Macro Strategy | 8 August 2019

Standard Chartered Private Bank

Weekly Market View

Technicals less optimistic in the near term

The escalation in US-China trade tensions is a key near-term driver for asset and currency markets, with a relative lack of liquidity expected in August

The Fed has the most room to cut in the current dovish global rate environment, but most central banks will continue with their easing policy

Equities: Q2 earnings and outlook continues to be supportive of equities in the US

Technicals: Less optimistic in the near term

Bonds: Trade developments depress yields and flatten the yield curve

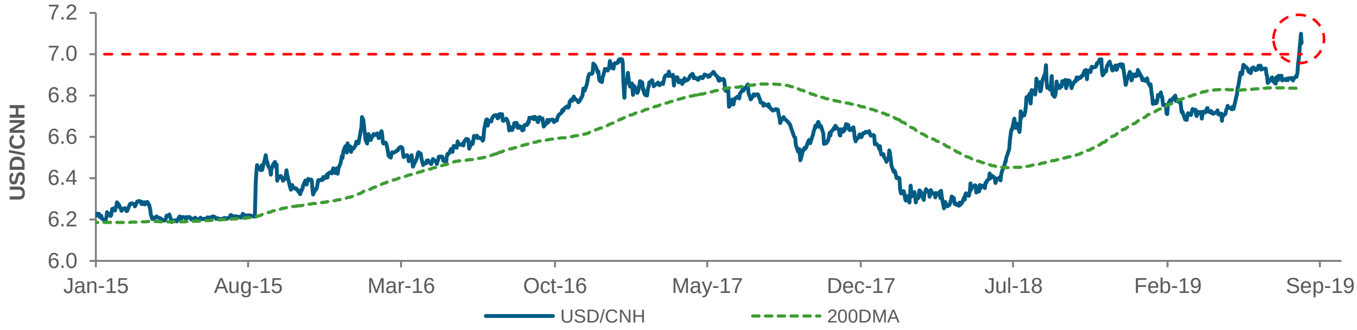
FX: The USD peaking process could gain traction, with safe-havens leading the way

Contents

Chart of the week: USD/CNH breaks the psychological 7.00 level

USD/CNH breaks above the sensitive 7.00 level

USD/CNH (daily) with technical levels



Source: Bloomberg, Standard Chartered

Editorial

Escalation in US-China tensions impacted markets

In a surprised move, the US proposed an additional 10% tariff on the remaining US$300bn Chinese imports. This was followed by USD/CNY breaking above the psychologically important 7.00 level on Monday and a subsequent move by the US administration to officially decree China as a currency manipulator. While this is largely symbolic move and any damage from this status on China is likely to be limited, the ongoing trade escalation is likely to exacerbate the current global manufacturing slowdown and keep inflation weak enough to justify additional easing by the Federal Reserve (Fed) and other central banks.

We expect further near-term trade escalations to be contained, but much will depend on the US administration's next steps, and when they are taken. The current pattern seems clear; an action from the US will likely prompt a reaction from China. We are also cautious of the (usually) more illiquid markets in August, which could exacerbate market movements both on the upside and downside. **See page 3 for the impact on asset classes and page 5 for short-term technical levels.**

Alexis Calla
Global Head, Investment Advisory & Strategy

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 Quantitative Strategist

Fook Hien Yap
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, CFA
Cross-Asset Strategist

Concurrent geopolitical tensions add to market noise

Social unrest in Hong Kong, continuing North Korean missile launches, a growing rift between Japan and South Korea and India's move to change the political status of Jammu and Kashmir and Ladakh are ongoing sources of regional geopolitical tensions. We see these as short-term disturbances that could impact markets in the coming weeks but may also provide medium-term investment opportunities if markets overreact.

HIBOR surges

The HKD, while pegged to the USD, is also influenced by the CNY due to the city's economic links with China. The HKD fell sharply on 5 August when additional Chinese tariffs were announced. Meanwhile, the Hong Kong Interbank Offered Rate (HIBOR) surged, with the three-month Hibor jumping 20bps to 2.4782%. We believe this will likely discourage short sellers from betting against the HKD. The moves have increased local borrowing costs, and the Hibor will likely remain elevated and above the London Interbank Offered Rate (Libor) if political protests continue and HKD selling pressure mounts. We do not see a threat to the current USD/HKD peg, but investor sentiment could remain subdued until these issues are resolved.

More central banks turning dovish

Three major central banks surprised markets unexpectedly this week. The Reserve Bank of Australia (RBA) announced no change in the policy rate, but signalled its outlook was for lower rates for longer. The Reserve Bank of New Zealand (RBNZ) and Reserve Bank of India (RBI) cut rates by 0.5% and 0.35%, respectively, against market expectation of a 0.25% cut. More rate cuts are expected globally and supports growing market expectations for more aggressive moves by the Fed following the "hawkish" cut in July.

At the time of writing, consensus suggests 69% and 31% probability of a 25bp and 50bp Fed rate cut in September, respectively. If global equity markets continue to see pressure through August, we would not be surprised to see the probability of US rate cuts to rise considerably. As we had highlighted previously, the Fed has far more scope to cut rates, compared to the European Central Bank (ECB), the Bank of Japan (BoJ) and most other countries, who may have to eventually consider fiscal stimulus as the answer to slowing growth and disinflationary pressure.

Impact on asset markets

Equity markets have seen a shift towards defensiveness in the short-term. Global equity markets have fallen 3.7%, with Asia ex-Japan down 6.4% and the S&P500 lower by 3.2% over the past week. We believe the downward pressure in stocks will be at least partially offset by falling interest rates.

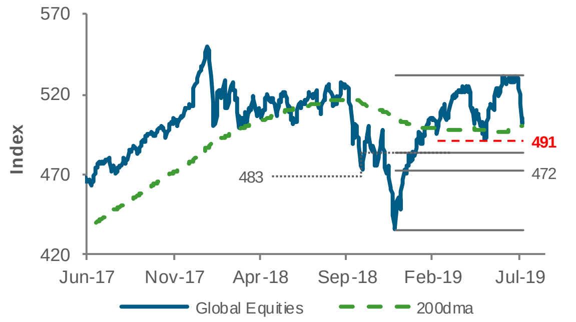
We expect the USD peaking process to continue to play out. Interest rate differentials between US and the rest of world will likely continue to narrow, combined with the administration's focus on exchange rates and currency manipulation. We believe this USD weakness will not be broad-based at the outset and prefer safe-haven currencies like JPY, CHF, the "USD alternative" EUR, and the Brexit-hit undervalued GBP, rather than trade-sensitive currencies such as the AUD and the NZD.

What we are watching

CNY fixing rates (daily); US administration trade actions (ongoing); Fed officials' comments (ongoing); safe-haven flows (ongoing); HK unrest.

Testing crucial support

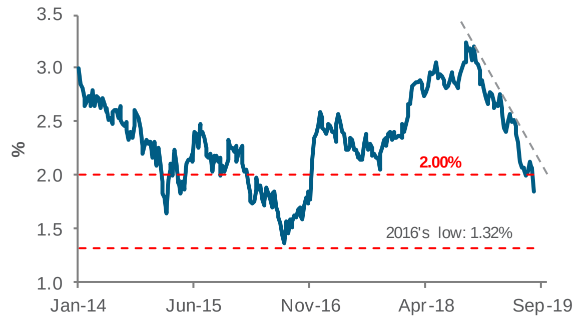
MSCI AC World Index (daily) with technical levels



Source: Bloomberg, Standard Chartered

Key support at 2% broken

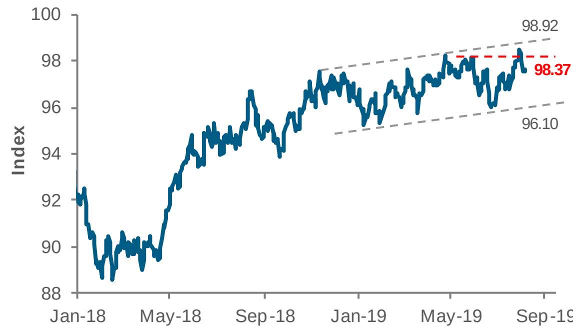
10-year US Treasury yield (weekly) with technical levels



Source: Bloomberg, Standard Chartered

DXY pulls back from stiff resistance

DXY (daily) with technical levels



Source: Bloomberg, Standard Chartered

What does this mean for investors?

Equities

We remain Overweight global equities. Healthcare and energy our preferred sectors the US. Over 80% of S&P500 companies have reported, with Q2 earnings growth now expected at +2.7% y/y, an increase from Q1 growth of +1.6%. Healthcare saw 95% of the reported companies beating expectations. Communication services has the strongest earnings growth at +16.4% y/y. Energy earnings are down -9.4% y/y due to lower crude oil prices, but overall sector earnings were 6.4% better than expected and we believe earnings will rebound with over 29% earnings growth in 2020. Overall 2019 growth remains stable at around 2%.

The decline in global bond yields YTD has renewed investor interest in income-generating assets, including REITs. The US and Asia ex-Japan REIT indices have risen 15% YTD, as investors seek the certainty of income over less certain capital gains. Looking ahead, performance in H2 may not be as strong as H1. Nonetheless, with the US and Asia ex-Japan REITs yielding between 4% and 6%, the income potential of the REITs remains intact.

Bonds

Trade developments depress yields and flatten curves. Global bond yields fell amid CNY depreciation and rising trade tensions. Trump's designation of China as a currency manipulator weighed on risk sentiment as US 10-year Treasury yields plunged. However, with the PBoC coming out to reassure investors that significant CNY depreciation is unlikely, Treasury yields have stabilised at around 1.70%. **See page 5 for short-term technical levels.**

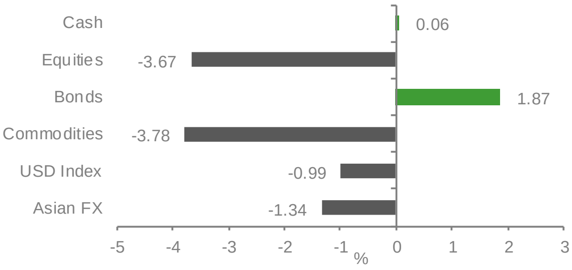
Our preference for EM USD government bonds remains. While the backdrop for Emerging Markets (EM) has worsened over the past week, risk premia will unlikely rise significantly over the next few weeks. A continued search for yield and still-reasonable valuations drive our positive view. However, sensitivity to a sharp rise in US interest rates remains a key risk for EM USD government bonds. Asia USD bonds have remained surprisingly resilient despite recent market volatility, highlighting its defensive characteristics. They remain our second ranked within our bond sub-asset classes.

FX, Commodities

We expect the USD peaking process to gain traction. USD/JPY remains vulnerable to repatriation flows amid near-term market uncertainty and could test the support 105 level. EUR/USD could continue its climb from recent lows to test 1.1450 as the most prominent USD alternative. While safe-havens may become more attractive initially, currencies impacted by slowing global trade, such as the AUD and the NZD, are likely to remain weak until the USD decline begins in earnest. Gold has moved sharply higher, and the sustained break above USD 1,485 – 1,500/oz could open a further rally towards USD 1,585/oz.

Oil falls back into a bear market. Fears of a demand slowdown have returned to the fore as markets are pricing in more troubled US-China relations. Our expectation of a range-bound oil price (USD 60-65/bbl) in the next 6-12 months remains unchanged. This is driven by ongoing Middle East tensions and continued OPEC discipline, which will likely mitigate renewed demand fears on escalating trade tensions.

Benchmark (USD) performance w/w*



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)

*Week of 31 July 2019 to 7 August 2019

Equity market technicals have turned bearish

Technical levels of key markets as of 8 August 2019

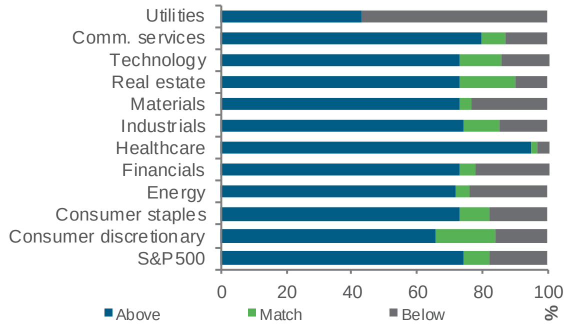
Index	Spot	1st support	1st resistance	Short-term trend
S&P	2,884	2,820	2,945	↘
STOXX 50	3,310	3,250	3,425	↗
FTSE 100	7,199	7,135	7,260	↘
Nikkei 225	20,540	20,100	21,300	↘
Shanghai Comp	2,769	2,700	2,885	↓
Hang Seng	25,997	24,550	26,920	↓
MSCI Asia ex-Japan	597	568	630	↓
MSCI EM	973	930	1,021	↓
Brent (ICE)	57	55	66	↓
Gold	1,507	1,445	1,535	↑
UST 10Y Yield	1.71	1.54	1.94	↓

Source: Trading Central, Standard Chartered

Note: Arrows represent short-term trend opinions

Q2 earnings continue to surprise on the upside

S&P500 index; Q2 earnings relative to expectations

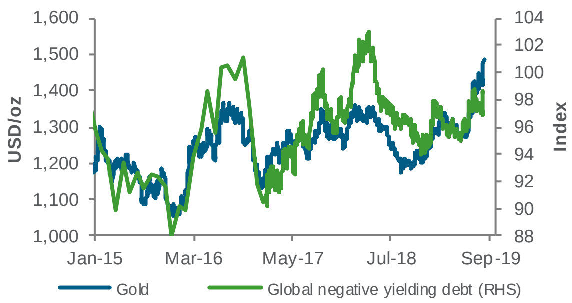


Source: FactSet, Standard Chartered

*As of 6 August 2019

Gold remains attractive

Gold (USD/oz), Global negative yielding debt (Index; RHS)



Source: Bloomberg, Standard Chartered

Top client question

What are technical charts on risky assets suggesting in the short term?

Risks are tilted to the downside for the S&P500. The S&P500 index's failed attempt to break past key resistance at the 2018 and H1 19 highs is a sign that the index could be settling with a weak bias in the near term. Moreover, the impulsive nature of the drop from last week has exposed downside risks towards the fairly strong support at the early June low of 2,729 (about 5% below Tuesday's close). A break below the support could open the way towards 2,610 (the 61.8% retracement of the 2019 rise), about 10% from Tuesday's close. There is strong support at the December low of 2,347 (about 18% from Tuesday's close). On the upside, the July high of 3,028 remains a tough resistance.

Global equities could break lower. The MSCI All Country World index has been capped by strong resistance at the late-2018 highs of 527-528. The index is now approaching key support at the May low of 491. Given the sharp fall in recent days, the odds have risen of a drop towards 472 (the 61.8% retracement of the rise from end of 2018), about 6% from Tuesday's close.

Asia ex-Japan nearing key support. The MSCI Asia ex-Japan index is currently testing a key support: an uptrend line from mid-2015 (now at about 600), slightly above the Q4 18 low of 571 (about 4% below). This support area is crucial, and a break below could imply further downside, initially towards the end-2016 low of 506 (15% below), with strong support at the early 2016 low of 435 (27% below).

On balance, volatility could remain high in the near term, especially given the thin/relatively low liquidity summer period. However, we believe fundamentals will overshadow technicals eventually, triggering a rebound in risky asset markets.

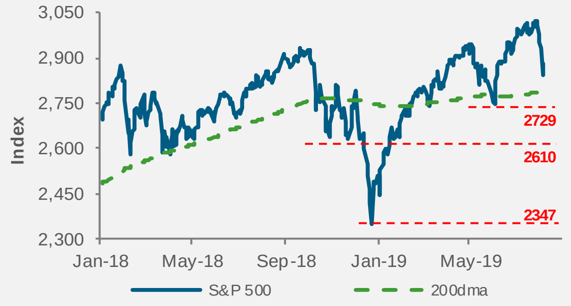
US 10-year Treasury yields fall spectacularly. The US 10-year Treasury yields' fall below the psychological and technical support (includes the September 2017 low) of 2.00% has opened the way towards the 2016 record low of 1.32%. For the downtrend to reverse, at minimum, the yield would need to break above immediate resistance on a downtrend line from end-2018 (now at about 2.20%).

Gold's uptrend resumes. Spot gold's (XAU/USD) sideways consolidation in recent weeks was unsurprising given the sharp rally from the end-May low of USD 1,274/oz, suggesting a flag pattern on the daily charts. This week's break above the upper edge of the pattern indicates the consolidation has ended, and the uptrend has resumed. XAU/USD has broken resistance at USD 1,483/oz (the 50% retracement of the 2011-15 fall). A sustained break higher could open the way towards USD 1,585/oz (the 61.8% retracement).

We remain bearish on the USD. Here are a couple of signs on the daily charts that suggest a weak bias in the US dollar index – a failed attempt to break above stiff resistance at the Q2 high of 98.37 and a retreat from the top edge of an upward sloping channel from the end of 2018. The index risks falling towards the lower edge of the channel (now at about 96.10; about 1.5% below the current level).

Strong support expected at June's low

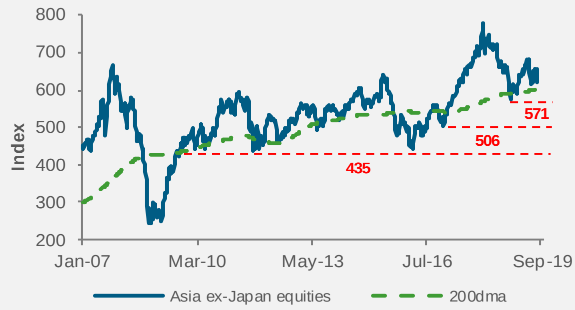
S&P 500 (daily) with technical levels



Source: Bloomberg, Standard Chartered

Asia ex-Japan equities nearing key support

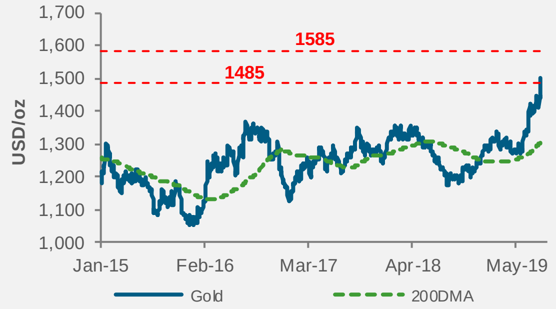
MSCI Asia ex-Japan (weekly) with technical levels



Source: Bloomberg, Standard Chartered

The uptrend resumes

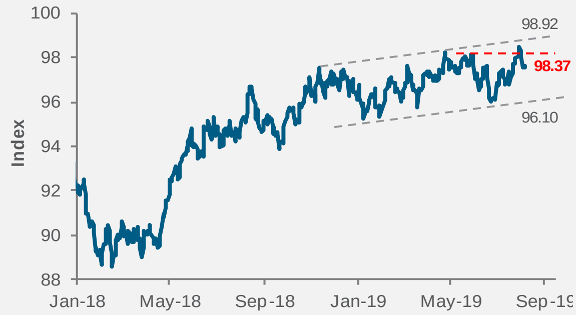
Gold (daily) with technical levels



Source: Bloomberg, Standard Chartered

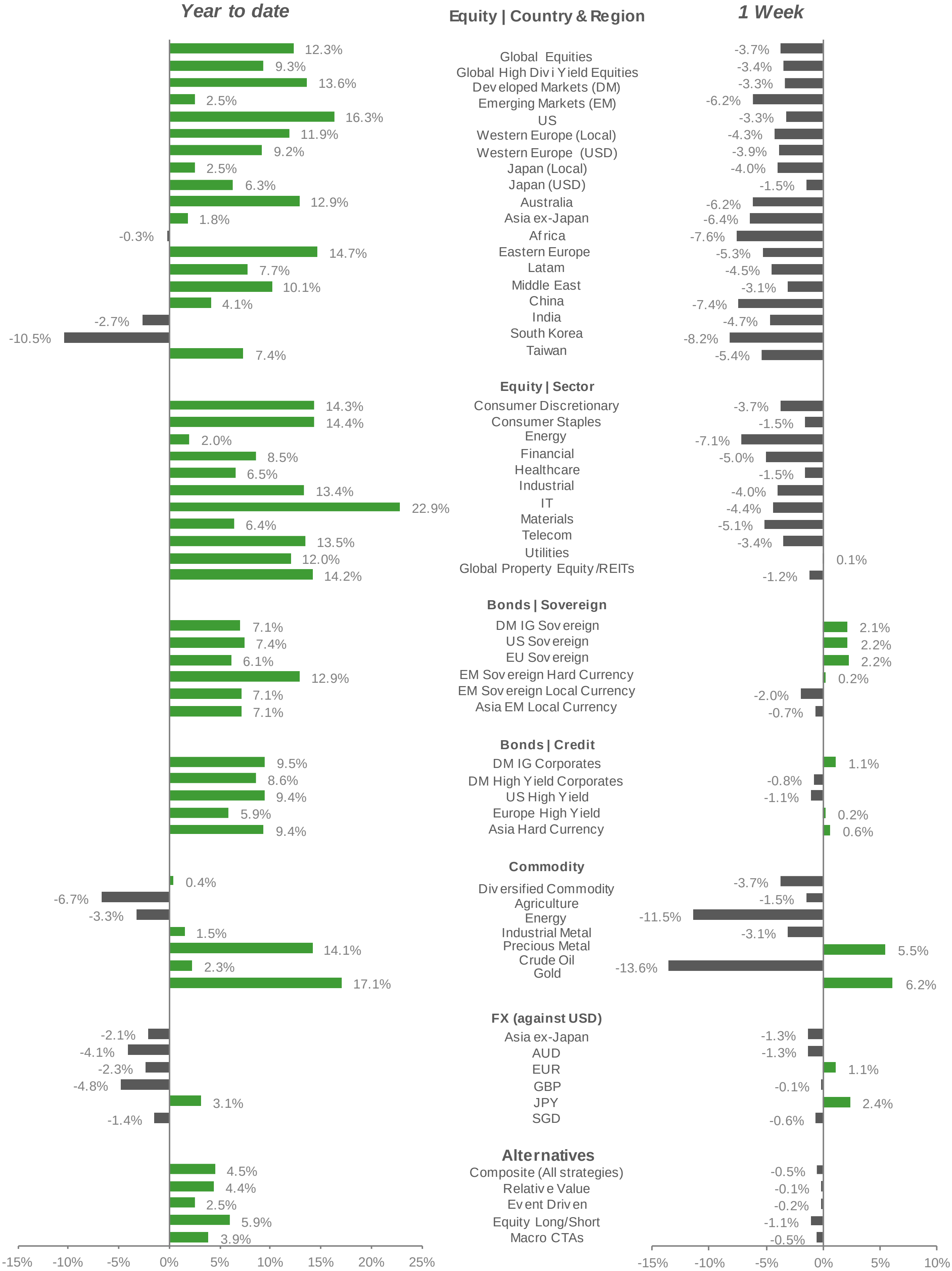
Weaker bias for the dollar

USD Index (DXY – Daily) with technical levels



Source: Bloomberg, Standard Chartered

Market performance summary*



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

*Performance in USD terms unless otherwise stated, YTD period from 31 December 2018 to 07 August 2019, 1 week period: 31 July 2019 to 07 August 2019

Economic and market calendar

	Event	Next Week	Date	Period	Expected	Prior
MON						
TUE	JP	Producer Prices, Domestic, y/y	13-Aug-19	Jul	–	-0.1%
	GE	Harmonized Consumer Prices, y/y	13-Aug-19	Jul	–	1.1%
	UK	ILO Unemployment Rate	13-Aug-19	Jun	–	3.8%
	GE	ZEW Economic Sentiment	13-Aug-19	Aug	–	-24.5
	GE	ZEW Current Conditions	13-Aug-19	Aug	–	-1.1
	US	CPI MoM	13-Aug-19	Jul	0.3%	0.1%
WED	JP	Machinery Orders, y/y	14-Aug-19	Jun	–	-3.7%
	AU	Wage Price Index, y/y	14-Aug-19	Q2	–	2.3%
	CH	Industrial Output, y/y	14-Aug-19	Jul	5.8%	6.3%
	CH	Retail Sales, y/y	14-Aug-19	Jul	8.6%	9.8%
	GE	GDP Flash, y/y	14-Aug-19	Q2	–	0.6%
	IN	Wholesale Prices, y/y	14-Aug-19	Jul	1.9%	2.0%
	UK	CPI y/y	14-Aug-19	Jul	–	2.0%
	EU	GDP Flash Estimate, y/y	14-Aug-19	Q2	1.1%	1.1%
THUR	AU	Unemployment Rate	15-Aug-19	Jul	–	5.2%
	UK	Retail Sales, y/y	15-Aug-19	Jul	–	3.8%
	US	Initial Jobless Claims	15-Aug-19	5-Aug	–	–
	US	Retail Sales, m/m	15-Aug-19	Jul	0.3%	0.4%
	US	Industrial Production, m/m	15-Aug-19	Aug	0.2%	0.0%
FRI/ SAT						

	Event	This Week	Date	Period	Actual	Prior
MON	CH	Caixin China PMI Composite	05-Aug-19	Jul	–	50.6
	CH	Exports y/y	05-Aug-19	Jul	–	-1.3%
	EC	Sentix Investor Confidence	05-Aug-19	Aug	–	-5.8
	IN	Markit India PMI Composite	05-Aug-19	Jul	–	50.8
	RU	Markit Russia PMI Composite	05-Aug-19	Jul	–	49.2
	UK	Markit/CIPS UK Composite PMI	05-Aug-19	Jul	–	49.7
	US	ISM Non-Manufacturing Index	05-Aug-19	Jul	55.5	55.1
TUE	AU	RBA Cash Rate Target	06-Aug-19	6-Aug	–	1.0%
	GE	Factory Orders WDA y/y	06-Aug-19	Jun	–	-8.6%
WED	CA	Markit India PMI Composite	07-Aug-19	Jul		50.8
	GE	Industrial Production WDA y/y	07-Aug-19	Jun	–	-3.7%
	IN	RBI Repurchase Rate	07-Aug-19	7-Aug	5.5%	5.8%
THUR						
FRI/ SAT	CA	Markit Russia PMI Composite	09-Aug-19	Jul		49.2
	CH	CPI y/y	09-Aug-19	Jul	–	2.7%
	GE	Exports SA m/m	09-Aug-19	Jun	–	1.1%

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

Important information

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 the Standard Chartered Group (as defined below), 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. Standard Chartered PLC, the ultimate parent company of Standard Chartered Bank, together with its subsidiaries and affiliates (including each branch or representative office), form the Standard Chartered Group.

Banking activities may be carried out internationally by different branches, subsidiaries and affiliates within the Standard Chartered Group (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 Standard Chartered. Private banking activities may be carried out internationally by different legal entities and affiliates within the Standard Chartered Group (each an "SC Group Entity") according to local regulatory requirements. Not all products and services are provided by all branches, subsidiaries and affiliates within the Standard Chartered Group. Some of the SC Group Entities 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.

[#]ESG data has been provided by Refinitiv. Refer to https://www.refinitiv.com/en/financial-data/company-data/esg-research-data for more information

ESG data			
A	Excellent	**C**	Fair
B	Good	**D**	Unsatisfactory

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

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

India: Standard Chartered Bank does not provide any investment advisory services. Standard Chartered Bank in its capacity of a distributor of mutual funds or while referring any other third party financial products may offer advice which is incidental to its activity of distribution/referral. Standard Chartered Bank will not be charging any fee/consideration for such advice and such advice should not be construed as 'Investment Advice' as defined in the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013 or otherwise. All products are subject to suitability and availability. Mutual Fund Investments are subject to market risk. Read scheme related documents carefully prior to investing. Past performance is not indicative of future returns.

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. **Deposit Insurance Scheme:** Singapore dollar deposits of non-bank depositors are insured by the Singapore Deposit Insurance Corporation, for up to S$75,000 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 SCBSL (Standard Chartered Private Bank): This document is being distributed in Singapore by Standard Chartered Bank (Singapore) Limited (“SCBSL”) 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 SCBSL 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 Standard Chartered Bank (Singapore) Limited, (Registration No. 201224747C) (GST Group 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. 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. **Deposit Insurance Scheme:** Singapore dollar deposits of non-bank depositors are insured by the Singapore Deposit Insurance Corporation, for up to S$75,000 in aggregate per depositor per Scheme member by law. Foreign currency deposits, dual currency investments, structured deposits and other investment products are not insured.

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 (license 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 branches, subsidiaries and affiliates within the Standard Chartered Group (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.