

weekly market view

macro strategy | 22 February 2019

This reflects the views of the Wealth Management Group

Editorial

Markets approaching key thresholds

- **Downbeat economic growth expectations may have reached an extreme, which is likely a signal that equities will eventually break higher while Treasury yields rebound.**
- **Equities:** China A-shares likely to outperform short term. Other global equities could face consolidation before breaking higher.
- **Bonds:** EM USD government bonds remain preferred as high yields, narrowing yield premiums help offset Treasury yield rise.
- **FX:** UK economic data supports our bullish GBP/USD view.

What's new?

- **Is economic data as bad as it gets?** Forecasters have continued to lower expectations for economic growth globally. This week, Euro area and German ZEW economic sentiment indices fell to 2012 and 2015 lows, respectively, and slowing Chinese growth and Brexit concerns likely added to negative sentiment. This has led to some analysts raising the possibility of a recession in Europe. However, we note economic surprises in Europe are already close to extremes (see chart), suggesting we may be approaching 'peak pessimism' for Euro area economic data, a view supported by tentative signs of stabilisation in China, a potential US-China trade deal and our view that a 'hard Brexit' will be avoided. Although the growth outlook may be less extreme elsewhere, economic surprises in most regions support the view that we may be at, or just past, peak pessimism.
- **'Peak pessimism' expected to lead US Treasury yields higher.** A trough in growth expectations suggests the US 10-year government bond yield could bottom and rebound towards 3% in the coming weeks. This may pose a challenge for bond investors – rising yields mean lower prices. However, we believe this is unlikely to be too concerning for Emerging Market (EM) USD government bonds (our preferred area). The relatively high yield and room for a narrowing of the yield premium over Treasuries (especially if improving technicals help commodities extend gains) offer a significant buffer against any price decline.
- **Equities at key technical levels.** In our *Outlook 2019*, we argued that equities may perform well around the turn of the year. While markets have rebounded strongly since the start of 2019, from a dreadful December, they are now approaching key resistance. This suggests the easy gains may be behind us. A short-term pullback or period of consolidation would not surprise us, though 'peak pessimism' on economic data and earnings expectations (see page 2) mean equity markets are likely to break higher over the coming months, in our assessment.
- **China A-shares our top short-term pick.** Within this mixed short-term picture, we believe China A-shares offer the best short-term outlook. This suggests their rally is likely to extend in the near term, especially if US-China trade talks show progress.

What we are watching

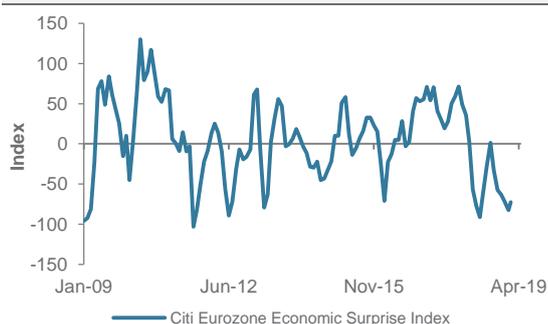
- a) Outcome of US-China trade talks ahead of March 1 tariff deadline; b) US decision on auto import tariffs; c) Fed Chair Powell's semi-annual testimony; d) Trump-Kim meeting in Vietnam; e) Whether major asset classes break through, or rebound from, key technical levels.

Contents

<i>Markets approaching key thresholds</i>	1
<i>What does this mean for investors?</i>	2
<i>What are trade agreement implications for FX, gold?</i>	3
<i>Market performance summary</i>	4
<i>Economic & Market Calendar</i>	5
<i>Disclosure Appendix</i>	6

Euro area economic disappointments may be bottoming

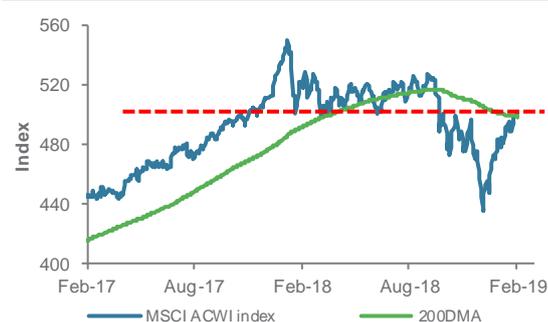
Citi Euro area economic surprises index



Source: Bloomberg, Standard Chartered

Global equities approaching key technical resistance

MSCI AC World Index



Source: Bloomberg, Standard Chartered

Steve Brice

Chief Investment Strategist

Clive McDonnell

Head, Equity Investment Strategy

Manpreet Gill

Head, FICC Investment Strategy

Manish Jaradi

Senior Investment Strategist

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

Thursten Cheok, CFA

Senior Portfolio Strategist

Abhilash Narayan

Investment Strategist

Cedric Lam

Investment Strategist

Trang Nguyen

Portfolio Strategist

DJ Cheong

Investment Strategist

Marco Iachini

Cross-asset Strategist

What does this mean for investors?

Equities rose last week in most regions, as did oil, industrial metals and HY bonds. The USD fell while GBP was a key gainer.

Equities: A range of earnings outcomes

- A glimmer of light for US earnings.** It has been a challenging few weeks globally from a forward-looking earnings perspective. However, there are signs the downgrade cycle is coming to an end in the US, with 2019 earnings revisions starting to recover as the market focuses on the beneficial impact of a Fed pause. Interest rate-sensitive sectors, including industrials, and real estate investment trusts have been among the best performers. As yields bottom, energy and technology are likely to be critical given that they have been the drivers of negative revisions in recent weeks. That said, the S&P500 is now at a key technical resistance, implying some near-term consolidation is likely.
- Extreme pessimism in Europe.** The Euro area's Q4 earnings season is picking up pace, and the market currently expects a contraction of around 16% y/y, compared to an expectation of a 9% decline just 2 months ago. Banks once again are in the firing line, with poor earnings increasing the focus on the ability of European banks to generate sufficient returns to bolster capital ratios. Euro area equities remain the least preferred region, in our view.
- China earnings season has kicked off.** Prospects of a US-China trade agreement has helped lift sentiment towards HK and China equities despite mixed earnings so far. We expect earnings results and MSCI's potential decision to lift China A-share weighting in its Emerging Market (EM) index to be key catalysts in the near term. China remains our preferred equity market in Asia.

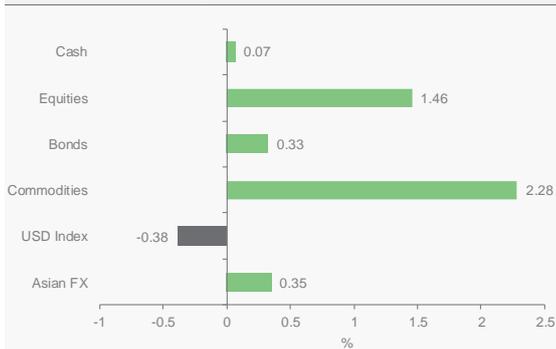
Bonds: Asia USD bonds shine amid risk of rising yields

- Risk of government bond yield rebound.** We believe it is increasingly likely that global yields will move higher in the next few weeks. The 10-year US Treasury yield is currently at a key support and the German Bund yield is below 0.1%. Additionally, short speculative positioning in US Treasuries has reduced substantially, exhausting one factor that has likely capped bond yields recently. We believe the risk from higher global yields is limited for our preferred bond asset class (EM USD government bonds) given its relatively high yield and room for falling yield premiums. However, we do believe risk/reward favours maintaining a maturity profile around five years for USD bond allocations.
- Asian bonds continue to shine.** Asian USD bonds outperformed EM USD government bonds for the second consecutive week despite a heavy supply pipeline. Asian bonds benefited from strong demand, especially from regional investors. As we highlighted last week, we continue to favour pairing EM USD government bonds with Asian USD bonds to achieve an attractive yield while also managing the risk of sharp drawdowns.

FX: Renewed focus on UK economic data

- GBP: Not just about Brexit.** While the primary driver of our strong preference for the GBP is our view that a 'hard Brexit' will be averted, economic data is supporting our case as well. Wage data released this week showed continued acceleration which, absent Brexit concerns, would normally pressure the BoE to raise interest rates. This suggests reduced Brexit uncertainty after the 29 March deadline could return the focus to rate hikes in the UK, potentially pushing GBP/USD towards 1.4000.

Benchmark (USD) performance w/w*



*Week of 14 February 2019 to 21 February 2019

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)

Equity market technicals remain supportive globally

Technical levels of key market indicators as on 21 Feb

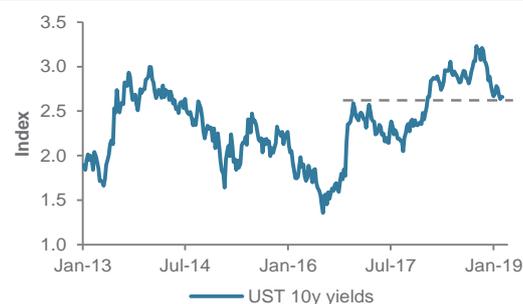
Index	Spot	1st support	1st resistance	Short-term trend
S&P500	2,775	2,712	2,817	↑
STOXX 50	3,264	3,167	3,282	→
FTSE 100	7,167	7,110	7,360	→
Nikkei 225	21,366	20,300	21,880	↔
Shanghai Comp	2,752	2,580	2,915	↔
Hang Seng	28,630	27,300	29,100	↑
MSCI Asia ex-Japan	652	615	660	↔
MSCI EM	1,051	1,009	1,075	↔
Brent (ICE)	67	61	72	↔
Gold	1,324	1,300	1,366	↔
UST 10Y Yield	2.69	2.52	2.82	↓

Source: Trading Central, Standard Chartered

Note: Arrows represent short-term trend opinions

'Peak economic pessimism' and technical support could work together to lift US Treasury yields

US 10-year Treasury yield (%)



Source: Bloomberg, Standard Chartered

GBP/USD breaking higher

GBP/USD



Source: Bloomberg, Standard Chartered

Top client questions

Q1. Is the rally in gold likely to extend?

In our view, the six-month rally in gold is showing signs of fatigue as it approaches a tough resistance.

XAU/USD, up 14% from a 19-month low of 1,160 hit in August, is nearing the horizontal trendline at 1,375-1,390, a level that has been tested several times. A negative divergence of the 14-day Relative Strength Index (RSI) with the gold price (rising gold prices vs. lower highs in the RSI) suggests the gold rally is losing steam, raising the odds of a downward correction in the near term.

Having said that, negative divergence is a necessary, but not a sufficient, condition for a correction. It needs to be confirmed by a support break. In this regard, the January high of 1,326 is an immediate support to watch. Any break below this support would confirm that the upward pressure had eased, opening the way towards a strong support near the February low of 1,302.

From a longer-term technical perspective, gold seems to have found a base around the August low of 1,150, and dips could offer opportunities to add gold exposure as a diversifier. Our Global Investment Committee views gold as a core holding from a 12-month perspective, with our bearish USD bias, the pause in Fed hikes and global central bank gold purchases (which hit a 50-year high in 2018) as key positives. A rebound in bond yields is a key risk, especially in the short term.

Q2. What are the currency market implications (particularly for CNY) of a potential US-China trade agreement?

Reports suggest CNY currency stability could be a key component of any US-China trade deal.

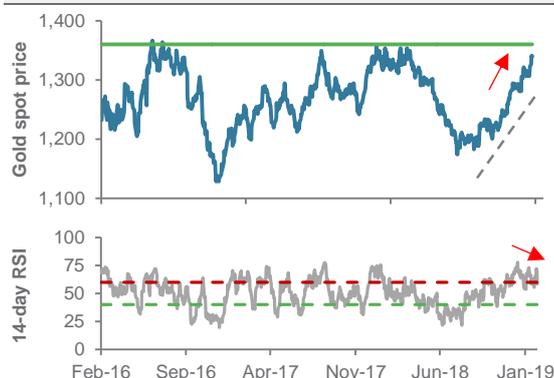
Trump has long considered “currency manipulators” and a too-strong USD to be a key reason for the US trade deficit. We believe a stable currency could also be in China’s best interest, as it would help Beijing consolidate the CNY’s reserve currency status – particularly within Asia, the “One-Belt-One-Road” geography and among countries looking for an alternative to the USD.

It seems unlikely that an extreme “Plaza Accord II”-type appreciation of the CNY would be acceptable for China based on the eventually severe repercussions faced by Japan. However, a stable CNY (or specifically USD/CNY) may boost Chinese consumption, helping its economy to rebalance, especially with increased domestic stimulus. Should China agree to buy soybeans, LNG, autos and planes from the US, there is likely to be an equal reduction in Chinese purchases from other countries. These factors could prompt a relative weakening of currencies of the “export losers” – especially the EUR (which also faces the threat of US auto import tariffs).

While more details of any agreement would be needed to undertake a more rigorous analysis, our initial observations based on reports in the public domain suggest currency market implications from a US-China trade agreement are likely to involve stronger Asian currencies and potentially weaker Developed Market (DM) currencies.

Gold rally is showing signs of fatigue amid an elevated RSI and as it approaches the previous range highs

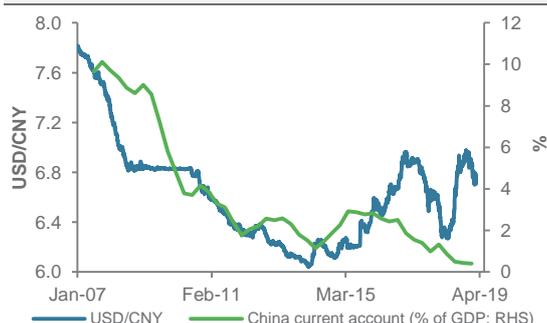
Gold (USD/oz), Relative Strength Index (RSI)



Source: Bloomberg, Standard Chartered

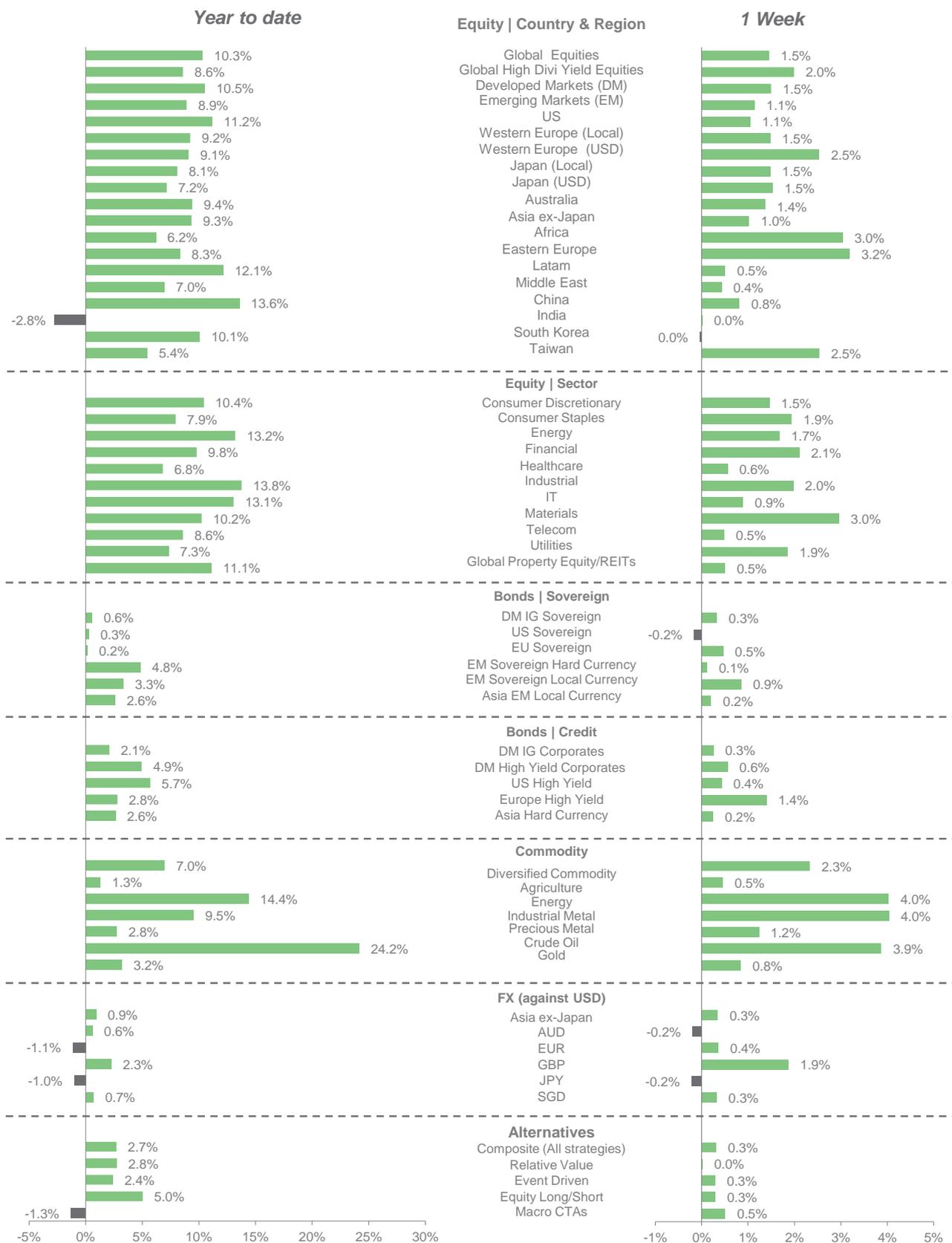
A shrinking current account balance has been consistent with a stronger CNY

USD/CNY and China's current account balance (%GDP)



Source: Bloomberg, Standard Chartered

Market performance summary*



*Performance in USD terms unless otherwise stated, YTD period from 31 December 2018 to 21 February 2019, 1 week period: 14 February 2019 to 21 February 2019
Sources: MSCI, JP Morgan, Barclays Capital, Citigroup, Dow Jones, HFRX, FTSE, Bloomberg, Standard Chartered

Economic & Market Calendar

	Event	Next Week	Date	Period	Expected	Prior
TUE	US	Conf. Board Consumer Confidence	26-Feb-19	Feb	124.2	120.2
WED	EC	Economic Confidence	27-Feb-19	Feb	–	106.2
THUR	CH	Non-manufacturing PMI	28-Feb-19	Feb	–	54.7
	CH	Manufacturing PMI	28-Feb-19	Feb	49.6	49.5
	IN	GDP y/y	28-Feb-19	4Q	–	7.1%
	GE	CPI EU Harmonized y/y	28-Feb-19	Feb P	–	–
	US	GDP Annualized q/q	28-Feb-19	4Q A	2.5%	3.4%
	US	Personal Consumption	28-Feb-19	4Q A	3.8%	3.5%
	SK	BoK 7-Day Repo Rate	28-Feb-19	28-Feb	–	1.8%
FR/SAT	CH	Caixin China PMI Mfg	1-Mar-19	Feb	48.5	48.3
	EC	Unemployment Rate	1-Mar-19	Jan	–	7.9%
	EC	CPI Core y/y	1-Mar-19	Feb A	–	–
	US	Personal Income	1-Mar-19	Jan	0.3%	–
	US	Real Personal Spending	1-Mar-19	Dec	0.2%	0.3%
	US	PCE Core y/y	1-Mar-19	Dec	1.9%	1.9%

	Event	This Week	Date	Period	Actual	Prior
TUE	EC	ECB Current Account SA	19-Feb-19	Dec	16.2b	22.6b
	UK	Average Weekly Earnings 3M/ y/y	19-Feb-19	Dec	3.4%	3.4%
WED	JN	Exports y/y	20-Feb-19	Jan	-8.4%	-3.9%
	EC	Consumer Confidence	20-Feb-19	Feb A	-7.4	-7.9
THUR	FR	Markit France Composite PMI	21-Feb-19	Feb P	49.9	48.2
	GE	Markit/BME Germany Composite PMI	21-Feb-19	Feb P	52.7	52.1
	EC	Markit Eurozone Manufacturing PMI	21-Feb-19	Feb P	49.2	50.5
	EC	Markit Eurozone Services PMI	21-Feb-19	Feb P	52.3	51.2
	EC	Markit Eurozone Composite PMI	21-Feb-19	Feb P	51.4	51
	US	Cap Goods Orders Nondef Ex Air	21-Feb-19	Dec P	-0.7%	-1.0%
	US	Markit US Composite PMI	21-Feb-19	Feb P	55.8	54.4
	US	Leading Index	21-Feb-19	Jan	-0.1%	-0.1%
	US	Existing Home Sales	21-Feb-19	Jan	4.94m	5.00m
FRI/SAT	JN	Natl CPI y/y	22-Feb-19	Jan	0.2%	0.3%
	JN	Natl CPI Ex Fresh Food, Energy y/y	22-Feb-19	Jan	0.4%	0.3%

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.

Copyright: Standard Chartered Bank 2019. Copyright in all materials, text, articles and information contained herein is the property of, and may only be reproduced with permission of an authorised signatory of, Standard Chartered Bank. Copyright in materials created by third parties and the rights under copyright of such parties are hereby acknowledged. Copyright in all other materials not belonging to third parties and copyright in these materials as a compilation vests and shall remain at all times copyright of Standard Chartered Bank and should not be reproduced or used except for business purposes on behalf of Standard Chartered Bank or save

with the express prior written consent of an authorised signatory of Standard Chartered Bank. All rights reserved. © Standard Chartered Bank 2019.

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

Country and Area Specific Disclosures

Botswana: This document is being distributed in Botswana by, and is attributable to, Standard Chartered Bank Botswana Limited which is a financial institution licensed under the Section 6 of the Banking Act CAP 46:04 and is listed in the Botswana Stock Exchange.

Brunei Darussalam: This document is being distributed in Brunei Darussalam by, and is attributable to, Standard Chartered Securities (B) Sdn Bhd which is a limited liability company registered with the Registry of Companies with Registration Number RC20001003 and licensed by Autoriti Monetari Brunei Darussalam as a Capital Markets Service License Holder with License Number AMBD/R/CMU/S3-CL.

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

Hong Kong: In Hong Kong, this document, except for any portion advising on or facilitating any decision on futures contracts trading, is distributed by Standard Chartered Bank (Hong Kong) Limited ("SCBHK"), a subsidiary of Standard Chartered Bank. SCBHK has its registered address at 32/F, Standard Chartered Bank Building, 4-4A Des Voeux Road Central, Hong Kong and is regulated by the Hong Kong Monetary Authority and registered with the Securities and Futures Commission ("SFC") to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activity under the Securities and Futures Ordinance (Cap. 571) ("SFO") (CE No. AJ1614). The contents of this document have not been reviewed by any regulatory authority in Hong Kong and you are advised to exercise caution in relation to any offer set out herein. If you are in doubt about any of the contents of this document, you should obtain independent professional advice. Any product named herein may not be offered or sold in Hong Kong by means of any document at any time other than to "professional investors" as defined in the SFO and any rules made under that ordinance. In addition, this document may not be issued or possessed for the purposes of issue, whether in Hong Kong or elsewhere, and any interests may not be disposed of, to any person unless such person is outside Hong Kong or is a "professional investor" as defined in the SFO and any rules made under that ordinance, or as otherwise may be permitted by that ordinance. In Hong Kong, Standard Chartered Private Bank is the private banking division of Standard Chartered Bank (Hong Kong) Limited.

Ghana: Standard Chartered Bank Ghana Limited accepts no liability and will not be liable for any loss or damage arising directly or indirectly (including special, incidental or consequential loss or damage) from your use of these documents. Past performance is not indicative of future results and no representation or warranty is made regarding future performance. You should seek advice from a financial adviser on the suitability of an investment for you, taking into account these factors before making a commitment to invest in an investment. To unsubscribe from receiving further updates, please click [here](#). Please do not reply to this email. Call our Priority Banking on 0302610750 for any questions or service queries. You are advised not to send any confidential and/or important information to the Bank via e-mail, as the Bank makes no representations or warranties as to the security or accuracy of any information transmitted via e-mail. The Bank shall not be responsible for any loss or damage suffered by you arising from your decision to use e-mail to communicate with the Bank.

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

Jersey: In Jersey, Standard Chartered Private Bank is the Registered Business Name of the Jersey Branch of Standard Chartered Bank. The Jersey Branch of Standard Chartered Bank is regulated by the Jersey Financial Services Commission. Copies of the latest audited accounts of Standard Chartered Bank are available from its principal place of business in Jersey: PO Box 80, 15 Castle Street, St Helier, Jersey JE4 8PT. Standard Chartered Bank is incorporated in England with limited liability by Royal Charter in 1853 Reference Number ZC 18. The Principal Office of the Company is situated in England at 1 Basinghall Avenue, London, EC2V 5DD. Standard Chartered Bank is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority. The Jersey Branch of Standard Chartered Bank is also an authorised financial services provider under license number 44946 issued by the Financial Sector Conduct Authority of the Republic of South Africa.

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

Kenya: Investment Products and Services are distributed by Standard Chartered Investment Services Limited, a wholly owned subsidiary of Standard Chartered Bank Kenya Limited (Standard Chartered Bank/the Bank) that is licensed by the Capital Markets Authority as a Fund Manager. Standard Chartered Bank Kenya Limited is regulated by the Central Bank of Kenya.

Malaysia: This document is being distributed in Malaysia by Standard Chartered Bank Malaysia Berhad. Recipients in Malaysia should contact Standard Chartered Bank Malaysia Berhad in relation to any matters arising from, or in connection with, this document.

Singapore SCBSL: This document is being distributed in Singapore by, and is attributable to, Standard Chartered Bank (Singapore) Limited ("SCBSL"). Recipients in Singapore should contact SCBSL in relation to any matters arising from, or in connection with, this document. SCBSL is an indirect wholly-owned subsidiary of Standard Chartered Bank and is licensed to conduct banking business in Singapore under the Singapore Banking Act, Chapter 19. IN RELATION TO ANY FIXED INCOME AND STRUCTURED SECURITIES REFERRED TO IN THIS DOCUMENT (IF ANY), THIS DOCUMENT TOGETHER WITH THE ISSUER DOCUMENTATION SHALL BE DEEMED AN INFORMATION MEMORANDUM (AS DEFINED IN SECTION 275 OF THE SECURITIES AND FUTURES ACT, CHAPTER 289 ("SFA")). IT IS INTENDED FOR DISTRIBUTION TO ACCREDITED INVESTORS, AS DEFINED IN SECTION 4A OF THE SFA, OR ON TERMS THAT THE SECURITIES MAY ONLY BE ACQUIRED AT A CONSIDERATION OF NOT LESS THAN S\$200,000 (OR ITS EQUIVALENT IN A FOREIGN CURRENCY) FOR EACH TRANSACTION. Further, in relation to fixed income and structured securities mentioned (if any), neither this document nor the Issuer Documentation have been, and will not be, registered as a prospectus with the Monetary Authority of Singapore under the SFA. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the product may not be circulated or distributed, nor may the product be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons other than a relevant person pursuant to section 275(1) of the SFA, or any person pursuant to section 275(1A) of the SFA, and in accordance with the conditions, specified in section 275 of the SFA, or pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. Singapore dollar deposits of non-bank depositors are insured by the Singapore Deposit Insurance Corporation, for up to S\$50,000 in aggregate per depositor per Scheme member by law. Foreign currency deposits, dual currency investments, structured deposits and other investment products are not insured.

Singapore SCB, Singapore Branch: This document is being distributed in Singapore by SCB, Singapore branch only to accredited investors, expert investors or institutional investors, as defined in the Securities and Futures Act, Chapter 289 of Singapore. Recipients in Singapore should contact SCB, Singapore branch in relation to any matters arising from, or in connection with, this document. In Singapore, Standard Chartered Private Bank is the Private Banking division of SCB, Singapore branch. SCB, Singapore branch (Registration No. S16FC0027L) (GST Registration No.: MR-8500053-0) is licensed to conduct banking business under the Banking Act, Chapter 19 of Singapore. IN RELATION TO ANY FIXED INCOME AND STRUCTURED SECURITIES REFERRED TO IN THIS DOCUMENT (IF ANY), THIS DOCUMENT TOGETHER WITH THE ISSUER DOCUMENTATION SHALL BE DEEMED AN INFORMATION MEMORANDUM (AS DEFINED IN SECTION 275 OF THE SFA). IT IS INTENDED FOR DISTRIBUTION TO ACCREDITED INVESTORS, AS DEFINED IN SECTION 4A OF THE SFA. Further, in relation to fixed income and structured securities mentioned (if any), neither this document nor the Issuer Documentation have been, and will not be, registered as a prospectus with the Monetary Authority of Singapore under the SFA. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the product may not be circulated or distributed, nor may the product be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons other than a relevant person pursuant to section 275(1) of the SFA, and in accordance with the conditions, specified in section 275 of the SFA, or pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. Singapore dollar deposits of non-bank depositors are insured by the Singapore Deposit Insurance Corporation, for up to S\$50,000 in aggregate per depositor per Scheme member by law. Foreign currency deposits, dual currency investments, structured deposits and other investment products are not insured. In relation to any collective investment schemes referred to in this document (if any), this document is for general information purposes only and is not an offering document or prospectus (as defined in the SFA). This document is not, nor is it intended to be (i) an offer or solicitation of an offer to buy or sell any financial product; or (ii) an advertisement of an offer or intended offer of any financial product.

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

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

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

UAE: DIFC - Standard Chartered Bank, Dubai International Financial Centre (SCB DIFC) having its offices at Dubai International Financial Centre, Building 1, Gate Precinct, P.O. Box 999, Dubai, UAE is a branch of Standard Chartered Bank and is regulated by the Dubai Financial Services Authority ("DFSA"). This document is intended for use only by Professional Clients and is not directed at Retail Clients as defined by the DFSA Rulebook. In the DIFC we are authorized to provide financial services only to clients who qualify as Professional Clients and Market Counterparties and not to Retail Clients. As a Professional Client you will not be given the higher retail client protection and compensation rights and if you use your right to be classified as a Retail Client we will be unable to provide financial services and products to you as we do not hold the required license to undertake such activities. For Islamic transactions, we are acting under the supervision of our Shariah Supervisory Committee. Relevant information on our Shariah Supervisory Committee is currently available on the Standard Chartered Bank website in the Islamic banking section [here](#).

UAE: For residents of the UAE – Standard Chartered Bank UAE does not provide financial analysis or consultation services in or into the UAE within the meaning of UAE Securities and Commodities Authority Decision No. 48/r of 2008 concerning financial consultation and financial analysis.

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

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

Zambia: This document is distributed by Standard Chartered Bank Zambia Plc, a company incorporated in Zambia and registered as a commercial bank and licensed by the Bank of Zambia under the Banking and Financial Services Act Chapter 387 of the Laws of Zambia.

Market Abuse Regulation (MAR) Disclaimer

Standard Chartered Bank is incorporated in England with limited liability by Royal Charter 1853 Reference Number ZC18. The Principal Office of the Company is situated in England at 1 Basinghall Avenue, London, EC2V 5DD. Standard Chartered Bank is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority. Banking activities may be carried out internationally by different Standard Chartered Bank branches, subsidiaries and affiliates (collectively "SCB") according to local regulatory requirements. Opinions may contain outright "buy", "sell", "hold" or other opinions. The time horizon of this opinion is dependent on prevailing market conditions and there is no planned frequency for updates to the opinion.

This opinion is not independent of SCB's own trading strategies or positions. SCB and/or its affiliates or its respective officers, directors, employee benefit programmes or employees, including persons involved in the preparation or issuance of this document may at any time, to the extent permitted by applicable law and/or regulation, be long or short any securities or financial instruments referred to in this document or have material interest in any such securities or related investments. Therefore, it is possible, and you should assume, that SCB has a material interest in one or more of the financial instruments mentioned herein. If specific companies are mentioned in this communication, please note that SCB may at times do business or seek to do business with the companies covered in this communication; hold a position in, or have economic exposure to, such companies; and/or invest in the financial products issued by these companies. Further, SCB may be involved in activities such as dealing in, holding, acting as market makers or liquidity providers, or performing financial or advisory services including but not limited to, lead manager or co-lead manager in relation to any of the products referred to in this communication. SCB may have received compensation for these services and activities. Accordingly, SCB may have a conflict of interest that could affect the objectivity of this communication.

SCB has in place policies and procedures, logical access controls and physical information walls to help ensure confidential information, including material non-public or inside information is not disclosed unless in line with its policies and procedures and the rules of its regulators.

Please refer to <https://www.sc.com/en/banking-services/market-disclaimer.html> for more detailed disclosures, including past opinions in the last 12 months and conflict of interests, as well as disclaimers. This document must not be forwarded or otherwise made available to any other person without the express written consent of Standard Chartered Bank.

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