Standard Chartered
Private Bank

weekly **market view**

macro strategy | 10 August 2018

This reflects the views of the Wealth Management Group

Editorial

US equities testing record highs

- **The S&P500 index has support from strong earnings and economic data to break to a new high. Increased share buyback plans are likely to add fuel to the ongoing recovery.**
- **Equities:** S&P500 momentum remains strong as it tests the record high set in January. China's stimulus measures and efforts to support the CNY are positive for local equities.
- **Bonds:** Emerging Market (EM) local currency bonds have been dragged lower by the renewed drawdown in Turkish assets. However, INR bonds offer attractive yields.
- **FX:** We expect the EUR/USD to test the 1.1450 support level. A clear break would target the 1.12 level next.

What's new?

- **US equities testing record highs.** The S&P500 index is 1% away from its record high set on 26 January, having recovered 13% from February's lows despite ongoing global trade tensions. Strong earnings remain the key driver of US equities, supported by solid fundamentals (as confirmed by the Q2 earnings season and the latest job data). We believe increased corporate share buybacks are likely to add another tailwind, as last year's tax cuts boost free cash flows. Typically, August is the strongest month for stock repurchases (see page 2 for details). The combination of strong underlying fundamentals, share buyback plans and momentum is likely to provide support to the S&P500 index's attempt to break to a new record high.
- **China moves to stem CNY speculation.** The central bank's decision to set a 20% reserve requirement on forward CNY positions raises the costs of taking bearish CNY views and indicates its determination to stabilise the CNY (which hit a 15-month low earlier this month). A stable CNY is likely to be positive for China and HK equity markets. In addition, Q2 earnings have been supportive so far, with almost 70% of the Hang Seng index constituents that have reported results beating consensus estimates. Within the MSCI China index, banks, healthcare and material sectors have offered positive profit guidance for Q2 18. Trading at an attractive P/E of 12.4x on 2018 earnings, China remains a preferred market in Asia.
- **Europe data hurt by trade tensions.** German factory orders for June showed the first y/y decline in almost two years, while exports and capital goods orders fell 4.7% m/m; industrial output fell 0.9% and exports were flat m/m. However, the Sentix investor confidence index recovered in August from 1-1/2-year lows after the US and EU agreed to hold back imposing further import tariffs. The data shows the vulnerability of trade-dependent economies from an escalation in trade tensions.

What we are watching

- **Impact of Iran sanctions.** Oil prices were stable after the US re-imposed sanctions against Iran. Supply disruptions from Iran and other key suppliers such as Venezuela are a risk to our outlook for balanced oil markets in the next 12 months.
- **Turkish assets:** Turkey's currency has extended declines to new record lows. Further weakness could impact EM sentiment.

Contents

The S&P500 is 1% away from its record high hit in January, while Asian stocks appear to have stabilised

S&P500 and MSCI Asia-ex-Japan equity indices

Source: Bloomberg, Standard Chartered

USD/CNH has stabilised below the 6.93 resistance after the central bank moved to stem speculation

USD/CNH

Source: Bloomberg, Standard Chartered

Steve Brice
Chief Investment Strategist

Clive McDonnell
Head, Equity Investment Strategy

Manpreet Gill
Head, FICC Investment Strategy

Arun Kelshiker, CFA
Head, Portfolio Strategy

Audrey Goh, CFA
Senior Cross-asset Strategist

Daniel Lam, CFA
Senior Cross-asset Strategist

Belle Chan
Senior Investment Strategist

Rajat Bhattacharya
Senior Investment Strategist

Francis Lim
Senior Investment Strategist

Jill Yip, CFA
Senior Investment Strategist

Abhilash Narayan
Investment Strategist

Cedric Lam
Investment Strategist

Trang Nguyen
Portfolio Strategist

DJ Cheong
Investment Strategist

What does this mean for investors?

Global stocks rebounded, with Asia leading gains. EM bonds fell, despite gains in Developed Market bonds, amid concerns about Turkey. The GBP extended losses, approaching a one-year low.

Equities: Recovering despite trade tensions

- **Earnings trump trade tensions.** The S&P500 index approached record highs after a strong earnings season, while Euro area and Japan equities recovered after the EUR and JPY stabilised. The S&P500's 2018 earnings per share (EPS) growth estimate has been revised up to 23.2% from 22.4% on 1 July 2018, despite risks of further global trade tension and easing Chinese economic growth. US equities remain our preferred market, aided by strong revenue growth on the back of solid consumer demand and secular growth trends, particularly in the technology sector. We also expect the financial sector to benefit from a stabilisation in yield premiums on longer-dated bonds over short-dated bonds.
- **US share buybacks in focus.** The share re-purchase blackout period has ended for most US companies after they reported Q2 earnings. We expect share buybacks to garner pace, aided by strong free cash flow generation and tax reforms. August is typically the strongest month for repurchase execution, amounting to around 13% of annual activity. Authorisation for share buybacks has risen to USD 754bn so far this year from less than USD 690bn at the end of 2017. US information technology and financial sectors are likely to see the highest share re-purchase programmes, given the ongoing momentum in profit repatriation back to the US and recent Fed stress testing results, respectively.

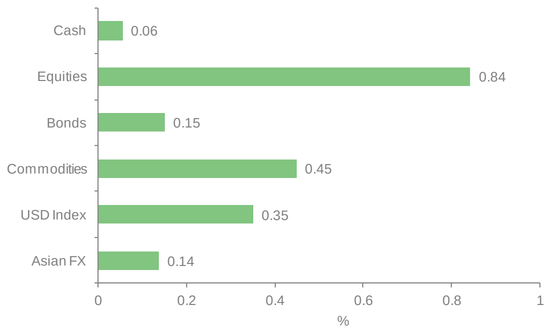
Bonds: Fundamentals, positioning likely to cap Treasury yields

- **Treasury yields may have decoupled from fundamentals.** US 10-year Treasury yields have pulled back from 3% following weaker-than-expected producer price inflation data. Meanwhile, speculative bearish positions in US 10-year Treasuries have reached five-year extremes and inflation expectations remain subdued. Thus, we believe US yields are unlikely to move materially higher from current levels, short of an inflation spike.
- **Divergence in EM bonds.** Emerging Market (EM) local currency bonds have renewed their decline in recent weeks. That said, we see divergent trends within the asset class. While Turkish bonds have been hurt by escalating tensions and weaker currency, INR bonds have rebounded following the recent central bank rate hike. We believe the rate hiking cycle is largely done. A stable monetary policy stance, combined with an attractive headline yield above 7%, is likely to be positive for INR government bonds.

FX: Further EUR weakness likely

- **EUR/USD testing support level**. EUR/USD moved to close to May-June's double-bottom near 1.1505. We expect a break and test of the 1.1450 level, which is a 50% retracement of the strong rebound from the January 2017 low (1.0340) to the February 2018 high (1.2555). A clear break below 1.1450 would likely lead the EUR/USD to target the 1.12 level.
- **GBP breaks below support.** The GBP/USD broke the previous 1.2915 support to reach a new 2018-low at 1.2820. Speculative positions are bearish and approaching oversold levels, so there is a risk of short-term rebound. We expect any such rebound to be short-lived, with the pair revisiting 1.2770 and 1.2590 levels.
- **Turkish lira extends losses.** The currency has lost almost half its value YTD as the central bank paused rate hikes recently, despite soaring inflation. Further losses risk undermining EM FX sentiment.

Benchmark (USD) performance w/w*



**Week of 02 August 2018 to 09 August 2018*

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

US equity market technical indicators are strong

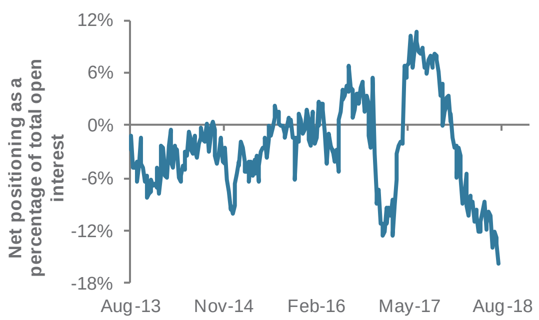
Technical levels of key market indicators as on 09 August

Index	Spot	1st support	1st resistance	Short-term trend
S&P500	2,854	2,795	2,872	↑
STOXX 50	3,494	3,461	3,540	→
FTSE 100	7,742	7,627	7,793	→
Nikkei 225	22,560	21,750	23,500	↗
Shanghai Comp	2,794	2,630	2,845	↘
Hang Seng	28,607	27,580	29,100	↘
MSCI Asia ex-Japan	674	651	682	↓
MSCI EM	1,079	1,038	1,097	↓
Brent (ICE)	72	71	80	↓
Gold	1,213	1,200	1,236	↓
UST 10Y Yield	2.93	2.80	3.13	↗

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

Speculative bearish positions against US Treasuries are at five-year extremes, which is likely to lean against any further significant rise in yields

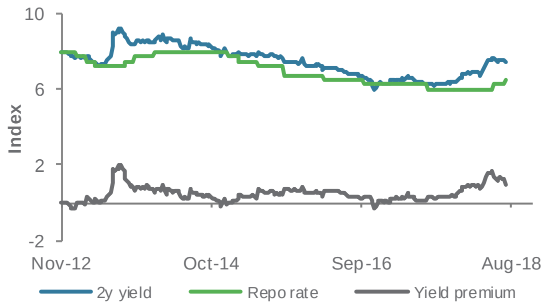
Net speculative positions against US Treasuries as percentage of total open interest



Source: Bloomberg, Standard Chartered

India's government bond yield premium over the policy rate is close to its highest in five years

India's 2Y government bond yield premium over repo rate



Source: Bloomberg, Standard Chartered

Top client questions

Q1. Global bonds have had a tough H1. Should I stay away, stay invested, or actively use the opportunity to add?

The first half of 2018, in particular, has been a relatively difficult one for global bond investors. However, rather than stand aside awaiting stability or gains, we believe it is important to lay out a range of scenarios on how bonds may perform under a variety of assumptions before making an allocation decision. This is particularly important for bonds because (i) price moves are immediate, but yield accrual occurs over time, and (ii) historical evidence continues to argue just staying invested is a far better decision than retreating into cash the vast majority of the time.

In H1, global bonds were hit by an unusual double-whammy of rising bond yields and wider credit spreads (ie, a rising yield premium over Treasuries), leaving just the yield to compensate. What this means, though, is that one must take a view on all three components of return – Treasury yields, credit spreads (yield premiums) and the yield itself – to have a view on total returns.

We have a relatively sanguine view on Treasury yields. Short of an inflation spike in the US, this source of return is likely to be largely stable in H2, in our view, though one does need to stay invested to reap the returns of an annual yield.

Could another episode of a sharp rise in yields be ahead of us? We think not. The earlier episode is largely explained by a rise in market expectations of US inflation, back towards 2%. Another similar rise in bond yields would likely need a significant jump in US inflation and/or a significant increase in Treasury bond sales, which we see as unlikely in our base case scenario. A more modest move towards 3.25% is still possible, but this magnitude is likely to be too small to significantly detract from total returns.

The third source of returns – credit spreads – is where we see specific opportunities following H1 weakness. Our preferred area within bonds remains EM USD government bonds, where the yield on offer at a benchmark level is now around 6%. However, we are increasingly seeing select opportunities in Asia USD corporate bonds as well, especially given parts of this asset class have suffered on the back of tightening credit conditions and rising defaults onshore in China. We would consider actively using the opportunity to add exposure in this asset class.

The table alongside illustrates the total returns for major bond benchmarks under different scenarios for the three key drivers. What stands out for us is that assumptions that approximately match our baseline scenario (#1) and one involving modest headwinds (#2) result in still-reasonable total returns for most EM and corporate bonds if one stays invested for the yield on offer. It would take a much more significant 2015-style selloff (#3) for total returns to suffer significantly from here, though we see the likelihood of such a scenario as low, especially from today's starting point.

Bottom-line: Staying invested in bonds and selectively adding where opportunities have presented themselves appears to be a more attractive proposition than retreating to cash, in our view.

Major bond asset class returns still reasonable under baseline and modest-headwind scenarios

Total returns in various scenarios

Name	Interest rate Sensitivity	Yield	Scenarios #1	#2	#3
DM IG Corp*	6.64	3.02	3.02	-0.30	-1.96
DM HY Corp	4.19	6.27	6.27	4.18	-10.48
EM USD Govt	6.70	6.39	6.39	3.04	-7.01
Asia USD	4.43	4.97	4.97	2.76	-1.68

Source: Bloomberg, Standard Chartered

All performance shown in USD terms, unless otherwise stated

**As of 31 July*

Indices used:

FTSE WorldBIG Corp Index USD, Bloomberg Barclays Global High Yield, J.P. Morgan EMBI Global Diversified Composite, J.P. Morgan JACI Composite

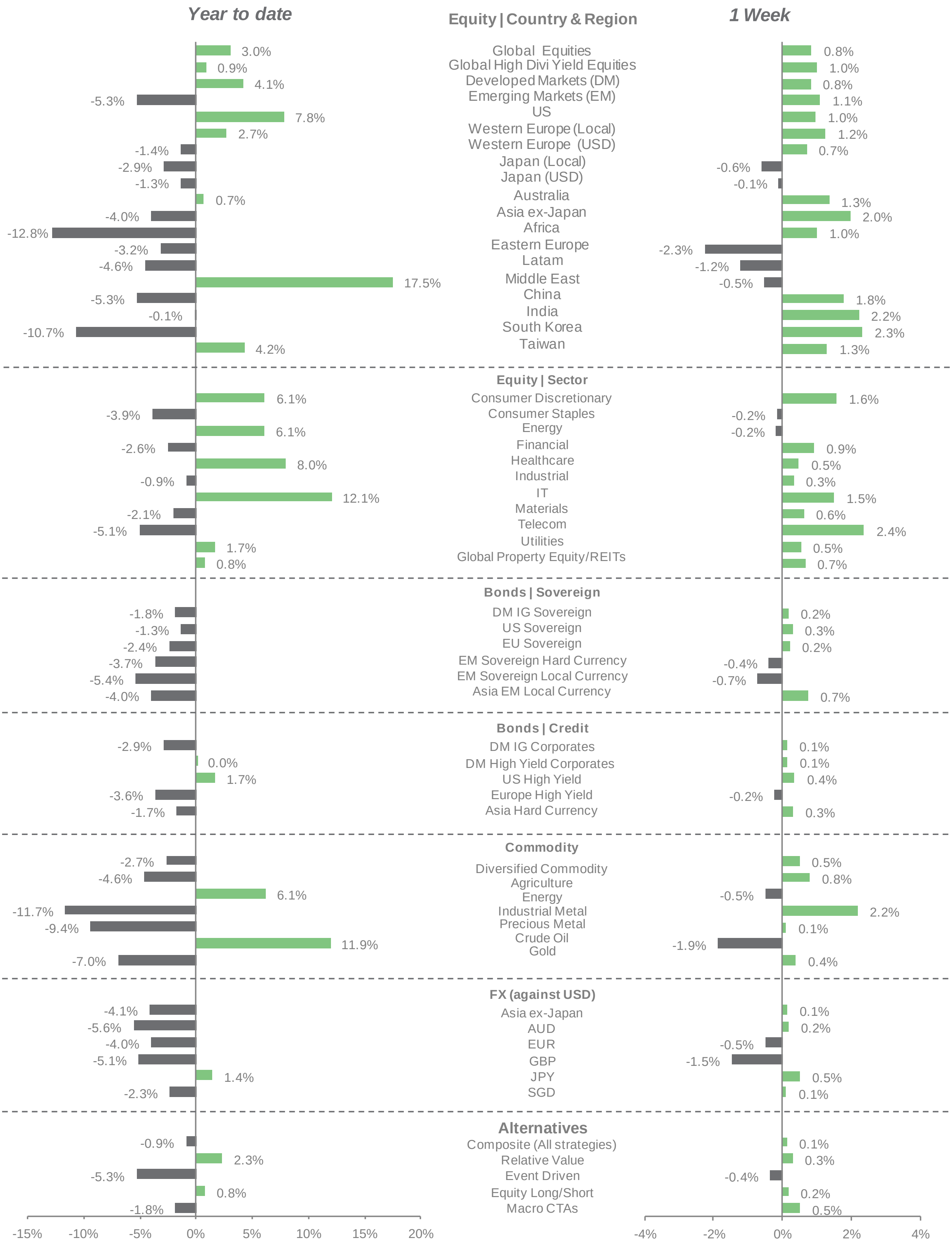
Scenarios

#1: +25 bps (Treasury yields), -25bps (Credit spreads)

#2: +25 bps (Treasury yields), +25bps (Credit spreads)

#3: +50 bps (Treasury yields), +25 to +300bps (Credit spreads)

Market performance summary*



**Performance in USD terms unless otherwise stated, YTD period from 31 December 2017 to 09 August 2018, 1 week period: 02 August 2018 to 09 August 2018*
Sources: MSCI, JP Morgan, Barclays Capital, Citigroup, Dow Jones, HFRX, FTSE, Bloomberg, Standard Chartered

Economic & Market Calendar

	Event	Next Week	Date	Period	Expected	Prior
MON	IN	CPI y/y	13-Aug-18	Jul	–	5.0%
TUE	CH	Retail Sales y/y	14-Aug-18	Jul	9.1%	9.0%
	CH	Industrial Production y/y	14-Aug-18	Jul	6.3%	6.0%
	CH	Fixed Assets Ex Rural YTD y/y	14-Aug-18	Jul	6.0%	6.0%
	JN	Industrial Production y/y	14-Aug-18	Jun F	–	-1.2%
	UK	Average Weekly Earnings 3m/y/y	14-Aug-18	Jun	–	2.5%
	EC	ZEW Survey Expectations	14-Aug-18	Aug	–	-18.7
WED	UK	CPI Core y/y	15-Aug-18	Jul	–	1.9%
	US	Unit Labor Costs	15-Aug-18	2Q P	0.5%	2.9%
	US	Retail Sales Ex Auto and Gas	15-Aug-18	Jul	–	0.3%
	US	Industrial Production m/m	15-Aug-18	Jul	0.3%	0.6%
THUR	JN	Exports y/y	16-Aug-18	Jul	–	6.7%
	UK	Retail Sales Ex Auto Fuel y/y	16-Aug-18	Jul	–	3.0%
	US	Housing Starts	16-Aug-18	Jul	1280k	1173k
	US	Building Permits	16-Aug-18	Jul	1315k	1292k
FRI/ SAT	EC	CPI Core y/y	17-Aug-18	Jul F	–	1.1%
	US	U. of Mich. Sentiment	17-Aug-18	Aug P	97.9	97.9

	Event	This Week	Date	Period	Actual	Prior
MON	GE	Factory Orders WDA y/y	6-Aug-18	Jun	-0.8%	4.4%
	EC	Sentix Investor Confidence	6-Aug-18	Aug	14.7	12.1
TUE	AU	RBA Cash Rate Target	7-Aug-18	7-Aug	1.5%	1.5%
	GE	Exports SA m/m	7-Aug-18	Jun	0.0%	1.8%
	GE	Industrial Production WDA y/y	7-Aug-18	Jun	2.5%	3.0%
WED	US	Consumer Credit	8-Aug-18	Jun	$10.21b	$24.26b
	CH	Exports y/y	8-Aug-18	Jul	12.2%	11.2%
THUR	CH	PPI y/y	9-Aug-18	Jul	4.6%	4.7%
	CH	CPI y/y	9-Aug-18	Jul	2.1%	1.9%
	US	PPI Ex Food and Energy y/y	9-Aug-18	Jul	2.7%	2.8%
FRI/ SAT	JN	GDP Annualized SA q/q	10-Aug-18	2Q P	1.9%	-0.9%
	UK	Industrial Production y/y	10-Aug-18	Jun	–	0.8%
	UK	GDP y/y	10-Aug-18	2Q P	–	1.2%
	IN	Industrial Production y/y	10-Aug-18	Jun	–	3.2%
	US	CPI Ex Food and Energy y/y	10-Aug-18	Jul	–	2.3%

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.

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.