

Citibank Wealth Management Weekly FX Insight

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Apr 24, 2017
with data as of Apr 21, 2017

Market Review & Focus

P. 1 - 2

FX Analysis

P. 3 - 5

FX & Eco. Figures Forecast

P. 6 - 9



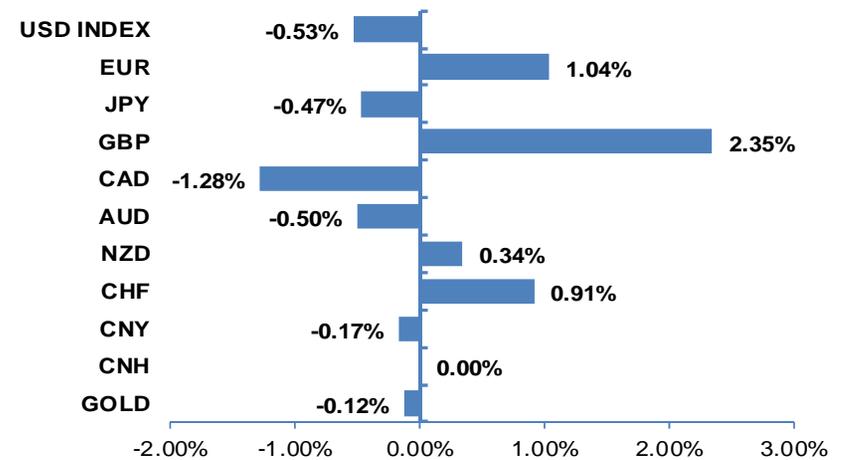
Weekly FX Recap

Major Currencies Weekly Performance

CCY	LAST WEEK PERFORMANCE			52 week high	52 week low	1 year % change	Year-To-Date Change
	Close Price	Day High	Day Low				
USD	99.98	100.55	99.37	103.82	91.92	5.7%	-2.2%
EUR/USD	1.0728	1.0778	1.0603	1.1616	1.0341	-5.0%	2.0%
USD/JPY	109.09	109.49	108.13	118.66	99.02	-0.3%	-6.7%
GBP/USD	1.2817	1.2905	1.2516	1.5018	1.1841	-10.5%	3.9%
USD/CAD	1.3498	1.3525	1.3262	1.3599	1.2461	6.0%	0.4%
AUD/USD	0.7541	0.7611	0.7492	0.7778	0.7145	-2.5%	4.6%
NZD/USD	0.7022	0.7053	0.6982	0.7486	0.6676	1.6%	1.3%
USD/CHF	0.9963	1.0058	0.9941	1.0344	0.9444	2.2%	-2.2%
USD/CNY	6.8859	6.8920	6.8780	6.9649	6.4622	6.3%	-0.9%
USD/CNH	6.8892	6.8923	6.8738	6.9895	6.4743	6.2%	-1.2%
GOLD	1284.10	1295.61	1273.90	1375.45	1121.03	2.9%	11.4%

Source: Bloomberg L.P., as of Apr 21, 2017

Weekly changes versus US dollar



Source: Bloomberg L.P., as of Apr 21, 2017

USD ↔

- (+) Trump's comments:** US president Trump said to announce details of tax reform, including tax cut, on Wednesday or later.
- (-) Falling US yields:** 10-year US treasury yield once fell to 2.16%, the lowest since Nov 2016. It rebounded to 2.25% afterwards.
- (+/-) USD may range trade:** USD may range trade in the short term as investors may wait to see details of tax reform announced by Trump on Wednesday.

EUR ↔

- (+) French presidential election:** According to the preliminary result of French presidential election, centrist Macron and extreme right-wing Marine Le Pen won.
- (+) Macron may become next president:** We expect most of the voters who voted for other candidates in the first round to vote for mainstream Macron in the second round.
- (+) EUR may gain in the short term:** EUR may find support on eliminated political uncertainty in the short term. However, upside may be limited.

GBP ↔

- (+) UK snap election:** UK PM Theresa May announced to hold a general election earlier on June 8. The election may strengthen the Conservative Party's majority.
- (-) Weak UK retail sales:** March retail sales dropped 1.8% MoM, worse than expectation of 0.2%, reflecting negative impacts of rising prices.
- (+) GBP may range trade:** The general election may smoothen negotiations with the EU. However, with weak UK fundamentals, GBP may remain range trading.

Weekly FX Focus: USD may be

pressured in the short term while may rebound in the medium and long term

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- USD may be pressured in the short term as Trump did not announce his fiscal stimulus plan and US treasury yields fell.
- However, in the medium and long term, USD may be underpinned as the US may announce to increase fiscal spending by year-end at the soonest, which may support US treasury yields to rebound. The dollar index may rebound 2-3% for the coming 6-12 months.

Dollar Index – Daily Chart



Source: Bloomberg L.P., as of Apr 21, 2017

Citi forecast – USD may rebound after falling

- **USD may be restrained in the short term on delayed fiscal stimulus plan:** Trump's fiscal stimulus plan may be deferred. Together with falling US treasury yields and geopolitical uncertainty, USD may be restrained in the short term.
- **USD may gain in the medium and long term:** US tax reform and fiscal stimulus plan may be announced by year-end at the soonest, which may raise expectation of earlier rate hikes by the Fed. USD may be supported to rebound.

Citi latest view on major currencies

AUD	<ul style="list-style-type: none"> • AUD may be restrained on weak earnings growth and core inflation, despite strong economic growth. • The pair may range trade between 0.75-0.76.
EUR	<ul style="list-style-type: none"> • If Macron is finally elected as next French president, eliminated uncertainty may support EUR in the short term. However, a rebound of USD may undermine EUR in the medium term. • The pair may fall to 1.04 for the coming 6-12 months.
GBP	<ul style="list-style-type: none"> • GBP may be supported in the short term as the ruling Conservative Party may win more seats in the snap election, which may smooth the Brexit negotiations. • GBP/USD may rise to 1.35 for the coming 0-3 months.
JPY	<ul style="list-style-type: none"> • US treasury yields may rebound as the US may announce fiscal stimulus plan later this year. Widening US-Japan yield spread may undermine JPY. • USD/JPY may rise to 118 for the coming 6-12 months.

Citi latest FX forecasts

Forecasts	0-3M		6-12M	
	Previous	Latest	Previous	Latest
Dollar Index	98.44	97.22 ↓	103.85	103.33 ↓
EUR/USD	1.10	1.10	1.04	1.04
GBP/USD	1.26	1.35 ↑	1.20	1.22 ↑
USD/JPY	112	108 ↓	120	118 ↓
USD/CHF	0.98	0.97 ↓	1.03	1.03
AUD/USD	0.80	0.75 ↓	0.76	0.76
NZD/USD	0.70	0.71 ↑	0.68	0.68
USD/CAD	1.33	1.34 ↑	1.35	1.35
USD/CNY	6.87	6.87	7.09	7.09

Source: Citi, forecasts as of Apr 21, 2017 ↓ Downward Revision ↑ Upward Revision

Weekly FX Strategies

Eliminated political uncertainty in Europe may support EUR in the short term. However, upside may be limited.

The ruling Conservative Party may win more seats in the snap election, which may underpin Brexit negotiations and thus support GBP. Investors may consider buy-on-dips opportunities. For AUD, this week's CPI may not be sufficient to change the RBA's policy stance. However, AUD has been near support levels. Investors may consider buy-on-dips opportunities.

1. Neutral with upside bias - EUR

- ▶ EUR may be supported in the short term as markets expect centralist Macron to become next president
- ▶ EUR/USD may range trade between 1.0494-1.0828 (8.16-8.42)

2. Neutral with upside bias - GBP

- ▶ The ruling Conservative Party may consolidate its majority in the snap election, which may underpin Brexit negotiations and GBP investment sentiment
- ▶ GBP/USD may range trade between 1.2541-1.3097 (9.75-10.18) with mild upside bias in short term.

3. Neutral - AUD

- ▶ Australia will announce CPI this week. AUD may remain range-trading
- ▶ AUD/USD may range trade between 0.7473-0.7750 (5.81-6.03)

EUR/USD



EUR/USD may range trade between 1.0682-1.1129 (8.31-8.65)

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The brackets are the exchange rates in terms of Hong Kong dollar, with HKD \$7.7752 exchange rate for reference

Last Price	Last wk High	Last wk Low	2nd Support	1st Support	1st Resistance	2nd Resistance	0-3 month	6-12 month
1.0728 (8.34)	1.0778 (8.38)	1.0603 (8.24)	1.0682 (8.31)	1.0778 (8.38)	1.0976 (8.53)	1.1129 (8.65)	1.10 (8.55)	1.04 (8.09)

Upcoming economic data
Apr 27: ECB Policy Decision
Apr 28: CPI

Outlook:

(+) French presidential election: Centrist candidate Emmanuel Macron and extreme right-wing Marine Le Pen won the first round of French presidential election. Macron may finally win the election to become the new president. EUR may find support in the short term on eliminated political uncertainty.

(-) EUR may be pressured in the medium and long term: The US may announce fiscal stimulus plan by year end, which may raise expectation of accelerated rate hikes by the Fed. A rebound of USD may pressure EUR.

Technical Analysis:

- The pair rose above 1.0906, a Mar top.
- The pair may range trade between 1.0682-1.1129 (8.31-8.65) in the short term, with mild upside bias.



Source: Bloomberg L.P., as of Apr 21, 2017

GBP/USD

The brackets are the exchange rates in terms of Hong Kong dollar, with HKD \$7.7752 exchange rate for reference



Last Price	Last wk High	Last wk Low	2nd Support	1st Support	1st Resistance	2nd Resistance	0-3m	6-12m
1.2817 (9.97)	1.2905 (10.03)	1.2516 (9.73)	1.2541 (9.75)	1.2713 (9.88)	1.3097 (10.18)	1.3440 (10.45)	1.35 (10.50)	1.22 (9.49)

GBP may find support in the short term as the ruling Conservative party may win in the snap election

Weekly recap: GBP surged last week as UK PM Theresa May announced to hold a general election earlier and market expects it to strengthen the ruling Conservative party's majority, which may underpin Brexit negotiations.

Outlook analysis: Polls show that the ruling Conservative party is leading by a large margin and may win more seats in the election, which may underpin Brexit negotiations and may support GBP in the short term. However, weak UK retail sales may reflect negative impacts of Brexit may restrain GBP in the medium and long term.

Technical analysis: GBP/USD rose above 1.2775, a high seen in Dec 2016. The pair may range trade between 1.2541-1.3097 (9.75-10.18), with short-term upside bias.



Source: Bloomberg L.P., as of Apr 21, 2017

AUD/USD

Last Price	Last wk High	Last wk Low	2nd Support	1st Support	1st Resistance	2nd Resistance	0-3m	6-12m
0.7541 (5.86)	0.7611 (5.92)	0.7492 (5.83)	0.7409 (5.76)	0.7473 (5.81)	0.7673 (5.97)	0.7750 (6.03)	0.75 (5.83)	0.76 (5.91)

AUD may range trade on low earnings growth and core inflation despite accelerated Australia's economic growth

Weekly recap: AUD may range trade in the short term on low earnings growth and core inflation and high household debts, despite accelerated Australia's economic growth.

Outlook analysis: In the medium and long term, USD may find support as the US may announce fiscal stimulus plan by year-end. AUD downside risk may increase.

Technical analysis: AUD/USD tested lower to 0.7470 for several times but was not able to breach the level. The pair may range trade between 0.7473-0.7750 (5.81-6.03).



Source: Bloomberg L.P., as of Apr 21, 2017

Source: Bloomberg L.P., as of Apr 21, 2017

The brackets are the exchange rates in terms of Hong Kong dollar, with HKD \$7.7752 exchange rate for reference



Other FX strategies

NZD/USD: NZD may be supported as NZ inflation rose above 2%

Last Price	Last wk High	Last wk Low	2nd Support	1st Support	1st Resist.	2nd Resist.	0-3M	6-12M
0.7022 (5.46)	0.7053 (5.48)	0.6982 (5.43)	0.6862 (5.34)	0.6890 (5.36)	0.7119 (5.54)	0.7180 (5.58)	0.71 (5.52)	0.68 (5.29)

(+) Rising inflation: NZ inflation rose 2.2% yoy in Q1, above 2% for the first time since Q3 2011. However, the RBNZ may not hike rates earlier as rising inflation was partly due to seasonality.

(-) USD gains: In the medium and long term, markets may expect the Fed to hike rates earlier as the US may announce fiscal stimulus policy by year end. A rise in USD may restrain NZD.



USD/CAD: CAD may find support at lows on strong fundamentals

Last Price	Last wk High	Last wk Low	2nd Support	1st Support	1st Resist.	2nd Resist.	0-3M	6-12M
1.3498 (5.76)	1.3525 (5.75)	1.3262 (5.86)	1.3118 (5.93)	1.3210 (5.89)	1.3535 (5.74)	1.3599 (5.72)	1.34 (5.80)	1.35 (5.76)

(-) Improved fundamentals: Citi's economic surprise index for Canada rose the highest level since 2010, reflecting better than expected economic data.

(+) Neutral monetary policy: In the BOC's view, no significant growth in work hours and earnings show room for improvement in job market. Together with export competition, the BOC may not change the current monetary policy.



USD/JPY: Narrowing US-Japan government bond yields may support JPY in the short term

Last Price	Last wk High	Last wk Low	2nd Support	1st Support	1st Resist.	2nd Resist.	0-3M	6-12M
109.07 (71.27)	109.49 (71.01)	108.13 (71.91)	105.53 (73.68)	106.52 (72.99)	111.16 (69.95)	112.20 (69.30)	108 (71.99)	118 (65.89)

(-) JPY may find support in the short term: US treasury yields dropped on delayed US fiscal stimulus policy. US-Japan government bond yields may further narrow in the short term, which may support JPY.

(+) JPY may weaken in the medium and long term: Japan's inflation may need more time to rebound to the target level of 2%. The BOJ may keep its accommodative monetary policy for a while. US-Japan monetary policy difference may widen.

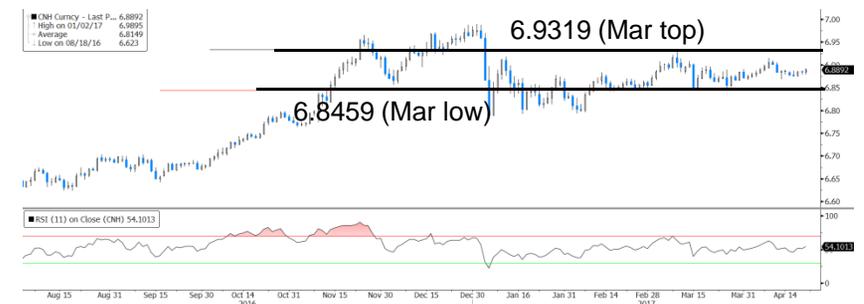


USD/CNH: CNH may consolidate on upbeat China's economic data

Last Price	Last wk High	Last wk Low	2nd Support	1st Support	1st Resist.	2nd Resist.
6.8868 (1.1287)	6.9148 (1.1241)	6.8684 (1.1317)	6.7812 (1.1462)	6.8459 (1.1354)	6.9319 (1.1213)	6.9895 (1.1121)

(+/-) CNH may consolidate in the short term: CNH may stabilize in the short term on upbeat China's economic data, effective control of capital outflows and higher SLF by the PBOC.

(+) CNH may depreciate moderately in the long term: Markets may raise expectation of accelerated rate hikes by the Fed. A rebound of USD may increase capital outflows of China and CNH may be pressured.



Upcoming Economic Figures and Events



Australia inflation data may become market focus

<p>US</p>	<p>Q1 GDP</p> <ul style="list-style-type: none"> ➤ For the third time in four years, first quarter GDP growth is expected to be weak. Unseasonably warm temperatures depressed household spending on utilities, and delayed tax refunds for select filers may have dampened spending. 	<p>Apr 28 (Fri): GDP (YoY)</p> <table border="0"> <tr> <td><u>Citi Forecast</u></td> <td><u>Previous</u></td> </tr> <tr> <td>0.9%</td> <td>2.1%</td> </tr> </table>	<u>Citi Forecast</u>	<u>Previous</u>	0.9%	2.1%
<u>Citi Forecast</u>	<u>Previous</u>					
0.9%	2.1%					
<p>EU</p>	<p>ECB Policy Decision</p> <ul style="list-style-type: none"> ➤ Soaring fruit and vegetable prices and rising rent and construction and property maintenance costs were driven by weather factor. Inflation may rise 1% qoq in Q1 with yearly growth possibly rising to 2.2%, the highest since 2Q11. 	<p>Apr 27 (Thu): ECB Policy Decision</p>				
<p>UK</p>	<p>Q1 UK</p> <ul style="list-style-type: none"> ➤ Service output and retail sales point to a more significant setback. A slowdown to 0.3% QoQ (from 0.7%) as we expect would imply downside risk to the BOE's full year GDP forecast. 	<p>Apr 28 (Fri): GDP (QoQ)</p> <table border="0"> <tr> <td><u>Citi Forecast</u></td> <td><u>Previous</u></td> </tr> <tr> <td>0.3%</td> <td>0.7%</td> </tr> </table>	<u>Citi Forecast</u>	<u>Previous</u>	0.3%	0.7%
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0.3%	0.7%					
<p>Australia</p>	<p>Q1 CPI</p> <ul style="list-style-type: none"> ➤ Given higher prices of electricity and petrol and seasonality, we forecast Q1 CPI to accelerate from 0.5% QoQ to 0.7% (1.5% YoY to 2.4%). This would not change the outlook for a steady RBA cash rate. 	<p>Apr 26 (Wed): CPI (YoY)</p> <table border="0"> <tr> <td><u>Citi Forecast</u></td> <td><u>Previous</u></td> </tr> <tr> <td>2.4%</td> <td>1.5%</td> </tr> </table>	<u>Citi Forecast</u>	<u>Previous</u>	2.4%	1.5%
<u>Citi Forecast</u>	<u>Previous</u>					
2.4%	1.5%					
<p>Japan</p>	<p>BOJ Policy Decision</p> <ul style="list-style-type: none"> ➤ We expect no policy change, but in our view the BoJ will likely revise down its core CPI inflation outlook to around 1.2% YoY (from 1.5%) for FY2017, driven by a recent rebound of JPY and falling oil prices. 	<p>Apr 26-27 (Wed & Thu): BOJ Policy Decision</p>				

Appendix 1: Citi interest rate and FX Forecast for 2017



Citi FX Outlook Forecast

Citi FX interest rate Forecast

	0-3 month	6-12 month	4/21/17	2Q '17	3Q '17	4Q '17
Dollar Index	97.22	103.33	1.00	1.25	1.50	1.50
EUR/USD	1.10	1.04	0.00	0.00	0.00	0.00
GBP/USD	1.35	1.22	0.25	0.25	0.25	0.25
USD/JPY	108	118	-0.10	-0.10	-0.10	-0.10
USD/CHF	0.97	1.03	-0.75	-0.75	-0.75	-0.75
AUD/USD	0.75	0.76	1.50	1.50	1.50	1.50
NZD/USD	0.71	0.68	1.75	1.75	1.75	1.75
USD/CAD	1.34	1.35	0.50	0.50	0.50	0.50
USD/CNY	6.87	7.09	3.30	3.30	3.30	3.30

Source: Citi, forecast as of Apr 21, 2017

 Rate cut expectations  Rate hike expectations

- AUD** → AUD may be restrained on weak earnings growth and core inflation and RBA's concern on high household debts, despite strong economic growth. The pair may range trade between 0.75-0.76.
- EUR** → If Macron is finally elected as next French president, eliminated uncertainty may support EUR in the short term. However, in the medium and long term, the US may announce tax reform and fiscal stimulus plan later this year. A rebound of USD may undermine EUR in the medium term. The pair may fall to 1.04 for the coming 6-12 months.
- GBP** → GBP may be supported in the short term as the ruling Conservative Party may win more seats in the snap election, which may smooth the Brexit negotiations. GBP/USD may rise to 1.35 for the coming 0-3 months. However, in the medium and long term, the pair may fall to 1.22 for the coming 6-12 months on weakening UK fundamentals.
- JPY** → US treasury yields may rebound as the US may announce fiscal stimulus plan later this year, which may raise expectation of accelerated rate hikes by the Fed. Widening US-Japan yield spread may undermine JPY. USD/JPY may rise to 118 for the coming 6-12 months.

Appendix 2: Last week's Economic Figures



Time		Importance	Event	Period	Actual	Survey	Prior
Monday							
04/17/17 10:00	CH	!!	Retail Sales YoY	Mar	10.90%	9.70%	10.90%
04/17/17 10:00	CH	!!	Industrial Production YoY	Mar	7.60%	6.30%	6.00%
04/17/17 10:00	CH	!!!	GDP YoY	1Q	6.90%	6.80%	6.80%
Tuesday							
04/18/17 09:30	AU	!!	RBA April Rate Meeting Minutes	Apr			
04/18/17 20:30	CA	!	Int'l Securities Transactions	Feb	38.84b	--	6.35b
04/18/17 20:30	US	!!	Housing Starts MoM	Mar	-6.80%	-3.00%	5.00%
04/18/17 20:30	US	!!	Building Permits MoM	Mar	3.60%	2.80%	-6.00%
04/18/17 21:00	CA	!	Existing Home Sales MoM	Mar	1.10%	--	5.20%
04/18/17 21:15	US	!!	Industrial Production MoM	Mar	0.50%	0.50%	0.00%
Wednesday							
04/19/17 08:30	AU	!	Westpac Leading Index MoM	Mar	0.08%	--	-0.07%
04/19/17 17:00	EC	!!	CPI YoY	Mar	1.50%	1.50%	1.50%
Thursday							
04/20/17 06:45	NZ	!!	CPI YoY	1Q	2.20%	2.00%	1.30%
04/20/17 07:50	JN	!!	Trade Balance Adjusted	Mar	¥172.2b	¥172.0b	¥609.0b
04/20/17 09:30	AU	!	NAB Business Confidence	1Q	6	--	5
04/20/17 20:30	US	!!	Initial Jobless Claims	Apr	244k	240k	234k
Friday							
04/21/17 16:00	EC	!!	Markit Eurozone Manufacturing PMI	Apr	56.8	56.0	56.2
04/21/17 16:30	UK	!!	Retail Sales Ex Auto Fuel YoY	Mar	2.60%	3.90%	4.10%
04/21/17 16:30	UK	!!	Retail Sales Inc Auto Fuel YoY	Mar	1.70%	3.60%	3.70%
04/21/17 20:30	CA	!!	CPI YoY	Mar	1.60%	1.80%	2.00%
04/21/17 20:30	CA	!!	CPI Core- Common YoY%	Mar	1.30%	1.30%	1.30%
04/21/17 22:00	US	!!	Existing Home Sales MoM	Mar	4.40%	-1.90%	-3.70%

Appendix 3: Upcoming Economic Figures (Apr 24, 2017 – Apr 28, 2017)



Time		Importance	Event	Period	Actual	Survey	Prior
Monday							
04/24/17 22:30	US	!	Dallas Fed Manf. Activity	Apr	--	17.5	16.9
Tuesday							
04/25/17 22:00	US	!	New Home Sales MoM	Mar	--	-0.30%	6.10%
Wednesday							
04/26/17 06:45	NZ	!!	Net Migration SA	Mar	--	--	6000
04/26/17 09:30	AU	!!!	CPI YoY	1Q	--	--	1.50%
04/26/17 20:30	CA	!!	Retail Sales Ex Auto MoM	Feb	--	--	1.70%
Thursday							
04/27/17 17:00	EC	!	Economic Confidence	Apr	--	--	107.9
04/27/17 19:45	EC	!!!	ECB Main Refinancing Rate	27-Apr	--	--	0.00%
04/27/17 20:30	US	!	Durable Goods Orders	Mar P	--	1.20%	1.80%
04/27/17 20:30	US	!	Initial Jobless Claims	22-Apr	--	--	--
04/27/17 22:00	US	!	Pending Home Sales NSA YoY	Mar	--	--	-2.40%
04/27/17	JN	!!!	BOJ Monetary Policy Statement				
Friday							
04/28/17 06:45	NZ	!	Building Permits MoM	Mar	--	--	14.00%
04/28/17 06:45	NZ	!!	Trade Balance NZD	Mar	--	--	-18m
04/28/17 07:30	JN	!!	Jobless Rate	Mar	--	2.90%	2.80%
04/28/17 07:30	JN	!!	Natl CPI YoY	Mar	--	0.20%	0.30%
04/28/17 07:50	JN	!	Retail Trade YoY	Mar	--	1.80%	0.10%
04/28/17 07:50	JN	!	Industrial Production MoM	Mar P	--	-1.20%	3.20%
04/28/17 16:30	UK	!!	GDP YoY	1Q A	--	--	1.90%
04/28/17 17:00	EC	!!	CPI Estimate YoY	Apr	--	--	1.50%
04/28/17 20:30	CA	!!!	GDP YoY	Feb	--	--	2.30%
04/28/17 20:30	US	!!!	GDP Annualized QoQ	1Q A	--	1.20%	2.10%
04/28/17 22:00	US	!!	U. of Mich. Sentiment	Apr F	--	98.5	98

Important Disclosure



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Higher Credit Risk – Unrated or non investment grade Debt Securities generally have predominantly speculative characteristics with respect to the issuer’s capacity to pay interest and repay principal. There is greater risk of non-payment of interest and loss of principal. Many issuers of these Debt Securities have experienced substantial difficulties in servicing their debt obligations, which has led to default and restructurings. The issuers of these Debt Securities generally have to pay a higher rate of interest than investment grade Debt Securities.

Higher Liquidity and Secondary Market Risk – The markets in which unrated or non investment grade Debt Securities are traded are generally more limited than those in which investment grade Debt Securities are traded. This lack of liquidity may make it more difficult to resell these Debt Securities and obtain market quotations.

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Higher Vulnerability to economic cycles - During economic downturns, unrated or non investment grade Debt Securities are typically more susceptible to price volatility and fall more in value than investment grade Debt Securities as i) investors may reevaluate holdings in lower-quality bonds in favor of investment-grade corporate Debt Securities; ii) investors become more risk averse; and iii) default risk rises. This is often referred to a “flight to quality”.

Event Risk – This includes any of a variety of events that can adversely affect the issuer of unrated or non investment grade Debt Securities, and therefore the issuer’s ability to meet debt service obligations to repay principal and interest to Debt Securities holders. Event risk may pertain to the issuer specifically, the industry or business sector of the issuer, or generally upon the overall economy. It could have a direct or indirect impact on the issuer and their outstanding debts.

Important Disclosure



Risk relating to RMB – If you choose RMB as the base currency or the alternate currency, you should also note the following:

RMB is currently not freely convertible through banks in Hong Kong. Due to exchange controls and/or restrictions imposed on the convertibility, utilisation or transferability of RMB (if any) which in turn is affected by, amongst other things, the PRC government's control, there is no guarantee that disruption in the transferability, convertibility or liquidity of RMB will not occur. There is thus a likelihood that you may not be able to convert RMB received into other freely convertible currencies.

CNH exchange rates and CNY exchange rates are currently quoted in different markets with different exchange rates, whereby their exchange rate movements may not be in the same direction or magnitude. Therefore, the CNH exchange rate may be different from the CNY exchange rate.