Hong Leong Bank

Quarterly Market Outlook 3Q2023

Global Markets

July 2023

Content

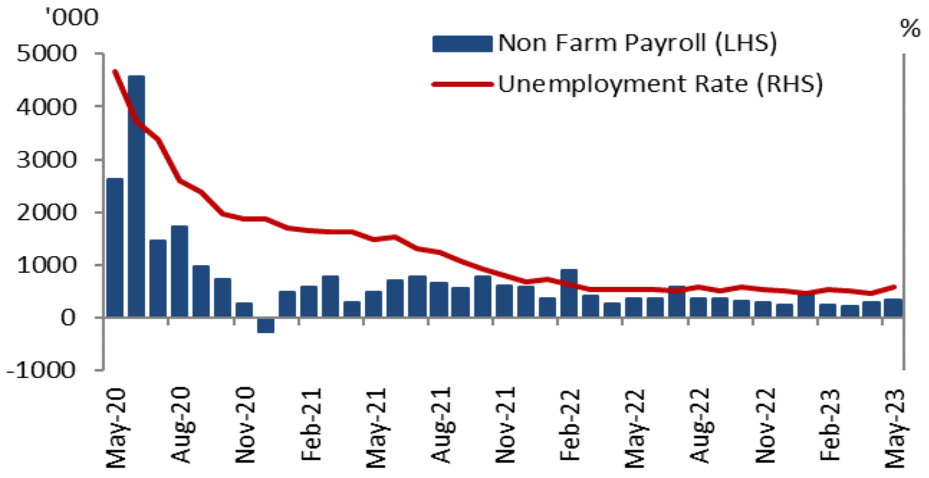
- Macro Landscape
- FX Outlook
- Fixed Income Outlook

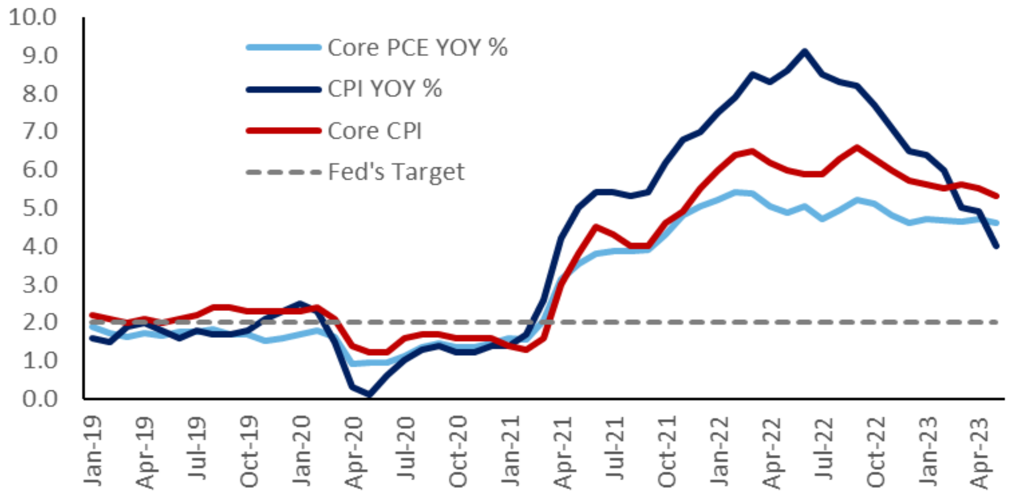
Global Central Banks Policy Rates Outlook

	Current	3Q23	4Q23	1Q24	2Q24	Remarks
United States Federal Reserve *Fed Funds Rate*	5.00-5.25	5.25-5.50	5.25-5.50	5.00-5.25	4.50-4.75	**Another +25bps in 2023; -75bps in 1H2024**
Eurozone European Central Bank *Deposit Rate*	4.00	4.25	4.25	4.25	4.00	**Another +25bps in 2023; -25bps in 1H2024**
United Kingdom Bank of England *Bank Rate*	5.00	5.50	5.50	5.50	5.00	**Another +50bps in 2023; -50bps in 1H2024**
Japan Bank of Japan *Policy Balance Rate*	-0.10	-0.10	-0.10	-0.10	-0.10	**No change**
Australia Reserve Bank of Australia *Cash Rate*	4.10	4.35	4.35	4.35	4.35	**Another +25bps in 2023**
New Zealand Reserve Bank of New Zealand *Official Cash Rate*	5.50	5.50	5.50	5.50	5.25	**No change till 1Q24; -25bps in 2Q24**
Malaysia Bank Negara Malaysia *Overnight Policy Rate*	3.00	3.00	3.00	3.00	3.00	**No change**
Thailand The Bank of Thailand *1-Day Repurchase Rate*	2.00	2.00	2.00	2.00	2.00	**No change**
Indonesia Bank Indonesia *7-day Reverse Repo Rate*	5.75	5.75	5.75	5.50	5.25	**-50bps in 1H2024**

Source: Bloomberg, Global Markets Research

US – Resilient growth; sticky core and elevated inflation expectations



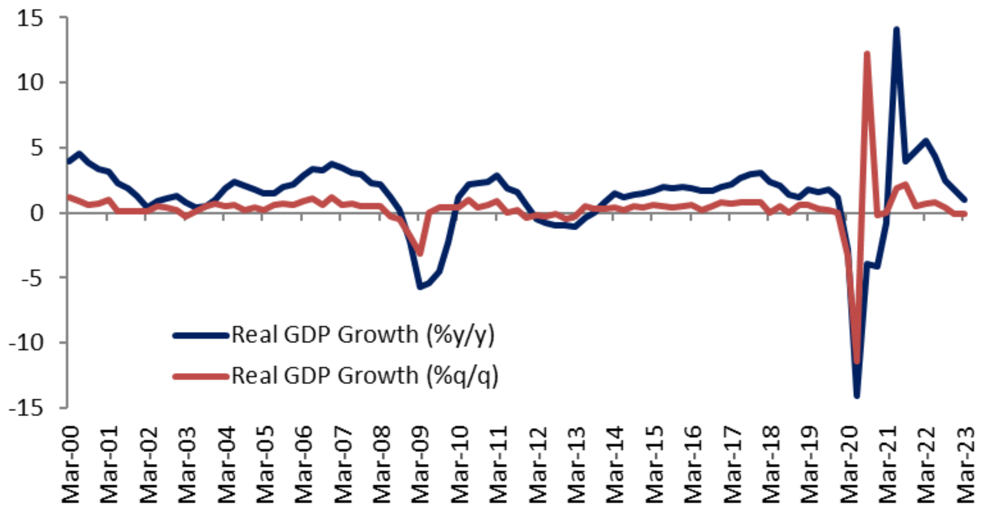


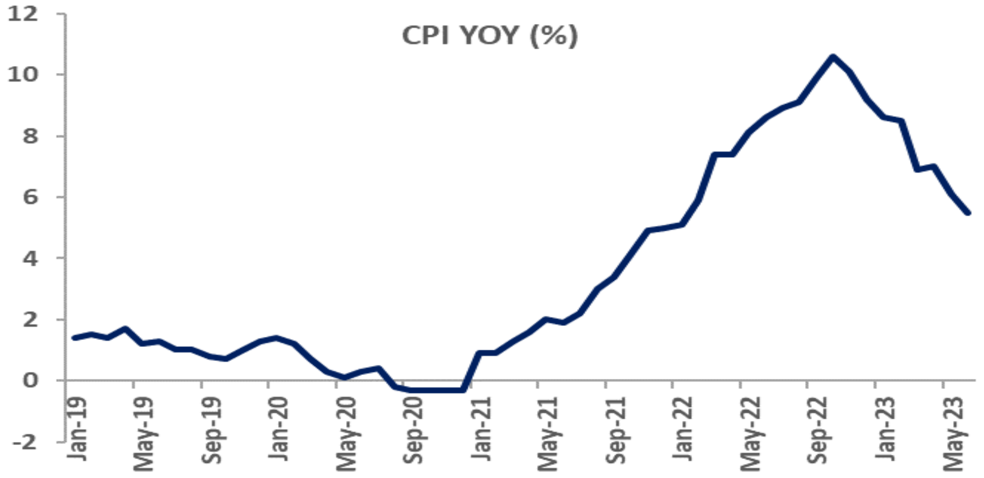
	2021	2022	2023F
GDP (%)	5.9	2.1	1.0
Core PCE Inflation (%)	3.5	5.0	3.9
Fed Funds Rate (%)	0-0.25	4.25-4.50	5.25-5.50
Dollar Index (End of period)	95.67	103.52	100.54

Source: Fed, Bloomberg, HLBB Global Markets Research

- Resilient labour market - higher headline NFP at 339k and jobless rate still low at 3.7%; wage pressures remained a concern.
- Manufacturing still in contractionary mode for the 8th straight month.
- Credit conditions have tightened in April; Senior Loan Officer survey showed that the percentage of large and mid-cap banks that have tightened lending standards rose to 3.2% from 1.5% previously.
- Headline and core prices have eased, albeit slower than expected; Little change on elevated inflation expectations despite moderation in commodity prices.

Eurozone – slipped into a technical recession



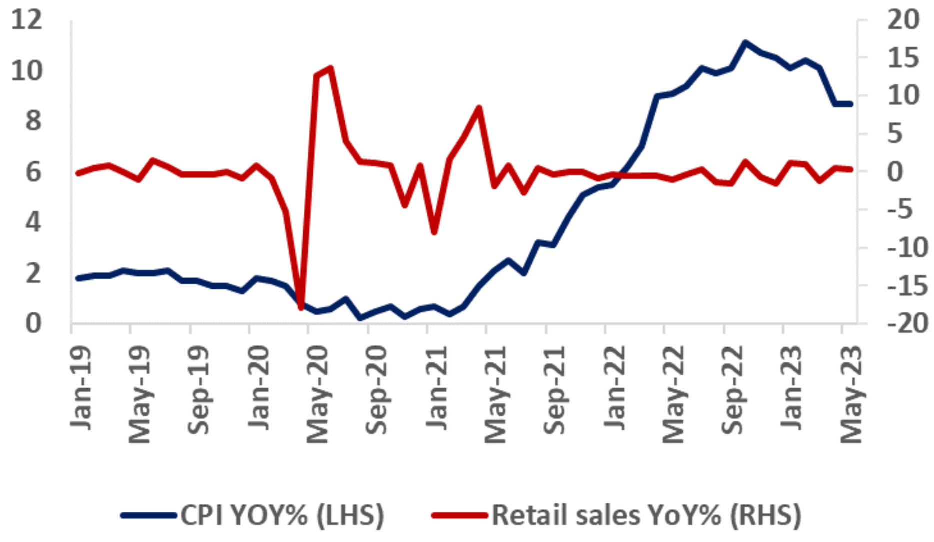


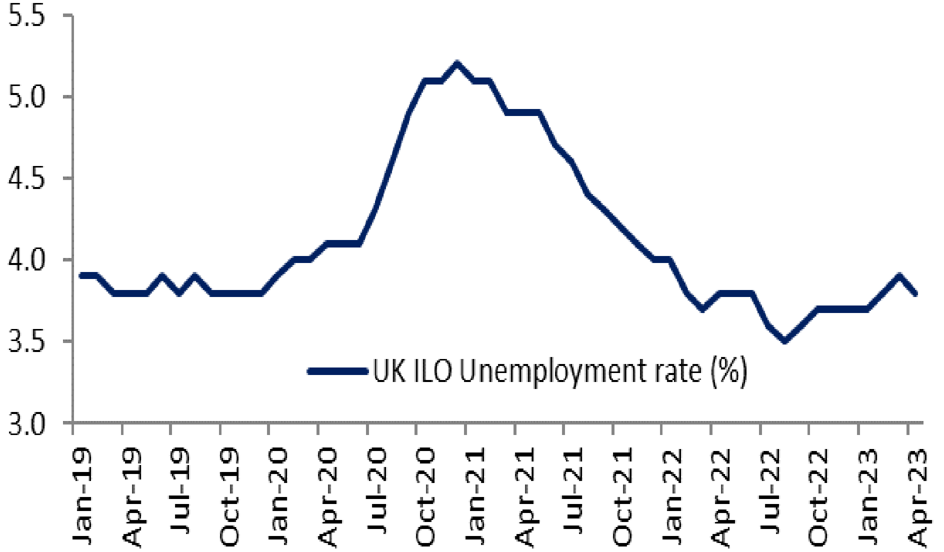
	2021	2022	2023F
GDP (%)	5.3	3.5	0.9
Inflation (%)	2.6	8.4	5.4
Deposit Facility Rate (%)	-0.5	2.50	4.25
EUR/USD (End of period)	1.1370	1.0705	1.12

Source: ECB, Bloomberg, HLBB Global Markets Research

- Downward revision in GDP but upward for inflation. The latter underpinned by lower energy prices, abating supply constraints.
- Sentiments remained weak, dampened by high inflation and high interest rate, as well as concerns over energy shortages.
- ECB President Lagarde: Inflation outlook continues to be too high for too long, paving the way for another rate hike in July.

UK – BOE does not expect a recession



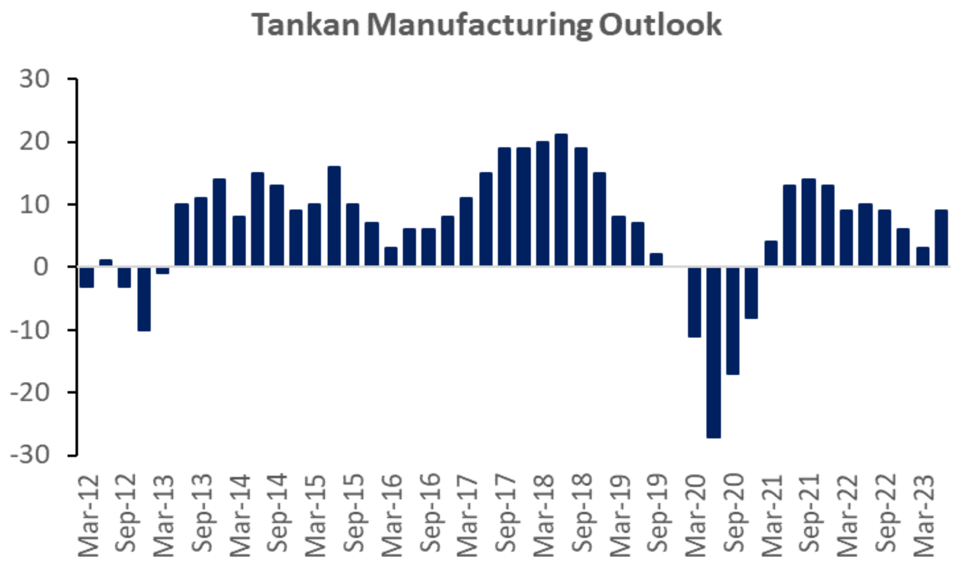


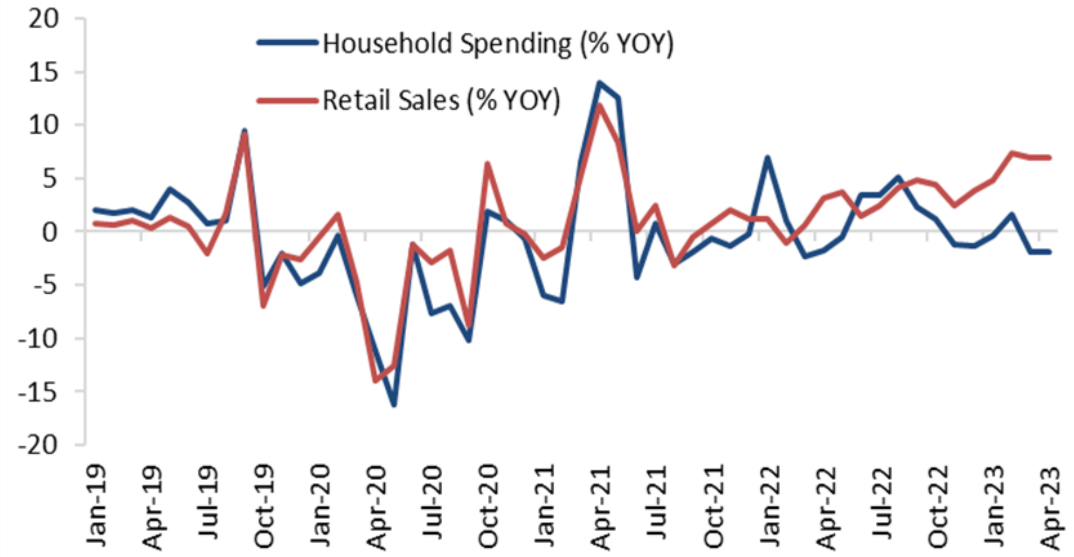
	2021	2022	2023F
GDP (%)	8.5	4.0	0.3
Inflation (%)	2.6	9.1	5.0
Bank Rate (%)	0.25	3.50	5.50
GBP/USD (End of Period)	1.3532	1.2083	1.31

- GDP is expected to be flat over the 1H of 2023, growing 0.9% by the middle of 2024 and slowing to +0.7% by mid-2025. Industrial strikes will continue to weigh on growth.
- Still strong labour market - payroll employees rose by 23k in May, unemployment rate eased to 3.8%, wage growth accelerated to +7.2%.
- Inflation surprised on the upside and unexpectedly held steady at +8.7% y/y in May. BOE expects moderation ahead to average +8.2% in 2Q, +7.0% in 3Q and +5.1% in 4Q; but continued to signal more rate hikes.

Source: Office for Budget Responsibility (OBR), Bloomberg, HLBB Global Markets Research

Japan – Reopening of the border boosted consumption





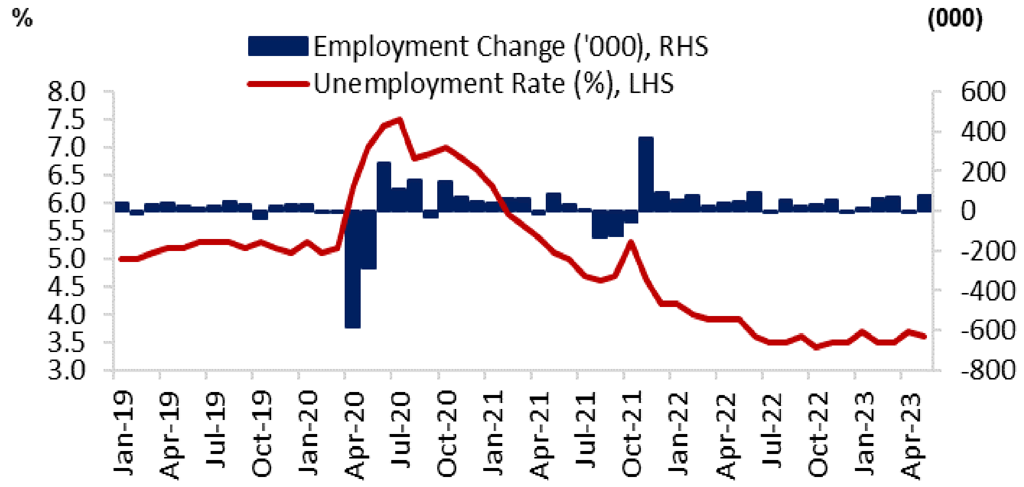
	2021	2022	2023F
GDP (%)	2.3	1.0	1..3
Core Inflation (%)	0.0	3.0	1.8
Policy Balance Rate	0.0	-0.1	-0.1
USD/JPY	115.08	131.12	139.00

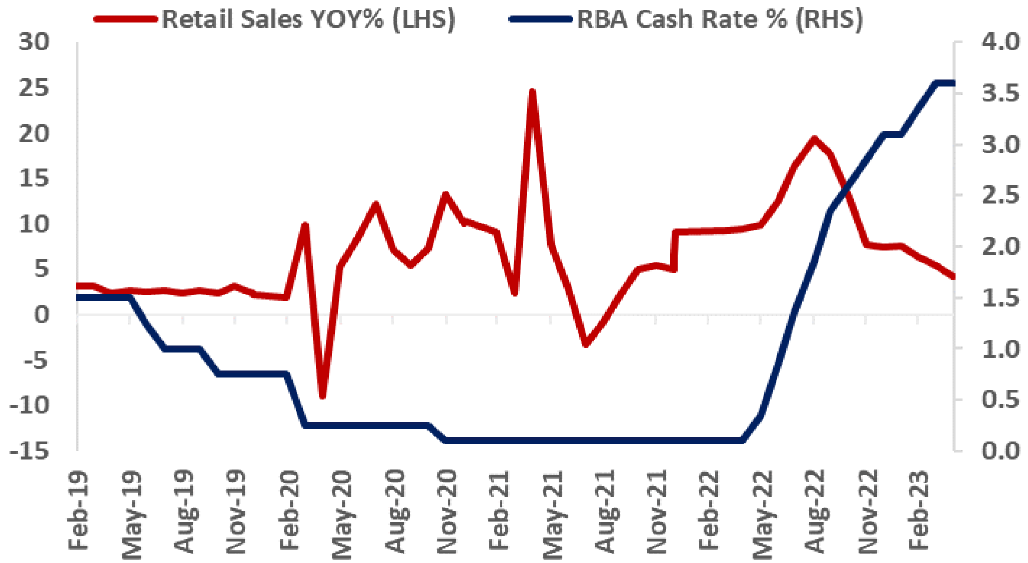
Source: BOJ, Bloomberg, HLBB Global Markets Research

- Lift in travel restrictions have supported tourism and private consumptions; Jibun PMI Services highest since 2007 led by year ahead expectations
- Leading index still “weakening.” Net exports contributions to GDP turned negative, headwind to the manufacturing and economy as global economies slow
- BOJ Governor Ueda: Current inflation rate due to cost-push. Uncertainty as to how sustainable was the change in wage-setting behaviour amongst businesses.

Hong Leong Bank

Australia – Still tight labour market; wage-price-spiral inflation could lead to further RBA hike



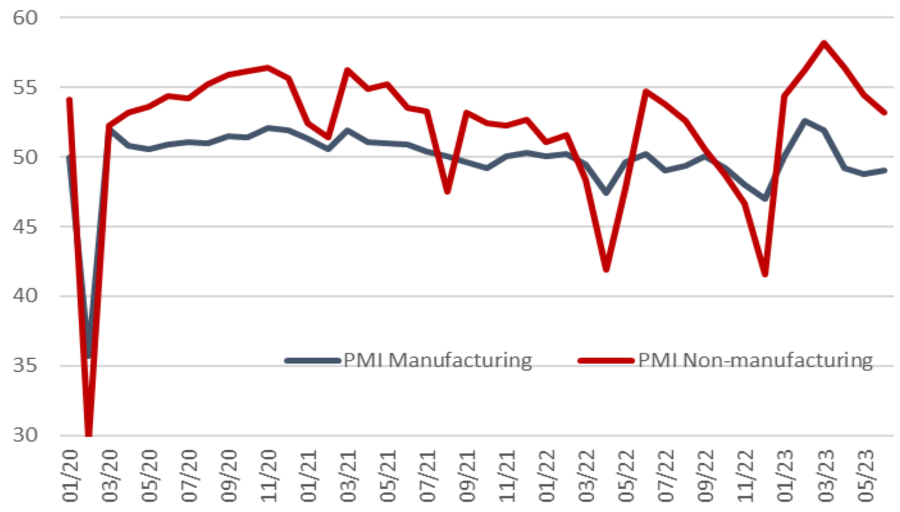


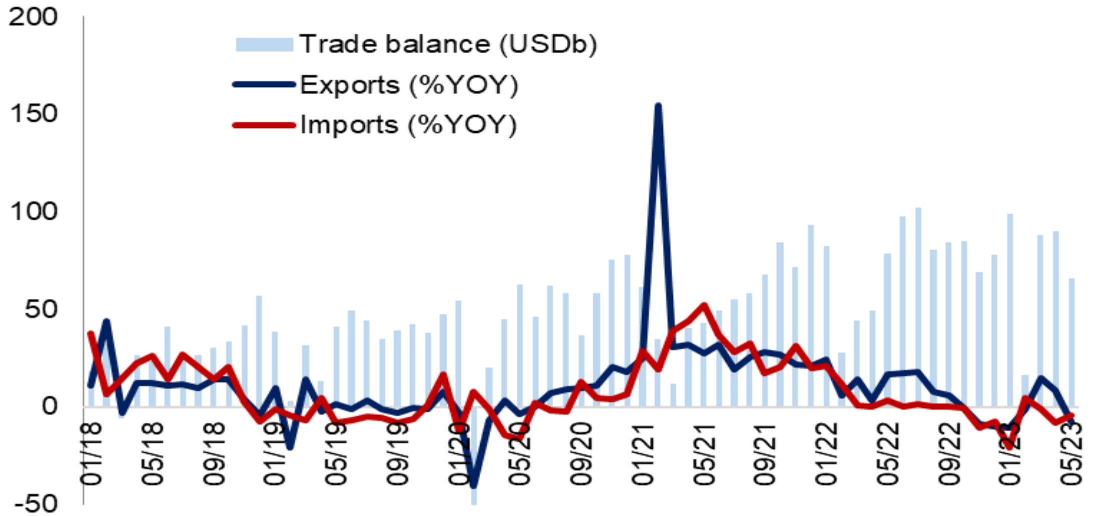
	2021	2022	2023F
GDP (%)	5.3	3.7	1.8
Inflation (%)	2.9	6.6	4.5
Cash Rate (%)	0.10	3.10	4.35
AUD/USD	0.7263	0.6813	0.68

- Still tight labour market - unemployment rate still low, employment change 3x more than consensus forecast.
- Inflationary expectations have softened - slowdown in price growth except for food.
- Bounce-back in pandemic spending has run its course; consumer spending registered its largest fall since 2009 outside pandemic.
- RBA signaled additional rate hikes may be required.

Source: RBA, Bloomberg, HLBB Global Markets Research

China – Losing steam



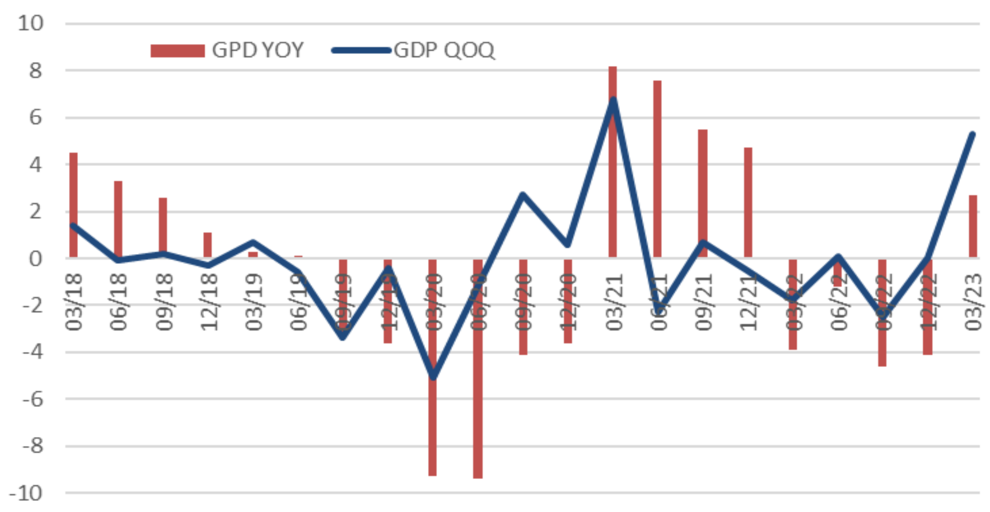


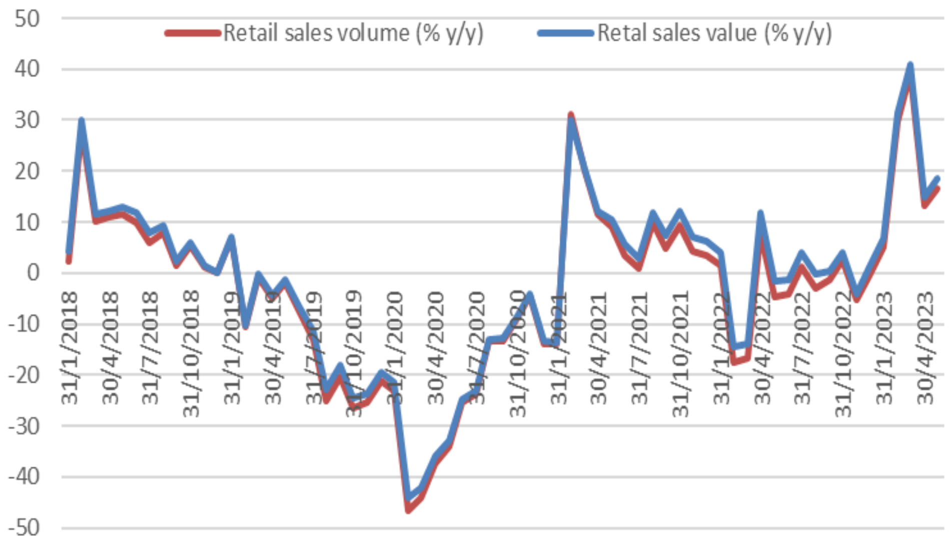
	2021	2022	2023F
GDP (%)	8.4	3.0	5.0
Inflation (%)	0.9	2.0	1.5
1Y Best Lending Rate (%)	3.80	3.65	4.30
USD/CNY	6.3561	6.9220	7.07

Source: PBOC, Bloomberg, HLBB Global Markets Research

- China's recovery remains patchy; weaker than expected recovery in all key indicators.
- Contraction in manufacturing PMIs dragged by weaker output and new orders.
- State infrastructure investment and consumer spending in services picked up the slack, but domestic demand is still insufficient to offset the external headwinds.
- We expect policy makers to focus on growth supportive policies and ensuring sufficient liquidity to support the economy.

Hong Kong – Bounced back to growth driven by robust consumer spending



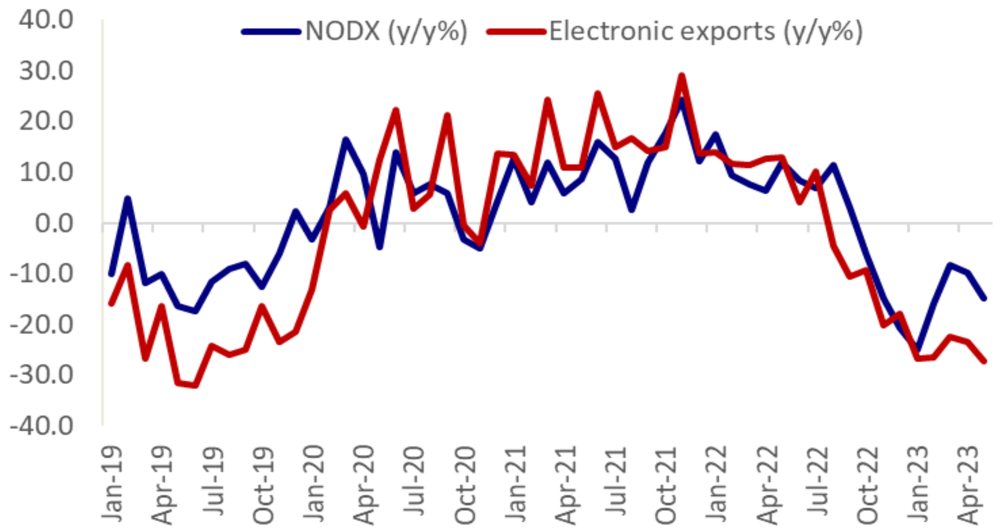


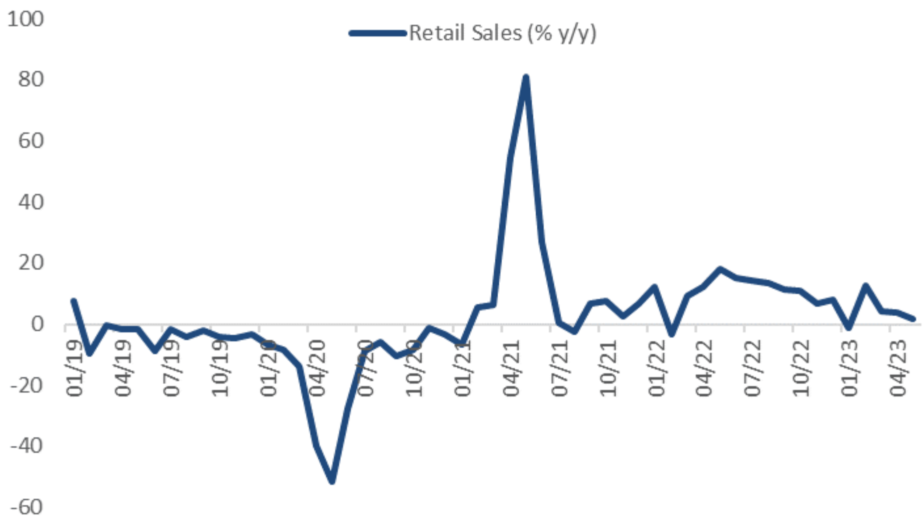
	2021	2022	2023F
GDP (%)	6.4	-3.5	3.5-5.5
Inflation (%)	1.6	1.9	2.9
Base Rate	0.50	4.75	5.75
USD/HKD	7.7966	7.8016	7.81

Source: HK Economy, Bloomberg, HLBB Global Markets Research

- Pinning hopes on China to support exports a tall order given China's contractionary manufacturing PMIs; reopening of air and land borders benefitted consumer spending through higher tourist arrivals.
- Recovery in business sentiment; proportion expecting better business conditions improved to 25%, still low nonetheless.
- Domestic cost pressure in view of improved domestic activities as well as companies readjusting to higher costs, especially in anticipation of price hikes for public transportation

Singapore – Softer growth traction



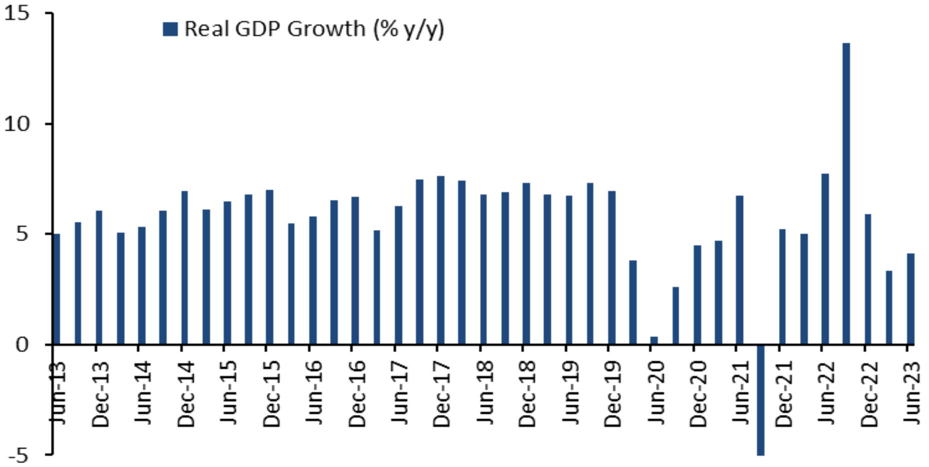


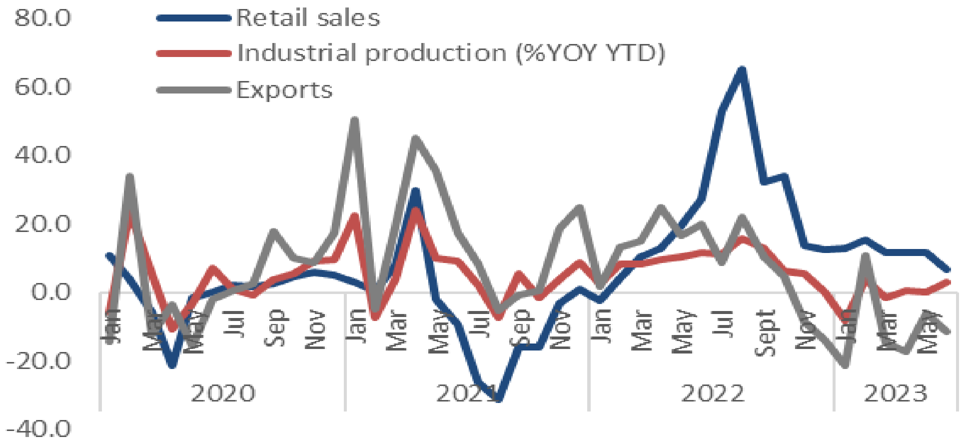
	2021	2022	2023F
GDP (%)	7.9	3.7	0.5-2.5
Inflation (%)	2.3	6.1	5.5-6.5
3m SIBOR (%)	0.44	4.25	4.18
USD/SGD	1.35	1.3395	1.34

Source: MTI, Bloomberg, HLBB Global Markets Research

- Downside risks from still sluggish global electronics industry and tightened global financial conditions, which could spill over beyond manufacturing led downturn. Exports and PMIs still contractionary at this juncture.
- Domestic demand remained firm, supported by higher tourist arrivals and low unemployment rate of 1.8%, Retail sales are still expanding albeit at slower rate.
- MAS expected to maintain the slope, band, centre of the S$NEER on below trend growth, negative imported inflation and easing core inflation.

Vietnam – Initial impact from post-COVID reopening has fizzled out



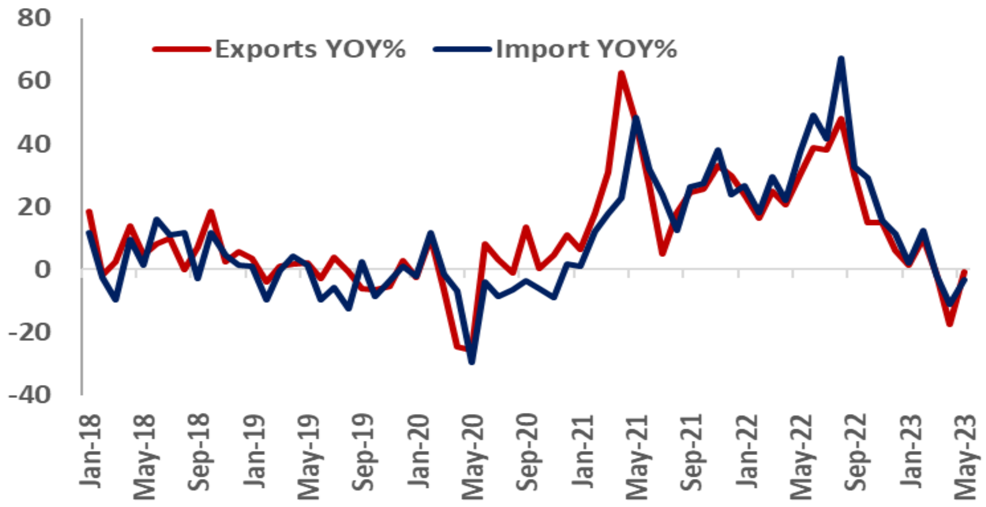


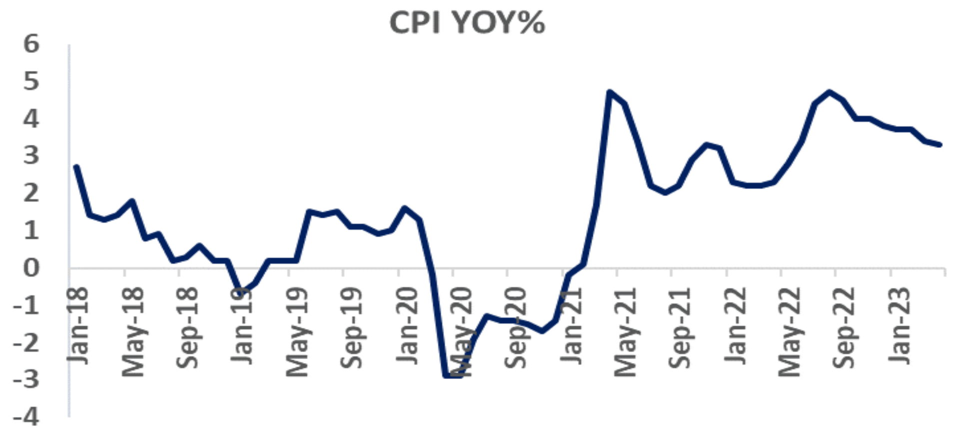
	2021	2022	2023F
GDP (%)	2.6	8.0	6.5
Inflation (%)	2.0	3.4	3.7
SBV Refinancing Rate (%)	4.00	6.00	4.70
USD/VND	22,826	23,633	23,375

Source: Bloomberg, HLBB Global Markets Research

- Economy to normalise as the initial impact of the post-COVID reopening boom fizzled out; exports weighed down by slowing demand from the US and EU.
- Implemented capital has plunged. Crucial for the government to speed up the disbursement of public investment.
- Vietnam’s inflation rate has eased below 4%, on local resolution to maintain fees for public education and training institutions. Food prices will be volatile. Room for SBV to cut rates to support property developers and promote lending.

Malaysia – Trimmed full year GDP forecast on weaker external outlook





	2021	2022	2023F
GDP (%)	3.1	8.2	4.0
Inflation (%)	2.5	3.3	2.6
OPR (%)	1.75	2.75	3.00
USD/MYR	4.20	4.40	4.64

Source: Bloomberg, HLBB Global Markets Research

- Domestic demand will be the main growth pillar - underpinned by continuous improvement in the labour market, implementation of new and existing investment projects and further recovery in tourism activities.
- Trimmed full year GDP forecast in view of increasing uncertainties and more sluggish than expected growth momentum in the world economy.
- The price trajectory is on track to decelerate further, bringing the headline CPI back to the 2.0% levels in 2H. Potential gradual subsidy rationalization efforts will offer some upside risks.

Markets Outlook - FX

FX – Gradual decline in USD seen amidst slowing growth; JPY likely to benefit most

	12-month Outlook
+	**EUR**: To exhibit a bullish bias as the USD retreats; higher recession risks in the euro region vis-à-vis the US, which may become more evident towards middle of next year **GBP:** yield differential expected to boost the currency in the short-term; risk of stagflation growing as rates continue to rise **AUD & NZD**: NZ already in technical recession, and growth has slowed markedly in Australia, but likely to be beneficiaries of possible stimulus in China **JPY:** Potential BOJ policy pivot away from its decades long ultra-loose policy will be positive for the JPY; could happen as soon as end of Q3 **MYR**: poor sentiment abounds in the near term; further out, should recover in line with other regional ccys on expected USD weakness; could benefit from CNY strength more than others **CNY**: Recovery momentum has stalled somewhat; expect a proportionate policy response/stimulus from authorities there
-	**USD:** Expect moderate weakness in the USD as we chug along towards the end of the Fed policy tightening cycle amidst slowing growth and pipeline pressures. However, downside could be limited given its safe haven appeal should recession risks intensify

FX Forecasts

	30-Jun	Q3-23	Q4-23	Q1-24	Q2-24
DXY	102.59	101.56	100.54	99.54	99.04
USD/CAD	1.32	1.31	1.30	1.28	1.27
EUR/USD	1.09	1.11	1.12	1.14	1.12
GBP/USD	1.27	1.29	1.31	1.33	1.30
USD/CHF	0.90	0.89	0.89	0.88	0.88
AUD/USD	0.67	0.67	0.68	0.68	0.69
NZD/USD	0.61	0.62	0.62	0.63	0.63
USD/JPY	144	141	139	136	133
USD/MYR	4.67	4.69	4.64	4.60	4.55
USD/SGD	1.35	1.35	1.34	1.33	1.33
USD/CNY	7.25	7.16	7.07	6.99	6.90

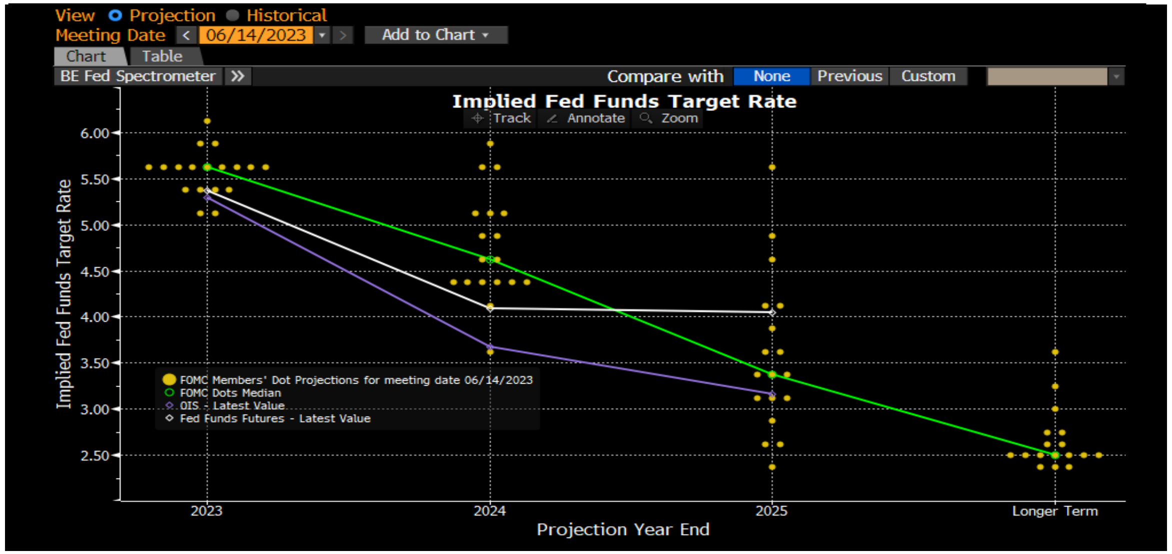
Markets Outlook – Fixed Income

	CURRENT	3Q2023	4Q2023	1Q2024	2Q2024
UST 10Y	3.86%	3.80-4.00%	3.80-4.00%	360-3.80%	3.50-3.70%
MGS 10Y	3.85%	3.80-4.00%	3.70-3.90%	3.60-3.80%	3.50-3.70%
SGS 10Y	3.03%	2.90-3.10%	2.80-3.00%	2.70-2.90%	2.70-2.90%

Sovereigns – US rate hikes believed to be on its last leg, yield curve inversion flashing recessionary fears, longer-term positive for bonds on safe-appeal status

UST	Yields to get lifted initially higher on strong economic data (expect 25bps hike in July or Sep) expect economic slowdown thereafter as strong risk-off appetite underline appetite for bond asset class. Risks – high inflation, strong jobs data
MGS	Closer correlation to USTs compared to historical movements. Projected rate pause in OPR to boost local institutional support and participation Risks- political factor i.e. upcoming state elections, weak MYR
SGS	Easing inflation to support pause by MAS via S$NEER non-interference. Decent yields when compared to other similar AAA-rated sovereigns may provide strong support for SGS on lower vols. Risks- Strong open economy may fuel demand-pull Inflation; prompting MAS to steepen slope

US Fixed Income – Robust economic data rekindling views of further rate hike



- **UST** -- UST's underperformed for the quarter under review as overall benchmark yields closed sharply higher i.e.; between 21-86bps across. The curve was flatter as the front-ends sold-off the most. The yield curve inversion hit the widest since 1981 at ~108bps, even deeper than in March during the US regional banking crisis. **We expect the Federal Reserve to raise Fed Funds Rate in July by 25bps to between 5.25-5.50%** due to more positive US data than otherwise~ spanning from durable goods orders, regional Fed activity indices, consumer confidence, new home sales, upward revision in final 1Q GDP print and initial jobless claims which soothed earlier recessionary concerns. The Fed's Dot plot median projection brings the Fed Funds Rate to about ~5.625% for 2023 from current 5.00-5.25% range. Key areas to watch include key central bank interest rate decisions, further escalation in US-Ukraine war and China's resolve to sort its apparent economic slowdown. **We expect UST10Y to range higher between 3.80-4.00% for 3Q2022.** Expect volatility to persist in bonds on wavering views between potential impact from inflation versus economic slowdown.

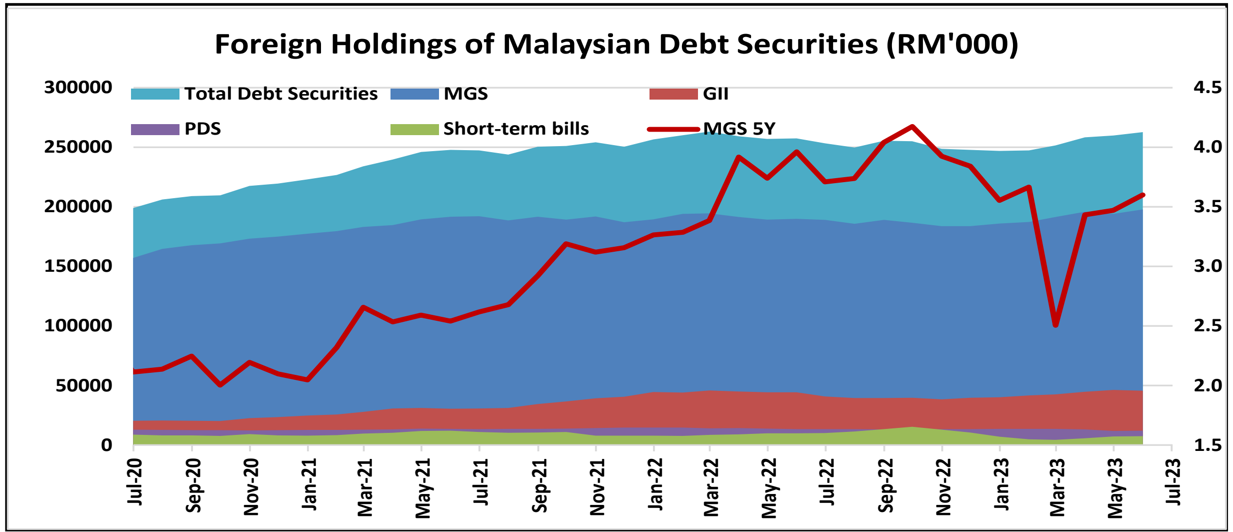
- **Corporates** –Investment-grade corporate bonds saw improved appetite with the Bloomberg Barclays US Corporate Bond Index posting a mere gain of 0.3% (1Q2023: +3.5%); with spreads tightening from 138bps as at end-Mar to 122bps as at end-June amid the shift from rate cut views to tighter monetary policy instead during May-June period. Total quarterly IG maturities for upcoming quarter expected at ~$160b versus gross issuances of ~$250b. **We are positive on IG in sectors such as energy, REITS, communication and even plain-vanilla bank bonds whilst avoiding AT1 bonds issued by banks for now; with duration preference of between 7-10Y.**

Source: Bloomberg, HLBB Global Markets Research

Malaysia Fixed Income – Ongoing MYR weakness to weigh on bonds

MGS/GII issuance pipeline in 2023

No	Stock	Tenure (yrs)	Tender Month	Quarter	Tender Date	Projected Issuance Size (RM mil)	Actual Auction Issuance (RM mil)	Actual Private Placement	Total Issuance YTD	BTC (times)	Low	Average	High	Cut-off
1	10-yr reopening of MGII (Mat on 10/32)	10	Jan	Q1	6/1/2023	4,500	4,500		4,500	2.093	4.109	4.135	4.147	58.3%
2	15-yr Reopening of MGS (Mat on 6/38)	15	Jan	Q1	13/1/2023	4,500	3,000	2,500	10,000	2.825	4.110	4.151	4.160	73.3%
3	5.5-yr New Issue of MGII (Mat on 07/28)	5	Jan	Q1	27/1/2023	5,000	5,000		15,000	3.395	3.580	3.599	3.610	80.8%
4	7-yr Reopening of MGS (Mat on 04/30)	7	Feb	Q1	3/2/2023	4,500	5,000		20,000	2.460	3.610	3.656	3.660	25.0%
5	20.5-yr New Issue of MGII (Mat on 08/43)	20	Feb	Q1	13/2/2023	5,000	2,500	2,500	25,000	2.662	4.257	4.291	4.308	87.5%
6	3-yr Reopening of MGS (Mat on 07/26)	3	Feb	Q1	20/2/2023	4,500	5,500		30,500	1.691	3.438	3.458	3.472	10.0%
7	15-yr Reopening of MGII 03/38	15	Feb	Q1	27/2/2023	5,000	3,000	2,500	36,000	1.986	4.160	4.177	4.188	27.8%
8	10-yr Reopening of MGS 07/32	10	Mar	Q1	3/3/2023	4,500	4,500		40,500	1.670	4.035	4.066	4.089	28.3%
9	7-yr Reopening of MGII 09/30	7	Mar	Q1	14/3/2023	4,500	5,000		45,500	1.586	3.760	3.792	3.814	100.0%
10	30-yr New Issue of MGS 03/53	30	Mar	Q1	30/3/2023	5,000	2,500	2,500	50,500	1.970	4.370	4.457	4.489	65.5%
11	10-yr Reopening of MGII (Mat on 10/32)	10	Apr	Q2	7/4/2023	4,500	4,500		55,000	2.367	3.922	3.936	3.948	15.0%
12	5-yr New Issue of MGS (Mat on 04/28)	5	Apr	Q2	19/4/2023	5,000	5,000		60,000	2.434	3.500	3.519	3.528	72.4%
13	30-yr Reopening of MGII 05/52	30	Apr	Q2	26/4/2023	4,500	2,500	2,500	65,000	2.153	4.270	4.294	4.308	51.8%
14	7-yr Reopening of MGS (Mat on 04/30)	7	May	Q2	11/5/2023	4,500	5,000		70,000	2.183	3.590	3.604	3.615	81.7%
15	20-yr Reopening of MGII (Mat on 08/43)	20	May	Q2	23/5/2023	5,000	3,000	2,500	75,500	1.747	4.155	4.182	4.207	28.0%
16	15-yr Reopening of MGS (Mat on 06/38)	15	May	Q2	30/5/2023	4,500	3,000	1,500	80,000	2.201	3.990	4.023	4.033	48.4%
17	3-yr Reopening of MGII 09/26	3	Jun	Q2	7/6/2023	4,500	4,500		84,500	1.759	3.420	3.435	3.447	15.6%
18	20-yr Reopening of MGS 10/42	20	Jun	Q2	21/6/2023	4,500	3,000	2,500	90,000	1.877	4.168	4.195	4.208	11.8%
19	5-yr Reopening of MGII 07/28	5	Jun	Q2	28/6/2023	5,000	5,500		95,500	1.813	3.657	3.677	3.691	100.0%
20	10-yr Reopening of MGS 11/33	10	Jul	Q2		4,500								
21	7-yr Reopening of MGII (Mat on 07/30)	7	Jul	Q3		4,500								
22	3-yr Reopening of MGS (Mat on 07/26)	3	Jul	Q3		4,500								
23	30-yr Reopening of MGII 05/52	30	Aug	Q3		4,500								
24	5-yr Reopening of MGS 04/28	5	Aug	Q3		5,000								
25	20-yr Reopening of MGII 08/43	20	Aug	Q3		5,000								
26	15-yr Reopening of MGS 06/38	15	Aug	Q3		4,500								
27	3-yr Reopening of MGII 09/26	3	Sep	Q3		4,500								
28	30-yr Reopening of MGS (Mat on 03/53)	30	Sep	Q3		5,000								
29	5-yr Reopening of MGII (Mat on 07/28)	5	Sep	Q3		5,000								
30	20-yr Reopening of MGS 10/42	20	Oct	Q4		4,500								
22	10-yr Reopening of MGII (Mat on 08/33)	10	Oct	Q4		4,500								
22	7-yr Reopening of MGS (Mat on 04/30)	7	Oct	Q4		5,000								
33	30-yr Reopening of MGII 05/52	30	Nov	Q4		4,500								
34	5-yr Reopening of MGS 04/28	5	Nov	Q4		5,000								
35	7-yr Reopening of MGII (Mat on 09/30)	7	Nov	Q4		4,500								
36	3-yr Reopening of GII (Mat on 09/26)	3	Dec	Q4		4,000								
37	10-yr Reopening of MGS 11/33	10	Dec	Q4		4,000								
	Gross MGS/GII supply in 2023					172,000	76,500	19,000	95,500	PROJECTED TOTAL ISSUANCE SIZE = 168-172b				

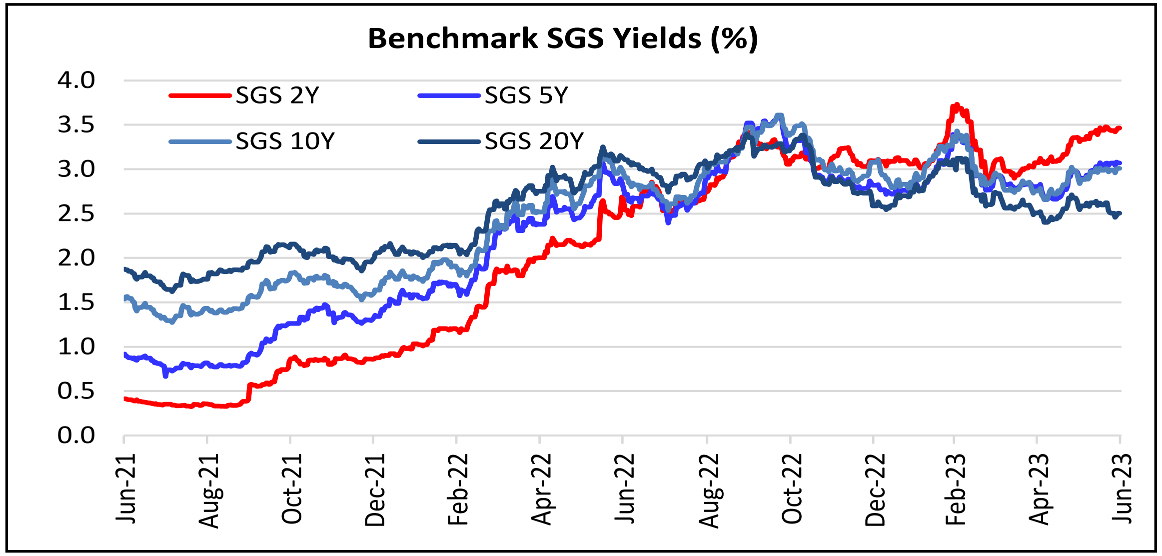


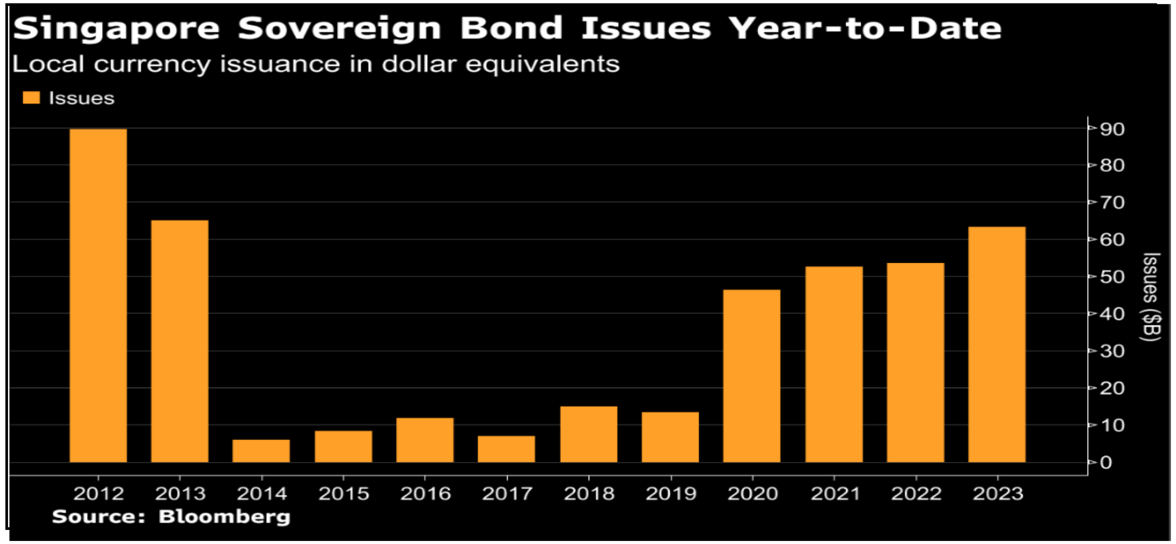
- **Government Bonds** – Both MGS and GII saw the curve sharpen sharply q/q as overall benchmark yields closed mixed between -22 to +44bps with the front-ends pressured as opposed to the 7Y sector onwards which were-well bid. Foreign holdings of overall MYR bonds jumped RM11.2b higher from end-Feb to RM258.2b as at end-May 2022. Government auctions in 2Q2022 saw weaker bidding metrics circa ~2.07x for all 9 auctions despite lower gross issuances of RM45.0b (1Q2022: BTC 2.21x; 10 auctions; gross issuances RM50.5b). We project a pause in OPR at 3.00% for 3Q2023 and the remainder of the year as well. Despite projected reduction in fiscal deficit from 5.6% in 2022 to 5.0% in 2023 and government's resolve to reduce debt, actual issuances are now ~7% above our estimated gross issuances of RM168-172b for the year. Elsewhere, expect slight political risk premium from upcoming state elections in July/ August. Nevertheless, the well-diversified, appetite and depth of investment institutions coupled with bets that rates have peaked are expected to benefit both primary participation and secondary market activities. **Our 10Y MGS yield target range for 1Q2023 is revised slightly higher to 3.80-4.00%.**

- **Corporate Bonds/Sukuk** --Corporate bonds/sukuk issuances (including GG-bonds) doubled to RM31.9b in 2Q2023 (1Q2023: RM18.9b) but is ~20% below the run-rate for our projected gross issuances of between RM110-130b for 2023. No let-up demand for primary issuance in 2Q2023 in view of supply constraints and yield-carry requirements. We favour the 7Y, 20Y GG (15-18 bps), 5-7Y AAA (41-45bps) and 15Y AA2-rated bonds (~80bps) in sectors comprising banking, utilities (i.e. telco, electricity, sewerage), and highway/tolling.

Source: Bloomberg, BNM, HLBB Global Markets Research

Singapore Fixed Income – Maintain negative duration; corporate credits still favored





Source: Bloomberg, HLBB Global Markets Research

- **SGS** – SGS underperformed q/q, mirroring UST movements as overall benchmark yields jumped higher between 13-47bps save for the ultra long-ends. However, the Bloomberg Global Singapore Bond Total Return Index notched a mere 0.6% gain in 2Q2023 (1Q2023: +0.9%). Total YTD issuances were ~S$85.6b. The SGS yield curve is now more inverted extending out until 30Y tenure. SGD is expected to remain strong supported by rising real yields even though core inflation has eased. Hence, we expect good demand for bonds in view of relatively attractive yields on the back of the republic's AAA-rating and contained issuances going forward. **Overall, we continue to adopt negative duration for the quarter to remerging of hawkish outlook on rates in the US with the 2-5Y sector looking more promising in terms of yield-carry. We project SGS 10Y to range lower between 2.90-3.10% levels.**

- **Corporate** – Total issuance for 2Q2023 was ~S$3.0b, down 40% q/q and also by 20% YTD as at end-June compared to 2022. Shorter tenures i.e.; 1-5Y saw higher issue count whilst the 6-15Y tenured bonds were mostly seen on higher issue size. Financials made up 67% of issuances. Strong demand for credits by investors are expected due to tight supply pipeline and lack of non-bank corporate issuances arising from high borrowing costs and competition from traditional loan lending operations. We favour a strike of balance between shorter-duration (for IG instead of HY) and preference for corporate perpetuals like Panther ventures, Frasers, Financials like BNP Paribas SA, UOB and Temasek-linked Sembcorp and its sister entities

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.