the BoJ's announcement that it would raise its target for QE from JPY 60trn-JPY 70trn to JPY 80trn. The increase is part of its strategy to achieve its 2% inflation target, as well as rescue the economy from the technical recession that Japan had slipped into following the second consecutive decline in GDP during Q3.
- Investors are also excited by the announcement by the Government Pension Investment Fund (GPIF) that it would increase its holdings of both domestic and overseas equities and carry out a commensurate reduction of its bond holdings. As highlighted in the chart, the GPIF will increase its holdings of Japanese stocks to 25% from 12%. This is a significant change, and while an increase was expected, the consensus was for a smaller increase in the allocation to domestic stocks.
- The positive effect of the weaker yen and an improvement in overseas growth has considerably lifted the earnings growth of Japanese companies. Japan stands out as the only market with positive earnings revisions and consensus earnings expectations are for 10.2% growth in the next 12 months. This is a significant turnaround relative to earlier years and has also helped limit the increase in valuations in the Japanese equity market despite the Nikkei doubling since Prime Minister Shinzo Abe assumed office in December 2012.
- Looking ahead, Prime Minister Abe has called snap elections (to be held on 14 December 2014). He has also postponed the planned sales tax increase until 2017. These are positive developments, as the LDP, led by Abe, is likely to be returned to power with a clear mandate for reform.
- **Taken together, we believe that the outlook for the Japanese equity market has brightened, and we are adding WisdomTree Japan Hedged Equity ETF to our Asia Top30 list.**

Impact of falling oil prices in Asia

The decline in oil prices has continued over the past 30 days as concerns of excess supply swamp the nascent recovery in demand. WTI oil prices declined to USD 74 at the time of writing this, down c.10% over the same period, taking the YTD decline to c.22%. The positive effect of this on the global economy is indisputable.

Performance of key Asian markets over the month (USD)

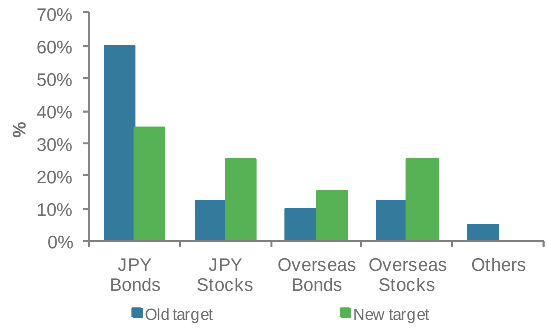


Source: Bloomberg, Standard Chartered

As of 18 November 2014

We expect GPIF allocation to support Japan equities

GPIF target allocations (%)



Source: Bloomberg, Standard Chartered

Valuations are not demanding for Japan equities

MSCI Japan 12-month forward P/E

Source: Bloomberg, Standard Chartered

Economists estimate that a USD 20 decline in the price raises global GDP by 0.5%, other things remaining the same. At a time when global GDP growth is forecast to reach 3% in 2014, such a boost is significant. The impact of the decline in energy prices on Asia is not as positive in the short term. Many economies continue to subsidise the prices of petrol and diesel, although we note that China have deregulated gasoline prices, India deregulated diesel prices, with Indonesia expected to follow suit. India's recent decision to deregulate diesel prices did see prices drop, albeit significantly less than what the decline in global oil prices would imply. This was due to the government increasing regulated prices prior to freeing them up to narrow the deficit previously incurred.

Indonesia recently raised petrol and diesel prices by 30% and 36%, respectively in an effort to reduce subsidies and as a likely prelude to fully deregulating prices in the coming months. The effect of these policy changes is positive in the long term. However, they do dilute the positive effect of falling oil prices in the short term.

This is particularly the case in India where the fuel and energy component of the CPI basket has a weight of 15%. In Indonesia, the inflationary impact of higher fuel prices in the short term is limited as fuel and energy account for only 5% of the CPI basket.

We remain Overweight the energy sector in both EM and Developed Markets (DM), but are aware of the negative impact of falling crude prices on the sector. As such, we are monitoring three factors which if they turn negative, would make us reconsider our Overweight stance:

1. OPEC failing to agree to cut production at its November 27 meeting
2. Global growth momentum decelerating
3. Growth in China slowing to below 7%

Technology sector rebound

The technology sector has surged since the H1 October sell-off, with stocks in Japan doing particularly well, rising 20% over the past 30 days. Asia has also rallied, but the 6% gain implies underperformance relative to global peers. The gains reverse the earlier months' losses in the sector as investor concern about slowing growth in smartphone sales in China and weak guidance from industry leaders such as Samsung weighed on sentiment.

The catalyst for the rebound in the sector, aside from investors embracing risky assets, can be partially traced to the successful IPO of Alibaba, which raised USD 25bn on 22 September in the world's largest IPO. Since the market regained its footing in mid-October, Tech names have rallied, with Alibaba itself rising 26%, Tencent up 11.6%, Samsung Electronics up 12% and TSMC rising 6%.

In terms of fundamentals for the sector in Asia, while headline earnings in Q3 appear quite negative (-17%), they mask solid performances by non-Korea tech names. The negative Korea effect is best illustrated by the Q3 earnings trend in the market (-43%). Looking at a non-market cap-weighted measure for the technology sector such as the earnings hit-miss ratio in Q3 highlights a more benign picture. The hit-miss ratio for the technology sector was 1, implying an equal number of companies hit/missed their earnings guidance. This is better than the Asia ex-Japan average for Q3, which was 0.88, implying more companies missed consensus than beat.

Our strategy for the technology sector is to remain overweight, noting that it is an outperformer at this point of the cycle historically. We have not added Alibaba in the Asia Top30 list as valuations have overshot what we believe is fair, relative to peers.

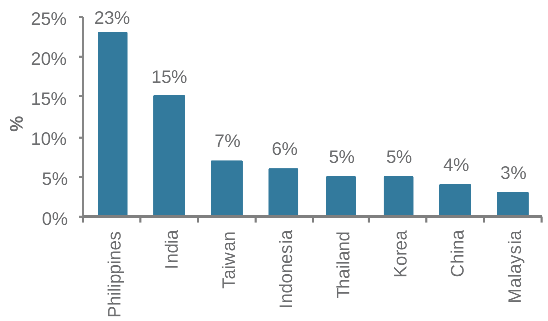
OPEC meeting on 27 November is key to any rebound in oil prices

Brent crude oil price

Source: Bloomberg, Standard Chartered

Decline in energy prices is positive for inflation in the Philippines and India

Energy weights in CPI baskets across various countries



Source: National statistical agencies, Standard Chartered

Asia ex-Japan Q3 sector EPS trends

Aggregate Hit/Miss ratio: 0.88

	% of Mkt Cap reported	#s of Stocks	Hit/Miss ratio	EPS y/y%
C. Discretionary	55	19	0.2	-15.0
C. Staples	32	9	0.3	17.3
Energy	79	15	0.4	-24.4
Financials	57	63	2.5	11.8
Healthcare	34	8	1.0	-19.8
Industrials	33	33	0.6	-62.1
Technology	59	23	1.0	-17.6
Telecom	64	24	1.4	3.1
Materials	65	12	1.4	-10.6
Utilities	12	5	0.3	-10.6

Source: Bloomberg, Standard Chartered

Earnings as of 31 October 2014

Asia Div list

The Asia dividend list delivered a total return of 1.8% this month on an USD equally weighted basis. The dividend list was up 6.1% YTD in USD terms.

Asia Dividend list

Ticker	Name	Sector	Stock Price	12m Fwd Dvd Yield	12m Fwd P/E	P/B Trailing	Div Payout%	Net Debt /Equity	TR 1M%	TR YTD%
1088 HK	China Shenhua-H	Energy	20.65	5.2	7.8	1.1	40.2	22.0	-0.7%	-11.2%
MINT SP	Mapletree Indust	Financials	1.48	6.8	14.7	1.2	53.4	50.9	6.1%	18.7%
CDREIT SP	CDL REIT	Financials	1.68	6.8	14.8	1.1	76.0	38.8	1.2%	9.1%
CCT SP	CapitaCommercial	Financials	1.70	5.2	20.6	1.0	62.5	41.2	6.9%	23.3%
SGREIT SP	Starhill Global	Financials	0.80	6.4	15.7	0.9	44.3	39.2	2.2%	7.7%
2388 HK	BOC Hong Kong Ho	Financials	27.10	4.4	10.6	1.7	48.0	-92.9	8.0%	13.6%
DBS SP	DBS Group Hldgs	Financials	19.47	3.2	11.3	1.3	38.7	-42.6	8.8%	17.7%
PBK MK	Public Bank Bhd	Financials	18.30	3.1	14.7	2.6	44.8	-46.8	-0.9%	0.1%
BBL TB	Bangkok Bank Pub	Financials	200.00	3.9	9.5	1.2	34.6	-62.7	4.2%	16.1%
1398 HK	ICBC-H	Financials	4.98	7.5	4.7	1.0	35.0	-153.9	1.2%	1.4%
HPHT SP	Hutchison Port-U	Industrials	0.68	7.6	26.4	0.7	N/A	33.2	0.7%	8.8%
KEP SP	Keppel Corp Ltd	Industrials	9.18	4.9	10.3	1.7	39.2	8.0	-3.0%	-14.7%
STE SP	Singap Tech Eng	Industrials	3.43	4.4	18.1	5.4	80.2	-30.6	-4.5%	-9.7%
ST SP	Singapore Teleco	Telecommunication Services	3.96	4.6	15.9	2.6	73.2	33.7	8.5%	11.0%
941 HK	China Mobile	Telco	95.65	3.2	13.6	1.7	43.3	-52.3	4.0%	23.4%

Source: Standard Chartered
Data as of 18 November 2014

Technical Commentary

Below, we present the technical views for our Asia Top30 stocks. The stocks are given a rating of 1-5, with 1 being the most favourable technicals and 5 being the least favourable technicals on a 1-3 month basis. This is from a pure technical standpoint and may run contrary to the fundamental views we hold on the stocks within the portfolio, which are on a 12-month basis.

Asia Top30 Technical rating

Name	Ticker	Sector	Rating
Beijing Capital	694 HK	Industrials	2
BOC Hong Kong Ho	2388 HK	Financials	2
DBS Group Hldgs	DBS SP	Financials	2
Dongfeng Motor	489 HK	Discretionary	2
ICICI Bank	ICICIBC IN	Financials	2
Ping An Insura-H	2318 HK	Financials	2
WisdomTree JPN H	DXJ US	Fund	2
AIA Group Ltd	1299 HK	Financials	3
Anhui Conch-H	914 HK	Materials	3
Baidu	BIDU US	Technology	3
CapitaCommercial	CCT SP	Financials	3
CDL Hospitality Trust	CDREIT SP	Financials	3
China Res Land	1109 HK	Financials	3
China Shenhua-H	1088 HK	Energy	3
Hengan Intl	1044 HK	Staples	3

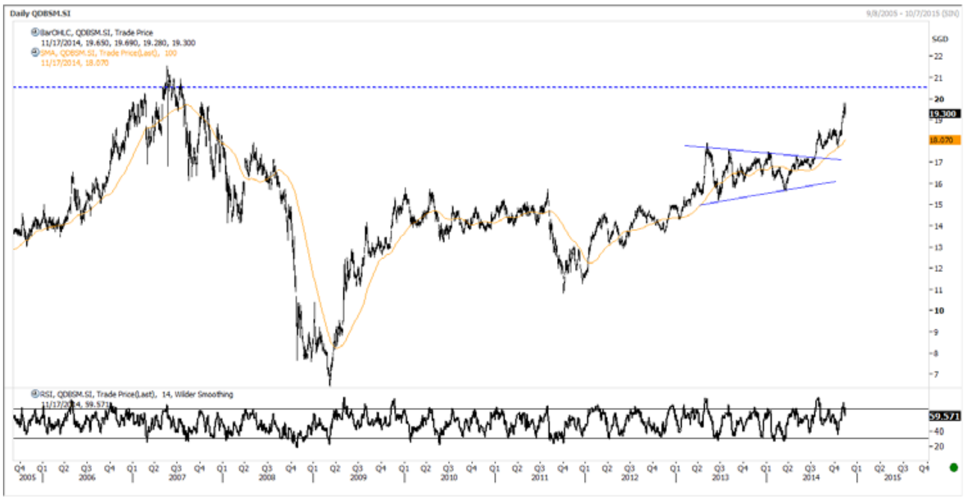
Name	Ticker	Sector	Rating
Hutchison Port-U	HPHT SP	Industrials	3
Hutchison Whampoa	13 HK	Industrials	3
Ind & Comm Bk-H	1398 HK	Financials	3
Intime Departmen	1833 HK	Discretionary	3
Jiangxi Copper	358 HK	Materials	3
Kasikornbank Pcl	KBANK TB	Financials	3
Lenovo Group Ltd	992 HK	Technology	3
NetEase	NTES US	Technology	3
PTT GC	PTT GC	Energy	3
SINA Corp	SINA US	Technology	3
Sinopec Corp-H	386 HK	Energy	3
CIMB Group	CIMB MK	Financials	4
Singapore Technologies Engineering	STE SP	Industrials	4
Wharf Hldg	4 HK	Financials	4
Wilmar Internati	WIL SP	Staples	4

Source: Standard Chartered
Views as of 18 November 2014

In the following pages, we present the Technical charts for stocks that are the most favourable.

Technical Commentary (cont'd)

- **DBS Group Holdings (DBS SP) –** The stock is in the midst of a strong up-move after breaking out of a medium-term consolidation triangle. The previous 2007 high is likely to be challenged soon, where it could face some profit-booking at SGD 20.5. Thereafter, it could continue to move higher if the current momentum is sustained; any pullback is likely to remain shallow.



Daily Chart

- **Ping An Insurance - H (2318 HK) –** The stock's failure to breakout above HKD 66.5 has resulted in a sharp reaction lower, which has pushed it below the 200DMA line. However, it trades near the key historical support range between HKD 56 and HKD 48, which appears to be an attractive accumulation zone for longer-term.

Daily Chart

- **Beijing Capital (694 HK) –** The stock has consolidated in a broad triangle-shaped pattern for more than a year now. The longer-term chart structure appears more constructive and has historically led to upside breakouts from the consolidation range. We are likely to witness increased positive momentum once this range is breached to the upside.

Daily Chart

Source: Reuters, Standard Chartered

Technical Commentary (cont'd)

- **ICICI Bank Ltd (ICICI BC) –** The stock has shown good momentum of late after breaking out of its long-term downtrend line. The upward thrust is likely to endure as the current upwave is projected to move even higher given that the significantly long consolidation range is ending. Short-term intermediate pullbacks are possible, but this is likely to hold key trailing support levels.

Daily Chart

- **Dongfeng Motors (489 HK) –** The stock has corrected back to the lower end of the gradually steepening uptrend channel after recently failing to clear the intermediate resistance at HKD 15. There are a number of pivotal support points between HKD 10 and HKD 8.5, which should halt any further decline from current levels. Short-term technical indicators are heavily oversold and should shore up prices from current levels.

Daily Chart

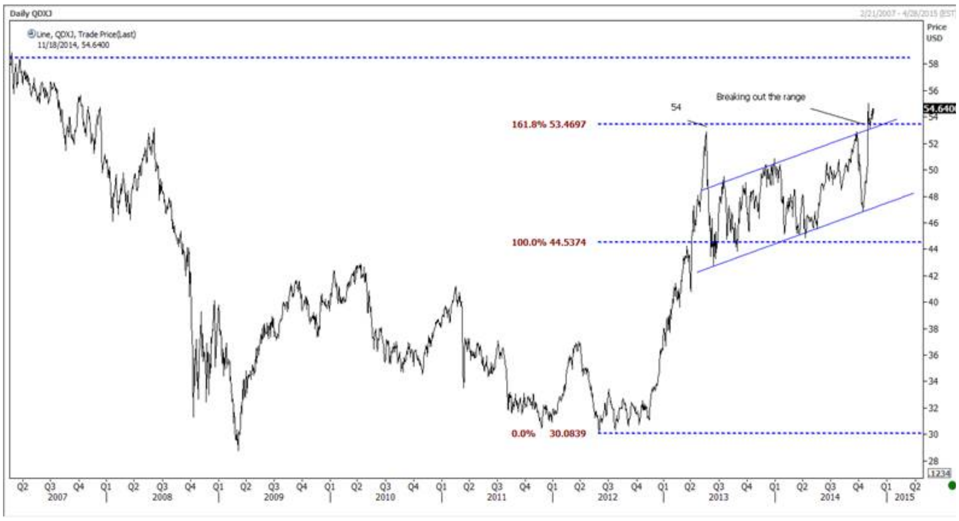
- **BOC Hong Kong (2388 HK) –** The stock has made a sharp upmove to HKD 22 after recovering from April's pullback. The overall chart structure appears positive; however, some reaction from current pivotal resistance cannot be ruled out. Any interim pullback can be used to accumulate in anticipation that the stock – in a slightly longer-term perspective – may break out to fresh highs.

Daily Chart

Source: Reuters, Standard Chartered

Technical Commentary (cont'd)

- **WisdomTree Japan Hedged Equity ETF (DXJ US) –** The stock has nearly cleared the year-old long rising sideways channel band, which corresponded with the May 2013 high point. If prices stay above this breakout channel, then it would imply the continuation of the strong upmove, which could easily extend to USD 56.30, and then ultimately unfold towards a projected retracement target of USD 60.



Daily Chart

Source: Reuters, Standard Chartered

Asia Top30 – Performance & Valuations

Asia Top30 performance and valuations (local currency)

Ticker	Name	Country	Sector	Stock Price	Consensus Rating	12m Fwd P/E	12m Fwd P/B	Div Yield%	Div Payout%	1M% TR Local	YTD% TR Local	ITD% TR Local
1833 HK	Intime Retail Gr	China	Discretionary	6.7	4.2	11.3	1.2	4.0	39.5	1.7%	-14.4%	-30.3%
489 HK	Dongfeng Motor-H	China	Discretionary	11.0	4.4	5.5	0.9	2.0	14.7	-8.7%	-8.1%	-11.7%
1044 HK	Hengan Intl	China	Staples	83.3	4.0	22.7	5.3	2.2	61.2	4.7%	-7.0%	11.7%
WIL SP	Wilmar Internati	Singapore	Staples	3.2	3.8	11.9	1.0	2.3	30.6	6.6%	-3.4%	-12.0%
386 HK	Sinopec Corp-H	China	Energy	6.2	3.6	8.7	0.9	4.8	42.3	-5.3%	2.1%	-5.9%
1088 HK	China Shenhua-H	China	Energy	20.7	4.3	8.0	1.0	5.5	40.2	-0.7%	-11.2%	-31.0%
PTTGC TB	PTT Global Chem	Thailand	Energy	63.8	4.7	9.0	1.1	4.9	21.9	12.3%	-15.6%	-3.9%
1299 HK	AIA Group Ltd	Hong Kong	Financials	43.8	4.0	18.8	2.2	1.0	23.3	6.4%	13.7%	45.0%
2388 HK	BOC Hong Kong Ho	Hong Kong	Financials	27.1	4.1	10.7	1.5	3.7	48.0	8.0%	13.6%	10.7%
CCT SP	CapitaCommercial	Singapore	Financials	1.7	3.6	20.6	1.0	4.9	62.5	6.9%	23.3%	20.8%
1109 HK	China Res Land	Hong Kong	Financials	17.0	4.5	7.5	0.9	2.6	17.3	-4.1%	-8.8%	-24.6%
DBS SP	DBS Group Hldgs	Singapore	Financials	19.5	4.8	11.2	1.2	3.0	38.7	8.8%	17.7%	39.0%
CDREIT SP	CDL Reit	Singapore	Financials	1.7	3.6	14.8	1.0	6.5	76.0	1.2%	9.1%	1.6%
1398 HK	ICBC-H	China	Financials	5.0	4.3	4.7	0.8	6.6	35.0	1.2%	1.4%	-3.3%
KBANK TB	Kasikornbank Pcl	Thailand	Financials	239.0	4.5	11.1	2.0	1.5	20.3	7.2%	56.1%	24.6%
2318 HK	Ping An Insura-H	China	Financials	58.9	4.7	9.1	1.5	1.5	18.3	0.1%	-14.0%	-13.2%
4 HK	Wharf Hldg	Hong Kong	Financials	54.9	3.8	12.5	0.6	3.2	17.5	-0.8%	-4.5%	-15.4%
CIMB MK	CIMB Group Hldgs	Malaysia	Financials	6.2	3.0	11.1	1.3	3.3	39.4	-3.1%	-16.3%	-19.6%
ICICIBC IN	ICICI Bank Ltd	India	Financials	1681.2	4.5	14.1	N/A	1.4	24.1	11.7%	55.4%	8.8%
HPHT SP	Hutchison Port-U	Singapore	Industrials	0.7	3.6	26.2	0.7	7.8	213.3	0.7%	8.8%	-3.5%
694 HK	Beijing Cap Ai-H	China	Industrials	5.9	3.8	12.8	1.1	2.6	40.0	7.2%	0.4%	5.8%
13 HK	Hutchison Whampoa	Hong Kong	Industrials	98.6	4.6	11.6	0.9	9.5	31.5	2.8%	2.5%	-0.4%
STE SP	Singap Tech Eng	Singapore	Industrials	3.4	3.1	18.2	4.5	4.7	80.2	-4.5%	-9.7%	-5.7%
SINA US	SINA Corp	China	Technology	39.0	4.6	46.2	1.4	N/A	0.0	-0.1%	-53.7%	-48.0%
BIDU US	Baidu Inc-Sp ADR	China	Technology	242.8	4.7	27.9	7.4	N/A	0.0	14.7%	36.5%	42.7%
NTES US	NetEase Inc-ADR	China	Technology	101.9	4.3	13.9	2.9	2.1	25.0	15.7%	33.5%	72.2%
992 HK	Lenovo Group Ltd	China	Technology	10.5	4.1	14.9	3.4	2.3	39.4	-3.3%	12.8%	35.4%
914 HK	Anhui Conch-H	China	Materials	24.6	4.3	8.2	1.4	1.8	19.8	0.4%	-13.1%	-16.9%
358 HK	Jiangxi Copper-H	China	Materials	13.3	3.5	13.3	0.8	4.7	48.7	2.9%	0.0%	-14.0%
DXJ US	WisdomTree Jpn H	United States	Fund	54.6	N/A	N/A	N/A	2.8	N/A	15.4%	8.7%	0%

Source: Bloomberg, Standard Chartered

Closed trades (local currency)

Ticker	Name	Country	Sector	Closed Price	Initiation Date	Closed Date	P&L% TR Local
1818 HK	Zhaojin Mining-H	China	Materials	8.26	20130131	20130513	-29.3%
753 HK	Air China Ltd-H	China	Industrials	5.8	20130131	20130612	-11.6%
823 HK	Link REIT	Hong Kong	Financials	37.95	20130131	20130813	-4.0%
700 HK	Tencent	China	Technology	409.2	20130131	20130923	51.3%
SUN SP	Suntec REIT	Singapore	Financials	1.675	20130131	20130923	1.4%
BBRI IJ	Bank Rakyat Indo	Indonesia	Financials	7850	20130514	20130923	-15.6%
1114 HK	Brilliance China	Hong Kong	Discretionary	13.4	20130131	20131112	29.6%
2 HK	Clp Hldgs Ltd	Hong Kong	Utilities	66.5	20130131	20140120	-3.9%
KEP SP	Keppel Corp Ltd	Singapore	Industrials	10.94	20130131	20140120	1.9%
175 HK	Geely Automobile	Hong Kong	Discretionary	2.6	20130131	20140311	-34.4%
ICICIBC IN	ICICI Bank Ltd	India	Financials	1198.15	20130131	20140311	2.3%
1928 HK	Sands China Ltd	Macau	Discretionary	53.7	20130131	20140612	48.5%
CMA SP	Capitamalls Asia	Singapore	Financials	2.35	20130131	20140612	11.6%
005930 KS	Samsung Electron	South Korea	Technology	1201000	20130131	20140909	-16.2%
941 HK	China Mobile	Hong Kong	Telco	101.3	20130131	20140909	28.5%
347 HK	Angang Steel-H	China	Industrials	5.81	20130923	20141110	14.7%

Source: Bloomberg, Standard Chartered
As of 18 November 2014

Asia Top30 – Stock Rationales

Asia Top30 stock rationales (pg1)

Company	Ticker	Sector	Rationale
AIA Group	1299 HK	Financials	Only insurer with pan-Asia exposure and wholly owned insurance operations in China. Structural tailwinds from low insurance penetration in Asia. Steeper yield curve to lead to higher reinvestment rates, resulting in stronger EV and value of new business growth.
Anhui Conch	914 HK	Materials	Product upgrades and fixed asset investment are the key drivers for the company. Recovery of property and infrastructure investments is likely to drive demand outlook going forward. Sector dynamics are favourable given the government has restricted capacity addition and is looking to consolidate the industry. Anhui, as one of the largest cement producers, should benefit.
Baidu ADR	BIDU US	Technology	The leading search engine in China with c.80% share by revenue. It is well positioned to benefit from a transition to mobile internet, given the large traffic base to monetise. Its recent acquisition of 91 Wireless, the largest app distributor in China, further augments its mobile-related offerings.
Beijing Capital Int Airport	694 HK	Industrials	Beijing Capital Airport is the sole international airport in Beijing. It has two key segments: Aeronautical-related revenue (58% of total revenue in 2012) from fees levied on both passengers and airlines (landing fees) using its facilities, and Non-aeronautical-related revenue (42%). We expect the company to benefit from continued growth in passenger volume as well as Chinese airlines' plan to add capacity. Valuation is inexpensive against its own history.
BOC HK	2388 HK	Financials	Increased use of CNY in the cross-border trade settlement business is supportive of BOC HK's CNY-related business. Loan growth outlook in Hong Kong is lacklustre.
CapitaCommercial Trust	CCT SP	Financials	CapitaCommercial Trust is one of largest office REITs in Singapore. It derives 91% of its net property income (as of September 2013) from Grade A and prime offices. A gradual pickup in prime office demand and limited new prime office supply in 2015 are supportive factors. Prime office rents bottomed in 2013 and started picking up on the back of better leasing activities.
CDL Hospitality REIT	CDREIT SP	Financials	CDL Hospitality REIT has significant exposure to Singapore hotels (over 70% of its total portfolio), with the remaining exposure to Australia, New Zealand and Maldives. It has an attractive dividend yield of 6.6% and is trading at book valuation. The outlook for Singapore hotels appears to be bottoming. We note that new supply growth for upscale hotels is moderating, which should help ease pressure on room rates in the near term. The REIT is managed by Millennium & Copthorne Hotels, which owns c.30% of CDREIT's units. CDREIT's gearing is one of the lowest amongst Singapore peers: less than 30%,
China Resources Land	1109 HK	Financials	China Resources Land is one of China's largest property developers. Its landbank is well diversified with a presence in more than 70 cities and focus on tier one and tier two cities. Demand and supply appears well balanced into 2014. Expected undersupply in tier one and tier two cities to continue, which should benefit CRL. Significant policy risks are likely limited, though noise surrounding the implementation of the property tax could resurface.
China Shenhua	1088 HK	Energy	A more defensive proxy within the China coal space. Further downside in coal prices is fairly limited, but upside is curbed by increased import supply as well as a continued ramp-up in domestic capacity.
CIMB Group Holdings	CIMB MK	Financials	Expected to benefit from higher loan growth in Malaysia due to the Economic Transformation Programme. A steeper yield curve should lead to better investment opportunities. CIMB is one of the better managed banks in Malaysia and its recent raising of capital will boost capital adequacy. Potential risks from renewed IDR depreciation impacting profits from its Indonesian operations through Bank Niaga.
DBS Group	DBS SP	Financials	The largest bank in Singapore with the best deposit franchise among peers; most leveraged to benefit from higher interest rates. Limited exposure to Southeast Asian countries relative to peers.
Dongfeng Motor	489 HK	Discretionary	Dongfeng is a state-owned Chinese automaker specialising in both passenger and commercial vehicles. We believe sentiment around the Chinese auto space should pick up in the seasonally strong October-January period, which will likely benefit the company.
Hengan Intl	1044 HK	Staples	Continues to solidify its position as the market leader in hygiene products through new product launches. Better product mix and cost control should drive margin expansion over time. Also a small beneficiary of the abolishment of China's one-child policy.
Hutchison Ports Holdings	HPHT SP	Industrials	World's largest port operator, with key assets in Shenzhen and Hong Kong. Recent concerns over dividend cuts from lower throughput growth may be misplaced. Valuation is attractive, with dividend yield of c.8%, supported by strong cash flow generation from its mature portfolio of port holdings.
Hutchison Whampoa	13 HK	Industrials	Hutchison Whampoa is a diversified conglomerate listed in Hong Kong. We like the stock for its diversified exposure to ports, retail, property/hospitality, energy and infrastructure divisions. It should benefit from a continued recovery seen in European economies, with c.35% exposure to the EU. Asset divestments of segment business divisions would be an additional share price driver.
ICBC 'H'	1398 HK	Financials	Favour larger banks within the banking sector, as they would be better positioned to withstand further tightening on the interbank markets and deposit liberalisation. Valuation is cheap, with c.7% dividend, though significant upside is probably limited.

Source: Standard Chartered

Asia Top30 – Stock Rationales (cont'd)

Asia Top30 stock rationales (pg2)

Company	Ticker	Sector	Rationale
ICICI Bank	ICICIBC IN	Financials	ICICI Bank is in a good position to capitalise on growth opportunities when corporate capex picks up, driven by government reforms. Asset quality remains sound, and we forecast credit risks to decline further from expected reforms in power and other infrastructure.
Intime Department Store Group	1833 HK	Discretionary	Intime is a play on the shift to consumption in China. Performance has been lacklustre due to the ongoing anti-corruption campaign by policymakers. It has the best stores profile, with more than half of its portfolio being 2-5 years old, the best period to enjoy operating leverage. Its malls are well located in cities with low vacancy rates. We believe retail sales in China have likely bottomed, though any recovery is not visible yet.
Jiangxi Copper	358 HK	Materials	Jiangxi Copper is the largest copper producer and integrated copper mining and smelting company in China. Its costs are amongst the lowest in China, and it has a strong balance sheet (less than 20% gearing), allowing it to better weather severe industry conditions.
Kasikornbank	KBANK TB	Financials	Dominant player in SME banking in Thailand. Well leveraged to the growth in housing loans and corporate spending in Thailand. The macro unrest in the country has impacted the stock and the valuation now looks more attractive.
Lenovo Group	992 HK	Technology	Lenovo is the largest notebook and consumer PC brand in the world. Near-term growth drivers to come from its smartphone segment, particularly in non-China EM sales, where margins are higher. A bottoming in the PC market and any recovery would provide upside to Lenovo. Lenovo continues to be on the lookout for M&A targets.
NetEase	NTES US	Technology	NetEase is one of the largest online game developers in China. Online games-related fees contributed to 87.8% of total revenue in 2012. The company's legacy games such as World of Warcraft, Westward Journey and Westward Journey II have been remarkably successful and helped the company acquire a large user base, generating stable recurring free cash flows. Key drivers to come from the growth of new PC and mobile games, given the relative maturity of its legacy games.
Ping An Insurance 'H'	2318 HK	Financials	To benefit from reforms in the China insurance sector. The expansion of healthcare insurance coverage, potential pricing liberalisation and further momentum in premium growth are key catalysts for the stock to get re-rated. Ping An has the largest life insurance agency sales force in China and is well positioned in the policy drive towards more protection-related products; a steeper yield curve to lead to higher reinvestment rates, resulting in stronger EV and value of new business growth.
PTT Global Chemicals	PTTGC TB	Materials	Refining margins appear to be stabilising. Any improvement in demand should drive upside. Valuation is attractive relative to peers.
SINA Corp ADR	SINA US	Technology	SINA Corp is one of the best known online companies in China. Its Sina.com (online advertising) portal focuses on news and media content; Weibo is a microblogging platform, sometimes known as the Twitter of China, and has over 400m users. Rising monetisation of Weibo (as China's no. 1 micro blog) to drive profit growth. Alliance with e-commerce platform Alibaba also offers significant upside.
Singapore Technologies	STE SP	Industrials	STE is expected to benefit from a recovery in maintenance and repair overhaul (MRO) orders, which is driven by higher global aircraft utilisation. A recovery in airlines' profitability, particularly in the US and Europe, will be supportive, given that c.40% of its revenue has exposure to these regions. The stock offers an attractive yield of c.5% with a strong net cash balance sheet.
Sinopec	386 HK	Energy	A key beneficiary of fuel price reform to a more market-based regime. Refining margins expected to improve on the back of improving demand. Shale gas development would be a longer-term positive.
Wharf Holding	4 HK	Financials	Wharf Holdings is a diversified property developer in Hong Kong. Its exposure is mostly within Hong Kong and China, with retail, residential and commercial assets. We like it for its significant (over one-thirds) exposure to HK prime retail, which we expect to do well from increasing tourist arrivals from China.
Wilmar International	WIL SP	Staples	Asia's largest integrated agriculture business. Valuation is inexpensive. Near-term drivers from margin recovery in the grains and seeds segment. Mandates to increase biodiesel-diesel blending in parts of Asia is a positive for Wilmar, though any delay in the implementation of these mandates may post downside risks.
WisdomTree Jpn H	DXJ US	Fund	We believe that the outlook for the Japanese equity market has brightened, on the back of the announcement by the GPIF that it will increase its equity holdings. The positive effect of the weaker yen and an improvement in overseas growth has also considerably lifted the earnings growth of Japanese companies.

Source: Standard Chartered

Top30 – Results update

Name	Year	Quarter	Est. EPS	Reported EPS	Surprise%
KASIKORNBANK PCL	2014	Q3	4.89	5.23	7.00
ANHUI CONCH-H	2014	Q3	0.41	0.44	7.32
CHINA SHENHUA-H	2014	C3	0.42	0.41	(3.10)
CAPITACOMMERCIAL	2014	Q3	0.020	0.020	-
ANGANG STEEL-H	2014	C3	0.072	0.048	(33.33)
HUTCHISON PORT-U	2014	Q3	0.053	0.056	5.66
CDL REIT	2014	Q3	0.030	0.025	(16.67)
PING AN INSURA-H	2014	Q3	0.950	1.300	36.84
JIANGXI COPPER-H	2014	Q3	0.180	0.320	77.78
ICBC-H	2014	Q3	0.205	0.210	2.44
BAIDU INC-SP ADR	2014	Q3	10.358	11.670	12.67
SINOPEC CORP-H	2014	C3	0.153	0.169	10.46
ICICI BANK LTD	2015	Q2	NA	26.500	NA
DBS GROUP HLDGS	2014	Q3	0.383	0.402	4.96
WILMAR INTERNATI	2014	Q3	0.061	0.066	8.20
NETEASE INC-ADR	2014	Q3	1.558	1.470	(5.65)
SINA CORP	2014	Q3	0.185	0.190	2.70
PTT GLOBAL CHEM	2014	Q3	1.702	1.680	(1.29)
LENOVO GROUP LTD	2015	S1	0.025	0.025	-
SINGAP TECH ENG	2014	Q3	0.049	0.039	(20.41)

Sector and Country – Performance and Valuations

MSCI Asia ex-Japan Sectors (USD)

Name	Last Price	12m Fwd P/E	12m Fwd P/B	Div Yield%	Div Payout%	1M TR USD	YTD TR USD
Consumer Staples	433.6	21.4	2.8	1.9	49.7	1.3%	4.5%
Consumer Discretionary	534.5	10.7	1.6	2.3	26.7	2.5%	-9.3%
Energy	590.4	9.7	1.0	3.8	40.2	-3.7%	-6.7%
Financials	312.7	9.2	1.0	3.2	30.4	3.5%	9.5%
Healthcare	772.7	24.9	3.6	0.7	20.9	6.1%	32.2%
Industrials	170.1	13.8	1.2	3.0	41.4	2.6%	-0.4%
Information Technology	354.5	12.6	1.9	1.7	21.9	6.0%	9.3%
Materials	294.8	12.6	1.1	2.5	42.2	1.0%	-8.9%
Telecommunication Svs	154.8	16.0	2.0	3.5	64.3	3.2%	15.6%
Utilities	241.1	13.7	1.4	2.5	24.0	2.2%	14.7%
Index	566.3	11.6	1.4	2.7	31.5	3.2%	5.2%

Source: Bloomberg, Standard Chartered

MSCI Asia ex-Japan Countries (local currency)

Name	Last Price	12m Fwd P/E	12m Fwd P/B	Div Yield%	Div Payout%	1M TR USD	YTD TR USD
China	62.9	8.7	1.2	3.3	31.5	2.4%	2.9%
South Korea	551.0	10.1	1.0	1.1	12.6	1.7%	-10.1%
Thailand	552.6	13.6	2.0	2.8	41.7	3.7%	24.2%
Singapore	1746.0	13.3	1.3	3.6	43.7	3.2%	3.1%
Hong Kong	12954.0	15.0	1.2	3.6	34.2	3.6%	9.7%
Indonesia	6090.0	14.6	2.9	2.3	36.2	2.2%	27.8%
India	1047.0	15.9	2.4	1.4	27.9	7.6%	30.4%
Philippines	1246.4	19.0	2.8	2.2	47.7	4.5%	25.9%
Malaysia	636.4	15.3	1.9	3.3	50.6	-0.9%	-4.2%
Taiwan	329.9	12.8	1.7	3.0	43.6	4.0%	8.6%
Index	566.3	11.6	1.4	2.7	31.5	3.2%	5.2%

Source: Standard Chartered

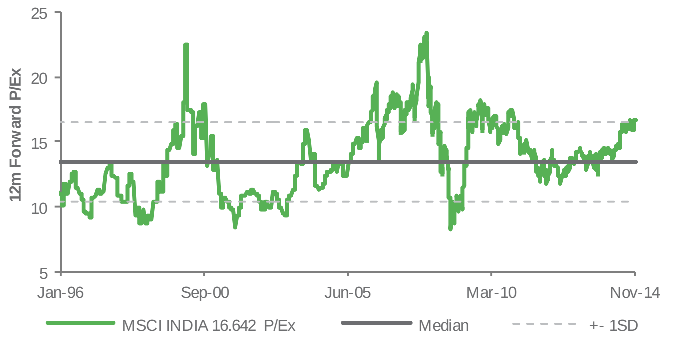
Asia ex-Japan Country Preferences

Country	View	Rationale
South Korea	OW	Cheap valuations. A Developed Markets (DM) and China recovery proxy
India	OW	The new Modi-led BJP government is moving fast to implement reforms
Taiwan	N	Domestic growth seems to have bottomed, with potential upside from a recovery in DM tech demand
Hong Kong	N	Valuation is fair. We expect property/banks to be negatively impacted from higher rates and credit control in China
China	N	Mixed outlook as policymakers continue to focus on economic restructuring
Thailand	N	Valuations look increasingly attractive, but continued political unrest remains a key risk
Singapore	N	Lack of domestic drivers, but market still offers attractive dividend yield
Indonesia	N	Prospects for energy price reform have increased, but growth will be impacted by energy price drop
Malaysia	UW	Domestic growth is supportive but sustained ringgit weakness a potential risk.

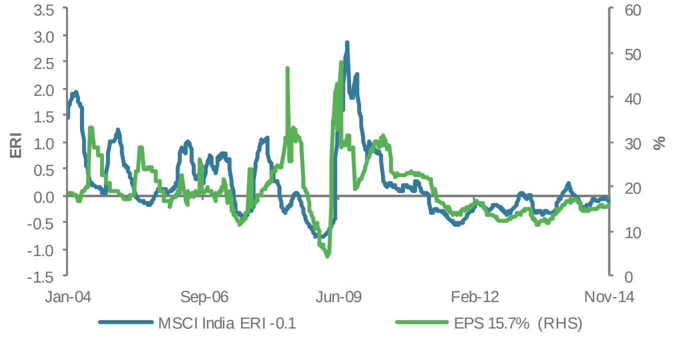
Source: Standard Chartered
As of 18 November 2014

Valuations and Earnings revisions

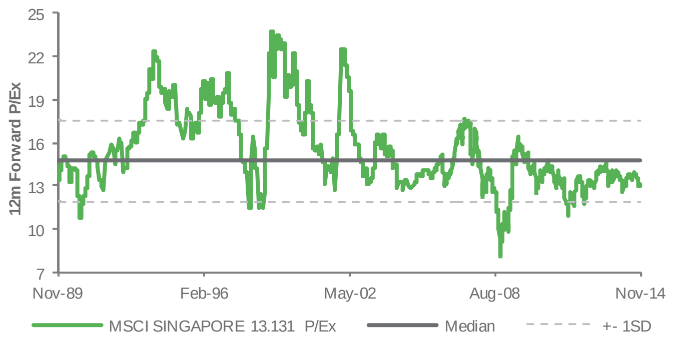
12m Forward P/E – MSCI India



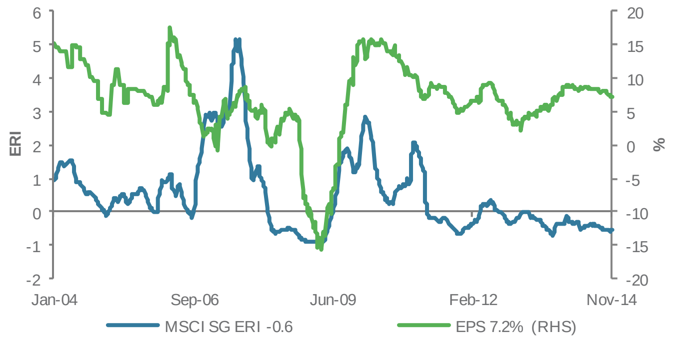
Earnings Revisions Ratio – MSCI India



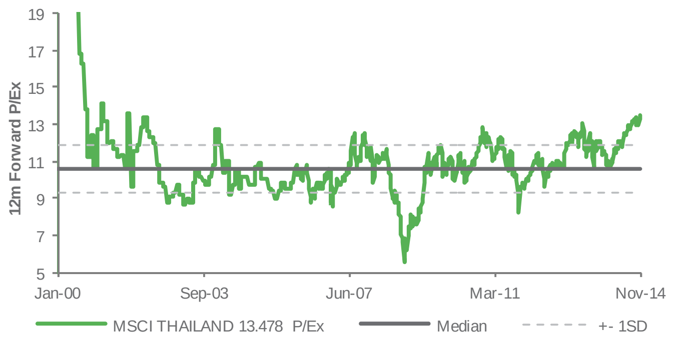
12m Forward P/E – MSCI Singapore



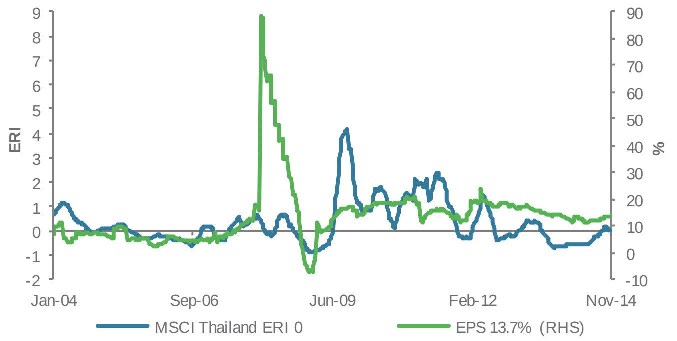
Earnings Revisions Ratio – MSCI Singapore



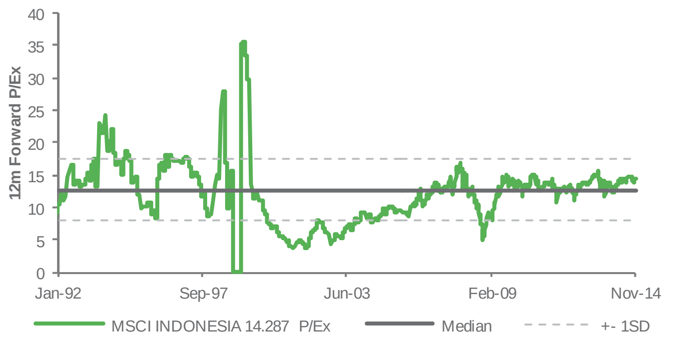
12m Forward P/E – MSCI Thailand



Earnings Revisions Ratio – MSCI Thailand



12m Forward P/E – Indonesia



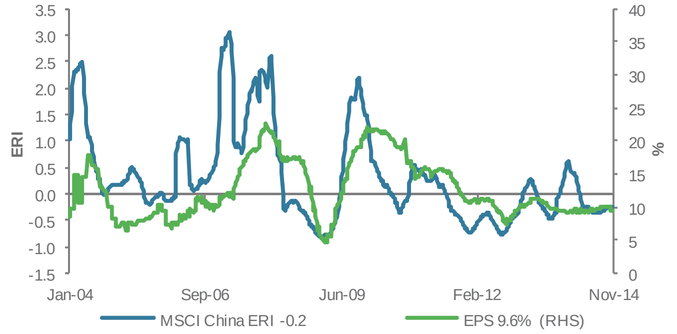
Earnings Revisions Ratio – Indonesia

Source: Datastream, Standard Chartered

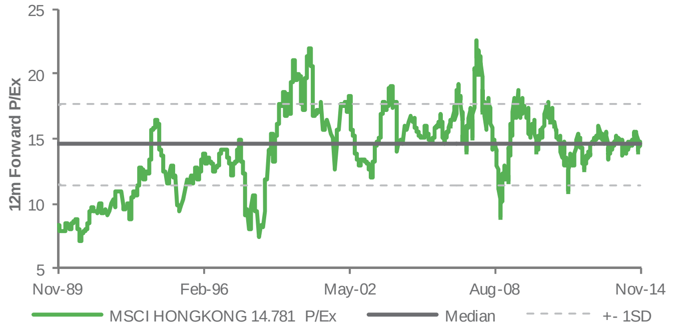
Valuations and Earnings revisions (cont'd)

12m Forward P/E – MSCI China

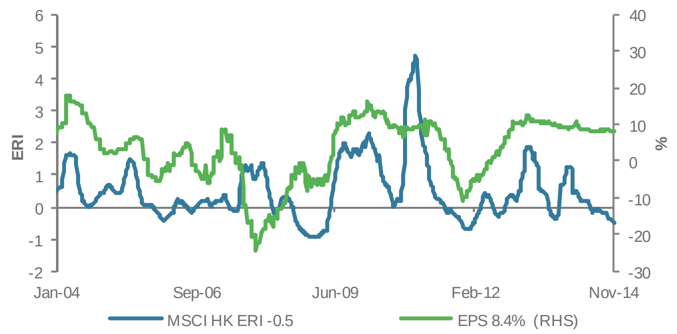
Earnings Revisions Ratio – MSCI China



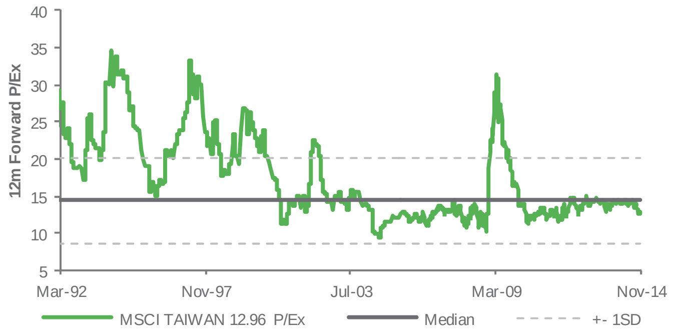
12m Forward P/E – MSCI Hong Kong



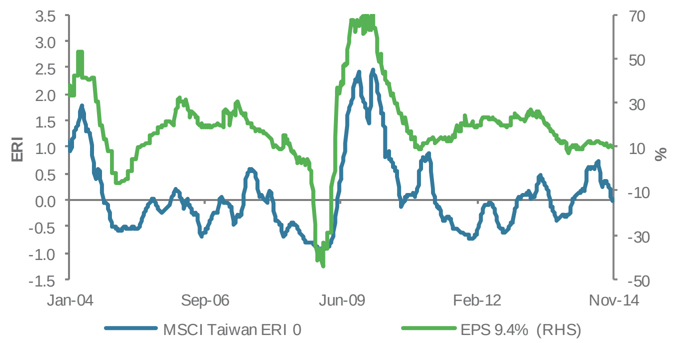
Earnings Revisions Ratio – MSCI Hong Kong



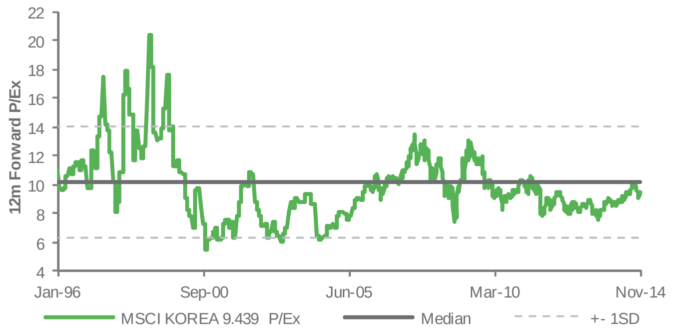
12m Forward P/E – MSCI Taiwan



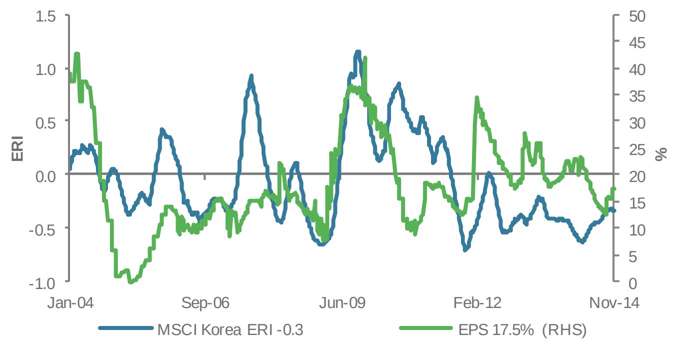
Earnings Revisions Ratio – MSCI Taiwan



12m Forward P/E – South Korea



Earnings Revisions Ratio – South Korea



Source: DataStream, Standard Chartered

Definitions

YTD: Year to date.

ITD: Inception to date.

PT: Price Targets (SCB uses an investment horizon of 12 months for its price targets).

RSI: Relative Strength Index.

Relative Volatility index: A measure of the standard deviation of the daily price change.

MA: Moving Average.

Basket average performance: Basket average is the un-weighted performance of the shortlisted stocks

Consensus rating: A rating provided by Bloomberg which reflects the aggregation of all brokers rating for a particular stock. 1 is a Sell, while 5 is a Strong Buy.

P/E: Price/Earnings ratio. The Trailing P/E refers to 12m of trailing earnings, while the forward refers to 12m forecast earnings, against current price.

P/B: Price/Book ratio. The book value refers to total shareholder's equity, while the forward refers to 12m forecast book value, against current price.

EV/EBITDA: Enterprise value/Earnings Before Interest, Tax and Depreciation Amortisation.

Earnings revision ratio: Net earnings revision (upgrades - downgrades) / Total earnings revision (upgrades + downgrades)

ROE and ROA: Return on Equity (book value) and Return on Assets.

Dividend Yield: Dividend paid/ current price.

Distribution per Unit (DPU): DPU is the distribution/dividend per share for shareholders. Normally announced and distributed quarterly or semi-annually. Term is commonly used in REITs.

Net Interest Margin (NIM): Is a measure of difference between the net interest income generated from lending by financial institutions and the amount of interest paid out to their lenders (for example deposits)

Beta: Correlation between a stock and the market. Is based on two years of weekly data, but modified by the assumption that a security's beta moves toward the market average over time.

Total return: Capital appreciation + dividend income received.

Short term: Time horizon of 1-4 weeks.

Medium term: Time horizon of 3-6 months.

Strategy Team:

Steve Brice
Chief Investment Strategist

Clive McDonnell
Head, Equity Investment Strategy

Audrey Goh, CFA
Investment Strategist

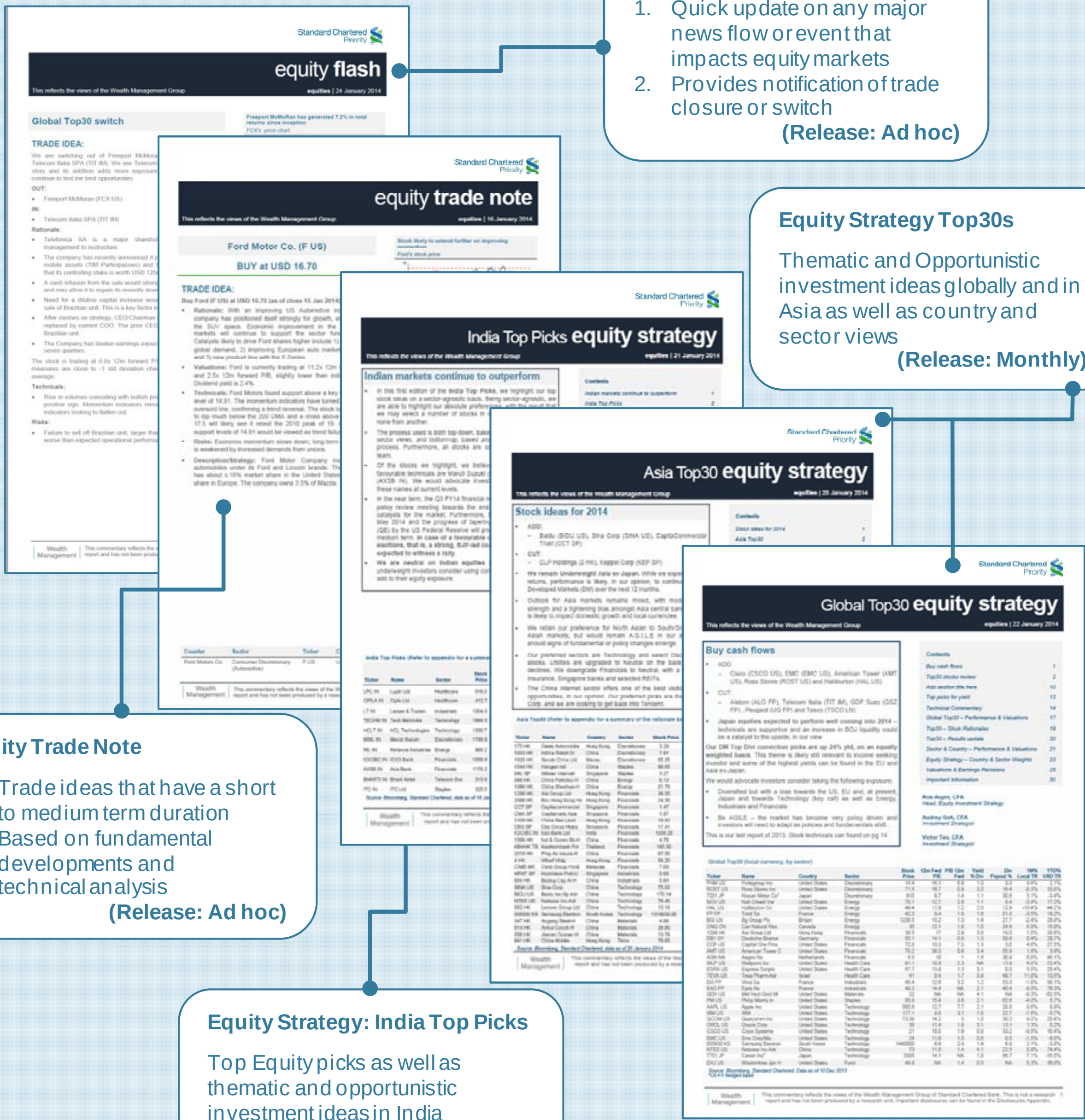
Victor Teo, CFA
Investment Strategist

Manpreet Gill
Head, FICC Investment Strategy

Aditya Monappa, CFA
Head, Asset Allocation & Portfolio Construction

Tariq Ali, CFA
Investment Strategist

List of Equity Market Commentary Publications



Equity Flash

1. Quick update on any major news flow or event that impacts equity markets
2. Provides notification of trade closure or switch

(Release: Ad hoc)

Equity Strategy Top30s

Thematic and Opportunistic investment ideas globally and in Asia as well as country and sector views

(Release: Monthly)

Equity Trade Note

1. Trade ideas that have a short to medium term duration
2. Based on fundamental developments and technical analysis

(Release: Ad hoc)

Equity Strategy: India Top Picks

Top Equity picks as well as thematic and opportunistic investment ideas in India

(Release: Monthly)

Important Information

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 the 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.

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

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, 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, particular needs of any particular person or class of persons and it has not been prepared for any particular person or class of persons.

Opinions, projections and estimates are solely those of SCB at the date of this document and subject to change without notice. Past performance is not indicative of future results and no representation or warranty is made regarding future performance. Any forecast contained herein as to likely future movements in rates or prices or likely future events or occurrences constitutes an opinion only and is not indicative of actual future movements in rates or prices or actual future events or occurrences (as the case may be).

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

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

SCB, and/or a connected company, may at any time, to the extent permitted by applicable law and/or regulation, be long or short any securities, currencies or financial instruments referred to on this document or have a material interest in any such securities or related investment, or may be the only market maker in relation to such investments, or provide, or have provided advice, investment banking or other services, to issuers of such investments. Accordingly, SCB, its affiliates and/or subsidiaries may have a conflict of interest that could affect the objectivity of this document.

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

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