Standard Chartered
Private Bank

weekly market view

macro strategy | 5 October 2018

This reflects the views of the Wealth Management Group

Editorial

Oil in the driver's seat

- **Global fundamentals remain supportive for risk assets, but a sharp rise in oil prices is a risk to the positive outlook. We do not expect prices to rise significantly from current levels.**
- **Equities:** US economic and earnings outperformance relative to Europe and rising share buybacks are likely to drive equities higher. Rising oil prices can potentially boost the energy sector.
- **Bonds:** We do not expect US 10-year Treasury yields to rise sustainably above 3.25%, given subdued inflation expectations. Rising oil prices and wages are key risks to this outlook.
- **FX:** The USD index has recovered above its 50- and 100-DMAs; the next key resistance is over 1% higher. Gold is forming a base; a break of 1,210 could open the way towards 1,250.

What's new?

- **Oil in the driver's seat.** Oil prices have surged to a four-year high, with Brent crude rising 27% this year alone. The surge, which has taken prices to the top of our 12-month expected range of USD 65-85/bbl, has been primarily driven by concerns about a decline in supplies from Iran and Venezuela, which some believe other leading OPEC suppliers such as Saudi Arabia may not be able to replace. Higher oil prices have created winners and losers (see chart and more details on page 3).
- **We do not expect prices to rise significantly from here**, given the likely dip in demand in the world's biggest economies from even higher prices. However, even a temporary spike in prices close to USD 100/bbl or higher due to heightened geopolitical uncertainty in the Middle East would challenge our positive outlook on equities. Charts suggest Brent crude's next resistance is at the 2012 low of USD 88.50/bbl, 4% above current levels.
- **US 10-year yield hits seven-year high.** The yield rose as high as 3.23%, the highest since 2011, driven by a strong US economic data and Fed comments suggesting continued rate hikes. However, speculative short positions in US Treasuries are at their highest in 20 years, which should reduce the scope of a further significant rise in yields. Meanwhile, inflation expectations have remained subdued. While risks to yields going higher have increased, we believe there is a low probability of a sustained rise above 3.25% unless inflation picks up sharply (whether from rising oil prices and/or faster wage growth). The 10-year yield is testing a tough resistance around its 200-month moving average.
- **Asian equity downtrend intact.** Two weeks ago, we flagged the possibility of a consolidation in the MSCI Asia-ex-Japan index from oversold conditions after a 7-month downtrend. As it turned out, the subsequent rebound failed to extend toward resistance around the July 2018 high, which is a sign of potential weakness going forward. This, coupled with the break of a minor uptrend line from September, suggests the near-term downtrend remains intact. A break below the 2015 high, close to the 100-week moving average, could potentially lead to further declines.

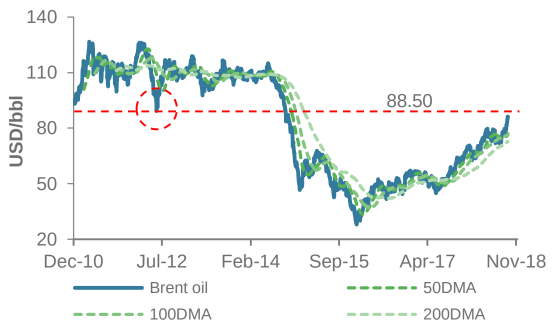
What we are watching

- **Italian budget.** Italy's disputes with the EU have hurt its bonds and Europe equities. An agreement would provide some support.

Contents

Oil has surged to a four-year high and is close to the next resistance, which coincides with the 2012-low of USD 88.50/bbl

Brent crude oil



Source: Bloomberg, Standard Chartered

US 10-year Treasury yield is testing a tough resistance at the 200-month moving average; the yield last fell decisively below this trendline in 1987

US 10-year Treasury yield monthly chart

Source: Bloomberg, Standard Chartered

Steve Brice
Chief Investment Strategist

Clive McDonnell
Head, Equity Investment Strategy

Manpreet Gill
Head, FICC Investment Strategy

Arun Kelshiker, CFA
Head, Portfolio Strategy

Audrey Goh, CFA
Senior Cross-asset Strategist

Daniel Lam, CFA
Senior Cross-asset Strategist

Belle Chan
Senior Investment Strategist

Rajat Bhattacharya
Senior Investment Strategist

Francis Lim
Senior Investment Strategist

Abhilash Narayan
Investment Strategist

Cedric Lam
Investment Strategist

Trang Nguyen
Portfolio Strategist

DJ Cheong
Investment Strategist

Standard Chartered Private Bank

What does this mean for investors?

Global stocks fell amid rising US Treasury yields and oil prices, with Emerging Markets leading losses. The USD gained broadly, especially vs. EUR and Asian currencies, such as INR and IDR.

Equities: US outperformance likely to continue

- **US equities remained resilient,** led by the energy sector. US economic and earnings outperformance relative to Europe and rising share buybacks are supporting the market. Consensus forecasts see US corporate earnings rising by 23% in 2018 and 13% over the next 12 months, compared with 6% and 9% in the Euro area. The US remains our preferred equity market. There is scope for US earnings estimates to be revised higher, driven by the energy sector, which is benefitting from higher oil prices.
- **Euro area banks** have declined 4% over the past week due to concerns over increased risks in Italy and continued Brexit uncertainty. Nevertheless, there are increasing expectations of a rise in merger and acquisition activity as the region's larger banks seek to expand their pan-European footprint. The Euro area and Euro area banks remain core holdings for us.
- **Hong Kong equities extend slide.** While China is on holiday for the week, Hong Kong equities have receded amid weaker-than-expected China business confidence data (PMI), a weaker CNY and a deadlock in US-China trade talks. Investors have recently shifted focus from growth-oriented stocks to those offering valuation discounts. The consumer staples sector, which derives significant earnings from the domestic market, has been a steady performer, while utilities with stable earnings and dividend yields have outperformed due to their defensive nature. Both consumer staples and utilities are our preferred sectors.

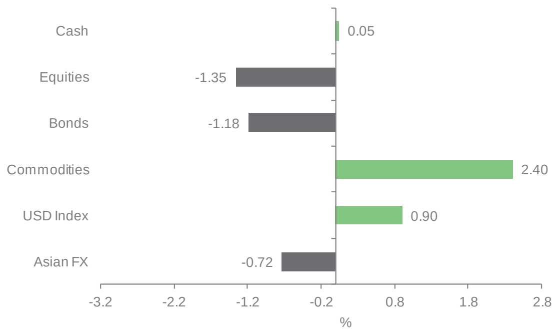
Bonds: Scope to switch from HY bonds to EM USD bonds

- **Oil powering HY bonds.** Developed Market (DM) High Yield (HY) bonds outperformed global bonds, as yield premiums declined sharply over the past week. The rise in oil has been a supportive factor, as it is a positive for energy sector HY bonds. However, this week's rally has pushed the yield premium offered by US HY bonds to the lowest level since 2007. The expensive valuation reduces the chance for future outperformance, in our opinion. We would use the current rally to take some profit on US HY bond holdings and rebalance towards EM USD government bonds, our most preferred area within bonds.
- **Italy drives volatility in European bonds.** German Bunds had a volatile week, as yields declined by nearly 10bps before recovering on rising Treasury yields. European yields have been under pressure from sub-par data and concerns around Italy (the yield differential between German Bunds and Italian government bonds rose to the highest since 2012). Further concerns around Italy's budget could delay ECB's monetary policy normalisation.

FX: USD close to next resistance

- **USD gains on strong data.** The USD (DXY) index recovered above its 50- and 100- day moving-average on stronger-than-expected private payrolls and services sector data. The index faces a strong resistance at the August high of 97.00. EUR/USD failed to sustain September's rebound and now faces next support at 1.1300.
- **Gold forming a base.** After falling 8% YTD, gold appears to be forming a base around USD 1,180/oz. We believe any break above USD 1,210/oz could open the way towards USD 1,250/oz. Sustained USD strength is a key risk to this view.

Benchmark (USD) performance w/w*



**Week of 26 September 2018 to 04 October 2018*

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

S&P500 technical indicators remain the strongest

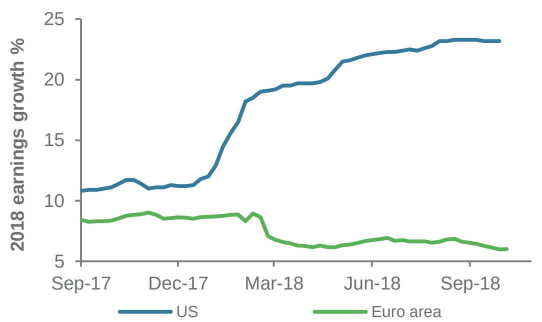
Technical levels of key market indicators as on 4 Oct.

Index	Spot	1st support	1st resistance	Short-term trend
S&P500	2,902	2,873	2,972	↑
STOXX 50	3,375	3,343	3,426	→
FTSE 100	7,418	7,418	7,555	→
Nikkei 225	23,815	23,050	24,450	↑
Shanghai Comp	2,821	2,630	2,920	↗
Hang Seng	26,624	26,200	28,000	↓
MSCI Asia ex-Japan	628	618	659	↓
MSCI EM	1,010	998	1,054	↓
Brent (ICE)	85	80	90	↑
Gold	1,199	1,180	1,212	↘
UST 10Y Yield	3.19	3.01	3.27	↗

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

US earnings expectations have significantly diverged from Euro area estimates this year, helping drive US equity outperformance

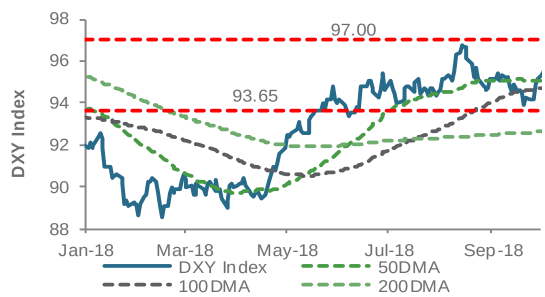
Consensus 2018 earnings growth estimates for the US and Euro area



Source: Bloomberg, Standard Chartered

USD index faces a crucial resistance at 97.00

USD (DXY) index



Source: Bloomberg, Standard Chartered

Top client questions

Q1. Do you expect oil prices to rise further after hitting a four-year high? What are the implications of higher oil prices?

Brent crude oil prices rose to a four-year high above USD 85/bbl amid concerns about tightening supplies. We do not expect prices to rise significantly from current levels, at least on a sustained basis, as higher prices are likely to hurt global demand for oil and consumption-driven growth in most of the world's biggest economies in North America, Europe and Asia.

Drivers of higher prices: Brent crude oil prices surged 20% over the past two months, as investors focused on the likely curtailment of Iranian supplies once US sanctions take full effect from November. The Iranian sanctions come at a time when supplies from Venezuela, a major global exporter, continue to fall (Venezuelan output has halved to 1.26m bpd in September from around 2.4m bpd in January amid domestic political uncertainty).

Meanwhile, oil output in the US, which has emerged as one of the world's top three crude oil producers in recent years, has stabilised at around 11m bpd recent months primarily due to pipeline shortages. Slowing output growth and growing demand have led to US crude oil inventories falling almost a quarter from its record highs hit in mid-2017 (although inventories have risen marginally in recent weeks).

Historically, in times of supply constraints, OPEC's major "swing" producers, such as Saudi Arabia and the UAE, have helped balance the market to prevent prices from rising significantly. However, in recent weeks, there have been growing concerns about dwindling spare capacity in OPEC's largest producers.

Our view: We assign around 70% probability of Brent crude oil trading within USD 65-85/bbl in the next 12 months because we believe even higher prices are likely to lead to a dip in demand (which would drag prices back to this range). However, we acknowledge there is an increasing likelihood of oil trading in a slightly higher range (USD 75-85/bbl) in the near term (our Global Investment Committee now assigns a 37% probability to oil trading in this range in the next 12 months, up from 25% a month ago).

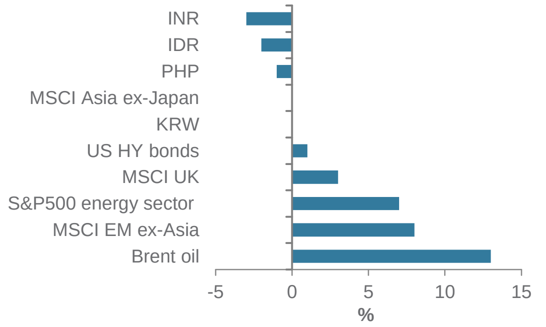
Besides Iran and Middle East geopolitics, the outlook for US-China trade tensions is also likely to play a key role in determining oil prices over the coming month. The deadlock in US and China could slow economic and oil demand growth in China, the world's biggest oil importer.

Global implications: Global risk assets, including equities, are likely to be resilient as long as oil remains in our expected USD 65-85/bbl range. However, further sustainable gains in prices would challenge this constructive view as it would raise business costs, hurt global consumption and could lift inflation expectations, forcing the Fed to raise rates faster than current expectations. Meanwhile, currencies of oil-importing countries (i.e. INR, IDR and PHP in Asia) could remain under pressure as their current account deficits deteriorate due to rising import bills.

On the positive side, higher oil prices are supportive of EM ex-Asia and UK equities in the near term, given their larger exposures to the oil/energy producing sector. Developed Market (DM) High Yield (HY) bonds are also a likely beneficiary, although we believe valuations (yield premiums) are already relatively stretched, which should reduce the scope for further outperformance.

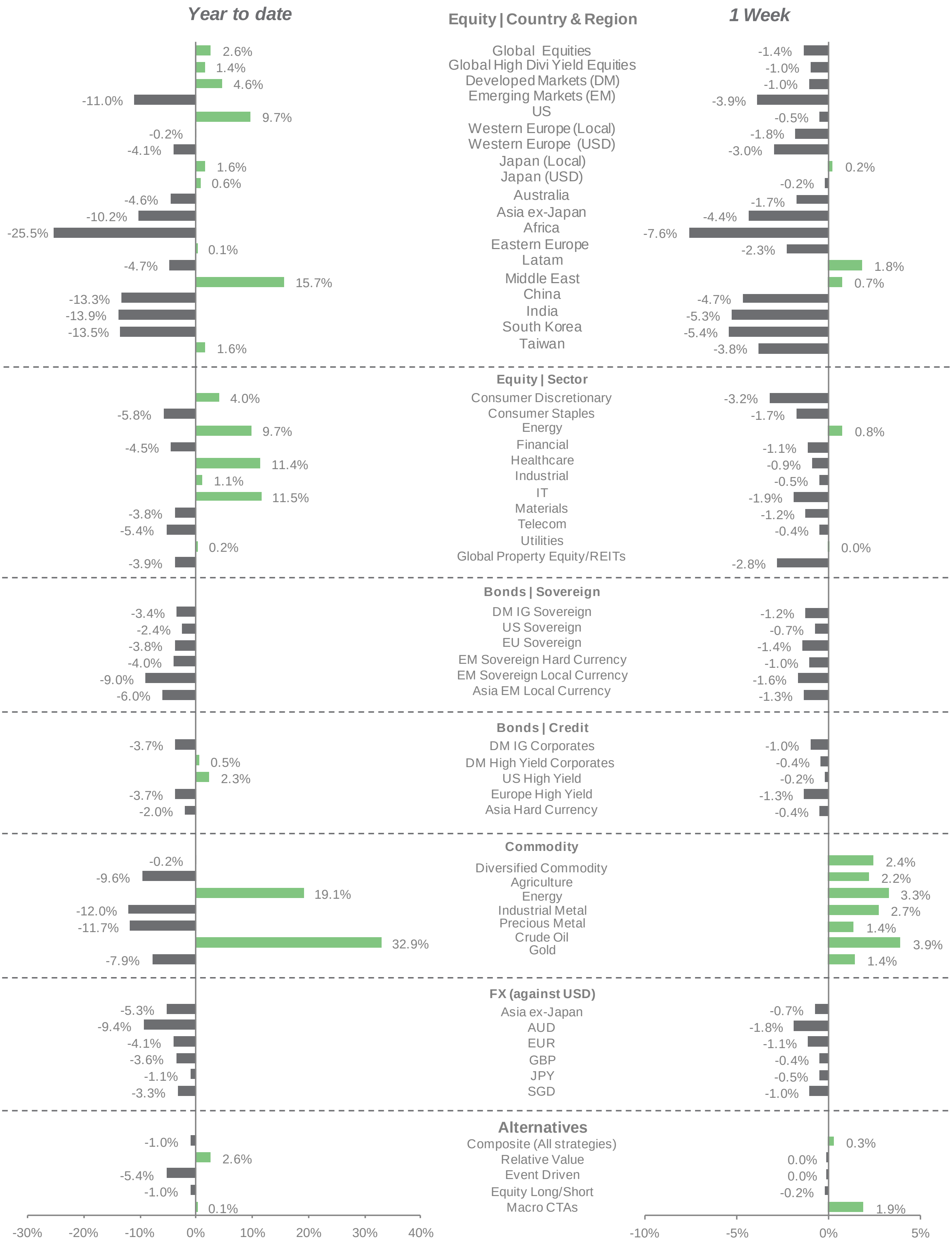
MSCI EM ex-Asia and global energy sector equities are likely beneficiaries of higher oil prices, while some Asian currencies are likely to remain under pressure as their current account deficits widen

One-month performance of various assets impacted by rising crude oil prices, %



Source: Bloomberg, Standard Chartered

Market performance summary*



**Performance in USD terms unless otherwise stated, YTD period from 31 December 2017 to 04 October 2018, 1 week period: 26 September 2018 to 04 October 2018*

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

Economic & Market Calendar

	Event	Next Week	Date	Period	Expected	Prior
MON	CH	Caixin China PMI Composite	8-Oct-18	Sep	–	52.0
	CH	Caixin China PMI Services	8-Oct-18	Sep	51.4	51.5
	GE	Industrial Production WDA y/y	8-Oct-18	Aug	–	1.1%
	EC	Sentix Investor Confidence	8-Oct-18	Oct	–	12.0
TUE	GE	Exports SA m/m	9-Oct-18	Aug	–	-0.8%
WED	JN	Core Machine Orders y/y	10-Oct-18	Aug	2.1%	13.9%
	UK	Industrial Production y/y	10-Oct-18	Aug	–	0.9%
	US	PPI Ex Food and Energy y/y	10-Oct-18	Sep	2.6%	2.3%
THUR	JN	PPI y/y	11-Oct-18	Sep	2.9%	3.0%
	US	CPI Ex Food and Energy y/y	11-Oct-18	Sep	2.2%	2.2%
FRI/SAT	IN	CPI y/y	12-Oct-18	Sep	–	3.7%
	IN	Industrial Production y/y	12-Oct-18	Aug	–	6.6%
	US	U. of Mich. Sentiment	12-Oct-18	Oct P	100.0	100.1
	CH	Exports y/y	12-Oct-18	Sep	8.7%	9.8%

	Event	This Week	Date	Period	Actual	Prior
MON	SK	Exports y/y	1-Oct-18	Sep	-8.2%	8.7%
	SK	Nikkei South Korea PMI Mfg	1-Oct-18	Sep	51.3	49.9
	EC	Unemployment Rate	1-Oct-18	Aug	8.1%	8.2%
	US	ISM Manufacturing	1-Oct-18	Sep	59.8	61.3
	US	ISM New Orders	1-Oct-18	Sep	61.8	65.1
TUE	AU	RBA Cash Rate Target	2-Oct-18	2-Oct	1.5%	1.5%
	EC	PPI y/y	2-Oct-18	Aug	4.2%	4.3%
WED	JN	Nikkei Japan PMI Composite	3-Oct-18	Sep	50.7	52.0
	UK	Markit/CIPS UK Composite PMI	3-Oct-18	Sep	54.1	54.2
	EC	Retail Sales y/y	3-Oct-18	Aug	1.8%	1.0%
	US	ADP Employment Change	3-Oct-18	Sep	230k	168k
	US	ISM Non-Manufacturing Index	3-Oct-18	Sep	61.6	58.5
THUR	IN	Nikkei India PMI Composite	4-Oct-18	Sep	51.6	51.9
FRI/SAT	MX	Overnight Rate	5-Oct-18	4-Oct	7.75%	7.75%
	JN	Real Cash Earnings y/y	5-Oct-18	Aug	-0.6%	0.4%
	GE	Factory Orders WDA y/y	5-Oct-18	Aug	–	-0.9%
	GE	PPI y/y	5-Oct-18	Aug	–	3.0%
	IN	RBI Repurchase Rate	5-Oct-18	5-Oct	–	6.5%
	US	Change in Nonfarm Payrolls	5-Oct-18	Sep	–	201k
	US	Average Hourly Earnings y/y	5-Oct-18	Sep	–	2.9%

Previous data are for the preceding period unless otherwise indicated
Data are % change on previous period unless otherwise indicated
P - preliminary data, F - final data, sa - seasonally adjusted
y/y – year-on-year, m/m - month-on-month

Source: Bloomberg, Standard Chartered; key indicators highlighted in blue

Disclosure Appendix

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

This document is not research material and it has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research. This document does not necessarily represent the views of every function within Standard Chartered Bank, particularly those of the Global Research function.

Standard Chartered Bank is incorporated in England with limited liability by Royal Charter 1853 Reference Number ZC18. The Principal Office of the Company is situated in England at 1 Basinghall Avenue, London, EC2V 5DD. Standard Chartered Bank is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority.

Banking activities may be carried out internationally by different Standard Chartered Bank branches, subsidiaries and affiliates (collectively "SCB") according to local regulatory requirements. With respect to any jurisdiction in which there is a SCB entity, this document is distributed in such jurisdiction by, and is attributable to, such local SCB entity. Recipients in any jurisdiction should contact the local SCB entity in relation to any matters arising from, or in connection with, this document. Not all products and services are provided by all SCB entities.

This document is being distributed for general information only and it does not constitute an offer, recommendation or solicitation to enter into any transaction or adopt any hedging, trading or investment strategy, in relation to any securities or other financial instruments. This document is for general evaluation only, it does not take into account the specific investment objectives, financial situation or particular needs of any particular person or class of persons and it has not been prepared for any particular person or class of persons.

Investment involves risks. The prices of investment products fluctuate, sometimes dramatically. The price of investment products may move up or down, and may become valueless. It is as likely that losses will be incurred rather than profit made as a result of buying and selling investment products. You should not rely on any contents of this document in making any investment decisions. Before making any investment, you should carefully read the relevant offering documents and seek independent legal, tax and regulatory advice. In particular, we recommend you to seek advice regarding the suitability of the investment product, taking into account your specific investment objectives, financial situation or particular needs, before you make a commitment to purchase the investment product.

Opinions, projections and estimates are solely those of SCB at the date of this document and subject to change without notice. Past performance is not indicative of future results and no representation or warranty is made regarding future performance. Any forecast contained herein as to likely future movements in rates or prices or likely future events or occurrences constitutes an opinion only and is not indicative of actual future movements in rates or prices or actual future events or occurrences (as the case may be). This document has not been and will not be registered as a prospectus in any jurisdiction and it is not authorised by any regulatory authority under any regulations.

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

SCB, and/or a connected company, may at any time, to the extent permitted by applicable law and/or regulation, be long or short any securities, currencies or financial instruments referred to on this document or have a material interest in any such securities or related investment, or may be the only market maker in relation to such investments, or provide, or have provided advice, investment banking or other services, to issuers of such investments. Accordingly, SCB, its affiliates and/or subsidiaries may have a conflict of interest that could affect the objectivity of this document. This document must not be reproduced, forwarded or otherwise made available to any other person without the express written consent of SCB, nor should it be distributed into any other jurisdiction unless permitted by the local laws and regulations of that jurisdiction. Neither SCB nor any of its directors, employees or agents accept any liability whatsoever for the actions of third parties in this respect.

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

Country Specific Disclosures

Botswana: This document is being distributed in Botswana by, and is attributable to, Standard Chartered Bank Botswana Limited which is a financial institution licensed under the Section 6 of the Banking Act CAP 46.04 and is listed in the Botswana Stock Exchange.

China – Hong Kong: In Hong Kong, this document, except for any portion advising on or facilitating any decision on futures contracts trading, is distributed by Standard Chartered Bank (Hong Kong) Limited ("SCBHK"), a subsidiary of Standard Chartered Bank. SCBHK has its registered address at 32/F, Standard Chartered Bank Building, 4-4A Des Voeux Road Central, Hong Kong and is regulated by the Hong Kong Monetary Authority and registered with the Securities and Futures Commission ("SFC") to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activity under the Securities and Futures Ordinance (Cap. 571) ("SFO") (CE No. AJI614). The contents of this document have not been reviewed by any regulatory authority in Hong Kong and you are advised to exercise caution in relation to any offer set out herein. If you are in doubt about any of the contents of this document, you should obtain independent professional advice. Any product named herein may not be offered or sold in Hong Kong by means of any document at any time other than to "professional investors" as defined in the SFO and any rules made under that ordinance. In addition, this document may not be issued or possessed for the purposes of issue, whether in Hong Kong or elsewhere, and any interests may not be disposed of, to any person unless such person is outside Hong Kong or is a "professional investor" as defined in the SFO and any rules made under that ordinance, or as otherwise may be permitted by that ordinance. In Hong Kong, Standard Chartered Private Bank is the private banking division of Standard Chartered Bank (Hong Kong) Limited.

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

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

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

Jersey: In Jersey, Standard Chartered Private Bank is the Registered Business Name of the Jersey Branch of Standard Chartered Bank. The Jersey Branch of Standard Chartered Bank is regulated by the Jersey Financial Services Commission. Copies of the latest audited accounts of Standard Chartered Bank are available from its principal place of business in Jersey: PO Box 80, 15 Castle Street, St Helier, Jersey JE4 8PT. Standard Chartered Bank is incorporated in England with limited liability by Royal Charter in 1853 Reference Number ZC 18. The Principal Office of the Company is situated in England at 1 Basinghall Avenue, London, EC2V 5DD. Standard Chartered Bank is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority. The Jersey Branch of Standard Chartered Bank is also an authorised financial services provider under license number 44946 issued by the Financial Services Board of the Republic of South Africa. Jersey is not part of the United Kingdom and all business transacted with Standard Chartered Bank, Jersey Branch and other Standard Chartered Group Offices outside of the United Kingdom, are not subject to some or any of the investor protection and compensation schemes available under United Kingdom law.

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

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

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

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

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

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

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

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

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

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

Market Abuse Regulation (MAR) Disclaimer

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

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

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

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

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