Weekly Update

C0 | EXTERNAL PUBLICATION


Alan Mudie
(41) 22 819 0255
alan.mudie@socgen.com


Xavier Denis
Head of investment Strategy
(33)1 5637 9817
xavier.denis@socgen.com


Antonio Bertone
Global strategist
(33)1 42 13 24 06
antonio.bertone@socgen.com


Sophie Fournier
Global strategist
(33)1 42 14 59 36
sophie.fournier@socgen.com


Paul Beecham
Editor in chief
(33) 1 56 37 39 61
paul.beecham@socgen.com

In accordance with the applicable regulation, we inform the reader that this material is qualified as a marketing document.

CA169/JUNE/2018

All data taken from Bloomberg.

Emerging markets and the dollar – Love & Hate

The fates of emerging market (EM) economies and the US dollar have long been intertwined. Since the dollar replaced sterling as the world's dominant reserve currency, most pricing of raw materials and much invoicing of traded goods has been in US dollars. With many emerging economies largely dependent on exploiting their mineral wealth, it became common to link their currencies, more or less closely, to the dollar. This in turn encouraged governments to finance themselves in USD – interest rates were lower than in domestic markets – creating a structural mismatch between their tax take and liabilities.

It is no surprise therefore that fluctuations in the dollar against local currencies and variations in the cost of borrowing in USD have disproportionate influence on EM sovereign and corporate finances. The countries most at risk tend to be those which are most dependent on external funding, that is with the largest current account deficits. Crises in the EM complex have thus often been triggered by strength in the dollar or spiraling Fed Funds rates. Or both.

In recent years, many EM economies have made great strides in correcting macro imbalances and in reducing their dependence on dollar financing. And a growing asset class has developed in EM local-currency bonds. However, the dollar still holds sway. While economic development has reduced the relative importance of raw material exports, many companies have become increasingly integrated in global supply chains where the dollar dominates.

So, it should come as no surprise that the combination of this year's dollar rally (the Dollar Index against advanced world currencies is up 6.7% from its February low while the JPM index of EM currencies is very close to all-time lows) and the quickening pace of policy normalization by the US Federal Reserve has triggered a sell-off in EM. In addition, rising trade tensions between the US and the rest of the world have raised fears that the international trading system will be undermined – if so, EM have much to lose.

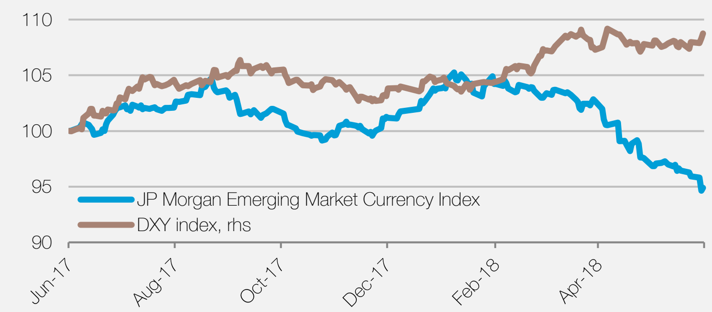
According to IIF data, the recent Fed hike and the announcement by President Trump that an additional $200bn of imports from China would face 10% tariffs triggered a bout of portfolio outflows from EM. Since the June Fed meeting, redemptions have reached some $5.5bn, with the bulk coming out of EM equities, reversing recent inflows.

Will the dollar's "exorbitant privilege" continue? At present, there are no obvious replacements. The euro zone is still building its institutional framework (although this week's Meseberg agreement between Germany and France does mark a real breakthrough) and full internationalization of the Renminbi is still some way off. However, the US's increasingly isolationist and protectionist stance will hasten the search for alternatives.

Bottom line. Macro fundamentals have improved across EM economies – those with sharp current account deficits, such as Argentina and Turkey, look like the exception rather than the rule. EM currencies look cheap, down 7.2% year-to-date. Growth remains robust – our economists expect real GDP to rise 5% this year after 4.8% in 2017. Yields are relatively attractive, at 6.9% for the EM Investment Grade index, and while earnings growth has slowed, the consensus expects +15.9% for 2018. However, as long as US rates ratchet upwards, trade concerns swirl and outflows continue, EM's love/hate relationship with the strengthening dollar looks rocky. Stay cautious near term.

A stronger dollar sends emerging currencies plummeting

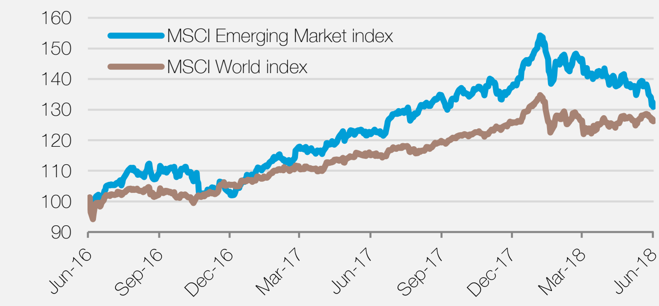
100 = 21/06/2017



Source: Bloomberg, 21/06/2018

Trump policy triggers outflows from EM equity funds

MSCI EM vs MSCI World, in USD (21/06/2016=100)



Source: Datastream, 21/06/2018

This week and next

EUROZONE

- Consumer confidence in June reached an 8-month low -0.5, still well above the 10-year average of -13.
- In its first estimate, manufacturing confidence fell from 55.5 to 55 in June, while the index for services increased from 53.8 to 55 sending the PMI composite index up from 54.1 to 54.8.
- The current account surplus narrowed from €32.8bn to €28.4bn in April but remains close to decade highs.

Next week's key events		Per.	Prev.	Cons.
28 Jun	Business climate	Jun	1.45	--
28 Jun	Economic sentiment	Jun	112.5	--

UNITED KINGDOM

- In the CBI Industrial Trends survey, total orders surprised on the upside rising from -3 to +13 in June after 5 months of decline. However, the recovery has more to do with domestic demand than exports.
- The Bank of England stayed put in light of recent weak economic data, although one of the nine members switched his vote from no-change to hike. However, the BoE said it expected growth to recover soon, which could lead to a rate hike before year-end.

Next week's key events		Per.	Prev.	Cons.
28 Jun	Nationwide house price index, YoY	Jun	2.4%	--
--	--	--	--	--

UNITED STATES

- Industrial production slipped 0.1% in May after +0.9% the previous month. Capacity utilization was worse than expected at 77.9% after 78.1% in April.
- Housing starts increased from 1.29m to 1.35m units in May, or 5% MoM. Existing home sales fell -0.4% MoM from 5.45m to 5.43m in May.
- Although slightly above expectations, the Q1 current account balance fell to $-124.1bn, the most negative since the crisis.
- Jobless claims were stable at 218k last week vs 221k the week before, showing the job market remains very strong.

Next week's key events		Per.	Prev.	Cons.
26 Jun	Consumer confidence	Jun	128	128
27 Jun	Durable goods	May	-1.6%	0.2%

ASIA & EMERGING COUNTRIES

- In Japan, exports climbed 8.1% YoY in May while imports rose 14%, widening the trade deficit to ¥-578.3bn. The Bank of Japan left rates unchanged at -0.1%.
- In its first estimate, Japanese manufacturing confidence edged up from 52.8 to 53.1 in June. Headline consumer prices rose 0.7% YoY in May versus 0.6% in April.
- Contrary to most central banks in the region, the Bank of Thailand kept rates unchanged at 1.5% but raised its GDP growth forecast for this year to 4.4%.

Next week's key events		Per.	Prev.	Cons.
28 Jun	Japan: Retail sales, YoY	May	1.5%	--

Sources: Datastream, Bloomberg, 25 June 2018, Note: YoY = year-on-year; QoQ = quarter-on-quarter; MoM = month-on-month, P = preliminary figure, A = advanced figure, F = final figure, seasonally adjusted, ECB = European Central Bank

Our 6-month targets for currencies and commodities

	Thursday close	6mth target
EUR/USD	1.16	1.23
GBP/USD	1.33	1.40
EUR/CHF	1.15	1.18
USD/JPY	110	110
Brent	$73.7	$65
Gold	$1268	$1275

Forecast figures are not a reliable indicator of future performance

No change to our 6-month targets this week.

Question time

Past performance should not be seen as a guarantee of future returns.

CURRENCIES

What are your views on the Canadian dollar?

Persistent uncertainty regarding the North American Free Trade Agreement (NAFTA) will revive speculation on USD/CAD given its high sensitivity to market volatility and relative financial conditions in the US and Canada.

The Bank of Canada is likely to stay cautious until the sky clears out. Rising commodity prices will lead to higher inflation but this is already well factored in. Although recent rate hikes may slow activity, the gap with the US is limited.

Steady improvement in export competitiveness and the terms of trade could support the Canadian dollar, especially if we are right to believe that broad dollar index is peaking. Positioning and technical signals are neutral. Our valuation model suggests 1.8% downside potential for USD/CAD.

CURRENCIES

What are your views on the Mexican peso?

In the short term, the peso will remain weakened by NAFTA negotiations, the implementation of tariffs on aluminium and steel, the July 1st election and a more fragile economy. But once the dust is settled, investors will be attracted by its cheapness.

We still believe NAFTA members will eventually come to an agreement but hard to say when. Tariff on aluminium and steel will likely be implemented when exemptions expire on June 1st. A more definitive agreement might not happen before next year as Congress missed the deadline for a deal. Until then, frequent phases of risk aversion are likely.

Populist Andrés Manuel López Obrador is leading polls and could take over ruling PRI party. The conservatives PAN party is facing divisions. Economic policies will be tilted to the left, with uncertain consequences. However, Obrador suggested he supports NAFTA and does not intend to go for a profound reshuffle of economic policies. Also, polls suggest he will not get a majority in the Lower House, leaving limited leeway for deep policy changes – except maybe in the energy sector.

Growth momentum will continue weakening. Uncertainty is likely to weigh on business confidence and limits spending by corporates and households. Furthermore, the countries' budget balances are deteriorating gradually.

Although pre-electoral concerns will limit the peso's upside, speculators are still strong buyers. Use any cheapness after the vote to purchase the peso in a less volatile market.

Market performance

Past performance should not been seen as a guarantee of future returns.

Interest rates

Interest rates	Last	1wk		3mth	YTD	12mth
EONIA (EUR)	-37 bp	0 bp	→	0 bp	-2 bp	0 bp
3mth Euribor (EUR)	-32 bp	0 bp	→	1 bp	1 bp	1 bp
3mth Libor (USD)	234 bp	0 bp	→	6 bp	64 bp	105 bp
3mth Libor (GBP)	64 bp	1 bp	→	0 bp	11 bp	35 bp
10-year US Treasury bond	290 bp	-5 bp	↓	-1 bp	48 bp	74 bp
10-year German bond	33 bp	-10 bp	↓	-26 bp	-9 bp	6 bp
10-year French bond	63 bp	-8 bp	↓	-9 bp	-4 bp	2 bp
10-year UK bond	133 bp	-6 bp	↓	-24 bp	10 bp	37 bp

Credit

Credit	1wk		3mth	YTD	12mth
BAML EURO Corp. IG	0.4%	↑	0.3 %	-0.2 %	0.8 %
BAML EURO Corp HY	-0.1%	↓	-0.5 %	-0.8 %	1.6 %
BAML GBP Corp IG	0.1%	↑	1.0 %	-1.2 %	-0.5 %
BAML US IG	-0.2%	↓	-0.4 %	-3.4 %	-1.5 %
BAML US HY	0.0%	→	1.4 %	0.6 %	3.4 %
BAML Emerging External Sovereign	-0.4%	↓	-4.2 %	-6.3 %	-2.1 %

Exchange rates

Exchange rates	Last	1wk		3mth	YTD	12mth
EUR/USD	1.16	0.3 %	↑	-6.0 %	-3.4 %	3.9%
EUR/CHF	1.15	-0.2 %	↓	-1.8 %	-1.7 %	6.0%
GBP/USD	1.33	-0.1 %	→	-6.3 %	-1.9 %	4.6%
USD/JPY	110	-0.6 %	↓	3.7 %	-2.4 %	-1.2%
USD/BRL	3.77	-1.0 %	↓	15.2 %	13.8 %	13.0%
USD/CNY	6.49	1.4 %	↑	2.7 %	-0.2 %	-4.9%
USD/RUB	63.6	1.7 %	↑	11.9 %	10.4 %	5.6%

Government bonds

Government bonds	1wk		3mth	YTD	12mth
United States (3-7yr)	0.3 %	↑	0.4 %	-1.2 %	-1.7 %
United Kingdom (3-7yr)	0.1 %	↑	1.2 %	-0.3 %	-1.0 %
Germany (3-7yr)	0.4 %	↑	1.2 %	0.8 %	0.2 %
Japan (3-7yr)	0.0 %	→	0.0 %	0.0 %	0.1 %

Equities*

Equities*	Last	1wk		3mth	YTD	12mth
MSCI AC World	509	-1.9 %	↓	-0.6 %	0.6 %	12.1 %
Eurostoxx 50	3 404	-3.5 %	↓	2.6 %	0.0 %	-0.8 %
DAX	12 512	-4.5 %	↓	1.7 %	-3.1 %	-2.1 %
CAC 40	5 316	-3.8 %	↓	4.1 %	2.8 %	4.1 %
S&P 500	2 750	-1.2 %	↓	1.9 %	3.8 %	15.1 %
FTSE 100	7 556	-2.7 %	↓	8.8 %	0.5 %	5.6 %
SMI	8 460	-2.7 %	↓	-1.8 %	-6.8 %	-2.6 %
Topix	1 751	-1.9 %	↓	3.0 %	-2.7 %	10.9 %
IBOV Brazil	70 075	-1.9 %	↓	-17.5 %	-8.3 %	15.3 %
MICEX Russia *	2 246	-0.3 %	↓	-2.8 %	6.5 %	21.4 %
MSCI EM	1 080	-4.0 %	↓	-10.1 %	-5.8 %	10.2 %
SENSEX 30 India	35 432	-0.5 %	↓	7.4 %	5.4 %	14.7 %
Hang Seng (H-K)	29 296	-3.7 %	↓	-5.6 %	-0.6 %	18.6 %
Shanghaï Composite	2 876	-5.5 %	↓	-12.3 %	-13.0 %	-8.9 %

Commodities

Commodities	Last	1wk		3mth	YTD	12mth
Brent	$74	-3.1 %	↓	6.3 %	10.6 %	60.7 %
Gold	$1 268	-2.9 %	↓	-4.3 %	-2.7 %	1.8 %
Silver	$16.3	-5.3 %	↓	-1.0 %	-4.1 %	-0.5 %

Source: Datastream, on 21/06/2018. 1wk = 1-week change, 3mth = 3-month change, 12mth = 12-month change, YTD = year-to-date change, YoY = year-on-year change, BAML = Bank of America Merrill Lynch, JPM = JP Morgan, IG = Investment Grade, EM = emerging markets. * Price return for MICEX equity index. Equities; total return in local currency. Government bonds = 3-7 year returns. Figures are rounded.

Important information

Kleinwort Hambros is the brand name of SG Kleinwort Hambros Bank Limited, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The firm reference number is 119250. The company is incorporated in England and Wales under number 964058 and its registered address is 5th Floor, 8 St James's Square, London SW1Y 4JU.

Societe Generale Private Banking is a division of the Societe Generale Group operating through its head office within Societe Generale S.A. and its network (subsidiaries, branches or departments of Societe Generale S.A.) located in the countries mentioned hereafter which use the "Societe Generale Private Banking" and "Kleinwort Hambros" brands, and which distribute this document.

Subject of the document

This document has been prepared by experts of the Group Societe Generale, and more particularly of Societe Generale Private Banking division, to provide you with information relating to certain financial and economic data. The names and functions of the people who prepared this document are indicated on the first pages of the document.

This document is non-independent research and is a marketing communication. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and the investment service provider is not subject to any prohibition on dealing ahead of the dissemination of investment research.

In order to read and understand the financial and economic information included in this document, you will need to have knowledge and experience of financial markets. If this is not the case, please contact your advisor so that you no longer receive the document. Unless you do this, we shall consider that you have the necessary skills to understand this document.

Please note that this document only aims to provide simple information to help you in your investment or disinvestment decisions, and that it does not constitute a personalised recommendation. You remain responsible for the management of your assets, and you take your investment decisions freely. Moreover, the document may mention asset classes that are not authorised/marketed in certain countries, and/or which might be reserved for certain categories of investors. Therefore, should you wish to make an investment, as the case may be and according to the applicable laws, your advisor within the Societe Generale Private Banking entity of which you are a client will check your eligibility for this investment and whether it corresponds to your investment profile.

Should you not wish to receive this document, please inform your private banker in writing, and he/she will take the appropriate measures.

Conflicts of interest

This document contains the views of Societe Generale Private Banking's experts. Societe Generale Private Banking trading desks may trade, or have traded, as principal on the basis of the expert(s) views and reports. In addition, Societe Generale Private Banking's experts receive compensation based, in part, on the quality and accuracy of their analysis, client feedback, revenues of their entity of the Societe Generale Group and competitive factors.

As a general matter, entities within the Societe Generale Group may make a market or act as a principal trader in securities referred to in this report, and can provide banking services to the companies mentioned in that document, and to their subsidiary. Entities within the Societe Generale Group may from time to time deal in, profit from trading on, hold on a principal basis, or act advisers or brokers or bankers in relation to securities, or derivatives thereof, or asset class(es) mentioned in this document.

Entities within the Societe Generale Group may be represented on the supervisory board or on the executive board of such persons, firms or entities.

Employees of the Societe Generale Group, or persons/entities connected to them, may from time to time have positions in or hold any of the investment products/ asset class(es) mentioned in this document.

Entities within the Societe Generale Group may acquire orliquidate from time to time positions in the securities and/or underlying assets (including derivatives thereof) referred to herein, if any, or in any other asset, and therefore any return to prospective investor(s) may directly or indirectly be affected.

Entities within the Societe Generale Group are under no obligation to disclose or take into account this document when advising or dealing with or on behalf of customers.

In addition, Societe Generale Private Banking may issue other reports that are inconsistent with, and reach different conclusions from the information presented in this report and are under no obligation to ensure that such other reports are brought to the attention of any recipient of this report.

Societe Generale Group maintains and operates effective organisational and administrative arrangements taking all reasonable steps to identify, monitor and manage conflicts of interest. To help the Societe Generale Private Banking Entities to do this, they have put in place a management of conflicts of interest policy designed to prevent conflicts of interest giving rise to a material risk of damage to the interests of Societe Generale Private Banking's clients. For further information, Societe Generale Private Banking's clients can refer to the management of conflicts of interests policy, which was provided to them by the Societe Generale Private Banking entity of which they are clients.

General Warning

This document, which is subject to modifications, is provided for information purposes only and has no legal value.

This material has been prepared for information purposes only and is not intended to provide investment advice nor any other investment service. The document does not constitute and under no circumstances should it be considered in whole or in part as an offer, a personal recommendation or advice from any of the Societe Generale Private Banking entities, regarding investment in the asset classes mentioned therein. The information in this document does not constitute legal, tax or accounting advice.

Some products and services might not be available in all Société Générale Private Banking entities. Their availability in your jurisdiction may be restricted depending on local laws and tax regulations. You should be aware that the investment to which this material relates may involve numerous risks. The amount of risk may vary but can expose you to a significant risk of losing all of your capital, including a potential unlimited loss. Accordingly, these products or services may be reserved only for a certain category of eligible investors such as those who are sophisticated and familiar with these types of investment and who understand the risks involved. Also, they have to comply with the Société Générale Group Tax Code of Conduct. Furthermore, accessing some of these products, services and solutions might be subject to other eligibility conditions. Your private banker is available to discuss these products, services and solutions with you and to check if they can respond to your needs and are suitable for your investor profile.

Accordingly, before making an investment decision, a potential investor, as the case may be and according to the applicable laws, will be questioned by his or her advisor within the Societe Generale Private Banking entity, of which the investor is a client, regarding his eligibility for the envisaged investment, and the compatibility of this investment with his investment profile and objectives. Before any investment, the potential investor should also consult his own independent financial, legal and tax advisers in order to obtain all the financial, legal and tax information which will allow him to appraise the characteristics and the risks of the envisaged investment and the pertinence of the strategies discussed in this document, as well as the tax treatment of the investment, in the light of his own circumstances.

Prior to any investment, a potential investor must be aware of, understand and sign the related contractual and informative information, including documentation relating to risks. The potential investor has to remember that he should not base any investment decision and/or instructions solely on the basis of this document. Any investment may have tax consequences and it is important to bear in mind that the Societe Generale Private Banking entities, do not provide tax advice. A potential investor should seek independent tax advice (where appropriate).

Investment in some of the asset classes described in this document may not be authorised in certain countries, or may be restricted to certain categories of investors. It is the responsibility of any person in possession of this document to be aware of and to observe all applicable laws and regulations of relevant jurisdictions. This document is not intended to be distributed to people or in jurisdictions where such distribution is restricted or illegal. It is not to be published or distributed in the United States of America and cannot be made available directly or indirectly in the United States of America or to any U.S. person.

The price and value of investments and the income derived from them can go down as well as up. Changes in inflation, interest rates and exchange rates may have adverse effects on the value, price and income of investments issued in a different currency from that of the client. The simulations and examples included in this document are provided for informational and illustration purposes alone. The present information may change with market fluctuations, and the information and views reflected in this document may change. The Societe Generale Private Banking entities disclaim any responsibility for the updating or revising of this document. The document's only aim is to offer information to investors, who will take their investment decisions without relying solely on this document. The Societe Generale Private Banking entities disclaim all responsibility for direct or indirect losses related to any use of this document or its content. The Societe Generale Private Banking entities do not offer no implicit or explicit guarantees as to the accuracy or exhaustivity of the information or as to the profitability or performance of the asset classes, countries and markets concerned.

The historical data, information and opinions provided herein have been obtained from, or are based upon, external sources that the Societe Generale Private Banking entities believe to be reliable, but which have not been independently verified. The Societe Generale Private Banking entities shall not be liable for the accuracy, relevance or exhaustiveness of this information. Information about past performance is not a guide to future performance and may not be repeated. Investment value is not guaranteed and the value of investments may fluctuate. Estimates of future performance are based on assumptions that may not be realised.

This document is confidential. It is intended exclusively for the person to whom it is given, and may not be communicated or notified to any third party (with the exception of external advisors, on the condition they themselves respect this confidentiality undertaking). It may not be copied in whole or in part without the prior written consent of the relevant Societe Generale Private Banking entity.

Specific warnings per jurisdiction

France: Unless otherwise expressly indicated, this document has been issued and distributed by Societe Generale, a French bank authorised and supervised by the Autorité de Contrôle Prudentiel et de Résolution, located at 61, rue Taitbout, 75436 Paris Cedex 09 under the prudential supervision of the European Central Bank ("ECB"), and under the control of the Autorité des Marchés Financiers ("AMF"). Societe Generale is also registered at ORIAS as an insurance intermediary under the number 07 022 493 orias.fr. Societe generale is a French Société Anonyme with its registered address at 29 boulevard Haussmann, 75009 Paris, with a capital of EUR 1,009,897,173.75 on 11 December 2017 and unique identification number 552 120 222 R.C.S. Paris. Further details are available on request or can be found at www.privatebanking.societegenerale.fr/.

Belgium: This document has been distributed in Belgium by Société Générale Private Banking SA/NV, a Belgian credit institution according to Belgian law and authorized and supervised by the National Bank of Belgium ("NBB") and the Financial Services and Markets Authority ("FSMA"), and under the prudential supervision of the European Central Bank- ECB. Société Générale Private Banking SA/NV is registered as an insurance broker at the FSMA under the number 61033A. Société Générale Private Banking SA/NV has its registered address at 9000 Ghent, Kortrijksesteenweg 302, registered at the RPM Ghent, under the number VAT BE 0415.835.337. Further details are available on request or can be found at www.privatebanking.societegenerale.be.

Luxembourg: This document has been distributed in Luxembourg by Societe Generale Bank and Trust ("SGBT"), a credit institution which is authorised and regulated by the Commission de Surveillance du Secteur Financier ("CSSF") under the prudential supervision of the European Central Bank ("ECB"), and whose head office is located at 11 avenue Emile Reuter – L 2420 Luxembourg. Further details are available on request or can be found at www.sgbt.lu. No investment decision whatsoever may result from solely reading this document. SGBT accepts no responsibility for the accuracy or otherwise of information contained in this document. SGBT accepts no liability or otherwise in respect of actions taken by recipients on the basis of this document only and SGBT does not hold itself out as providing any advice, particularly in relation to investment services. The opinions, views and forecasts expressed in this document (including any attachments thereto) reflect the personal views of the author(s) and do not reflect the views of any other person or SGBT unless otherwise mentioned. SGBT has neither verified nor independently analysed the information contained in this document. The CSSF has neither verified nor analysed the information contained in this document.

Monaco: The present document has been distributed in Monaco by Société Générale Private Banking (Monaco) S.A.M ., located 13, 15 Bd des Moulins, 98000 Monaco, Principality of Monaco, governed by the Autorité de Contrôle Prudentiel et de Résolution and the Commission de Contrôle des Activités Financières. The Financial products marketed in Monaco can be reserved for qualified investors in accordance with Law No. 1339 of 07/09/2007 and Sovereign Ordinance No 1.285 of 10/09/2007. Further details are available upon request or on www.privatebanking.societegenerale.mc.

Switzerland: This document has been communicated in Switzerland by Société Générale Private Banking (Suisse) SA (« SGPBS »), whose head office is located at rue du Rhône 8, CP 5022, CH-1211 Geneva 11. SGPBS is a bank authorized by the Swiss Financial Market Supervisory Authority ("FINMA"). Further details are available on request or can be found at www.privatebanking.societegenerale.ch.

This document (i) does not provide any opinion or recommendation about a company or a security, or (ii) has been prepared outside of Switzerland for the « Private banking ». Therefore, the Directives of the Swiss Bankers Association (SBA) on the Independence of Financial Research do not apply to this document.

This document has not been prepared by SGPBS. SGPBS has neither verified nor independently analyzed the information contained in this document. SGPBS accepts no responsibility for the accuracy or otherwise of information contained in this document. The opinions, views and forecasts expressed in this document reflect the personal views of the relevant author(s) and shall not engage SGPB's liability.

This document is not a prospectus within the meaning of articles 652a and 1156 of the Swiss Code of Obligations.

This document is issued by the following companies in the Kleinwort Hambros Group under the brand name Kleinwort Hambros: