HongLeong Bank

Global Markets Research
Weekly Market Highlights

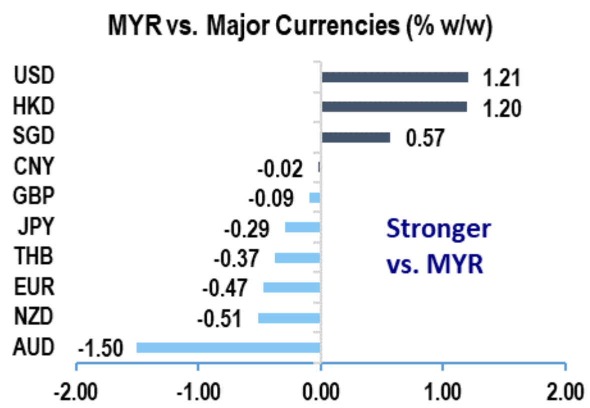
Markets

	Last Price	WOW%	YTD %
Dow Jones Ind.	30,038.72	0.37	-17.34
S&P 500	3,669.91	-1.99	-23.00
FTSE 100	6,850.27	-2.10	-7.23
Hang Seng	16,389.11	-9.01	-29.95
KLCI	1,373.36	-3.31	-12.39
STI	3,040.45	-3.53	-2.66
Dollar Index	112.48	0.20	17.57
WTI oil ($/bbl)	89.24	0.89	15.74
Brent oil ($/bbl)	94.73	0.33	21.79
Gold (S/oz)	1,670.00	-2.44	-8.67

Source: Bloomberg

- Stocks staged a massive comeback tiggered by speculation the year-long selloff had reached the bottom. This comes after chip stockswere sold off earlier in the week on new export rules and investors staying pat on key inflation data. The S&P broke its six-day losing streak, while the Dow Jones Industrial Average ended the week relatively flat at +0.4% w/w. The much awaited US CPI came above expectation at +8.2% y/y. Non-farm payroll increased at a slower pace by 263k and unemployment rate edged down to 3.5%. With this, we expect further hikes to end the year at 4.25%-4.50%.
- Key data due to be released in the US next week includes the Fed Beige Book, housing statistics, leading Index as well as industrial production. China is also expected to release a string of economic numbers, from GDP to fixed asset investments which could provide an insight into the property market. In terms of monetary policy, we expect no change in key loan prime rates at 3.65% and 4.30% respectively for the 1-year and 5-year tenure. Back home, we expect CPI to moderate somewhat in September but exports to continue growing at double-digit pace.

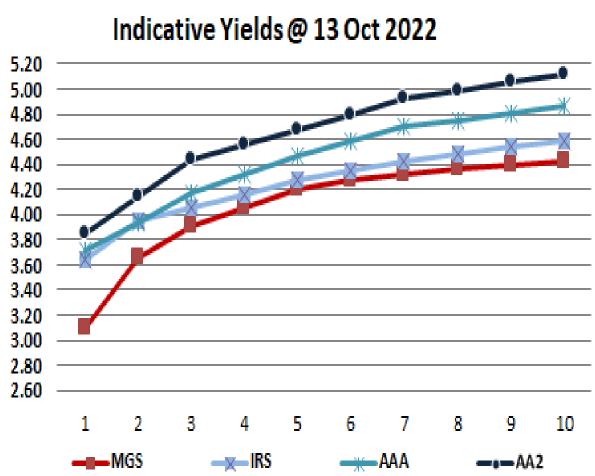
Forex



Source: Bloomberg

- **MYR:** MYR weakness lingered for a 7th straight week, changing big figures each and every day, closing out the week 1.2% softer against the USD at 4.6935, its weakest since the Asian Financial Crisis. Besides USD strength, we believe political uncertainties following the dissolution of the Parliament earlier this week has dampened the MYR. The pair remains technically ***Bullish***, and positive momentum indicator is building up, pointing to likelihood of further upward move. 4.70 will be the next resistance, which if broken, would further instill bullishness in the pair, potentially targeting 4.80 next. That said, we expect a range of 4.65-4.72 in the week ahead for now. Malaysia CPI and exports are on the deck, where we are expecting some moderation in CPI but exports growth to remain in hefty double-digit pace.
- **USD:** The Dollar Index extended its upward trajectory again and settled 0.09% higher w/w at 112.36. Upside surprises in CPI dented expectations of a potential Fed policy pivot and rate hike bets will continue to keep the USD biddish in the near term. We therefore remain Bullish on the USD going into next week, eyeing a range of 111-115. Fed Beige Book, industrial production, housing data and leading index will be key watch.

Fixed Income



Source: Bloomberg/ BPAM

- **UST:** For the week under review, US Treasuries generally saw a steep sell-off especially in the front-ends, sparked by red hot September CPI data suggesting that a 75bps rate hike is likely in the next FOMC meeting in November. The curve shifted up and flattened slightly as overall benchmark yields spiked between 13-19bps. T**he UST 2Y yield spiked 19bps w/w to its highest ever levels in 15 years @ 4.45% whilst the much-watched UST 10Y (which ranged tighter but higher between 3.82-3.95%), rose 13bps higher to 3.96%.** Although the 3Y note auction was well-received, the 10Y note and 30Y bond auctions notched weak bidding metrics. Expect bonds to move sideways-to-lower next week as investors digest recent events.

- **MGS/GII:** Local govvies saw both MGS/GII weaken w/w following the unveiling of the National Budget 2023 with expectations of higher gross issuances next year along with uncertainties over the impending GE15 outcome. Both curves shifted higher as overall benchmark yields closed mostly up between 2-15bps across (save for the long-end GII's). **The benchmark 5Y MGS 11/27 jumped 12bps higher to 4.21% whilst the 10Y MGS 7/32 edged 2bps up at ~4.37%.** The average daily secondary market volume fell 25% to ~RM1.75b w/w with interest seen mainly in the off-the-run 23's 29's, 31's and benchmark 3Y, 5Y MGS. The 10Y GII auction amounting to RM3.5b (which formed part of overall RM6.0b issuance) saw muted bidding metrics with BTC ratio at 1.739x and awarded at 4.506%. Expect local govvies to weaken next week following the rub-on effects of just-released elevated US September inflation data.

Macroeconomic Updates

- **Markets staged a U-turn recovery.** Stocks staged a massive comeback Thursday tiggered by speculation the year-long selloff had reached the bottom. This comes after chip stocks were sold off earlier in the week on new export rules as well as investors staying pat on key consumer report. Stocks were also supported by favourable earnings from Delta Air Lines Inc., Domino's Pizza Inc., and Walgreens Boots Alliance Inc. As a result, NASDAQ fell 3.7% w/w, while the S&P 500 ended the week only marginally lower at 2.0% w/w, breaking a six-day losing streak. The Dow Jones Industrial Average was relatively flat at +0.4% w/w. Oil prices also mirrored the downtrend in the equities market on strong dollar, recession worries and hawkish Fed. BOE Governor Andrew Bailey's comments that its market intervention will be over soon also rattled the markets. The West Texas Intermediate and Brent ended the week slighty higher at +0.9% /w and +0.3% w/w to $89.24/barrel and $94.73/barrel as US crude report flagged potential bullish drivers and markets shrugged off upbeat U.S. inflation data.

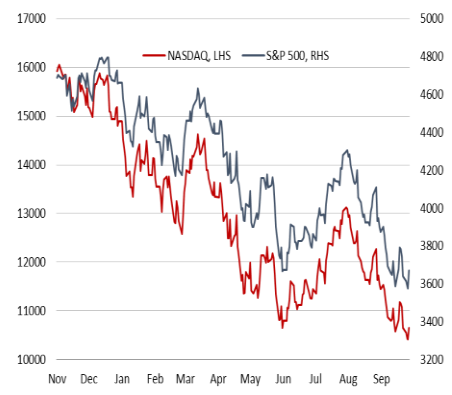
- **FOMC minutes said inflation remained stubbornly high; suggesting the Fed's aggressive rate hike path will stay:** In its latest FOMC minutes, Federal Reserve officials observed that inflation remained unacceptably high and commented that recent inflation data generally had come in above expectations and is expected to persist in the near term. This is not surprising considering producer price index rebounded more than expected to increase 0.4% m/m in September (Aug: -0.2%), while the much awaited CPI rose more than expected at +0.4% m/m and +8.2% y/y.

- **Labour market remains tight:** Participants in the Sept FOMC meeting also noted that the labor market had remained very tight, as evidenced by a historically low unemployment rate, elevated job vacancies and quit rates, a low pace of layoffs, robust employment gains, and high nominal wage growth. Non-farm payroll increased by 263k in September, while unemployment rate edged down to 3.5%. Initial jobless claims rose for the second week, albeit at a slower pace of +9,000 to 228,000, close to pre-pandemic low. Similarly, tight labour market is also observed in the UK, with unemployment rate falling to 3.5% in the three months to August, the lowest level since February 1974.

- **Continuus policy tightening with strong 3Q numbers:** The hawkish Fed minutes and the latest indicators suggest that the Fed have no plans to dial back its aggressive tightening policies anytime soon and we expect further hikes in the next 2 policy meetings to end the year at 4.25%-4.50%. Market bets on rate also leaned towards a back-to-back 75 hikes at both meetings after the CPI data. Nearer to home, the Monetary Authority of Singapore (MAS) also announced that it would re-centre the mid-point of the Singapore dollar nominal effective exchange rate (S$NEER) to its prevailing level, with no changes to the slope and width of the band, in attempt to reduce imported inflation and help curb domestic cost pressures. This comes after the release of 3Q GDP numbers which came above expectation at 4.4% y/y. For Malaysia, industrial production remained in double digit territory at +13.6% y/y in August, reaffirming our expectations for double-digit advance in real GDP growth in 3Q22. Growth is expected to taper to low single-digit in 4Q, keeping our full year growth forecast of 7.4% intact. Unlike MAS where there will be no monetary policy meetings scheduled for the rest of the year, strong economic data would give leeaway Bank Negara to raise rate by another 25bps in its next meet in November.

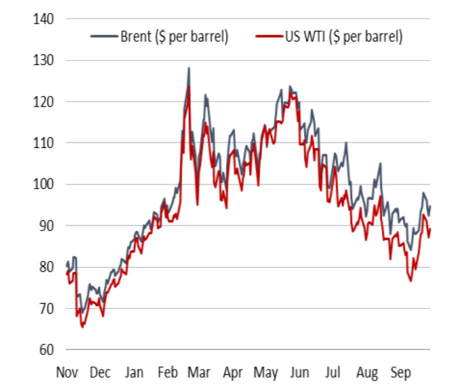
- **Next week data:** Key data due to be released in the US includes housing statistics such as NAHB Housing Index, housing starts, building permits and existing home sales. Other numbers to watch out for include the leading Index well as manufacturing numbers like industrial production and capacity utilisation, not forgetting the Fed Beige Book. China is expected to release a string of economic mumbers, from 3Q GDP, industrial production, retail sales to fixed asset investments which could provide an insight into the property market. China is also expected to announce the key loan prime rates and we expect no change at 3.65% and 4.30% respectively for the 1-year and 5-year tenure. In Europe, we will be watching out for CPI, ZEW and Gfk Consumer Consumer from the Eurozone and the UK. Nearer to home, we will be tuning into Singapore's NODX and Malaysia's inflation rate and exports.

Stocks staged a U-shaped recovery



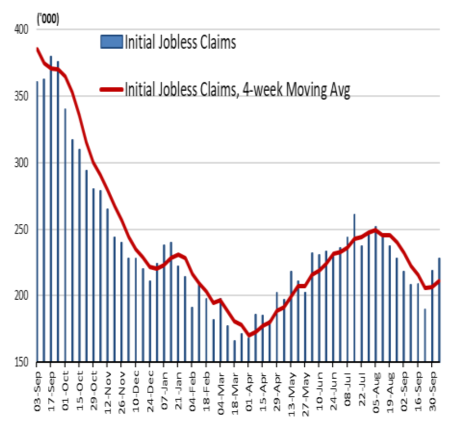
Source: Bloomberg

Oil prices edged up marginally



Source: Bloomberg

Initial jobless claims rose but at lower pace



Source: Bloomberg

Foreign Exchange

- **MYR:** MYR weakness lingered for a 7th straight week, changing big figures each and every day, closing out the week 1.2% softer against the USD at 4.6935, its weakest since the Asian Financial Crisis. Besides USD strength, we believe political uncertainties following the dissolution of the Parliament earlier this week has dampened the MYR. The pair remains technically ***Bullish***, and positive momentum indicator is building up, pointing to likelihood of further upward move. 4.70 will be the next resistance, which if broken, would further instill bullishness in the pair, potentially targeting 4.80 next. That said, we expect a range of 4.65-4.72 in the week ahead for now. Malaysia CPI and exports are on the deck, where we are expecting some moderation in CPI but exports growth to remain in hefty double-digit pace.

- **USD:** The Dollar Index extended its upward trajectory again and settled 0.09% higher w/w at 112.36. The DXY was trading in a volatile manner through the week within a range of 111.95-113.92 (prior 110.06-112.67), as the knee-jerk reaction post US CPI pushed it to a week-high of 113.92 followed by a sharp pullback below the 113 handles, a level it was seen holding on throughout the larger part of the week. Upside surprises in CPI dented expectations of a potential Fed policy pivot and rate hike bets will continue to keep the USD biddish in the near term. We therefore remain Bullish on the USD going into next week, eyeing a range of 111-115. Fed Beige Book, industrial production, housing data and leading index will be key watch.

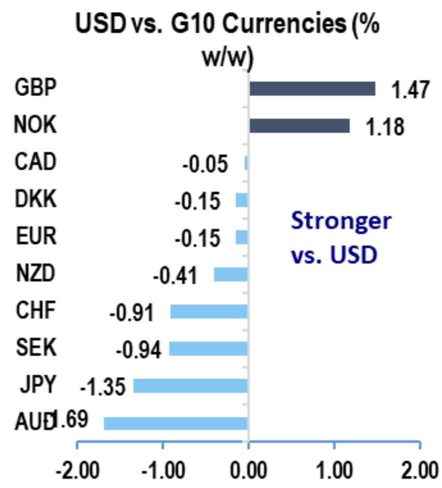
- **EUR:** EUR remained below parity and hovered around the 0.97 handles for the most part of the week (range of 0.9683-0.9817). EUR/ USD last closed at 0.9776, down 0.2% w/w. We expect a ***Neutral*** outlook in EUR/ USD next week, likely in range of 0.95-1.00. Technicals still point to a bearish EUR/ USD but the negative momentum continues to dissipate, offering rooms for some upside closer to parity again. Eurozone CPI, if surprises on the upside, will spur ECB rate hike expectations, hence potentially giving the EUR another boost.

- **GBP:** GBP continued to strengthen against the USD and outperformed other majors. Mirroring the USD, the sterling also went through a week of choppy trade although it hang on to the 1.10 big figure by and large before the spike to the 1.13 levels post US CPI release. GBP/ USD closed the week with a 1.5% gain, at 1.1326 as at Thursday's close, a pullback from the kneejerk spike to 1.1380 immediately after the US CPI print. GBP/USD outlook is ***Slightly Bullish*** potentially in a range of 1.10-1.15 in our view in the wake of expectations for policy reversal in relation to earlier tax cut plan. Technicals also suggest likelihood of an upward move with 1.10 serving as a key support. Similar to the Eurozone, UK inflation reports will be key but we suspect the sterling may see more muted moves relative to the EUR should there be any surprises given policy uncertainties in the UK.

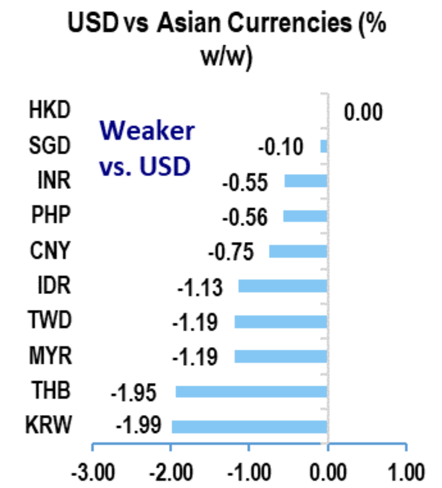
- **JPY:** The JPY weakened along with most other G10s amid sustained USD strength, depreciating 1.4% w/w to a Thursday's close of 147.12, pulling back from the week's high of 147.67 on Thursday. USD/ JPY was seen gyrating in a higher range of 144.72-147.67 (prior 143.53-145.30) this week, suggesting the pair is still attempting higher grounds despite being in overbought condition. The pair is technically ***Bullish*** and positive momentum indicator is picking up, paving the way towards 150 eventually although possibility of BOJ intervention may slow the pace of the rise. Will go with a range of 146-150 for the week ahead with all eyes on Japan CPI, exports and industrial production.

- **AUD:** AUD was the worst performing G10, weakening 1.7% w/w to 0.6298 as at Thursday close, down two big figures from last week's 0.6406. The dovish RBA hike in the October meeting continued to have reeling effect on the Aussie, in addition to lingering fear over a more severe fallout in the China economy. RBA minutes next week, China 3Q GDP, and annual Party Congress starting this weekend are expected to be key drivers influencing the Aussie in the week ahead. We are ***Slightly Bearish*** on AUD/ USD, potentially in a range of 0.60-0.64, with 0.60 serving as a critical support.

- **SGD:** SGD weakened again, after the brief advance last week. The SGD weakened to as much as 1.4413 on 12-October, before paring losses to a close of 1.4307 on Thursday, marking just a marginal loss of 0.1% w/w. Expectations for policy tightening by MAS, which materializes this morning, boosted the SGD towards later part of the week in our view. This morning, MAS announced it would re-centre the mid-point of the S$NEER to its prevailing level, with no changes to the slope and width of the band while advance 3Q GDP print suggests the Singapore economy has avoided a technical recession, registering a 1.5% q/q growth (2Q: -0.2% q/q). This positive vibes are expected to be positive for the SGD, limiting losses against a strong USD. We therefore expect USD/ SGD to trade on a ***Neutral*** note keeping to a range of 1.42-1.44 in the week ahead. Singapore NODX is on the cards but may not have any significant impact on the pair.



Source: Bloomberg



Source: Bloomberg

Forecasts

	Q4-22	Q1-23	Q2-23	Q3-23
DXY	115	113	110	110
EUR/USD	0.95	0.97	0.98	0.98
GBP/USD	1.10	1.10	1.11	1.12
AUD/USD	0.62	0.63	0.64	0.64
USD/JPY	147	146	145	144
USD/MYR	4.68	4.64	4.62	4.60
USD/SGD	1.45	1.44	1.42	1.40
USD/CNY	7.15	7.22	7.18	7.15

	Q4-22	Q1-23	Q2-23	Q3-23
EUR/MYR	4.45	4.49	4.52	4.51
GBP/MYR	5.15	5.10	5.13	5.16
AUD/MYR	2.90	2.92	2.96	2.94
SGD/MYR	3.23	3.23	3.25	3.29
CNY/MYR	0.66	0.64	0.64	0.64

Source: HLBB Global Markets Research

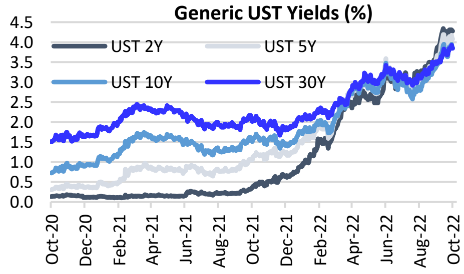
Fixed Income

- **UST:** For the week under review, US Treasuries generally saw a steep sell-off especially in the front-ends, sparked by red hot September CPI data suggesting that a 75bps rate hike is likely in the next FOMC meeting in November. The curve shifted up and flattened slightly as overall benchmark yields spiked between 13-19bps higher. T**he UST 2Y yield spiked 19bps w/w to its highest ever levels in 15 years @ 4.45% whilst the much-watched UST 10Y (which ranged tighter but higher between 3.82-3.95%), rose 13bps higher to 3.96%**. Although the 3Y note auction was well-received, the 10Y note and 30Y bond auctions notched weak bidding metrics in a sign that investors were mulling over bond market prospects for now. Elsewhere, Japanese investors became net buyers of USTs in August, for the 1st time in 10 months. Bond yields continue to be sensitive with volatility at elevated levels as rate hike premiums were added to both this year and next. At the time of writing, swaps pricing indicates peak rate of ~4.90% come May 2023. Expect bonds to move sideways-to-lower next week with as investors digest recent events.

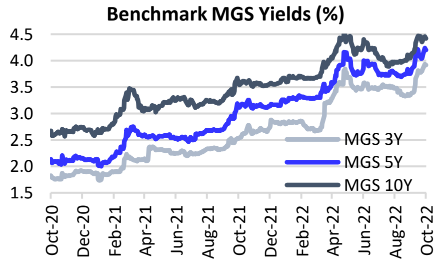
- **MGS/GII:** Local govvies saw both MGS/GII weaken w/w following the unveiling of the National Budget 2023 with expectations of higher gross issuances next year along with uncertainties over the impending GE15 outcome. Both bond curves shifted higher as overall benchmark yields closed mostly up between 2-15bps across (save for the long-end GII's. **The benchmark 5Y MGS 11/27 jumped 12bps higher to 4.21% whilst the 10Y MGS 7/32 edged 2bps up at ~4.37%.** The weekly secondary market volume dropped 25% to ~RM1.75b w/w with interest seen mainly in the off-the-run 23's 29's, 31's and benchmark 3Y, 5Y MGS. The 10Y GII auction amounting to RM3.5b (which formed part of overall RM6.0b issuance) saw muted bidding metrics with BTC ratio at 1.739x and awarded at 4.506%. Expect local govvies to initially weaken next week following the rub-on effects of just-released elevated US September inflation data.

- **MYR Corporate bonds/ Sukuk**: The week under review saw investors mainly sidelined post-Budget and concerns over the dissolution of parliament despite attractive yield spreads. **Trades were seen mainly across the GG-AA part of the curve as yields closed mostly higher amid the 45% drop in average daily market volume at a mere RM170m.** Topping the weekly volume were Sarawak Petchem 7/27 (GG) which jumped 21bps higher compared to previous-done levels at 4.59%. This was followed by its Sarawak Hidro 8/26 (AAA) bonds which also rose 20bps to 4.55% and subsequently MRL 7/26 which ballooned 45bps to 4.50%. Higher frequency of bond trades was seen in TENAGA bonds. Odd-lot transactions were seen in Sabah Development, Eco World International, Eco World Capital and TROPICANA bonds. The prominent fresh issuances for the week consisted of Amanat Lebuhraya Rakyat Bhd's Berhad's AAA-rated 2-15Y bonds totaling RM5.5b with coupons between 4.28-5.59% and Cagamas Bhd's AAA-rated 5Y bonds with a coupon of 4.54%.

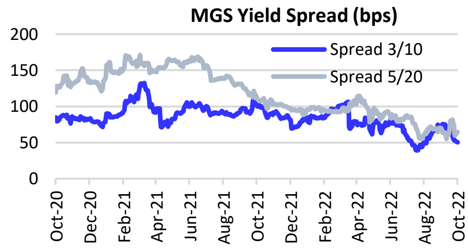
- **Singapore Government Securities:** SGS ended weaker w/w somewhat mirroring UST movements. The curve shifted up as overall benchmark yields rose between 5-14bps save for the short-end. The SGS 2Y declined 8bps instead to 3.23% whilst the 10Y bonds jumped 14bps higher to 3.51% (the SGS 10Y ranged higher between 3.35-3.51%). Singapore's sovereign bonds reversed to post a small loss of 0.7% w/w versus prior week's +1.4%. We note that due to the firm SGD policy, USDSGD has risen much slower than the DXY this year. Yield curves are expected to flatten as MAS along with other central banks are expected to increase the pace of tightening even though inflation may be less of a major concern in South-East Asia. Elsewhere, Fitch has affirmed OCBC's Mortgage Covered Bonds at AAA with a Stable Outlook. Meanwhile Koh Brothers Group Ltd has upsized its 3.5Y S$12.25m at 6.5%.



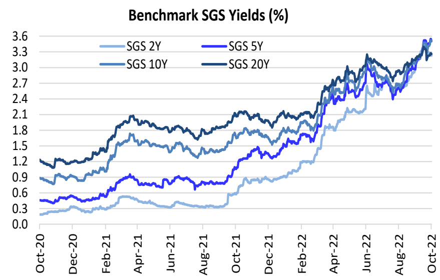
Source: Bloomberg



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Rating Actions

Issuer	PDS Description	Rating/Outlook	Action
UiTM Solar Power Sdn Bhd	Outstanding Green Sustainable and Responsible Investment (SRI) Sukuk of RM192.3 million	AA-IS/Negative	Outlook extended
Amanat Lebuhraya Rakyat Berhad (ALR)	Sukuk programme of up to RM5.5 billion	AAA-IS/Stable	Assigned
JB Cocoa Sdn Bhd	Proposed Islamic Medium-Term Notes (Sukuk Wakalah) programme of up to RM500.0 million	A+IS/Stable	Assigned
Kuala Lumpur Kepong Berhad	RM2.0 bil IMTN Programme (2022/2052)	AA1/Stable	Reaffirmed
	RM2.0 bil IMTN Programme (2019/2039)	AA1/Stable	Reaffirmed
	RM1.6 bil Multi-Currency IMTN Programme (2015/2027)	AA1/Stable	Reaffirmed
	Global Corporate Credit Ratings	AA1/Stable	Reaffirmed
	RM500 mil Islamic Medium-Term Notes (IMTN) Programme (2013/2023) and RM1 bil IMTN Programme (2022/2043).	AA1/Stable	Reaffirmed
	Financial institution ratings (FIR)	AA2/Stable/P1	Reaffirmed
Batu Kawan Berhad	RM10 billion Sukuk Wakalah Programme (2020/2050)	AA2(s)/Stable	Reaffirmed
Bank Kerjasama Rakyat Malaysia Berhad	RM9 billion Islamic Medium-Term Notes Programme (2013/2023)	AA2(s)/Stable	Reaffirmed
Imtiaz Sukuk II Berhad	RM5 billion Subordinated Sukuk Murabahah Programme (2016/2036)	AA3(s)/Stable	Reaffirmed
Mumtaz Rakyat Sukuk Berhad	RM5 billion Subordinated Sukuk Murabahah Programme (2016/2036	AA3(s)/Stable	Reaffirmed

Source: MARC/RAM

Economic Calendar

Date	Time	Country	Event	Period	Prior
17/10/22	5:30	NZ	Performance Services Index	Sep	58.6
	7:01	UK	Rightmove House Prices MoM	Oct	0.70%
	8:30	SI	Non-oil Domestic Exports YoY	Sep	11.40%
	12:30	JN	Tertiary Industry Index MoM	Aug	-0.60%
	12:30	JN	Industrial Production YoY	Aug F	5.10%
	20:30	US	Empire Manufacturing	Oct	-1.5
18/10/22	5:45	NZ	CPI YoY	3Q	7.30%
	10:00	CH	Industrial Production YoY	Sep	4.20%
	10:00	CH	GDP YoY	3Q	0.40%
	10:00	CH	Retail Sales YoY	Sep	5.40%
	10:00	CH	Fixed Assets Ex Rural YTD YoY	Sep	5.80%
	10:00	CH	Surveyed Jobless Rate	Sep	5.30%
	17:00	EC	ZEW Survey Expectations	Oct	-60.7
	21:15	US	Industrial Production MoM	Sep	-0.20%
	22:00	US	NAHB Housing Market Index	Oct	46
19/10/22	7:30	AU	Westpac Leading Index MoM	Sep	-0.05%
	12:00	MA	Exports YoY	Sep	48.20%
	14:00	UK	CPI MoM	Sep	0.50%
	14:00	UK	RPI MoM	Sep	0.60%
	14:00	UK	PPI Output NSA MoM	Sep	-0.10%
	14:00	UK	PPI Input NSA MoM	Sep	-1.20%
	16:30	UK	House Price Index YoY	Aug	15.50%
	17:00	EC	Construction Output MoM	Aug	0.30%
	17:00	EC	CPI MoM	Sep F	1.20%
	19:00	US	MBA Mortgage Applications		--
	20:30	US	Building Permits MoM	Sep	-10.00%
	20:30	US	Housing Starts MoM	Sep	12.20%
20/10/22	2:00	US	U.S. Federal Reserve Releases Beige Book	0	
	7:50	JN	Trade Balance	Sep	-¥2817.3b
	8:30	AU	NAB Business Confidence	3Q	5
	8:30	AU	Unemployment Rate	Sep	3.50%
	9:15	CH	1-Year Loan Prime Rate		3.65%
	16:00	EC	ECB Current Account SA	Aug	-19.9b
	16:30	HK	Unemployment Rate SA	Sep	4.10%
	20:30	US	Initial Jobless Claims		--
	20:30	US	Continuing Claims		--
	20:30	US	Philadelphia Fed Business Outlook	Oct	-9.9
	22:00	US	Existing Home Sales MoM	Sep	-0.40%
	22:00	US	Leading Index	Sep	-0.30%
21/10/22	5:45	NZ	Trade Balance NZD	Sep	-2447m
	7:01	UK	GfK Consumer Confidence	Oct	-49
	7:30	JN	Natl CPI YoY	Sep	3.00%
	12:00	MA	CPI YoY	Sep	4.70%
	14:00	UK	Retail Sales Inc Auto Fuel MoM	Sep	-1.60%
	15:00	MA	Foreign Reserves		$106.1b
	16:30	HK	CPI Composite YoY	Sep	1.90%
	22:00	EC	Consumer Confidence	Oct P	-28.8

Source: Bloomberg

DISCLAIMER

This report is for information purposes only and does not take into account the investment objectives, financial situation or particular needs of any particular recipient. The information contained herein does not constitute the provision of investment advice and is not intended as an offer or solicitation with respect to the purchase or sale of any of the financial instruments mentioned in this report and will not form the basis or a part of any contract or commitment whatsoever.

The information contained in this publication is derived from data obtained from sources believed by Hong Leong Bank Berhad ("HLBB") to be reliable and in good faith, but no warranties or guarantees, representations are made by HLBB with regard to the accuracy, completeness or suitability of the data. Any opinions expressed reflect the current judgment of the authors of the report and do not necessarily represent the opinion of HLBB or any of the companies within the Hong Leong Bank Group ("HLB Group"). The opinions reflected herein may change without notice and the opinions do not necessarily correspond to the opinions of HLBB. HLBB does not have an obligation to amend, modify or update this report or to otherwise notify a reader or recipient thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

HLB Group, their directors, employees and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement or otherwise) arising from any statement, opinion or information, expressed or implied, arising out of, contained in or derived from or omission from the reports or matter. HLBB may, to the extent permitted by law, buy, sell or hold significantly long or short positions; act as investment and/or commercial bankers; be represented on the board of the issuers; and/or engage in 'market making' of securities mentioned herein. The past performance of financial instruments is not indicative of future results. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Any projections or forecasts mentioned in this report may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. No assurance can be given that any opinion described herein would yield favorable investment results. Recipients who are not market professional or institutional investor customer of HLBB should seek the advice of their independent financial advisor prior to taking any investment decision based on the recommendations in this report.

HLBB may provide hyperlinks to websites of entities mentioned in this report, however the inclusion of a link does not imply that HLBB endorses, recommends or approves any material on the linked page or accessible from it. Such linked websites are accessed entirely at your own risk. HLBB does not accept responsibility whatsoever for any such material, nor for consequences of its use.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for the use of the addressees only and may not be redistributed, reproduced or passed on to any other person or published, in part or in whole, for any purpose, without the prior, written consent of HLBB. The manner of distributing this report may be restricted by law or regulation in certain countries. Persons into whose possession this report may come are required to inform themselves about and to observe such restrictions. By accepting this report, a recipient hereof agrees to be bound by the foregoing limitations.