

Weekly Market View

Here comes the pullback

The pullback in US stocks was overdue, in our view, given overbought conditions, especially in the technology sector. We expect rising volatility heading into the US elections. However, improving economic fundamentals and growing policy support leaves us constructive on equities and other riskier assets

Equities: S&P500 index has strong support 3% below current level - a breach could lead to a retreat, but the long-term uptrend remains intact as long as the index stays above 3091

Bonds: We believe the Emerging Market USD bond rally has room to run further before valuations, especially in the High Yield segment, become stretched relative to fundamentals

FX: USD weakness has hit the pause button, with reward for holding EUR turning unattractive. US poll uncertainty could support the USD near-term

Here comes the

Also find out...

Is this the start of a correction, according to technical charts?

What is the outlook for Euro area and China equities after the Q2 earnings season?

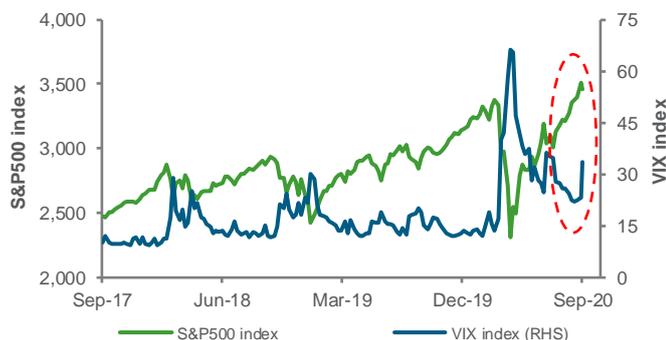
What's next for the USD and the CNH?

Charts of the week: Calming an overheated market

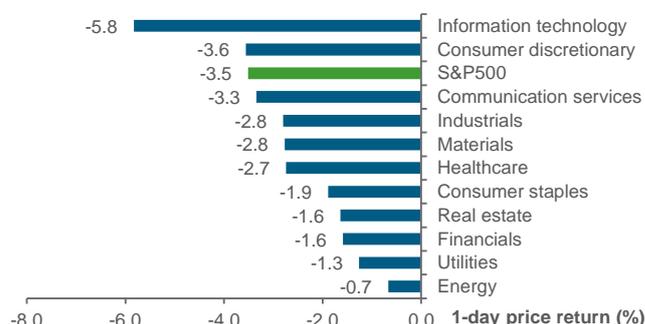
S&P500 index suffered its biggest one-day decline since June, led by losses in the technology sector

S&P500 volatility (VIX) rising again as the index pulled back from record

S&P500 index sector returns show technology led Thursday's decline



Source: Bloomberg, Standard Chartered



Editorial

Here comes the pullback

Risk assets were due for a correction. In these pages, we have previously alerted readers about the rising risk from an overheated and overbought market, particularly in the technology sector. While it is hard to pin down a specific trigger, we believe Thursday's Fed policymaker warning that another fiscal stimulus is urgently needed to sustain the economic recovery led markets to pull back.

What next after US stocks suffered their biggest one-day decline since June? Based on the charts, the S&P 500 index's sharp retreat on Thursday from near a key resistance and overbought territory raises the risk of a pause in the rally. Seasonality studies have shown that monthly returns on US stocks tend to be negative in September - a trend especially reinforced during US presidential election years. The index has key support at 3,355. Any break below would raise the odds of a consolidation/minor retreat over the next one month or so (see page 4).

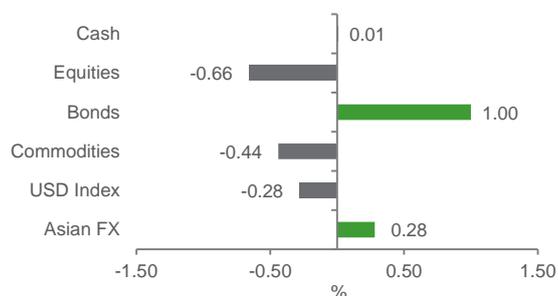
There are other pitfalls that could lead to near-term volatility: 1) Trump is catching up with Biden in the US polls, raising the risk of a tight finish at the November election, leading to vote recounts; 2) rising US-China tensions as the two parties burnish their hawkish credentials; 3) Second COVID-19 wave in Europe, slowing economic re-openings.

Nevertheless, we believe any such short-term volatility is likely to present an opportunity to add exposure to our preferred assets (see page 7) because the fundamental and policy drivers of the risk asset rally since March remain intact. Indeed, Fed Chair Powell's announcement of a more relaxed monetary policy framework last week sets the stage for further monetary policy easing, possibly as soon as its next meeting on 15-16 September. This should provide significant ballast to risk assets amid chances of more near-term market volatility.

A further pullback in stocks is also likely to put pressure on Republicans to set aside partisan politics and agree to a Democrat proposal for c. USD 2-3tn stimulus. More fiscal and monetary stimulus, against the backdrop of improving global economic fundamentals and expectations of a corporate earnings recovery in 2021 (see page 4) support our medium-term investment outlook, including our bearish 12-month view on the USD, bullish view on gold and constructive view on risk assets.

Equities, commodities and the USD pulled back in the past week, and bonds rose amid rising risk aversion

Benchmark market performance w/w*



Source: Bloomberg; *Week of 27 August 2020 to 3 September 2020

Our proprietary analysis shows market diversity is extremely low in Developed Market corporate bonds, raising the risk of a short-term trend reversal

Market diversity across key asset classes

Level 1	Diversity	Diversity trend since 4-Aug-20	Fractal Dimension
Global Bonds	○	→	1.24
MSCI ACWI	●	→	1.38
Gold	●	↑	1.34
Equity			
MSCI US	●	→	1.40
MSCI Europe	●	↑	2.09
MSCI AC AXJ	●	→	1.34
Fixed Income			
DM Corp Bond	○	→	1.23
DM High Yield	●	→	1.35
EM USD	●	→	1.30
EM Local Currency	●	↑	1.69
Asia Hard Currency	●	→	1.27
Currencies			
USD/CNY	●	↓	1.31
EUR/USD	●	↑	1.35
USD/JPY	●	↓	1.47
GBP/USD	●	→	1.33
AUD/USD	●	→	1.29

Source: Bloomberg, Standard Chartered; **Fractal dimensions below 1.25 indicate extremely low market diversity**

Legend: ○ Very low ● Low ● Moderate/high

The weekly macro balance-sheet

	Positive for risk assets	Negative for risk assets
COVID-19	<ul style="list-style-type: none"> Daily new COVID-19 cases in the US continued to fall for the second month after peaking in mid-July; cases in Japan and Australia continued to decline US authorities told states to prepare for a possible vaccine by early November 	<ul style="list-style-type: none"> Daily new cases continued to rise in Europe, notably in Spain and France, prompting Germany's Merkel to warn the pandemic is likely to get worse before it gets better Daily new cases in India scaled a new record high; new cases in Indonesia and Brazil stayed close to peak
	Our assessment: Neutral, on balance, as continued downtrend in US cases is offset by a revival of cases in Europe.	
Macro data	<ul style="list-style-type: none"> A Fed survey showed accelerating economic activity and US initial jobless claims fell below estimates US manufacturing business confidence index showed stronger-than-expected output and new orders in July; factory orders rose more than expected in July China's private manufacturing sector business confidence (PMI) rose to its highest since 2011; non-manufacturing activity accelerated by more than expected 	<ul style="list-style-type: none"> US ISM services sector confidence index fell in August, missing estimates Euro area core consumer inflation fell in August, turning negative y/y for the first time in four years; unemployment rate rose to 7.9% in July Euro area retail sales fell m/m in July, missing estimates; consumer confidence, business climate indices remained negative
	Our assessment: Positive, on balance, as stronger-than-expected US and China activity indicators more than offset surprisingly weak data from Europe.	
Policy developments	<ul style="list-style-type: none"> Fed's Williams said the central bank is focussing on maximum employment and that rate hike issues remain far off in the future Fed's Brainard said monetary policy should "pivot from stabilisation to accommodation" BoE signalled it has headroom for more bond purchases if needed Japan's Cabinet Secretary Suga, front-runner to replace PM Abe, said he would maintain Abe's fiscal and monetary stimulus policies French PM announced a EUR 100bn stimulus package and German policymakers are weighing relaxing debt limits 	<ul style="list-style-type: none"> US Senate majority leader McConnell said another stimulus package in the next few weeks is still uncertain, despite calls by Treasury Secretary Mnuchin to restart talks with Democrats Fed's Brainard and Evans said US economic recovery 'critically' depends on another fiscal stimulus A UK parliamentary committee is weighing an increase in taxes
	Our assessment: Neutral, on balance, with supportive monetary policy offset by delays in the US fiscal package.	
Other developments		<ul style="list-style-type: none"> EU Brexit negotiator Barnier said he was "worried and disappointed" as the UK had not changed its stance Reports suggested China could block a sale of the TikTok app to US investors
	Our assessment: US-China tensions and Brexit talks remain risks.	

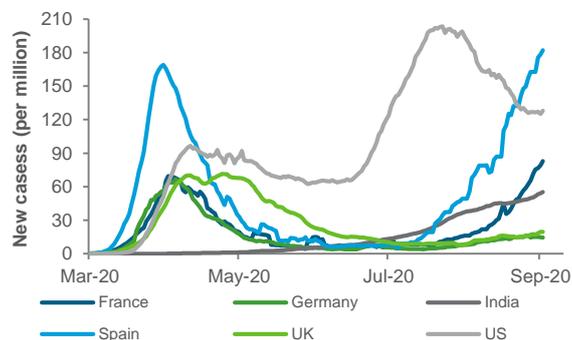
Our weekly net assessment: On balance, this week's data and policy were positive, though uncertainty over another US fiscal package is a risk.

(+) factor: Peak in US COVID-19, vaccine hopes, strong US and China data

(-) factor: Europe's COVID-19 cases and slowing data, US-China tensions

New COVID-19 cases have continued to decline in the US, but are on the rise in Europe and India

Daily new COVID-19 cases per million people in the US, key European markets and India



Source: Our World in Data, Standard Chartered

US manufacturing sector business confidence continued to rise in August; the surge in new manufacturing orders likely portends strong activity in the coming months

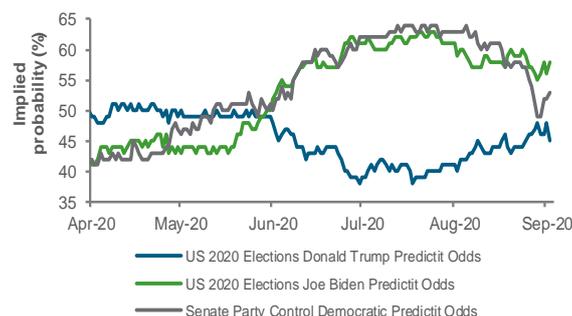
US ISM Manufacturing, New Orders and Non-Manufacturing Purchasing Managers Indices



Source: Bloomberg, Standard Chartered

The race to the White House has tightened recently, raising the risk of political uncertainty in the event of a close finish in November

PredictIt odds for presidential and Senate elections



Source: PredictIt, Standard Chartered

Top client questions

Q Is this the start of a correction in the S&P 500 index?

The S&P 500 index's sharp retreat on Thursday from near key resistance on an uptrend line from 2018 raises the risk of a short-term pause in the rally.

The 14-day Relative Strength Index (RSI), a measure of momentum, hit 82 earlier this week, well above the 70 level considered overbought. As the accompanying chart shows, RSI levels above 75 in the past have been followed by periods of consolidation in a rally. Similarly, seasonality studies have shown the VIX index tends to rise during August-October. Also, monthly returns from the S&P 500 index tend to be negative in September, a trend reinforced during US Presidential election years.

There is initial support at 3413, followed by 3355. Any break below 3355 would raise the odds of a consolidation or minor retreat over the next few weeks, in our view. After the largest move down in nearly three months, the risk arises both from profit-takers as well as technical selling pressure, especially on the technology sector, from hedging strategies which are forced to sell as markets fall. We believe it would be prudent to wait for another leg lower before considering selling volatility. However, the medium-term uptrend is unlikely to change while the index holds above the 200-day moving average (at 3091; ~10% below Thursday's close).

Q What is the outlook for Euro area and China equities based on Q2 earnings season disclosures?

Europe is 86% through the Q2 earnings season. Stoxx 600 Q2 earnings are expected to decline 52% (all percentages y/y), better than the 67% dip expected a month ago.

Healthcare is the only sector reporting positive earnings growth of 1% with all other sectors declining, energy being the hardest hit. UK earnings growth is among the lowest, with an expected fall of 125% (i.e. a loss). For 2020, Stoxx 600 consensus earnings are expected to drop 30%, an improvement from the 34% dip expected a month ago.

Although all of this argues earnings will fall sharply in 2020, we expect the market to focus on a potential earnings recovery in 2021 over the coming months. Our Group Investment Committee views Euro area equities as preferred, expecting earnings growth to rebound by 35% in 2021. UK equities are less preferred amid a likely slower 2021 earnings recovery.

China offshore equities beat Q2 earnings expectations while China onshore delivered in-line results. Healthcare, consumer discretionary, information technology and communication services (driven by strong media and entertainment demand) reported the biggest beats while financials, real estate and transportation were the laggards.

Q2 results reaffirmed our view that corporate earnings bottomed in Q1 and are on track for a recovery. We expect earnings expectations to continue rising as domestic consumption accelerates. We believe China offshore and onshore equities are on track to deliver 12-month forward EPS growth of 13% and 15% respectively. China equities remain preferred relative to Asia ex-Japan with healthcare, technology and consumer discretionary sectors preferred.

S&P500 charts suggest a near-term pause in the rally, but the medium-term uptrend remains intact

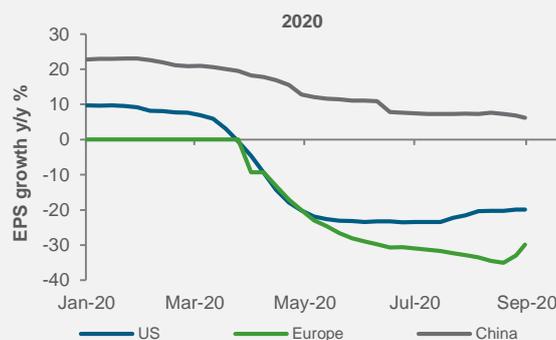
S&P500 index and RSI (a momentum indicator)



Source: Bloomberg, Standard Chartered

Earnings expectations for 2020 have stabilised across key markets, with some markets starting to recover, supporting our bullish outlook for equities

12-month forward earnings expectations



Source: Bloomberg, Standard Chartered

S&P500 index has support 1.2% below current level

Technical indicators for key markets as on 03 Sept. 2020

Index	Spot	1st support	1st resistance
S&P500	3,455	3,413	3,539
STOXX 50	3,304	3,272	3,337
FTSE 100	5,851	5,813	5,926
Nikkei 225	23,239	22,926	23,509
Shanghai Comp	3,385	3,376	3,402
Hang Seng	25,008	24,869	25,284
MSCI Asia ex-Japan	729	724	735
MSCI EM	1,109	1,100	1,120
Brent (ICE)	43.8	43.2	45.0
Gold	1,939	1,923	1,962
UST 10Y Yield	0.63	0.61	0.69

Source: Bloomberg, Standard Chartered

Top client questions (cont'd)

Q Is the rally in HY within EM USD bonds sustainable?

Emerging Market (EM) USD bond yield premia continue to decline steadily. However, notably, the dip in yield premiums has been led by the High Yield (HY) segment, which accounts for nearly half of the EM USD government bond universe.

We believe there is scope for a further decline in yield premiums in the HY bonds, causing them to drive further yield premium declines for the EM USD bond asset class:

- 1) Yield premiums for IG bonds are back in line with historical medians, whereas HY bonds continue to trade cheap. Hence, relative valuations argue there is room for further gains in HY bonds within EM USD.
- 2) Recent USD weakness, and our expectations of more, is supportive for EM external balances. This should benefit EM HY as they are usually more sensitive to USD liquidity pressures.
- 3) Foreign investor flows into EM USD bonds are likely to sustain amid falling EM-specific concerns and the search for yield.

Therefore, while the recent rally in EM USD government HY bonds has been significant, we believe it can run further before valuations start becoming stretched relative to fundamentals. EM USD government bonds remain a preferred area within bonds.

Q What's next for the USD and the CNH?

The USD appears to be pausing after declining about 10% since March. Several currency pairs have also hit key resistance levels, including EUR/USD at 1.2000.

Indicators suggest the risk-reward for buying EUR/USD is currently unattractive, in our assessment. The first hint of EU discomfort with the strong EUR rally came from ECB's Chief Economist Lane, who said that though the ECB does not target the exchange rate, the level "does matter". Fundamentals have also shifted as the US reported stronger relative economic data, including PMI and new orders, and US COVID-19 numbers stabilise. Technicals show signs of trend fatigue and loss of momentum and a pullback towards the initial key support around 1.1685 is likely. Any rise in geopolitical uncertainty ahead of the US election would likely trigger a deeper pullback towards 1.1500-1.1600.

USD/CNH has also declined steadily. Economic and COVID-19 data have supported inflows into Chinese markets, and controlled economic stimulus continues. There has been no indication via the daily fixing rate that authorities are uncomfortable with a stronger currency. The US election process and outcome could cause a near-term bounce towards resistance at 6.9000-6.9200. It is interesting to note that since President Trump assumed office, the broad USD index has fallen by around 8%, but USD/CNH has been almost unchanged. Longer-term investors could, therefore, regard any CNH weakness as an opportunity to accumulate the currency if they believe future geopolitical uncertainty is already priced in. Notably, foreign inflows into China government bonds rose to a two-year high in August.

Although EM HY USD bond yield premiums have tightened vs IG peers, they remain wide relative to history, suggesting still-attractive valuations

Yield premium differential between High Yield and Investment Grade within EM USD government bonds



Source: Bloomberg, Standard Chartered

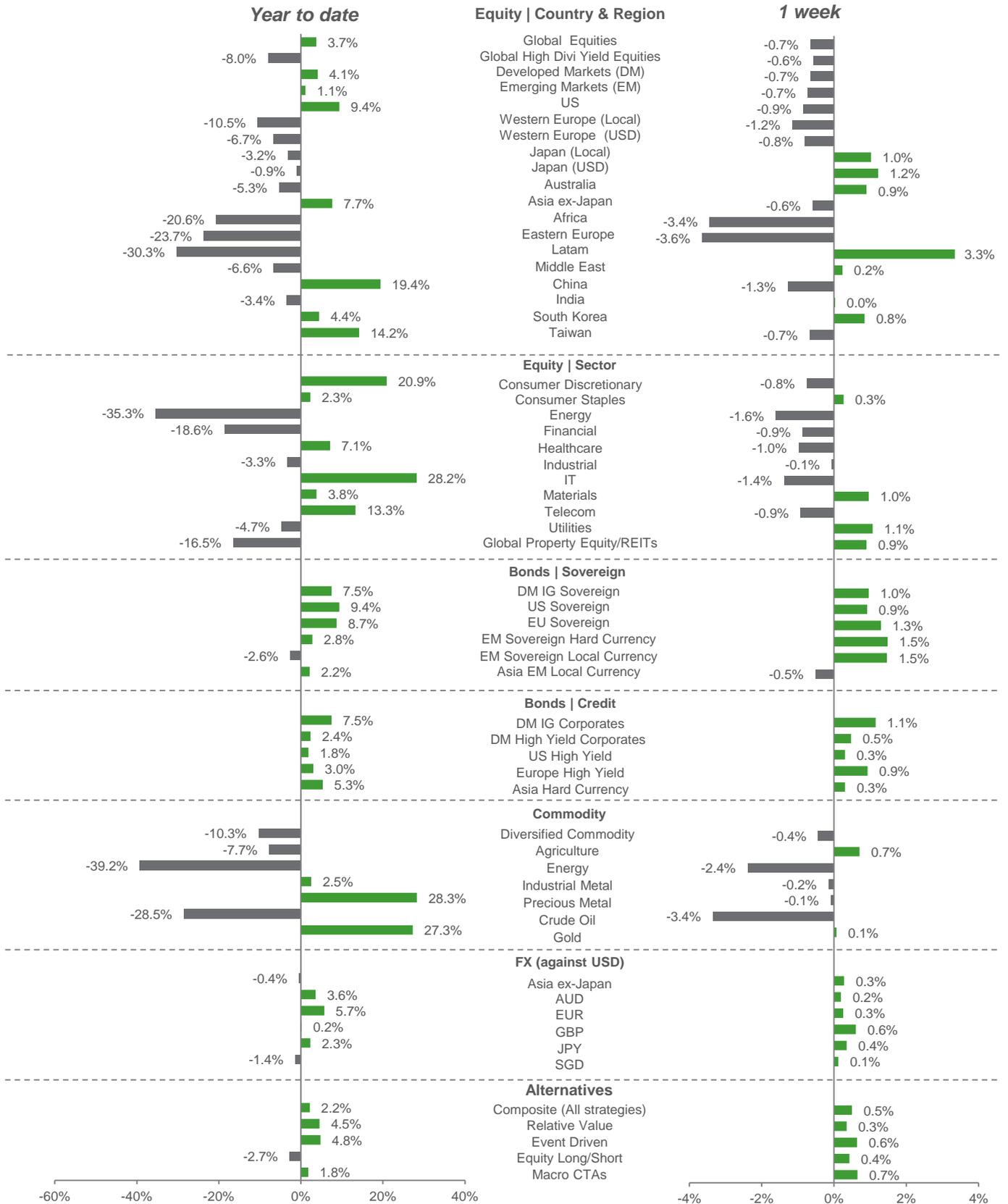
The broad USD has weakened almost 10% since President Trump assumed office in 2017, but USD/CNH is little changed, underscoring CNY's resilience

USD (DXY) index and USD/CNH



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, 2019 performance from 31 December 2019 to 3 September 2020, 1 week period: 27 August 2020 to 3 September 2020

Our asset class views at a glance

Equities ▲	Bonds (Rates) ▼	Bonds (Credit) ▲	Alternative Strategies ◆	Cash ▼	Gold ▲
Asia ex-Japan ▲	Govt EM local ◆	Asia USD ▲	Equity hedge ◆	USD ▼	
US ▲	Govt DM IG ▼	Govt EM USD ▲	Event-driven ◆	EUR ▲	
Euro area ▲		Corp DM HY ▲	Relative value ◆	GBP ▲	
Japan ◆		Corp DM IG ▼	Global macro ◆	AUD ▲	
Other EM ◆				CNY ◆	
UK ▼				JPY ◆	

Source: Standard Chartered Global Investment Committee

Legend: ▲ Most preferred | ▼ Less preferred | ◆ Core holding

Economic and market calendar

	Event	This Week	Period	Actual	Event	Next Week	Period	Prior
MON	JN	Industrial Production y/y	Jul P	-16.1%	GE	Industrial Production WDA y/y	Jul	-11.7%
	JN	Retail Sales y/y	Jul	-2.8%	EC	Sentix Investor Confidence	Sep	-13.4
	CH	Manufacturing PMI	Aug	51.0	CH	Exports y/y	Aug	7.2%
	JN	Consumer Confidence Index	Aug	29.3				
TUE	JN	Jobless Rate	Jul	2.9%	JN	Household Spending y/y	Jul	-1.2%
	EC	Unemployment Rate	Jul	7.9%				
	EC	CPI Core y/y	Aug P	0.4%	CH	CPI y/y	Aug	2.7%
	US	ISM Manufacturing	Aug	56.0	JN	Machine Tool Orders y/y	Aug P	-31.1%
WED	GE	Retail Sales NSA y/y	Jul	4.2%	FR	Industrial Production y/y	Jul	-11.7%
THUR	IN	Markit India PMI Composite	Aug	46.0	EC	ECB Deposit Facility Rate	10-Sep	-0.5%
	EC	Retail Sales y/y	Jul	0.4%	CH	Money Supply M2 y/y	Aug	10.7%
	US	ISM Non-Manufacturing PMI	Aug	56.9	CH	New Yuan Loans CNY	Aug	992.7b
FRI/SAT	GE	Factory Orders WDA y/y	Jul	-	UK	Industrial Production y/y	Jul	-12.5%
	UK	Markit/CIPS UK Construction PMI	Aug	-	IN	Industrial Production y/y	Jul	-16.6%
	US	Change in Nonfarm Payrolls	Aug	-	US	CPI Ex Food and Energy y/y	Aug	1.6%
	US	Unemployment Rate	Aug	-	US	Real Avg Weekly Earnings y/y	Aug	4.3%
	US	Average Hourly Earnings y/y	Aug	-				

Source: Bloomberg, Standard Chartered; key indicators highlighted in blue; *refers to Jan-Feb 2020 combined data

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

Disclosures

This document is confidential and may also be privileged. If you are not the intended recipient, please destroy all copies and notify the sender immediately. This document is being distributed for general information only and is subject to the relevant disclaimers available at <https://www.sc.com/en/regulatory-disclosures/#market-commentary-disclaimer>. It is not and does not constitute research material, independent research, 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. 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 must not be forwarded or otherwise made available to any other person without the express written consent of the Standard Chartered Group (as defined below). 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. 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 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.

Market Abuse Regulation (MAR) Disclaimer

Banking activities may be carried out internationally by different branches, subsidiaries and affiliates within the Standard Chartered Group 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 Standard Chartered Group's trading strategies or positions. Standard Chartered Group 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 Standard Chartered Group has a material interest in one or more of the financial instruments mentioned herein. Please refer to <https://www.sc.com/en/banking-services/market-disclaimer.html> for more detailed disclosures, including past opinions/recommendations in the last 12 months and conflict of interests, as well as disclaimers. A covering strategist may have a financial interest in the debt or equity securities of this company/issuer. This document must not be forwarded or otherwise made available to any other person without the express written consent of Standard Chartered Group.

Country/Market 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 Bank (Brunei Branch) | Registration Number RFC/61. Standard Chartered Bank is incorporated in England with limited liability by Royal Charter 1853 Reference Number ZC18 and 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 and Insurance Regulatory Commission (CBIRC), 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. AJ1614). The contents of

this document have not been reviewed by any regulatory authority in Hong Kong and you are advised to exercise caution in relation to any offer set out herein. If you are in doubt about any of the contents of this document, you should obtain independent professional advice. Any product named herein may not be offered or sold in Hong Kong by means of any document at any time other than to “professional investors” as defined in the SFO and any rules made under that ordinance. In addition, this document may not be issued or possessed for the purposes of issue, whether in Hong Kong or elsewhere, and any interests may not be disposed of, to any person unless such person is outside Hong Kong or is a “professional investor” as defined in the SFO and any rules made under that ordinance, or as otherwise may be permitted by that ordinance. In Hong Kong, Standard Chartered Private Bank is the private banking division of Standard Chartered Bank (Hong Kong) Limited. **Ghana:** Standard Chartered Bank Ghana Limited accepts no liability and will not be liable for any loss or damage arising directly or indirectly (including special, incidental or consequential loss or damage) from your use of these documents. Past performance is not indicative of future results and no representation or warranty is made regarding future performance. You should seek advice from a financial adviser on the suitability of an investment for you, taking into account these factors before making a commitment to invest in an investment. To unsubscribe from receiving further updates, please click [here](#). Please do not reply to this email. Call our Priority Banking on 0302610750 for any questions or service queries. You are advised not to send any confidential and/or important information to the Bank via e-mail, as the Bank makes no representations or warranties as to the security or accuracy of any information transmitted via e-mail. The Bank shall not be responsible for any loss or damage suffered by you arising from your decision to use e-mail to communicate with the Bank. **India:** This document is being distributed in India by Standard Chartered Bank in its capacity as a distributor of mutual funds and referrer of any other third party financial products. Standard Chartered Bank does not offer any ‘Investment Advice’ as defined in the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013 or otherwise. Services/products related securities business offered by Standard Chartered Bank are not intended for any person, who is a resident of any jurisdiction, the laws of which imposes prohibition on soliciting the securities business in that jurisdiction without going through the registration requirements and/or prohibit the use of any information contained in this document. **Indonesia:** This document is being distributed in Indonesia by Standard Chartered Bank, Indonesia branch, which is a financial institution licensed, registered and supervised by Otoritas Jasa Keuangan (Financial Service Authority). **Jersey:** 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 SC Group Entity 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:** This document is being distributed in Kenya by, and is attributable to Standard Chartered Bank Kenya Limited. 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. **Nigeria:** This document is being distributed in Nigeria by Standard Chartered Bank Nigeria Limited, a bank duly licensed and regulated by the Central Bank of Nigeria. **Pakistan:** This document is being distributed in Pakistan by, and attributable to Standard Chartered Bank (Pakistan) Limited having its registered office at PO Box 5556, I.I Chundrigar Road Karachi, which is a banking company registered with State Bank of Pakistan under Banking Companies Ordinance 1962 and is also having licensed issued by Securities & Exchange Commission of Pakistan for Security Advisors. Standard Chartered Bank (Pakistan) Limited acts as a distributor of mutual funds and referrer of other third party financial products. **Singapore:** This document is being distributed in Singapore by, and is attributable to, Standard Chartered Bank (Singapore) Limited (Registration No. 201224747C/ GST Group Registration No. MR-8500053-0, “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. Standard Chartered Private Bank is the private banking division of SCBSL. IN RELATION TO ANY SECURITY OR SECURITIES-BASED DERIVATIVES CONTRACT REFERRED TO IN THIS DOCUMENT, 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”)). THIS DOCUMENT IS INTENDED FOR DISTRIBUTION TO ACCREDITED INVESTORS, AS DEFINED IN SECTION 4A(1)(a) OF THE SFA, OR ON THE BASIS THAT THE SECURITY OR SECURITIES-BASED DERIVATIVES CONTRACT 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 any security or securities-based derivatives contract, neither this document nor the Issuer Documentation has been 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. In relation to any collective investment schemes referred to in this document, 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 capital markets product; or (ii) an advertisement of an offer or intended offer of any capital markets 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. **UAE:** DIFC - 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 Bank, Dubai International Financial Centre 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 authorised 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 at: <https://www.sc.com/en/banking/islamic-banking/islamic-banking-disclaimers/> **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. **Vietnam:** This document is being distributed in Vietnam by, and is attributable to, Standard Chartered Bank (Vietnam) Limited which is mainly regulated by State Bank of Vietnam (SBV). Recipients in Vietnam should contact Standard Chartered Bank (Vietnam) Limited for any queries regarding any content of this document. **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.