

*INVESTMENT PRODUCTS: NOT A BANK DEPOSIT. NOT GOVERNMENT INSURED. NO BANK GUARANTEE. MAY LOSE VALUE

Citibank Wealth Management



Nov 9, 2020
with data as of Nov 6, 2020

Weekly FX Strategy

FX Analysis

Data Forecasts

Weekly FX Insight

Please note and carefully read the Important Disclosure on the last part



Weekly FX Special Theme: FX View on US Election 2020



<p>Biden wins the presidency with Republicans hold the Senate and Democrats the House</p>	<p>A tactically USD negative outlook across the board (especially CNH and proxies such as EUR and Commodity Bloc – CAD) but with a less linear downward path than under a Blue wave sweep with other Safe Havens likely to outperform (JPY, CHF and Gold) USD over time.</p>
<p>Trump winning the presidency, Republicans holding the Senate and Democrats the House</p>	<p>Risk on but tactically USD positive - long USDJPY and USDCNH (together with CNH proxies – EUR, SGD, AUD).</p>
<p>A contested election</p>	<p>Risk off and a tactical USD positive as risk assets trade drop sharply, so tactically selling risk currencies in G10 (AUD, NZD) versus USD, CHF and JPY are the favored expression.</p>

Tactical USD weakness targeting 1.2000 in EURUSD, 1.33-34 in cable (with the help of a Brexit deal), 6.50 in USCNH, 0.7350 in AUDUSD and 102.80 – 103.00 in USDJPY

Regardless of who wins the November election, fundamental supports for the USD have been eroded since the onset of the COVID-crisis and are unlikely to reverse over the medium term. The Fed’s uber-loose policy of QE and lower for longer rates and average inflation targeting is indicative of a lower USD over time. Meanwhile, US federal deficits are rapidly expanding at a time, which may also unfavor USD.

Weekly FX Strategy: GBP

GBP news

- The MPC today (unanimously) announced a large new QE package but more importantly also a change in approach. The headline £150bn gilts package is larger than expected, but over 12 months until end-2021.
- Chair Powell continued to focus on downside risks to the outlook for growth and inflation, which weighed on USD and supported GBP.

GBP outlook

- GBP is cheap, which sits around 15% below its long term average. Despite that the UK has lagged the G10 complex in terms of economic momentum, the currency has been reasonably supported by its cheap valuation. However, it is the policy response to the poor economic momentum that will likely cap significant gains for GBP in the medium term. Citi forecasts the MPC to cut into negative territory in mid-2021.

S2	S1	R1	R2	0-3m forecast	6-12m forecast	LT forecast
1.2856	1.2910	1.3284	1.3482	1.27	1.33	1.42



Source: Bloomberg L.P., as of Nov 6, 2020

- GBPUSD broke the resistance at 1.3150, which may open the way to test higher at 1.3284 and 1.3482, with support at 1.2910 (100dMA).

Strategy for GBP holders - Diversify into USD

- There was no material new step towards negative rates, but the summary states that MPC would use “any action necessary” to achieve its inflation target, which does not rule out our base case of negative Bank Rate in mid-2021.
- A contested election may lead to risk off and a tactical USD positive as risk assets trade drop sharply.



Strategy	Reference Level	Target Level
Bearish on GBP	USD 1.3482	1.2910
Bearish on GBP	HKD 10.45	10.01

Strategy for USD holders - Buy GBP upon retracement

- A Brexit deal -- should have one by mid November. The potential for UK to enter into multiple FTAs next year (including with the US) is yet to be priced.
- If Biden wins the presidency with split congress, a tactically USD negative outlook across the board (especially CNH and proxies such as EUR and Commodity Bloc).



Strategy	Reference Level	Target Level
Bullish on GBP	USD 1.2910	1.3482
Bullish on GBP	HKD 10.01	10.45

The brackets are the exchange rates in terms of Hong Kong dollar, with HKD \$7.7536 exchange rate for reference

Weekly FX Strategy: AUD

AUD news

- RBA cut the official interest rate to 0.10% with dovish statement, which once limited the AUD's performance.
- However, the market looked forward to Biden's victory in the election. The market sentiment improved, leaving USD down and supporting AUD.

AUD outlook

- China's continued strong economic recovery is a positive sign for closely linked Australia. Besides, the RBA remain in wait and see mode and negative rates pretty much ruled out. We don't see a large negative for the currency here.

S2	S1	R1	R2	0-3m forecast	6-12m forecast	LT forecast
0.6799	0.7006	0.7350	0.7414	0.73	0.74	0.75



Source: Bloomberg L.P., as of Nov 6, 2020

- AUDUSD looks to be forming a clear double bottom within a triangle (top of the triangle has already broken) with a neckline at .7243. and a target close to .7500.

Strategy for AUD holders - Diversify into USD

- A contested election may lead to risk off and a tactical USD positive as risk assets trade drop sharply.
- RBA cut the official interest rate to 0.10% with dovish statement, which once limited the AUD's performance.

Shopping Cart	Strategy	Reference Level	Target Level
	Bearish on AUD	USD	0.7414
	Bearish on AUD	HKD	5.75

Strategy for USD holders - Buy AUD upon retracement

- If Biden wins the presidency with split congress, a tactically USD negative outlook across the board (especially CNH and proxies such as EUR and Commodity Bloc).
- Fundamental supports for the USD have been eroded since the onset of the COVID-crisis and are unlikely to reverse over the medium term. The Fed's uber-loose policy of QE and lower for longer rates and average inflation targeting is indicative of a lower USD over time. Meanwhile, US federal deficits are rapidly expanding at a time, which may also unfavor USD.

Shopping Cart	Strategy	Reference Level	Target Level
	Bullish on AUD	USD	0.7006
	Bullish on AUD	HKD	5.43

The brackets are the exchange rates in terms of Hong Kong dollar, with HKD \$7.7536 exchange rate for reference



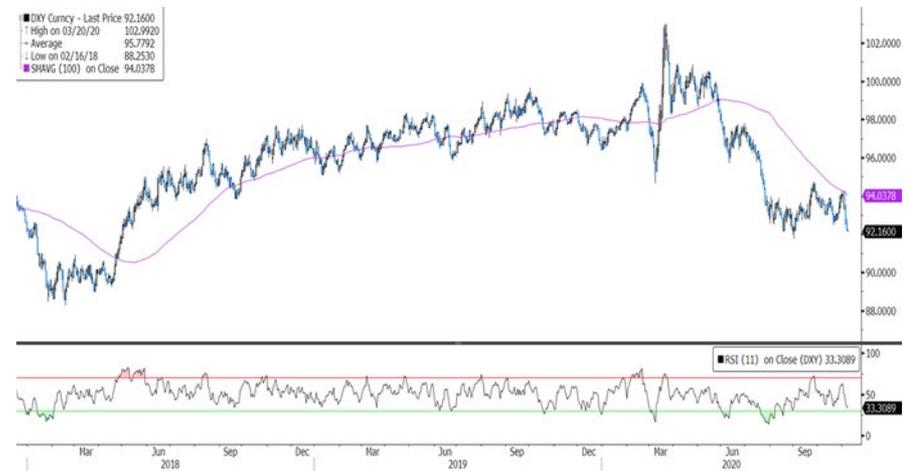
Dollar Index

The brackets are the exchange rates in terms of Hong Kong dollar, with HKD \$7.7536 exchange rate for reference

USD outlook:

- Regardless of who wins the Nov election, fundamental supports for the USD have been eroded.
- The Fed's uber-loose policy of QE, lower for longer rates and average inflation targeting is indicative of a lower USD over time.
- Meanwhile, US federal deficits are rapidly expanding at a time when domestic savings are insufficient to fund these deficits. The US may require capital inflows from foreign savers, but given deficits are expanding globally, foreign investors may require a discount for US assets in the form of higher yields, lower USD or both.
- At the moment, UST yields remain close to all-time lows, so the only escape valve for worsening US fundamentals is via a lower USD.

0-3M forecast: 94.13 6-12M forecast: 90.91 LT forecast: 88.13



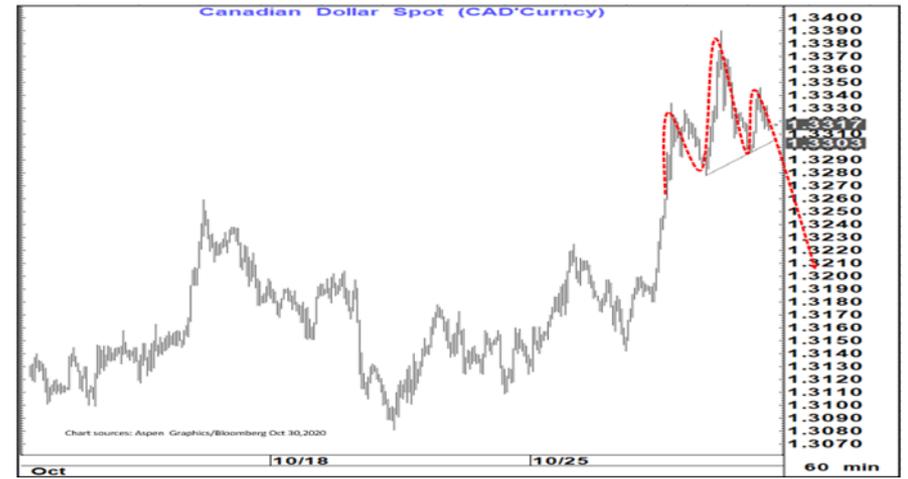
Source: Bloomberg L.P., as of Nov 6, 2020

USD/CAD

CAD outlook:

- We expect risk sentiment to be an important driver, but also think CAD has fundamental supports. Canada is the only G10 country with positive economic surprises and data momentum. Citi forecasts an extended rebound in oil from here with WTI at 56\$/bbl in 12m. This should be supportive for the Loonie.

0-3M forecast: 1.30 6-12M forecast: 1.27 LT forecast: 1.20



Source: Bloomberg L.P., as of Nov 6, 2020



	Strategy	Reference Level	Target Level
Bearish on CAD	USD	1.2994	1.3421
	HKD	5.97	5.78
Bullish on CAD	USD	1.3421	1.2994
	HKD	5.78	5.97

USD/RMB

The brackets are the exchange rates in terms of Hong Kong dollar, with HKD \$7.7536 exchange rate for reference

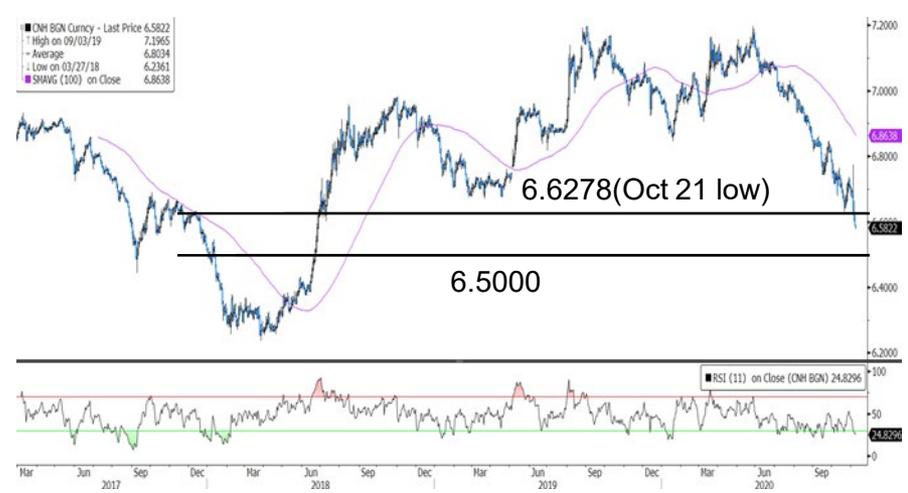


RMB outlook:

- We see USDCNY is still under an appreciation bias. Should persistent and large capital inflows continue, the RMB would be pushed to a one-way appreciation path. We thus think there is a need for the PBoC to lower the policy rate to manage the expectation of the rates and FX market.

Strategy		Reference Level	Target Level
Bearish on RMB	USD	6.5000	6.6278
Bearish on RMB	HKD	1.1929	1.1699
Bullish on RMB	USD	6.6278	6.5000
Bullish on RMB	HKD	1.1699	1.1929

0-3M forecast: 6.75 6-12M forecast: 6.60 LT forecast: 6.50



Source: Bloomberg L.P., as of Nov 6, 2020

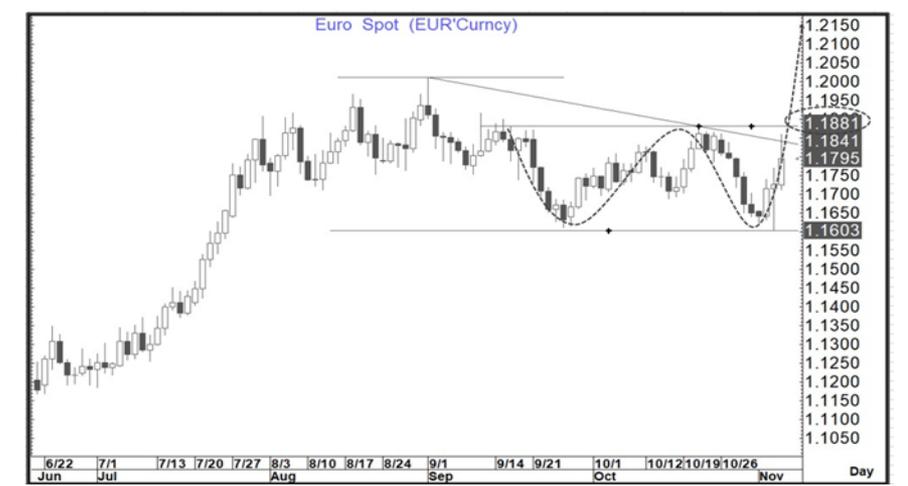
EUR/USD

EUR outlook:

- We expect the ECB to deliver additional accommodation. EUR strength may be capped near term but we think that the implications for the EUR are limited. In medium term EUR may outperform. First, increased fiscal/ current account deficits may eventually generate portfolio balance pressure on \$ assets generally over time. Second, Stronger FDI and reserve manager buying in the EA than anticipated.

Strategy		Reference Level	Target Level
Bearish on EUR	USD	1.1880	1.1603
Bearish on EUR	HKD	9.21	9.00
Bullish on EUR	USD	1.1603	1.1880
Bullish on EUR	HKD	9.00	9.21

0-3M forecast: 1.17 6-12M forecast: 1.22 LT forecast: 1.25



Source: Bloomberg L.P., as of Nov 6, 2020

USD/CHF

The brackets are the exchange rates in terms of Hong Kong dollar, with HKD \$7.7536 exchange rate for reference



CHF outlook:

- Moderate CHF weakening is expected. Events like Brexit or the US election have the potential to trigger FX volatility, in which case the SNB can aggressively ramp up purchases of foreign shares and bonds.

Shopping Cart	Strategy	Reference Level	Target Level
	Bearish on CHF	USD 0.8870	0.9193
	Bearish on CHF	HKD 8.74	8.43
	Bullish on CHF	USD 0.9193	0.8870
	Bullish on CHF	HKD 8.43	8.74



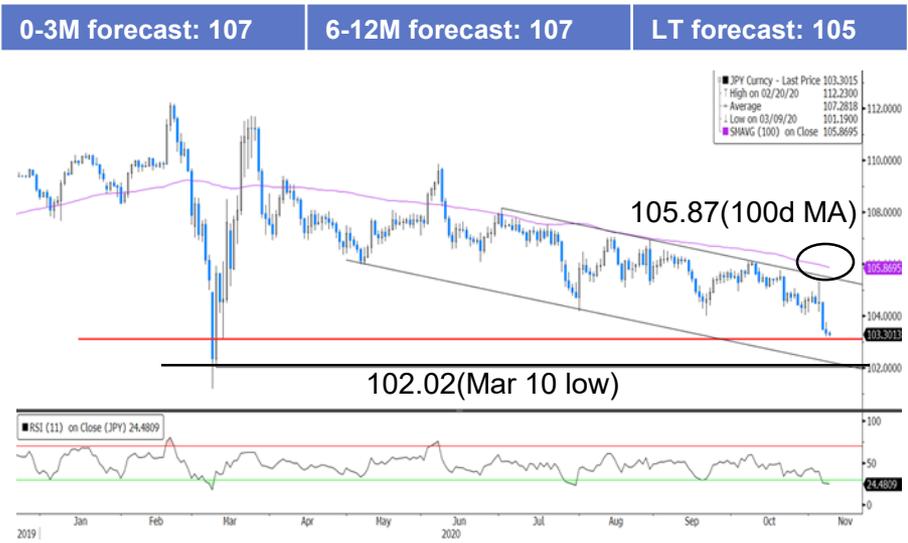
Source: Bloomberg L.P., as of Nov 6, 2020

USD/JPY

JPY outlook:

- PM Suga is unlikely to call a snap election and we expect another major fiscal package by year end including. PM Suga has also stated that there would be no further consumption tax hikes in the next decade. The new political environment is likely to be more conducive to JPY appreciation. However, the likely timing of the BoJ's first rate hike may delay to April 2025, which may restrain the JPY.

Shopping Cart	Strategy	Reference Level	Target Level
	Bearish on JPY	USD 102.02	105.87
	Bearish on JPY	HKD 7.60	7.32
	Bullish on JPY	USD 105.87	102.02
	Bullish on JPY	HKD 7.32	7.60



Source: Bloomberg L.P., as of Nov 6, 2020

NZD/USD

The brackets are the exchange rates in terms of Hong Kong dollar, with HKD \$7.7536 exchange rate for reference



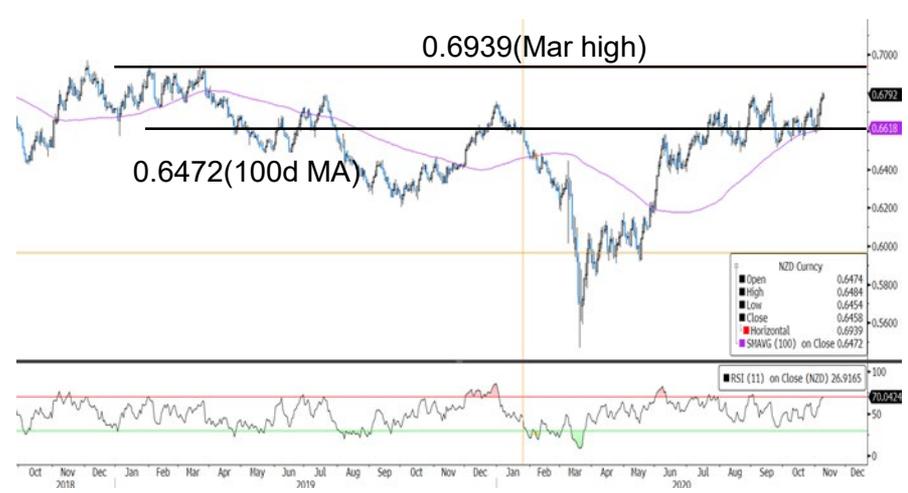
NZD outlook:

- The RBNZ may prevent any material NZD strength. Noted instruments at September's meeting include a "Funding for Lending programme (FLP), a negative OCR and purchases of foreign assets". This will likely cap Kiwi appreciation.



Strategy		Reference Level	Target Level
Bearish on NZD	USD	0.6939	0.6472
Bearish on NZD	HKD	5.38	5.02
Bullish on NZD	USD	0.6472	0.6939
Bullish on NZD	HKD	5.02	5.38

0-3M forecast: 0.66 6-12M forecast: 0.66 LT forecast: 0.66



Source: Bloomberg L.P., as of Nov 6, 2020

Gold/USD

Gold outlook:

- We are bullish gold tactically in the short-term and structurally over the medium-term. We maintain our 0-3m point-price target at \$2,200/oz and a 6-12m target at \$2,400/oz. We lift the 2021E base case gold price forecast by ~\$300/oz, versus our early July update, to a record \$2,275/oz.



Strategy		Reference Level	Target Level
Bearish on Gold	USD	2075	1860
Bearish on Gold	HKD	16,089	14,422
Bullish on Gold	USD	1860	2075
Bullish on Gold	HKD	14,422	16,089

0-3M forecast: 2200 6-12M forecast: 2400



Source: Bloomberg L.P., as of Nov 6, 2020

Appendix 1: Last week performance, Citi interest rate and FX Forecasts

Citi FX Outlook Forecast

Citi FX interest rate Forecast

	0-3 month	6-12 month	Long-term	11/6/2020	4Q '20	1Q '21	2Q '21	3Q '21
Dollar Index	94.13	90.91	88.13	*0.00	0.00	0.00	0.00	0.00
EUR/USD	1.17	1.22	1.25	-0.50	-0.50	-0.50	-0.50	-0.50
GBP/USD	1.27	1.33	1.42	0.10	0.10	0.00	0.00	-0.10
USD/JPY	107	107	105	-0.10	-0.10	-0.10	-0.10	-0.10
USD/CHF	0.93	0.90	0.93	-0.75	-0.75	-0.75	-0.75	-0.75
AUD/USD	0.73	0.74	0.75	0.25	0.25	0.25	0.25	0.25
NZD/USD	0.66	0.66	0.66	0.25	0.25	0.25	0.25	0.25
USD/CAD	1.30	1.27	1.20	0.25	0.25	0.25	0.25	0.25
USD/CNY	6.75	6.60	6.50	2.95	2.75	2.75	2.75	2.75

Source: Citi (as of Oct 7, 2020) *lower bound

 Rate cut expectations

 Rate hike expectations

Major Currencies Weekly Performance

CCY	Last week close	Weekly Change	1 month high	1 month low	1 month change	3 month high	3 month low	3 month change	52 week high	52 week low	Year-To-Date Change
USD	92.23	-1.9%	94.13	92.23	-1.6%	94.64	92.14	-0.6%	102.99	91.75	-4.4%
EUR/USD	1.1874	1.9%	1.1874	1.1641	1.2%	1.1936	1.1631	0.0%	1.2011	1.0636	6.0%
USD/JPY	103.35	-1.3%	106.03	103.35	-2.2%	106.93	103.35	-2.1%	112.23	101.19	-5.2%
GBP/USD	1.3156	1.6%	1.3156	1.2881	2.1%	1.3384	1.2724	0.1%	1.3514	1.1412	-0.6%
USD/CAD	1.3050	-2.0%	1.3325	1.3045	-2.0%	1.3388	1.3045	-1.9%	1.4668	1.2952	0.3%
AUD/USD	0.7258	3.3%	0.7283	0.7028	2.2%	0.7376	0.7028	0.3%	0.7414	0.5510	3.8%
NZD/USD	0.6774	2.4%	0.6774	0.6577	2.8%	0.6774	0.6527	1.3%	0.6802	0.5470	0.9%
USD/CHF	0.8995	-1.9%	0.9190	0.8995	-2.0%	0.9283	0.8995	-1.1%	1.0023	0.8983	-7.5%
USD/CNY	6.6125	-1.2%	6.7464	6.6065	-2.6%	6.9680	6.6065	-4.9%	7.1777	6.6035	-5.3%
USD/CNH	6.5915	-1.6%	6.7475	6.5915	-2.3%	6.9695	6.5915	-5.1%	7.1965	6.5767	-5.8%
GOLD	1951.35	3.9%	1951.35	1867.59	3.9%	2063.54	1861.58	-5.4%	2075.47	1445.70	29.0%

Source: Bloomberg L.P., as of Nov 6, 2020

Appendix 2: Last week's Economic Figures

Time		Importance	Event	Period	Actual	Survey	Prior
Monday							
11/02/20 09:45	CH	!!	Caixin China PMI Mfg	Oct	53.6	52.8	53
11/02/20 17:30	UK	!!	Markit UK PMI Manufacturing SA	Oct	53.7	53.3	53.3
11/02/20 23:00	US	!!	ISM Manufacturing	Oct	59.3	56.0	55.4
Tuesday							
11/03/20 11:30	AU	!!!	RBA Cash Rate Target	Nov	0.10%	0.10%	0.25%
11/03/20 23:00	US	!!	Durable Goods Orders	Sep	1.90%	1.90%	1.90%
Wednesday							
11/04/20 05:45	NZ	!!	Unemployment Rate	3Q	5.30%	5.30%	4.00%
11/04/20 11:30	AU	!!	Retail Sales MoM	Sep	-1.1%	-1.50%	-4.00%
11/04/20 21:15	US	!!	ADP Employment Change	Oct	365k	643k	749k
11/04/20 21:30	CA	!	Int'l Merchandise Trade	Sep	-3.25b	-2.35b	-2.45b
11/04/20 21:30	US	!!	Trade Balance	Sep	-\$63.9b	-\$63.9b	-\$67.1b
Thursday							
11/05/20 08:00	NZ	!	ANZ Business Confidence	Nov	-15.6	--	-15.7
11/05/20 08:30	AU	!	Trade Balance	Sep	A\$5630m	A\$3700m	A\$2643m
11/05/20 17:30	UK	!	Markit/CIPS UK Construction PMI	Oct	53.1	55	56.8
11/05/20 20:00	UK	!!!	Bank of England Bank Rate	Nov	0.10%	0.10%	0.10%
Friday							
11/06/20 03:00	US	!!!	FOMC Rate Decision	Nov	0.00%	0.00%	0.00%
11/06/20 21:30	US	!!	Change in Nonfarm Payrolls	Oct	638k	580k	672k
11/06/20 21:30	US	!!!	Unemployment Rate	Oct	6.90%	7.60%	7.90%
11/06/20 21:30	CA	!!	Unemployment Rate	Oct	8.90%	9.00%	9.00%

Appendix 3: Upcoming Economic Figures (Nov 9, 2020 – Nov 13, 2020)

Time		Importance	Event	Period	Actual	Survey	Prior
Tuesday							
11/10/20 08:30	AU	!	NAB Business Conditions	Oct	--	--	0
11/10/20 09:30	CH	!!	CPI YoY	Oct	0.80%	--	1.70%
11/10/20 15:00	UK	!!	Average Weekly Earnings 3M/YoY	Sep	--	--	0.00%
11/10/20 15:00	UK	!!	ILO Unemployment Rate 3Mths	Sep	--	--	4.50%
11/10/20 18:00	GE	!	ZEW Survey Expectations	Nov	--	--	56.1
Wednesday							
11/11/20 07:30	AU	!	Westpac Consumer Conf SA MoM	Nov	--	--	11.90%
11/11/20 09:00	NZ	!!!	RBNZ Official Cash Rate	Nov	--	--	0.25%
Thursday							
11/12/20 08:01	UK	!!	RICS House Price Balance	Oct	--	--	61%
11/12/20 15:00	UK	!!	Industrial Production YoY	Sep	--	--	-6.40%
11/12/20 15:00	UK	!!	Manufacturing Production YoY	Sep	--	--	-8.40%
11/12/20 15:00	UK	!!	GDP YoY	3Q	--	--	-21.50%
11/12/20 21:30	US	!	Initial Jobless Claims	Nov	--	--	--
11/12/20 21:30	US	!!!	CPI YoY	Oct	1.30%	--	1.40%
11/12/20 21:30	US	!!!	CPI Ex Food and Energy YoY	Oct	1.70%	--	1.70%
Friday							
11/13/20 03:00	US	!	Monthly Budget Statement	Oct	--	--	-\$124.6b
11/13/20 18:00	EC	!!	GDP SA YoY	3Q	--	--	-4.30%
11/13/20 23:00	US	!!	U. of Mich. Sentiment	Nov	82	--	81.8

Important Disclosure



“Citi analysts” refers to investment professionals within Citi Research (CR) and Citi Global Markets (CGM) and voting members of the Global Investment Committee of Global Wealth Management.

Citibank N.A. and its affiliates / subsidiaries provide no independent research or analysis in the substance or preparation of this document. Investment products are not available to US persons and not all products and services are provided by all affiliates or are available at all locations.

This document is for general informational purposes only and is not intended as a recommendation or an offer or solicitation for the purchase or sale of any security, currency, investment, service or to attract any funds or deposits. Save to the extent provided otherwise in the Terms and Conditions for Accounts and Services or other applicable terms and conditions, information in this document has been prepared without taking account of the objectives, financial situation or needs of any particular investor. Therefore, investment products mentioned in this document may not be suitable for all investors. Any person considering an investment should seek independent advice on the suitability or otherwise of a particular investment. Before making any investment, each investor must obtain the investment offering materials, which include a description of the risks, fees and expenses and the performance history, if any, which may be considered in connection with making an investment decision. Each investor should carefully consider the risks associated with the investment and make a determination based upon the investor’s own particular circumstances, that the investment is consistent with the investor’s investment objectives

In any event, past performance is no guarantee of future results, and future results may not meet our expectations due to a variety of economic, market and other factors. Further, any projections of potential risk or return are illustrative and should not be taken as limitations of the maximum possible loss or gain. Investments are not deposits or other obligations of, guaranteed or insured by Citibank N.A., Citigroup Inc., or any of their affiliates or subsidiaries, or by any local government or insurance agency, and are subject to investment risk, including the possible loss of the principal amount invested. Investors investing in funds denominated in non-local currency should be aware of the risk of exchange rate fluctuations that may cause a loss of principal.

Neither Citigroup nor its affiliates can accept responsibility for the tax treatment of any investment product, whether or not the investment is purchased by a trust or company administered by an affiliate of Citigroup. Citigroup assumes that, before making any commitment to invest, the investor and (where applicable, its beneficial owners) have taken whatever tax, legal or other advice the investor/beneficial owners consider necessary and have arranged to account for any tax lawfully due on the income or gains arising from any investment product provided by Citigroup. If an investor changes country of residence, citizenship, nationality, or place of work, it is his/her responsibility to understand how his/her investment transactions are affected by such change and comply with all applicable laws and regulations as and when such becomes applicable.

Important Disclosure



Although information in this document has been obtained from sources believed to be reliable, save to the extent provided otherwise in the Terms and Conditions for Accounts and Services or other applicable terms and conditions, Citigroup and its affiliates do not guarantee its accuracy or completeness and accept no liability for any direct or consequential losses arising from its use. Opinions expressed herein may differ from the opinions expressed by other businesses or affiliates of Citigroup, and are not intended to be a forecast of future events, a guarantee of future results or investment advice, and are subject to change based on market and other conditions. The information contained herein is also not intended to be an exhaustive discussion of the strategies or concepts.

At any time, Citigroup companies may compensate affiliates and their representatives for providing products and services to clients.

This is not an official statement of Citigroup Inc. and may not reflect all of your investments with or made through Citibank. For an accurate record of your accounts and transactions, please consult your official statement.

If this document shows information coming from Citi Research, please refer to the attached link: https://www.citivelocity.com/cvr/eppublic/citi_research_disclosures , which contains the important disclosures regarding companies covered by Citi's Equity Research analysts, and please refer to the attached link: <https://ir.citi.com/PuXs6xELNHAu7UqkjgVWxnihtUeLtAtDxeEh%2B2qaPpPb7uukpx8Qw1vzcuidtMtqgn1BWqJqak8%3D> for details on the Citi Research ratings system.

This document may not be reproduced or circulated without Citigroup written authority. The manner of circulation and distribution may be restricted by law or regulation in certain countries. Persons who come into possession of this document are required to inform themselves of, and to observe such restrictions. Any unauthorised use, duplication, or disclosure of this document is prohibited by law and may result in prosecution.

This document is distributed in Hong Kong by Citibank (Hong Kong) Limited ("CHKL"). Prices and availability of financial instruments can be subject to change without notice. Certain high-volatility investments can be subject to sudden and large falls in value that could equal the amount invested.

Important Disclosure



Unrated or non investment grade Debt Securities typically offer a higher yield than investment grade Debt Securities, but also present greater risks with respect to liquidity, volatility, and non-payment of principal and interest. As a result of being classified as non investment grade Debt Securities, these Debt Securities present a greater degree of credit risk relative to many other fixed income Debt Securities.

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.

Downgrade Risk – Downgrades in the credit rating of unrated or non investment grade Debt Securities by rating agencies are generally accompanied by declines in the market value of these Debt Securities. In some circumstances, investors in the unrated or non investment grade Debt Securities market may anticipate such downgrades as a result of these credits being placed on “credit watch” by rating agencies, causing volatility and speculation of further credit deterioration.

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.