



CIO Office

Global Markets Weekly Kickstart

# Record High for Silver and Copper

8 December 2025

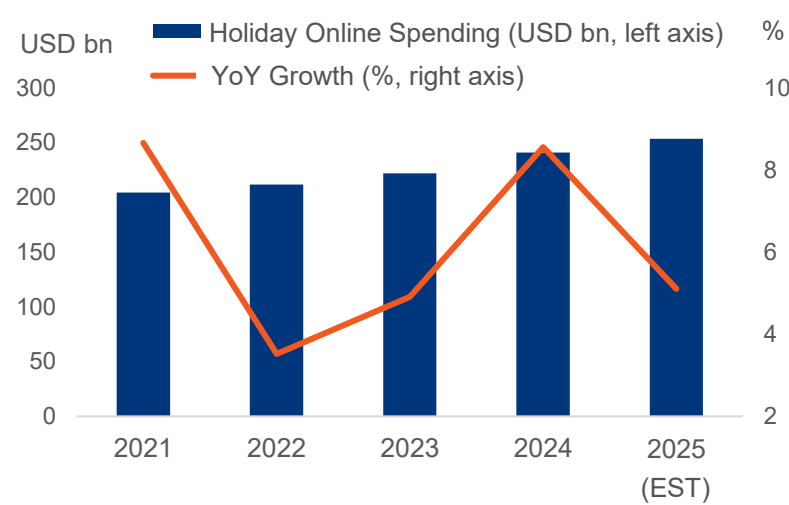


# U.S. Holiday Spending Surges, E-Commerce Takes the Lead

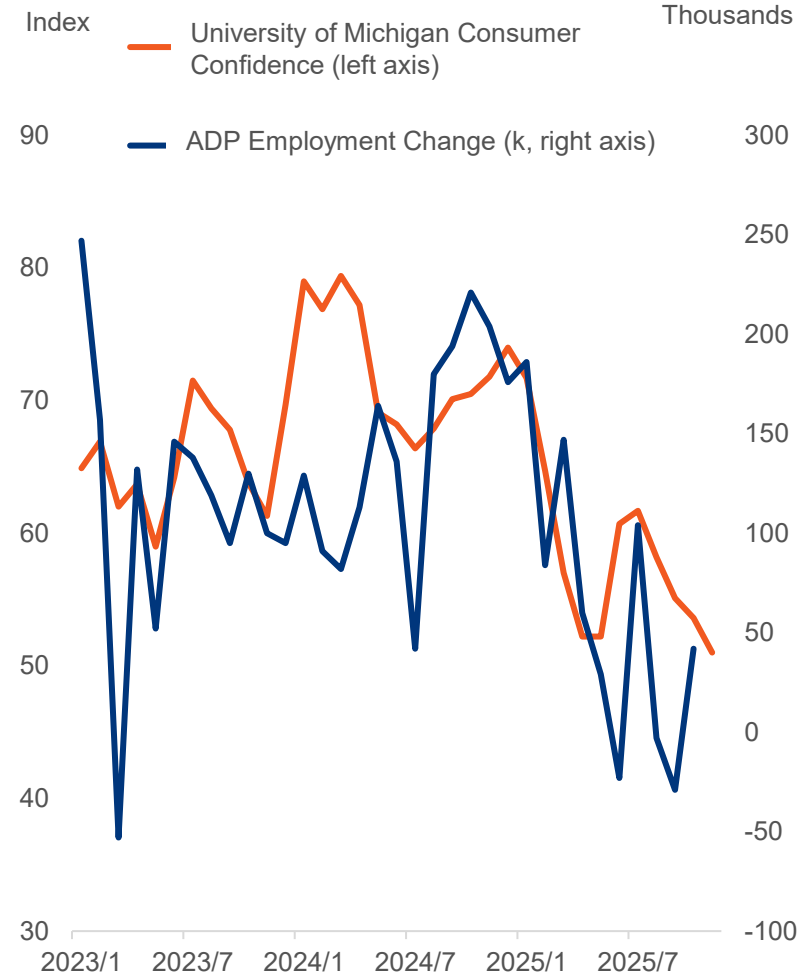
► Adobe Analytics reported that with U.S. economic conditions turning less stable, consumers increasingly rely on AI to compare prices online, hunt for deals, and even defer purchases until discount days. This year's Black Friday online retail sales hit USD 11.8bn, up 9.1% YoY, a new record. Holiday-season online spending (Nov 1–Dec 31) is projected to reach USD 253.4bn, up 5.3% YoY. Key trends: 1. "Buy now, pay later" is expected to drive spending growth. 2. AI-driven traffic to retail sites surged 805% YoY, delivering significant contribution. 3. Mobile payments remain dominant; roughly 55% of Black Friday online sales came from smartphones, totaling USD 6.5bn (+10% YoY).

► Near-term consumption remains resilient, supporting retail-related consumer stocks. However, weakening consumer confidence and declining ADP employment additions warrant caution: November U.S. consumer confidence fell to 88.7 vs. market expectations of 93.4, the lowest since April. Medium- to long-term consumption momentum should not be viewed too optimistically; for consumer stocks, short-term thematic positioning is more suitable.

### Holiday Online Spending Remains Steady



### Softening Employment and Weak Consumer Confidence Weigh on Long-Term Spending



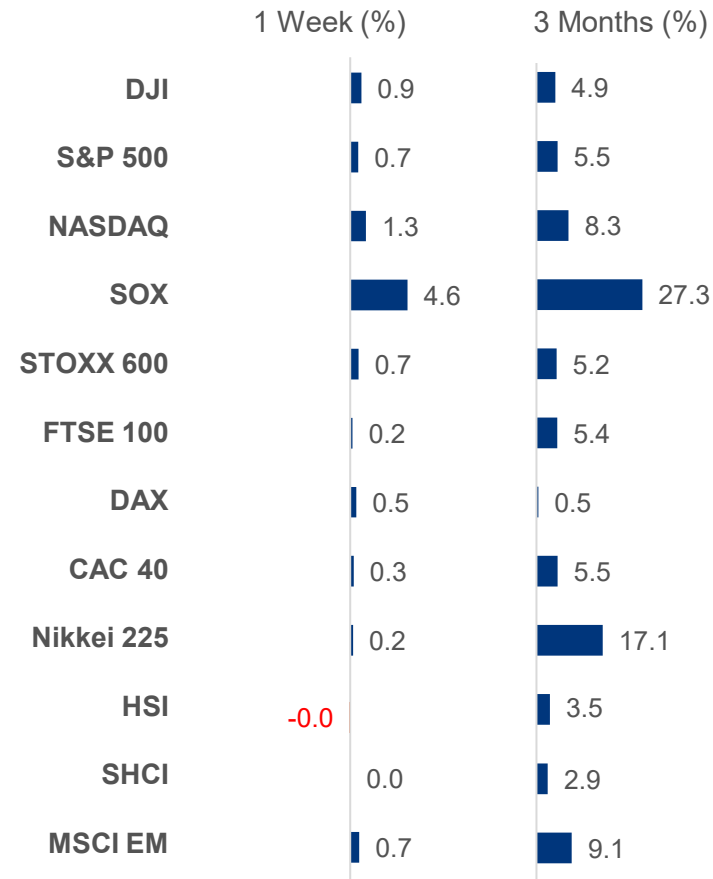
Source: Adobe Analytics, Bloomberg

## Market Recap

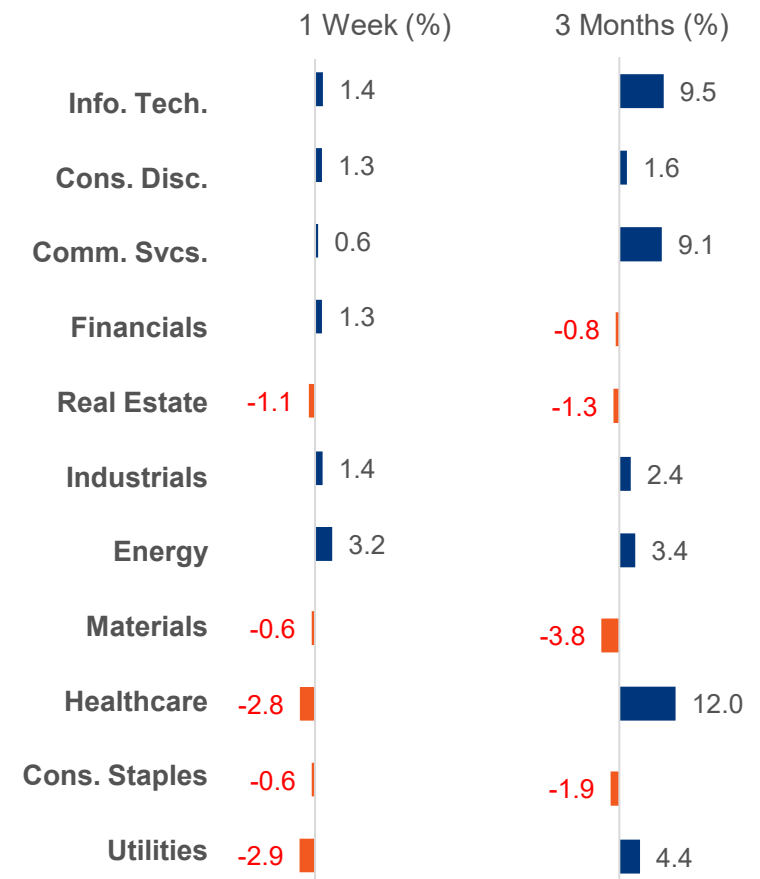
## U.S. Manufacturing Weakens as Markets Await Fed Rate Signals

- ▶ The U.S. November ISM Manufacturing PMI fell to 48.2, marking a ninth straight month below the 50 contraction threshold. New orders, backlogs, and supplier deliveries all dropped sharply, while the prices index rose, keeping stagflation concerns alive. Although services PMI edged up from 52.4 to 52.6, ADP employment data weakened, driven by a notable pickup in small-business layoffs. Markets now assign an 89% probability of a 25 bps cut at the December Fed meeting, well above 63% a month ago. Kevin Hassett, Chair of the White House National Economic Council, is viewed as a leading candidate for Fed Chair; his dovish stance and close ties with Trump have strengthened expectations of future monetary easing, lifting U.S. equities.
- ▶ Russian President Putin met U.S. envoy and Trump's son-in-law Jared Kushner to discuss a Russia-Ukraine ceasefire, but talks stalled again over territorial disputes regarding Russian-occupied Ukrainian regions, pushing oil prices higher and supporting energy stocks. Meta plans major cuts to its metaverse division and will pivot resources toward AI, boosting its share price and lifting communication services. Rate-cut expectations brightened market sentiment, driving gains in tech and consumer discretionary, while defensive sectors lagged, with healthcare and staples weakening.

## Regional Index Performance (%)



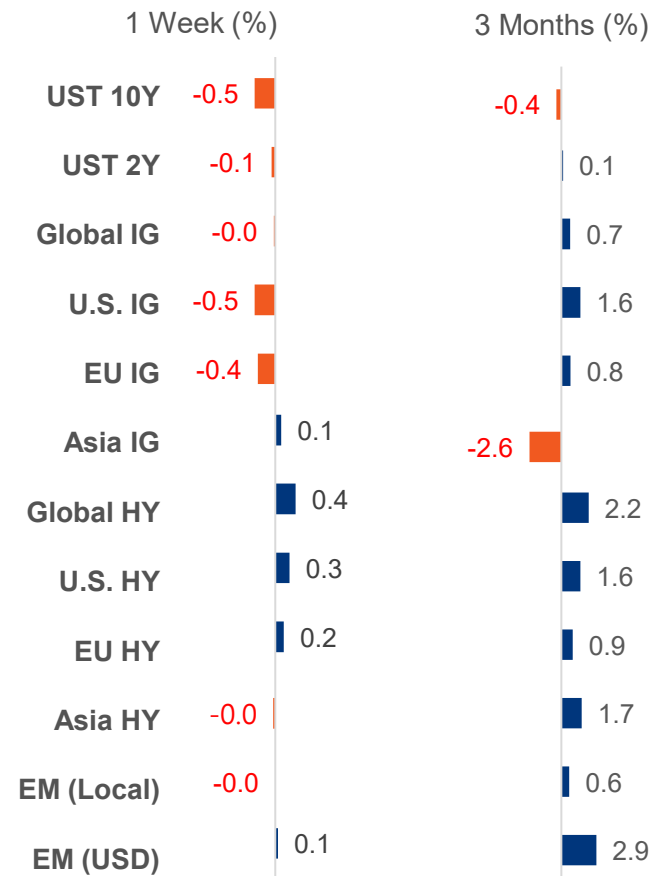
## U.S. Sector Index Performance (%)



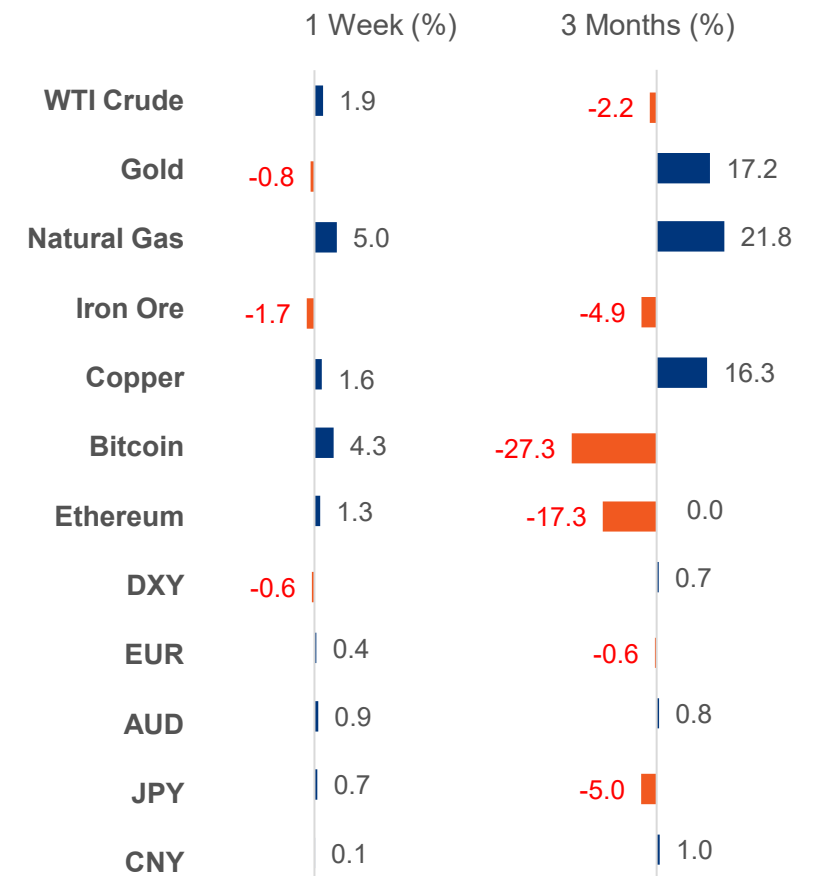
# Japan Rate-Hike Expectations Lift Long-End JGB Yields; USD Softens, Bitcoin Volatility Rises

- ▶ ADP “mini nonfarm” data showed U.S. November employment rose by 32k fewer jobs than the prior month, missing expectations for a 10k increase, reflecting softer conditions and more cautious hiring. While Fed rate-cut expectations have strengthened, long-end JGB yields jumped sharply, pulling global sovereign yields higher. Long-tenor rates rose more than short-tenor, pressuring bonds. The PBoC on Nov 29 issued a warning against all illegal activities related to digital currencies, weighing on Hong Kong-listed digital-asset names.
- ▶ Expectations that the Bank of Japan may hike this month are raising funding costs and supporting JPY, affecting global hedging and carry trades. Meanwhile, U.S. liquidity indicators — SOFR and TGCR — moved back above 4% over the past week, adding liquidity concerns and amplifying recent Bitcoin volatility.
- ▶ The U.K. Autumn Statement focused on tax increases, welfare adjustments, and structural reforms, and markets expect improvement in the public deficit, supporting GBP. Eurozone November composite PMI rose to 52.8, its sixth monthly increase and a 30-month high, strengthening the EUR. Non-USD currencies rebounded, pushing the USD lower.

## Performance of Bonds (%)



## Performance of Commodities and Currencies (%)



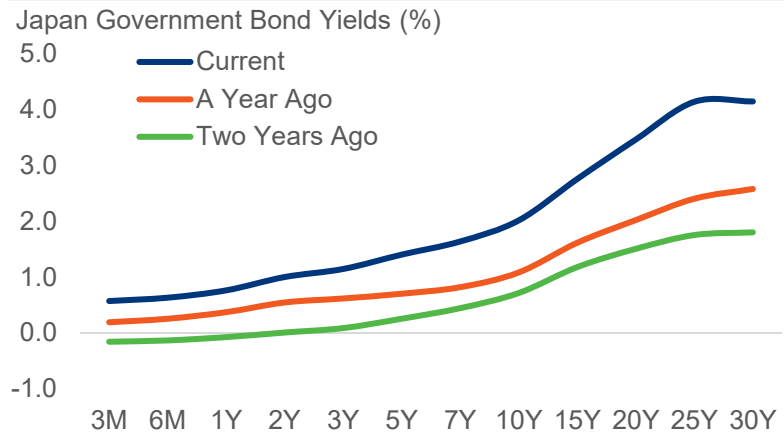
What's Trending

# Rate-Hike Expectations Support JPY Strength; Domestic-Demand Stocks Less FX-Sensitive

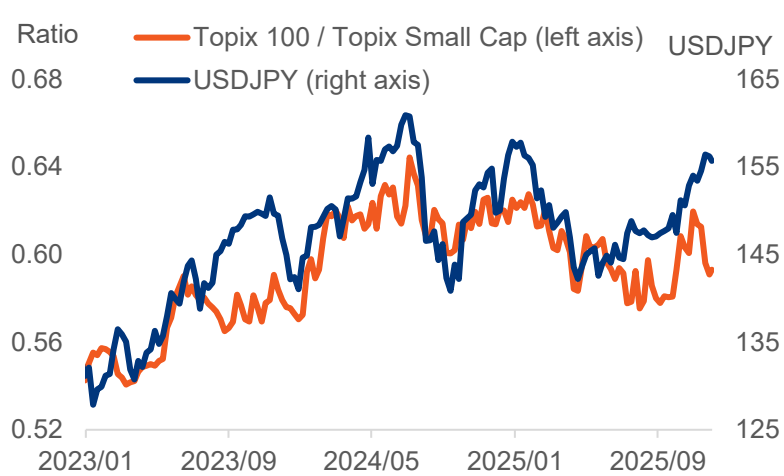
- ▶ After the BOJ Governor sent a hawkish signal this week, markets have now priced in a 25 bps hike this month. The expected hike aims to ease concerns over JPY weakness, as an overly weak yen would intensify imported inflation and weigh on consumption. Japan's benchmark rate remains at 0.5%, the second lowest in the G20, leaving room for tightening.
- ▶ Japan's cabinet recently approved a ¥21.3tn stimulus package — the largest since the pandemic — raising concerns over higher government spending. Yields on 30Y+ JGBs climbed to 3.41%, the highest since their 1999 issuance, while the 10Y yield rose to 1.88%. The curve has steepened, widening spreads and benefiting banks' interest income. However, after years of depressed long-end yields, smaller banks holding long bonds may face mark-to-market losses if forced to sell for liquidity, pressuring capital ratios.
- ▶ Large-cap Japanese equities are predominantly export-oriented and more sensitive to JPY moves. Historically, when the yen strengthens, small caps have outperformed large caps, though this relationship has weakened recently. With domestic fiscal stimulus, improving consumer confidence, and rising wages, Japan equity positioning can focus on domestic-demand names or small caps.

Source: Bloomberg

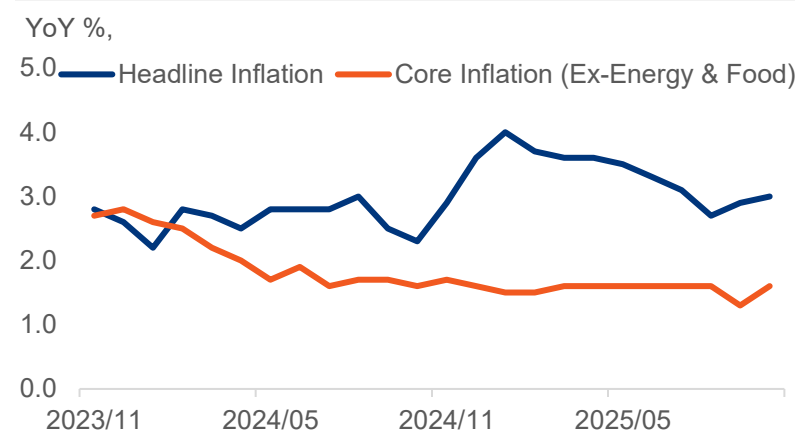
**Japan Long-End JGB Yields Jump; Yield Curve Steepens**



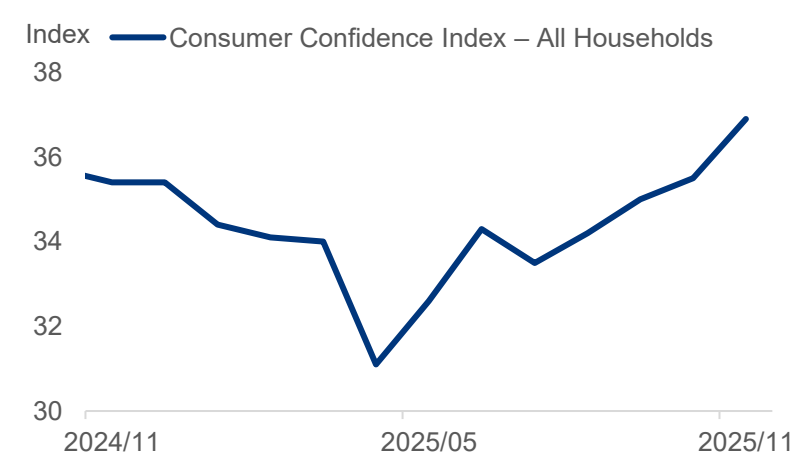
**JPY Strength Tends to Weigh on Large-Cap Performance**



**Japan Energy and Food Prices Push Up Headline Inflation**



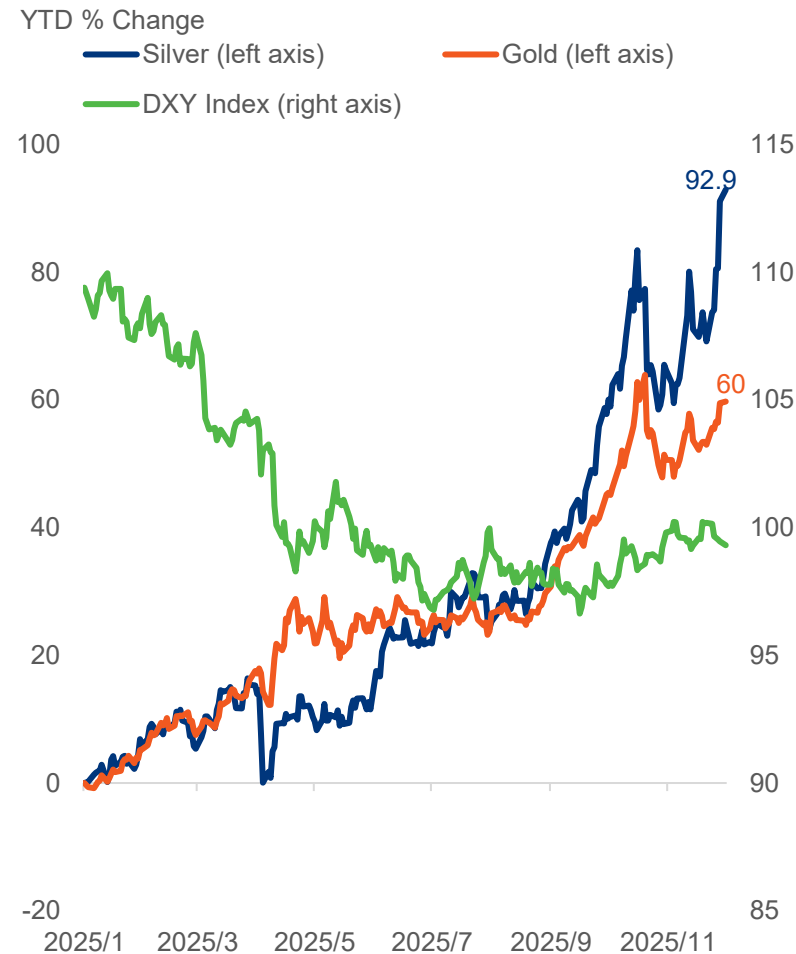
**Japan Consumer Confidence Improves for Five Consecutive Months**



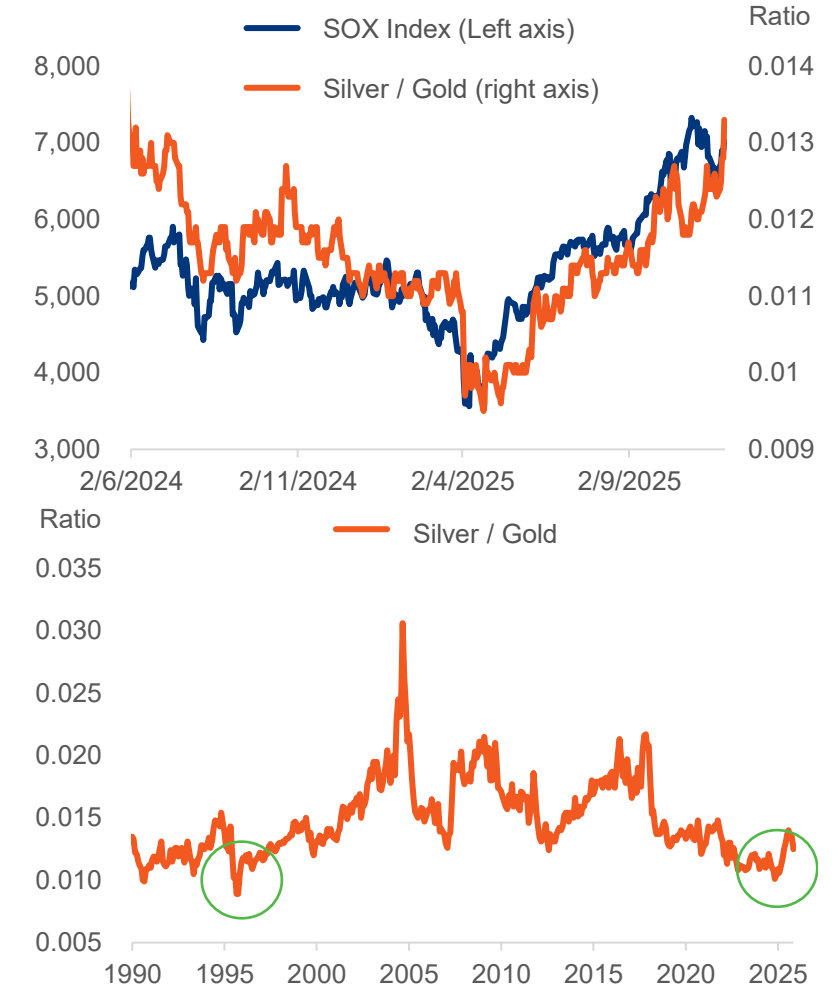
# Industrial Demand Surge and Softer USD, Coupled With Supply Constraints, Drive Silver to New Highs

- ▶ Silver recently hit an all-time high, rising over 90% YTD and outperforming gold. The World Platinum Investment Council (WPIC) estimates this year's supply deficit will equal roughly 9% of annual demand, marking a third consecutive year of shortage. Beyond support from Fed rate-cut expectations and a weaker USD, silver mine output in Latin America has declined over the past decade due to closures, resource depletion, and infrastructure challenges, while demand from India, global investors, and industrial sectors has surged.
- ▶ Silver's superior thermal and electrical conductivity makes it essential for AI hardware, EVs, and solar PV applications, with technology and semiconductor demand rising in tandem over the past two years. India — the world's largest silver consumer — has entered its peak season (Diwali-related jewelry, tableware, and ornaments). About 80% of India's silver supply is imported from the U.K., and reports of higher U.S. tariffs on precious metals this year have prompted futures traders to import physical for delivery, rapidly drawing down inventories in London, the world's largest supplier hub.
- ▶ The gold-silver ratio hit historical lows early this year, signaling undervaluation and triggering catch-up momentum in silver. Given higher volatility and its lower reserve-asset role relative to gold, silver is better suited for tactical positioning. With industrial and precious-metal attributes combined, falling inventories, and inelastic supply, the uptrend in prices is likely to continue.

## USD Weakness Supports Silver and Gold Performance



## Silver Gains With Rising Industrial and Tech Demand, Begins Catch-Up Rally

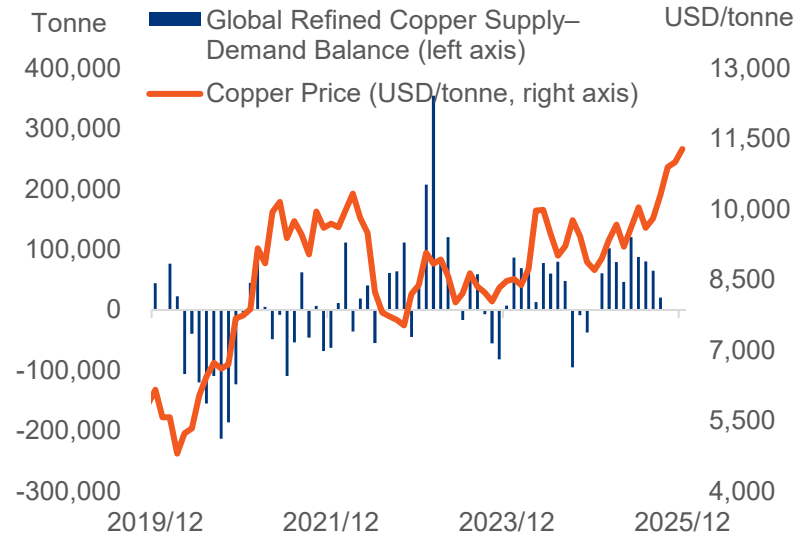


Source: Bloomberg

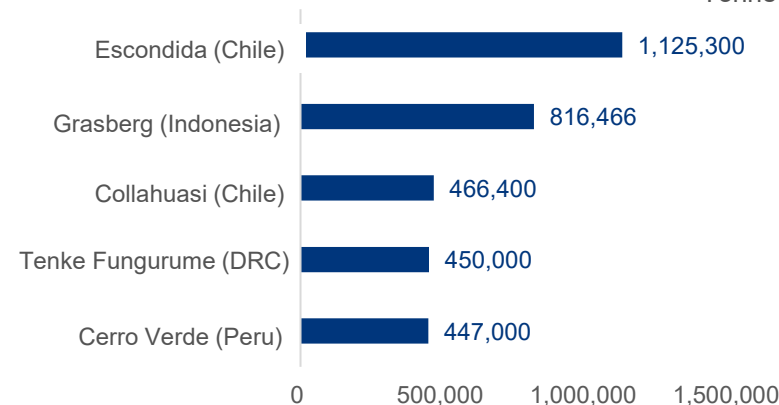
# Short-Term Copper Tightness Persists; Medium-Term Demand Momentum Softens on Economic Slowdown

- ▶ Although President Trump exempted refined copper from tariffs, he announced the policy will be reviewed in 2H26, keeping markets cautious about potential future tariffs. Policy uncertainty has prompted metal importers to accelerate shipments, while tariff expectations and geopolitical arbitrage have pushed copper prices to new highs. Global AI infrastructure build-out and the energy transition are driving electricity demand higher, supporting copper consumption. Since 2022, China’s property curbs but strong support for new-energy industries have created divergence between iron ore and copper prices. In the near term, China’s policy backing keeps copper demand firm, though EV production growth has started to slow.
- ▶ Copper miners have recently cut production forecasts. Freeport-McMoRan, the world’s largest listed copper miner, announced that Indonesia’s Grasberg mine — one of the world’s largest copper-gold operations — will halt operations until 1H26 after severe mudflows in September. China’s Zijin Mining also lowered its output guidance. Global copper miners face structural challenges: declining ore grades, rising permitting and labor costs, and deeper ore bodies have driven operating costs higher, indirectly constraining capex and future capacity. Supported by emerging demand and supply constraints, copper prices are expected to stay firm in the short term.

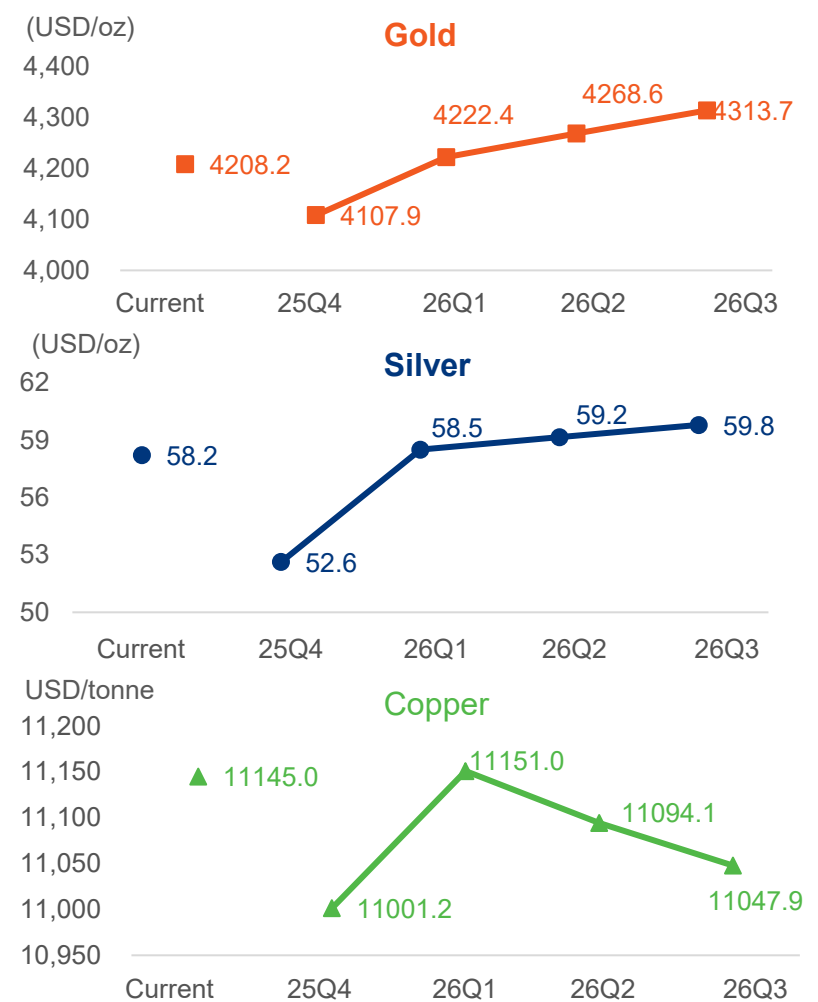
**Supply Falls Short, Low Inventories Push Copper Prices to New Highs**



**Top 5 Global Copper Mines in 2024 (By Output)**



**Bloomberg Consensus Forecasts for Gold, Silver, and Copper**



Source: Bloomberg

# Asset Strategy

Asset Type	Market View	Preferred Assets
<b>Equities</b>	<ul style="list-style-type: none"> <li>◆ Fed rate-cut expectations for December have strengthened, supporting a global equity rebound. However, liquidity concerns persist and asset volatility remains elevated. With year-end profit-taking pressure building, maintaining cash flexibility and a balanced sector allocation is advisable. Investors can add high-quality stocks at this stage; for long-term positioning, accumulate AI-related and tech names in tranches on market pullbacks as valuations normalize.</li> <li>◆ Outside the U.S., watch German and European financials, supported by improving economic momentum. Korea and Taiwan equities remain in uptrends on tech strength. In Japan, expected BOJ rate hikes make domestic-demand stocks and Japanese banks relatively resilient.</li> </ul>	<p><b>Strategy:</b> Short-term: High-quality stocks to manage volatility; Long-term: Accumulate AI &amp; tech on pullbacks</p> <p><b>Regions:</b> German, Korean, Japan domestic demand &amp; Japan banks</p>
<b>Bonds</b>	<ul style="list-style-type: none"> <li>◆ With growth slowing and the labor market cooling, the yield curve is steepening. Focus on locking in yields through government bonds and investment-grade credit, favoring A-rated and above industry leaders. Sectors with stronger risk-adjusted spreads include financials, utilities, and industrials.</li> <li>◆ Given longer-term USD depreciation risks, diversify with non-USD investment-grade bonds, such as EUR- and SGD-denominated issues.</li> </ul>	<p><b>Duration:</b> Short to medium-term Treasuries and high-grade bonds for yield lock-in</p> <p><b>Sector:</b> High-grade credit, with financials, industrials, and utilities preferred</p>
<b>Forex</b>	<ul style="list-style-type: none"> <li>◆ The probability of a Fed rate cut in December has risen sharply, and the expected new Fed Chair leans dovish, keeping the medium- to long-term USD trend weak.</li> <li>◆ BOJ is likely to hike in December or January, and improving economic momentum supports gradual JPY appreciation; EUR also skews firmer over the medium term.</li> </ul>	<p><b>USD:</b> Mild depreciation trend</p> <p><b>JPY, EUR:</b> Gradual upside with volatility</p>
<b>Commodity</b>	<ul style="list-style-type: none"> <li>◆ Persistent U.S. inflation concerns and fiscal-deficit pressures support a long-term bullish view on gold. Long-term investors can include gold for diversification and volatility reduction.</li> </ul>	<p><b>Gold:</b> Medium- to long-term bullish</p>



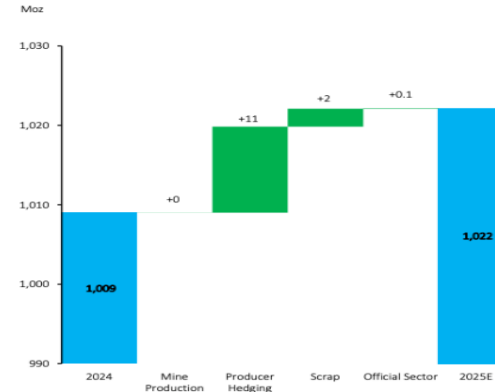
# Tight Supply Pushes Silver and Copper to Record Highs

- ▶ U.S. November ISM Manufacturing PMI fell to 48.2, below expectations (49.0) and September’s 48.7, indicating faster contraction.
- ▶ ISM Services PMI edged up to 52.6 from 52.4, beating expectations of 52.0.
- ▶ Core PCE for September rose 0.2% MoM for a third month, in line with estimates, and increased 2.8% YoY.
- ▶ December University of Michigan consumer sentiment (prelim) improved to 53.3 from 51.0, higher than the expected 52.0.
- ▶ Silver and copper surged to historical highs, driven mainly by tightening global supply and expectations of monetary easing. China’s silver inventories fell to a seven-year low after a record 660+ tonnes were exported in October, largely due to cross-border tariff arbitrage, which has intensified global supply tightness. Copper prices also climbed as markets worried about potential U.S. tariffs on copper products, triggering heavy warrant withdrawals from the LME. Recent price gains reflect short-term supply–demand imbalances, while medium-term drivers — such as AI infrastructure, including data centers, power grids, and energy storage — continue to support copper demand and prices.

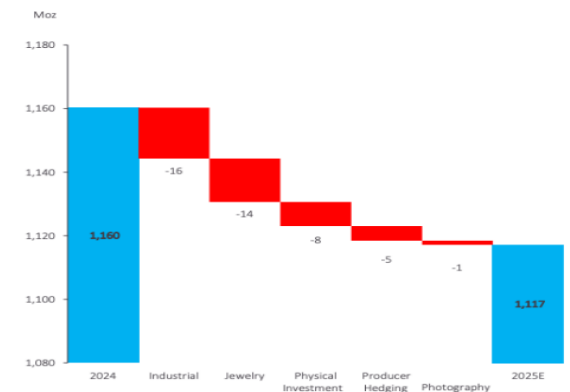
Source: Silverinstitute, S&P Global

## 2025 Silver Supply & Demand Forecast

Global Supply: Edges up 1% in 2025 to a three-year high

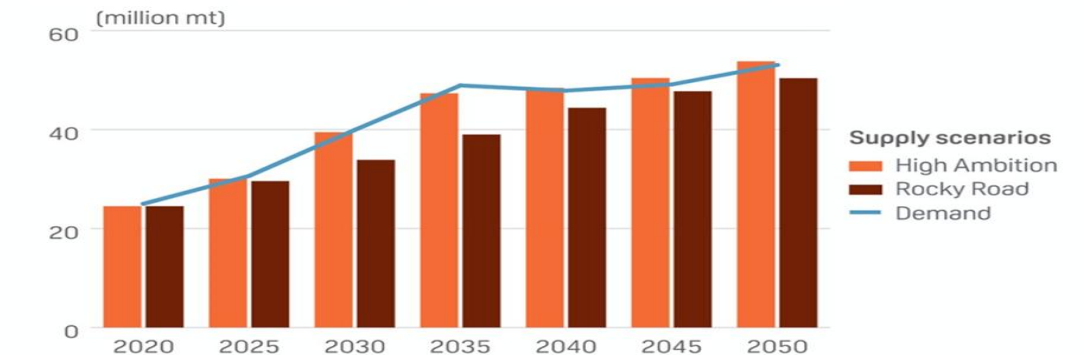


Global Demand: 2025 slips 4% to a four-year low



## Global Copper Supply Scenarios & Demand

### GLOBAL COPPER SUPPLY SCENARIOS AND DEMAND



Source: S&P Global

# First Majestic Silver Corp. (AG)

**Closing Price** US \$15.06

**Target Price** US \$17

First Majestic is a Mexico-focused silver producer operating La Parrilla, San Martin, La Encantada, La Guitarra, Del Toro, and the Santa Elena silver-gold mine.

### Supply – Demand Imbalance

Silver Institute data shows FY25 demand at 1,148.3m oz versus 835m oz mine supply; even with 193.2m oz recycling, a clear deficit remains. The shortfall is increasingly supply-driven as industrial demand in solar, electronics, EVs, and grid infrastructure stays firm, with AI-related uses emerging. Inventories across major hubs continue to fall, including SHFE stocks at near-decade lows, tightening the market and benefiting primary producers like First Majestic.

### Record High Silver Prices

Silver has hit new highs amid tightening supply and hedging inflows, supported by political uncertainty, USD weakness, and expectations of a December Fed cut. A historic squeeze in London has spilled over globally, with traders cautious on exports after silver’s inclusion on the U.S. critical minerals list, raising tariff concerns. Multi-center liquidity stress, exchange-level scarcity, and rising call skews reinforce upside momentum—favorable for large pure-play producers.

### 3Q25 Miss, but Full-Year Growth Intact

3Q25 revenue rose 95.1% YoY to USD 285.1m, missing expectations by USD 21.34m; non-GAAP EPS was USD 0.07 vs. USD 0.22 expected. Full-year silver output guidance was raised to 14.8–15.8m oz, with AISC tightened to USD 18.11–18.79/oz on higher production.

### Valuation Consensus

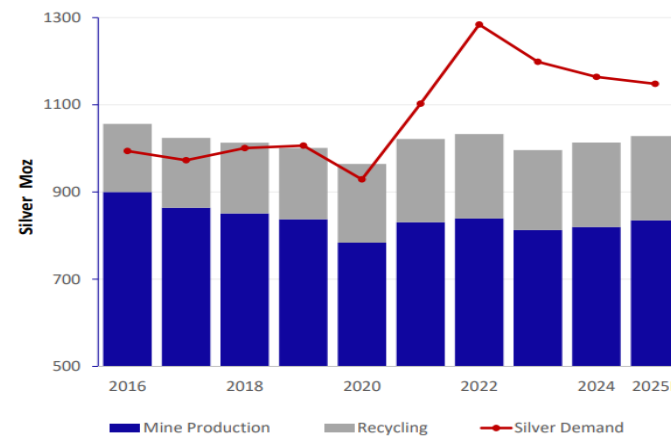
Bloomberg 12-month average target price: USD 14.97 (high: 17.5, low: 12.5).

Source: Bloomberg, Metals Focus, The Silver Institute, First Majestic Silver Corp.

### 1-Year Price



### Silver Supply vs. Demand

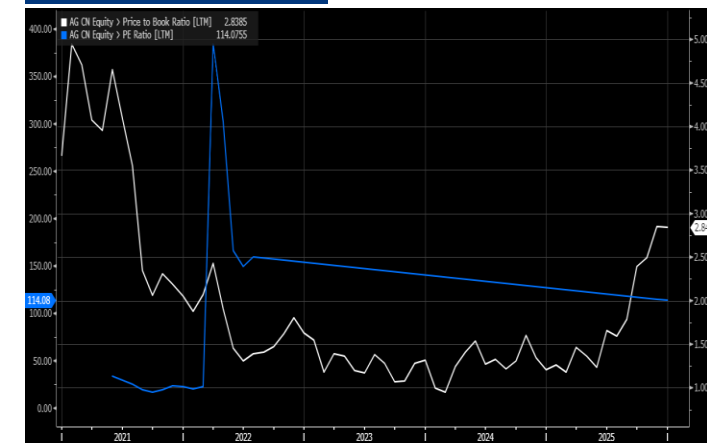


### Financials

	2022	2023	2024	2025F	2026F
Revenue Growth(%)	6.9	-8.1	-2.3	102.8	18.2
EBITDA (%)	15.5	13.6	22.0	51.1	64.9
EPS(USD)	-0.43	-0.01	-0.34	0.28	0.48
Net Profit Margin(%)	N.A.	N.A.	N.A.	N.A.	74.10

Source: Bloomberg; 2025/26F are market estimates

### P/E & P/B



# Southern Copper Corp. (SCCO)

**Closing Price** US \$140.41

**Target Price** US \$150

Southern Copper operates large-scale copper, molybdenum, zinc, and precious-metal mines and smelting assets across Peru and Mexico.

### Accelerating Structural Copper Deficit

BloombergNEF forecasts a 19mt global copper shortfall by 2050, with the first structural deficit emerging from 2025 as EVs, grid expansion, and AI data centers drive demand faster than supply. Wood Mackenzie sees a 304kt refined-copper deficit in 2025, widening in 2026, while the IEA estimates existing and committed mines will meet only 70% of 2035 demand. With ore grades declining and only 14 major deposits discovered in the past decade, SCCO is well positioned to benefit from sustained tightness and higher long-term prices.

### Strategic Importance Boosts U.S. and Global Demand

Copper's inclusion on the U.S. critical minerals list underscores its role in defense rearmament, AI infrastructure, and energy transition. BHP estimates copper use in AI data centers will grow sixfold by 2050, requiring 27–33 tonnes per MW—over double traditional facilities. Although China produces just ~9% of mined supply, it controls ~50% of global smelting. Western economies are pursuing supply-chain security, supporting regional premia and long-term contracting—favorable for SCCO's stable operations in the Americas.

### 3Q25 Results

3Q25 revenue rose 15.2% YoY to USD 3.38bn, beating by USD 167.6m; EPS was USD 1.34, topping estimates by USD 0.09. FY25 production guidance: 960kt copper, 30kt molybdenum, 23m oz silver, 174.7kt zinc.

### Valuation Consensus

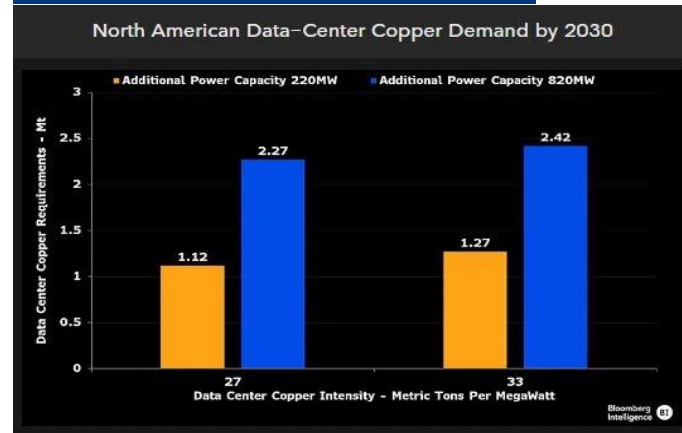
Bloomberg 12-month average target price: USD 114.97 (high: 154.69, low: 62.21).

Source: Bloomberg

### 1-Year Price



### NA Data-Center Copper Demand



### Financials

	2022	2023	2024	2025F	2026F
Revenue Growth(%)	-8.1	-1.5	15.5	14.4	3.5
EBITDA (%)	56.2	53.1	57.8	57.3	61.6
EPS(USD)	3.51	3.07	4.27	5.15	5.69
Net Profit Margin(%)	-18.33	-12.41	38.93	20.63	10.43

Source: Bloomberg; 2025/26F are market estimates

### P/E & P/B



## Appendix

## Key Economic Data / Events

## ► DEC 2025

1

Monday

- U.S. Nov. S&P Global Manufacturing PMI (Final) (Act:52.2 Est:51.9 Prev:52.5)
- U.S. Nov. ISM Manufacturing PMI (Act:48.2 Est:49.0 Prev:48.7)
- Eurozone Nov. Manufacturing PMI (Final) (Act:49.6 Est:49.7 Prev:50.0)
- Japan Nov. S&P Global Manufacturing PMI (Final) (Act:48.7 Prev:48.2)
- China Nov. S&P Global Manufacturing PMI (Act:49.9 Est:50.5 Prev:50.6)

2

Tuesday

- Eurozone Oct. Unemployment Rate (Act:6.4% Est:6.3% Prev:6.4%)
- Eurozone Nov. CPI YoY (Prelim) (Act:2.2% Est:2.1% Prev:2.1%)

3

Wednesday

- U.S. Nov. ADP Employment Change (Act:-32k Est:10k Prev:47k)
- U.S. Sep. Industrial Production MoM (Act:0.1% Est:0.1% Prev:-0.3%)
- U.S. Nov. ISM Services PMI (Act:52.6 Est:52.0 Prev:52.4)
- Eurozone Nov. Services PMI (Final) (Act:53.6 Est:53.1 Prev:53.0)
- Eurozone Oct. PPI YoY (Act:-0.5% Est:-0.5% Prev:-0.2%)
- China Nov. S&P Global Services PMI (Act:52.1 Est:52.1 Prev:52.6)

4

Thursday

- U.S. Weekly Initial Jobless Claims (Act:191k Est:220k Prev:218k)
- U.S. Sep. Durable Goods Orders MoM (Final) (Act:0.5% Prev:3.0%)
- Eurozone Oct. Retail Sales MoM (Act:0.0% Est:0.0% Prev:0.1%)

5

Friday

- U.S. Sep. PCE YoY (Est:2.8% Prev:2.7%)
- U.S. Sep. Core PCE YoY (Est:2.8% Prev:2.9%)
- U.S. Dec. Michigan Consumer Sentiment (Prelim) (Est:52.0 Prev:51.0)
- Eurozone 3Q GDP YoY (Final) (Est:1.4% Prev:1.5%)
- Taiwan Nov. CPI YoY (Est:1.50% Prev:1.48%)

8

Monday

- Eurozone Dec. Sentix Investor Confidence (Prev:-7.4)
- Japan 3Q GDP YoY (Final) (Est:-2.0% Prev:2.3%)
- China November Exports YoY (Est:4.2% Prev:-1.1%)

9

Tuesday

- U.S. Oct. JOLTS Job Openings (Prev:7,227)
- Japan Nov. Machine Tool Orders YoY (Prelim) (Prev:17.1%)
- Taiwan Nov. Exports YoY (Est:41.6% Prev:49.7%)

10

Wednesday

- Japan November PPI YoY (Est:2.7% Prev:2.7%)
- China Nov. CPI YoY (Est:0.7% Prev:0.2%)

11

Thursday

- U.S. Dec. Fed Funds Rate (Est:3.75% Prev:4.00%)
- U.S. Weekly Initial Jobless Claims (Prev:191k)
- Earnings: ORCL,ADBE

12

Friday

- Japan Oct. Industrial Production MoM (Final) (Prev:2.6%)
- Earnings: COST,AVGO

Source: Bloomberg

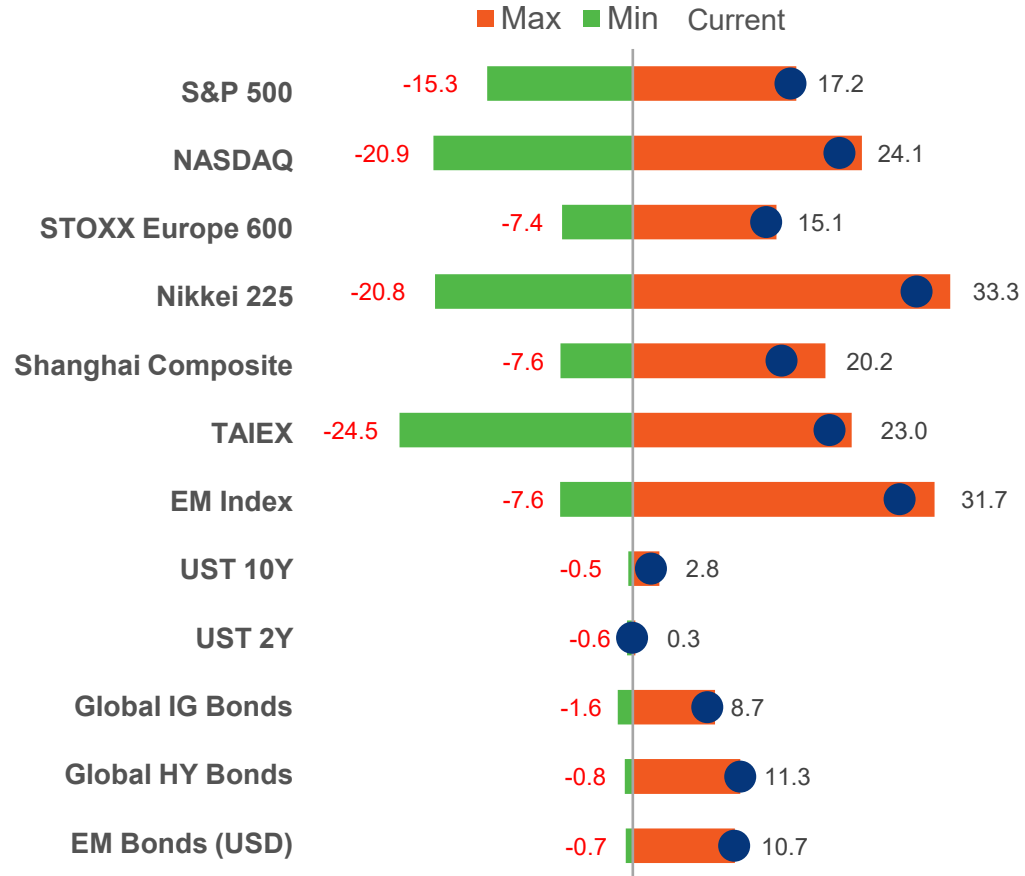
# Key Earnings Releases

Date	Name	Revenue (F) (USD)	Actual Revenue (USD)	EPS (F) (USD)	Actual EPS (USD)	Exceed Expectation Revenue	Exceed Expectation EPS
2025/12/3	CrowdStrike Holdings (CRWD)	1.21B	1.23B	0.94	0.96	V	V
2025/12/4	Salesforce, Inc (CRM)	10.27B	10.3B	2.86	3.25	V	V

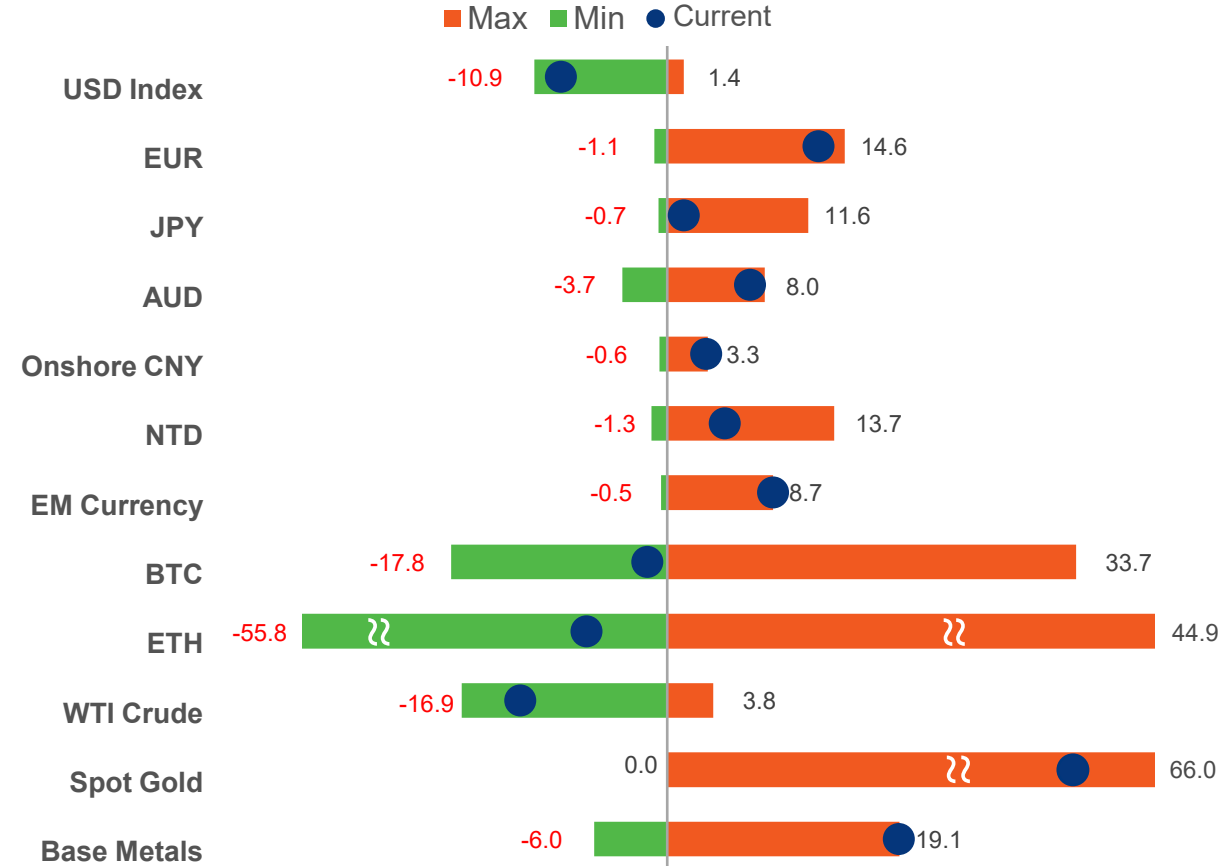
Source: Investing.com

# YTD Major Market / Asset Performance

## Equities & Bond Markets YTD Performance (%)

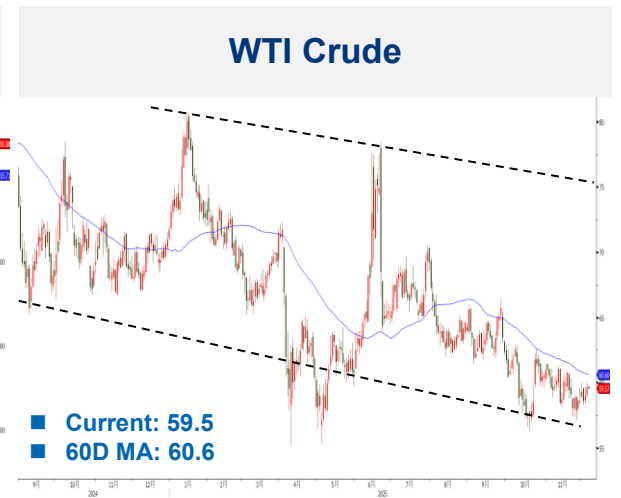
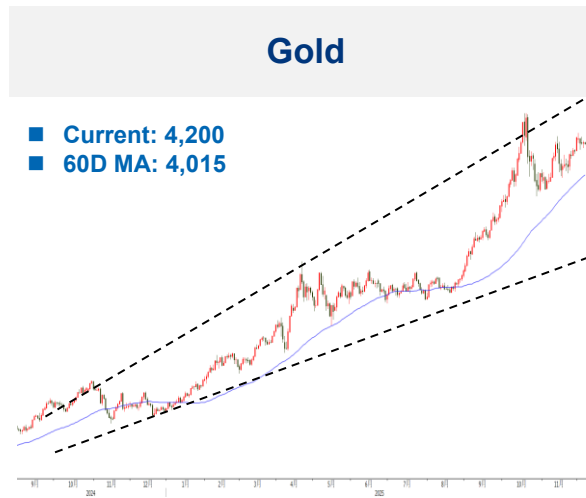
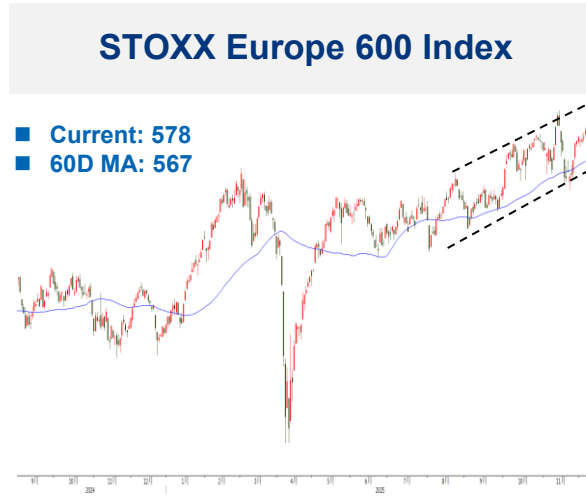
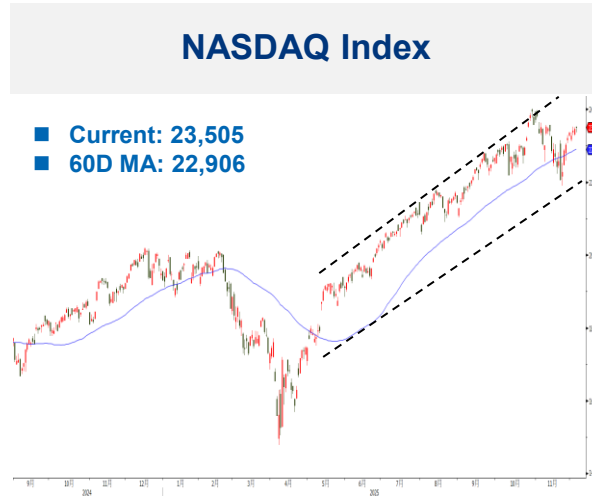
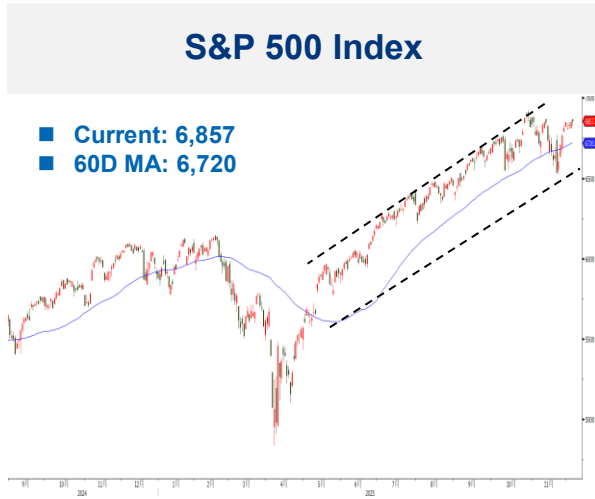


## Currencies and Commodities Market YTD Performance (%)



Source: Bloomberg, 5 Dec 2025

# Technical Analysis



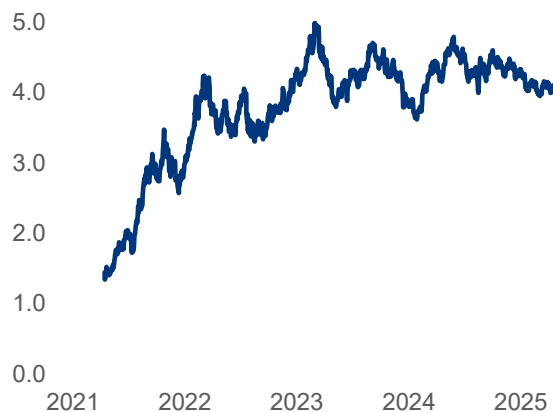
Source: Bloomberg, 5 Dec 2025

# Market Monitor

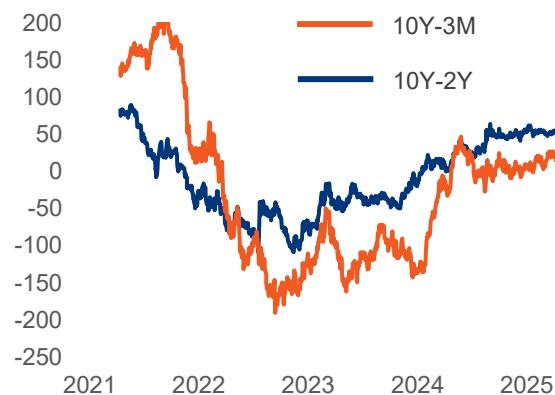
**U.S. CPI YoY (%)**



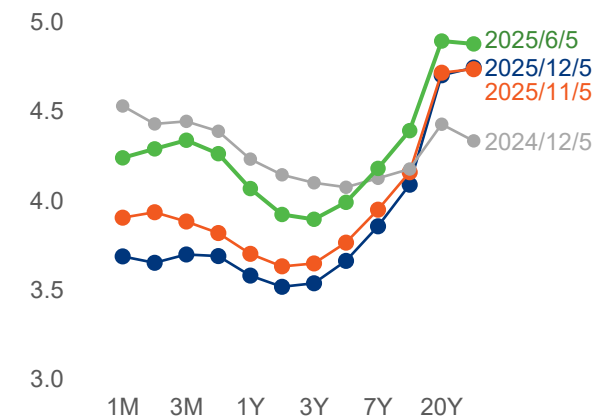
**U.S. 10-Year Treasury Yield (%)**



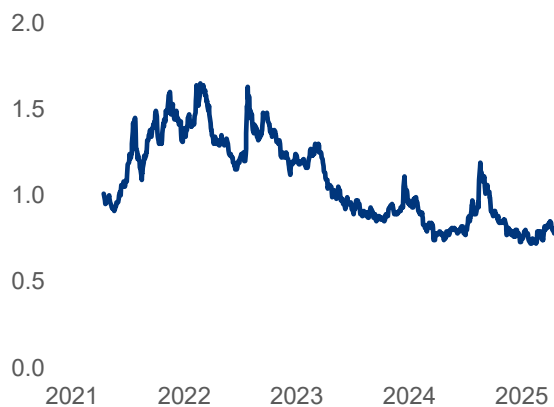
**U.S. Treasury Yield Spread (bps)**



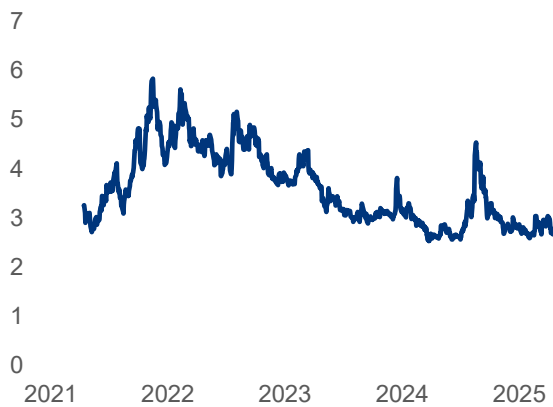
**U.S. Treasury Yield Curve (%)**



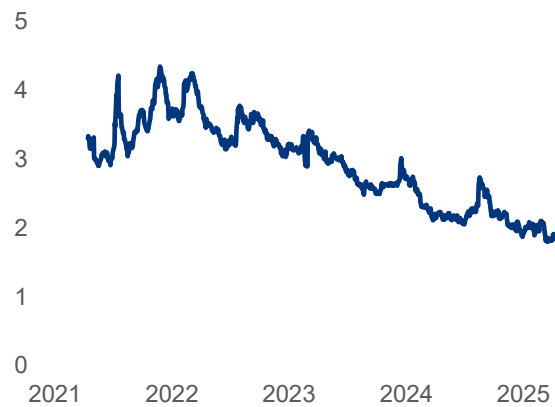
**USD IG Credit Spread (%)**



**USD HY Credit Spread (%)**



**USD EM Credit Spread (%)**



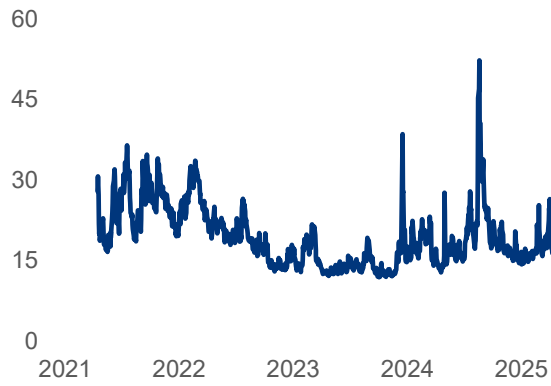
**USD Asia Credit Spread (%)**



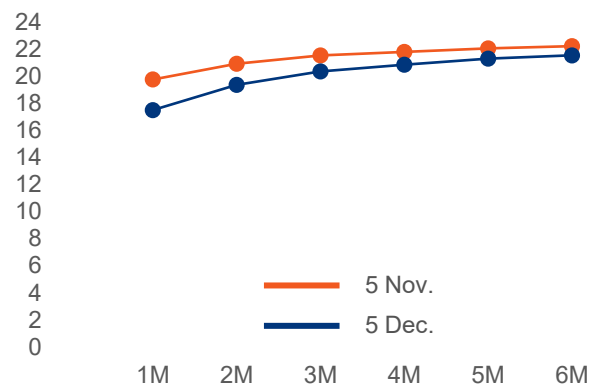
Source: Bloomberg, 5 Dec 2025

# Market Monitor

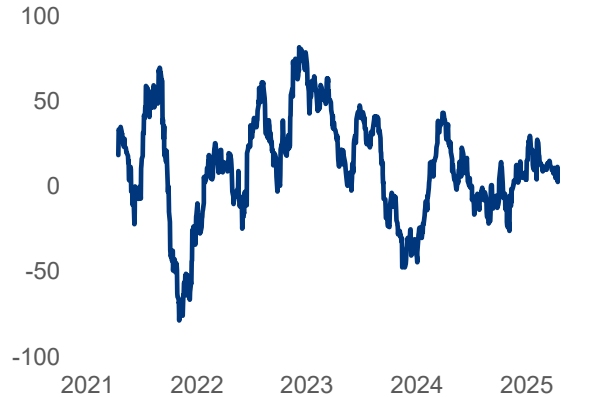
**VIX Index**



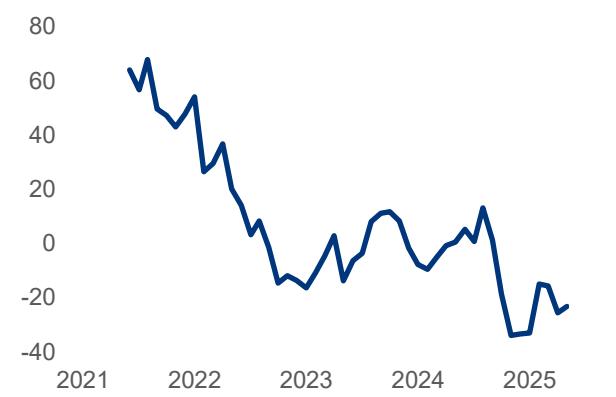
**VIX Term Structure**



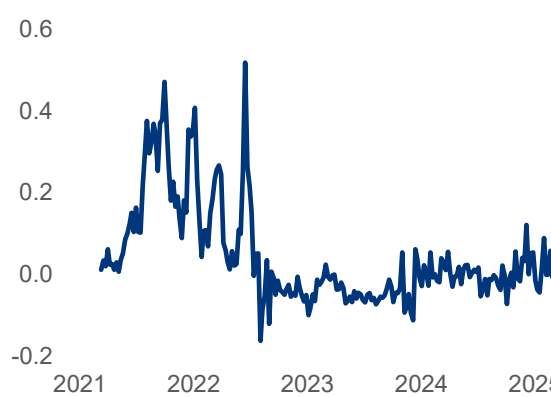
**U.S. Citi Economic Surprise Index\***



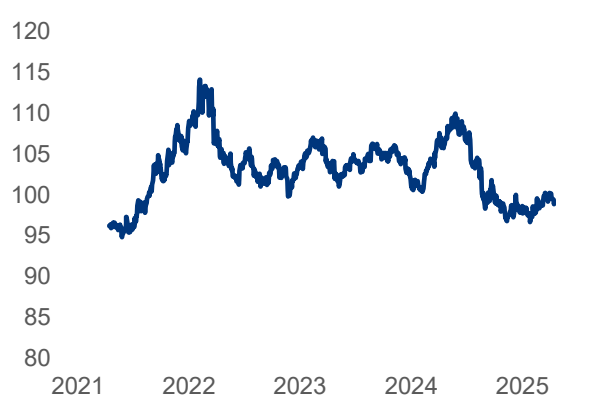
**U.S. Citi Inflation Surprise Index\***



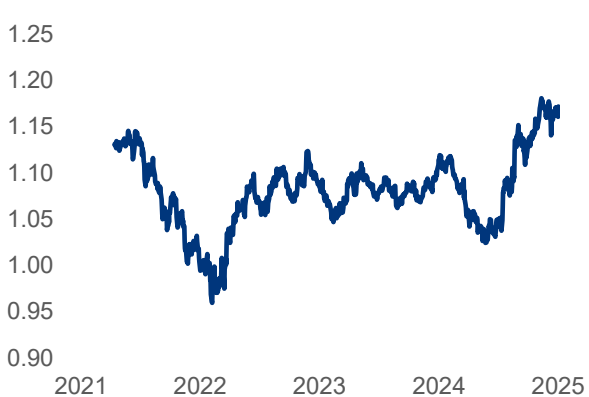
**TED Spread (bps)**



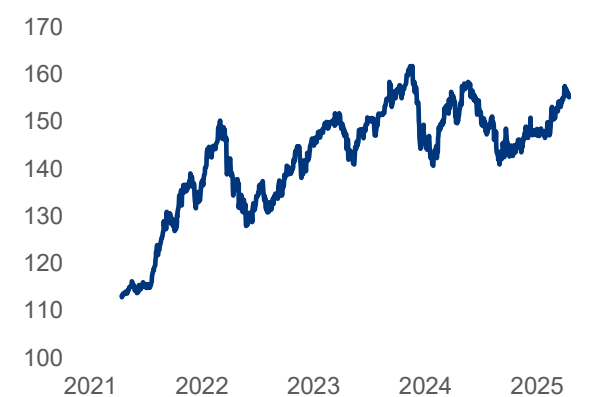
**U.S. Dollar Index**



**EUR to USD**



**USD to JPY**



Source: Bloomberg, 5 Dec 2025 \*The Citi Economic/Inflation Surprise Index measures the deviation between economic data/actual inflation and market expectations. A rising index indicates economic improvement/inflation exceeding market expectations.

## Disclaimer and Important Notice

**Hong Kong:** The information contained in the document herein is confidential and is not intended for general public distribution or for use by any person or entity located or residing in any jurisdiction which restricts the distribution of such information by KGI Asia Limited ("KGI") or any affiliate of KGI. Re-distribution of the document herein and any part thereof by any means is strictly prohibited. Such information shall not be regarded as an offer, invitation, solicitation or recommendation to invest in or sell any securities or investment products to any person or entity in any jurisdiction. The above information (including but not limited to general financial and market information, news services, market analysis and product information) is for general information and reference purpose only and may not be reproduced or published (in whole or in part) for any purpose without the prior written consent of KGI Asia Ltd. Such information is not intended to provide investment advice and should not be relied upon in that regard. You are advised to exercise caution, and if you are in any doubt about such information, you should seek independent professional advice.

You are advised to exercise caution and undertake your own independent review, and you should seek independent professional advice before making any investment decision. You should carefully consider whether investment is suitable in light of your own risk tolerance, financial situation, investment experience, investment objectives, investment horizon and investment knowledge.

No representation or warranty is given, whether express or implied, on the accuracy, adequacy or completeness of information provided herein. In all cases, anyone proposing to rely on or use the information contained herein should independently verify and check the accuracy, completeness, reliability and suitability of the information. Simulations, past and projected performance may not necessarily be indicative of future results. Information including the figures stated herein may not necessarily have been independently verified, and such information should not be relied upon in making investment decisions. None of KGI, its affiliates or their respective directors, officers, employees and representatives will be liable for any loss or damage of any kind (whether direct, indirect or consequential losses or other economic loss of any kind) suffered or incurred by any person or entity due to any omission, error, inaccuracy, incompleteness or otherwise, or any reliance on such information. Furthermore, none of KGI, its affiliates or their respective directors, officers, employees and representatives shall be liable for the content of information provided by or quoted from third parties.

Complex Products refers to an investment product whose terms, features and risks are not reasonably likely to be understood by a retail investor because of its complex structure. Investors should exercise caution in relation to complex products. Investors may lose the entire amount or more than the invested amount. For complex products with offering documents or information not reviewed by the Hong Kong Securities and Futures Commission (SFC), investors should exercise caution regarding the offer. For complex products described as SFC-approved, such approval does not imply official endorsement, and SFC recognition does not equate to a recommendation or assurance of the product's commercial viability or performance. Past performance data, if provided, is not indicative of future performance. Some complex products are only available to professional investors. Before making any investment decisions, investors should review the offering documents and other relevant information to understand the key nature, features, and risks of the complex products. Independent professional advice should be sought, and investors should have sufficient net assets to bear the potential risks and losses associated with the product. Members of the KGI group and their affiliates may provide services to any companies and affiliates of such companies mentioned herein. Members of the KGI group, their affiliates and their directors, officers, employees and representatives may from time to time have a position in any securities mentioned herein.

Bond investment is NOT equivalent to a time deposit. It is NOT protected under the Hong Kong Deposit Protection Scheme. Bondholders are exposed to a variety of risks, including but not limited to: (i) Credit risk - The issuer is responsible for payment of interest and repayment of principal of bonds. If the issuer defaults, the holder of bonds may not be able to receive interest and get back the principal. It should also be noted that credit ratings assigned by credit rating agencies do not guarantee the creditworthiness of the issuer; (ii) Liquidity risk - some bonds may not have active secondary markets and it would be difficult or impossible for investors to sell the bond before its maturity; (iii) Interest rate risk - When the interest rate rises, the price of a fixed rate bond will normally drop, and vice versa. If you want to sell your bond before it matures, you may get less than your purchase price. Do not invest in bond unless you fully understand and are willing to assume the risks associated with it. Please seek independent advice if you are unsure.

All investments involve risks. The prices of securities fluctuate, sometimes dramatically. The price of a security may move up or down, and may become valueless. It is as likely that losses will be incurred rather than profit made as a result of buying and selling securities. Prices of securities and fund units may go up as well as down and past performance information presented is not indicative of future performance. Investors should read the relevant fund's offering documents (including the full text of the risk factors stated therein (in particular those associated with investments in emerging markets for funds investing in emerging markets)) in detail before making any investment decision. You are advised to exercise caution and undertake your own independent review, and you should seek independent professional advice before making any investment decision. You should carefully consider whether investment is suitable in light of your own risk tolerance, financial situation, investment experience, investment objectives, investment horizon and investment knowledge.

**Singapore:** This document is provided for general information and circulation only, and is not an offer or a solicitation to deal in any securities or to enter into any legal relations, nor an advice or a recommendation with respect to any financial products mentioned herein. It does not have regard to the specific investment objectives, financial situation and the particular needs of any recipient hereof. You should ensure that you understand the risk(s) involved and should independently evaluate particular investments and consult an independent financial adviser before making any investment decisions. All information and opinions contained herein is based on certain assumptions, information and conditions available as at the date of this document and may be subject to change at any time without notice.