

# Europe COVID-19 tracker

Free to View  
Economics - Europe

## Back to school blues

- ◆ In general, case numbers in Europe have largely been stable or falling over the last week...
- ◆ ... with exceptions being Norway, North Rhine Westphalia and Scotland where schools have been open a couple of weeks
- ◆ At least labour markets continue to bring good news

### Higher case numbers in some regions where schools are open

Overall, the COVID-19 case numbers in Europe are stable or falling: the 7-day moving average number of new infections in the Big 4 plus UK is down 5% compared with last week's tracker (chart 1 and 2). Thankfully, intensive care occupancy and death rates remain low across the region (charts 3 and 4).

The good news on cases is not universal, however: the main exception is Norway, where case numbers have doubled week-on-week. In Germany and the UK, they are little changed, though in both it is a regional story, with North Rhine Westphalia and Scotland being the current virus hotspots. Interestingly, in all three of these places, schools have been back for a couple of weeks. This may not be the only reason – there is no such effect in Sweden where schools are also open, and infections are also picking up in Cornwall where they are still closed. But with few under 18s having been vaccinated, there is a risk that cases could pick up again as the rest of northern Europe follows in the next week or so. Indeed, France's Pasteur Institute expects that children will account for 50% of new infections by mid-September.

For hotter countries, like Italy, it's not quite back to school time yet, but when they do go back, teachers may be required to provide a Green Pass, indicating either negative COVID-19 status or proof of double vaccination, which Italian citizens use to attend almost all social events. While 60% of Italians have now been doubly vaccinated (charts 5,6 and 7), not all agree with the policy, and there were some (admittedly small) protests on 1 September (*La Repubblica*, 1 September).

### Inflation and labour market data look perky, wages less so ... so far

In economic news, this week saw yet another upside inflation surprise with Eurozone headline CPI inflation coming in at 3.0% y-o-y in August (charts 16-17). Higher core inflation (1.6% y-o-y in August) comes in conjunction with tightness in labour markets (charts 18-21). For example, Germany saw the largest monthly increase in employment since 2008 in July while France saw participation in its partial unemployment scheme fall to its lowest since the pandemic began.

So while the latest print does not change our view that inflation pressures will prove transitory, we do acknowledge the risk that higher core inflation could start to be reflected in wage negotiations. So far, outside the UK, there is little evidence of this (chart 22) though there are pockets of the Italian workforce that are seeing rising pay pressures (chart 23).

*This is an abridged version of a report by the same title published on 1-Sep-21. Please contact your HSBC representative or email [AskResearch@hsbc.com](mailto:AskResearch@hsbc.com) for more information.*

---

**Elizabeth Martins**  
Senior Economist  
HSBC Bank plc

---

## Disclosures & Disclaimer

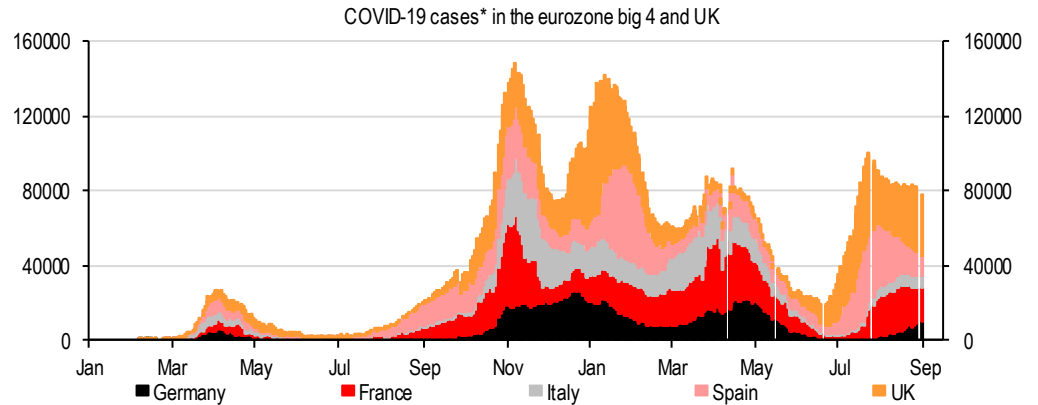
This report must be read with the disclosures and the analyst certifications in the Disclosure appendix, and with the Disclaimer, which forms part of it.

Issuer of report: HSBC Bank plc

View HSBC Global Research at:  
<https://www.research.hsbc.com>

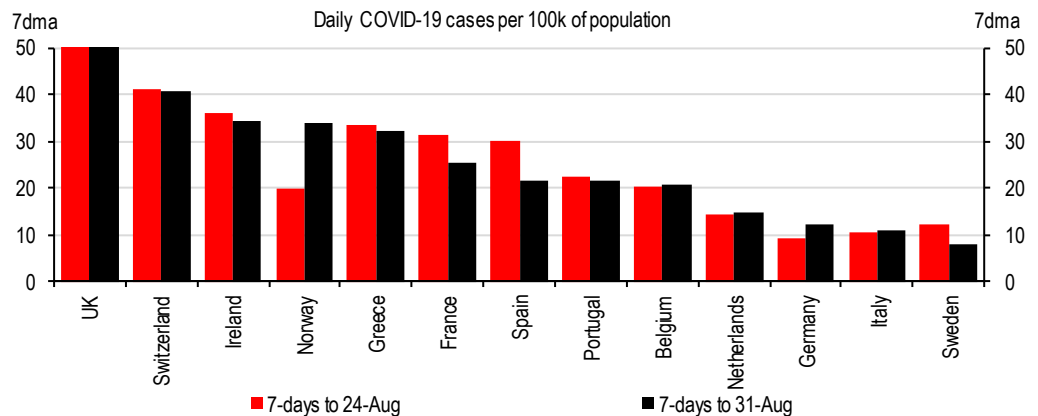
## COVID-19 cases relatively stable this week

### 1. The number of cases in the Big 4 plus UK was down around 5% this week...



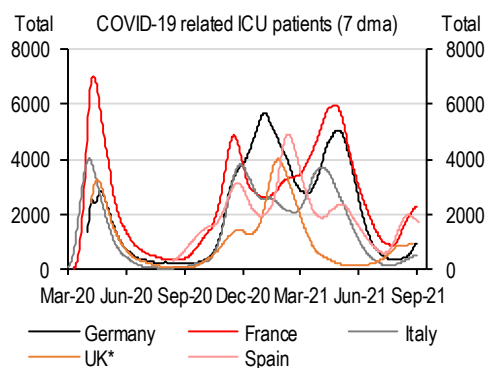
Source: Refinitiv Datastream, HSBC. Note: \*7-day moving average.

### 2. ...thanks primarily to big drops in France and Spain (though UK numbers seem to be stabilising)



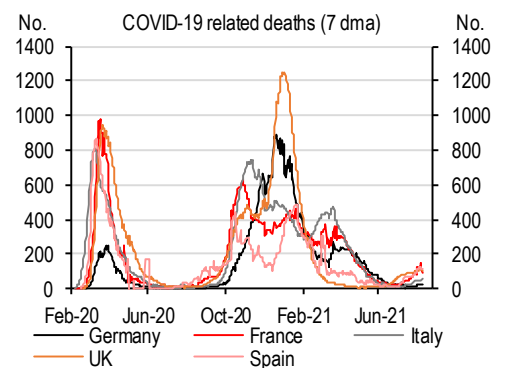
Source: Refinitiv Datastream, HSBC. Note: Weekend numbers are reported as 0 so "7-days to" does not include Saturday and Sunday.

### 3. ICU admissions remain low compared with previous waves...



Source: Macrobond, HSBC. Note: \*medically ventilated.

### 4. ... as do deaths

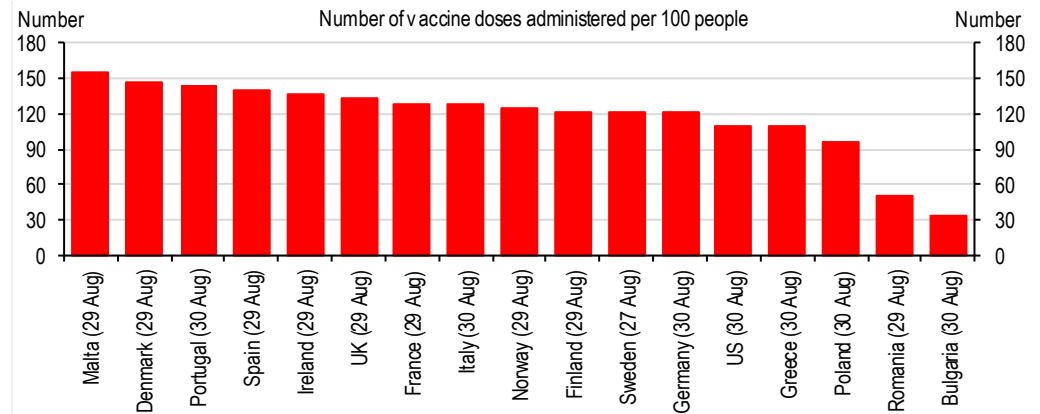


Source: Our World in Data, HSBC.

We acknowledge the assistance of Yash Dewan, HSBC Bank plc, in the preparation of this report.

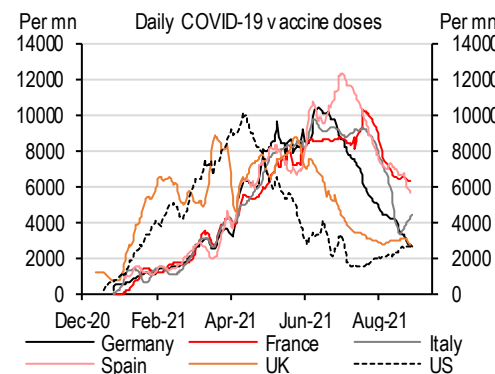
## Vaccinations aren't eliminating COVID-19

### 5. Overall, European countries show relatively high rates of vaccination...



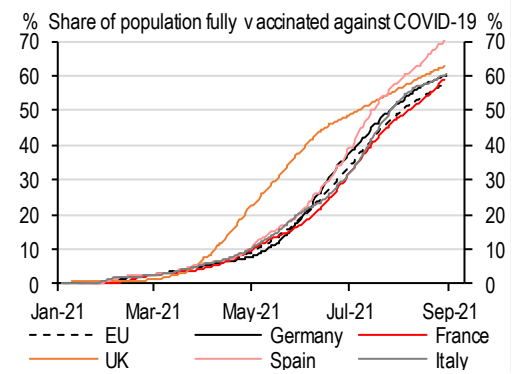
Source: Our World in Data, HSBC.

### 6. ...but the speed of vaccination is well past its peak...



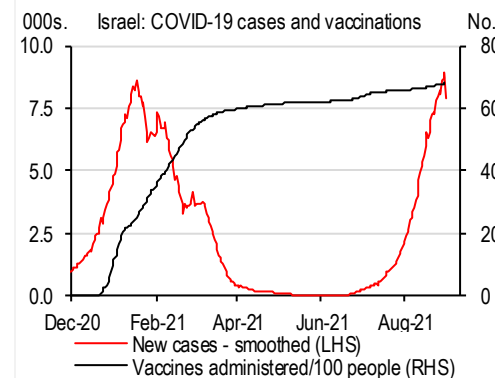
Source: Our World in Data, HSBC.

### 7. ...with many European countries now getting closer to the 70% target



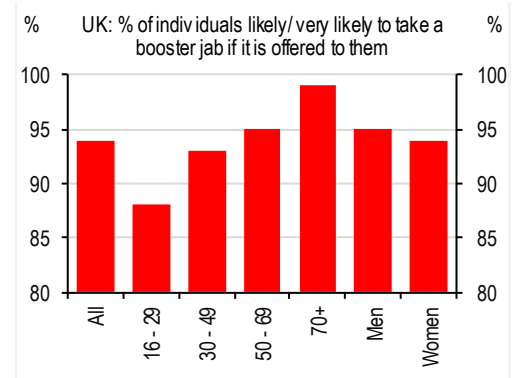
Source: Macrobond, HSBC.

### 8. Despite its vaccination success, Israeli cases hit a new record on 30 August



Source: Macrobond, Our World in Data, HSBC.

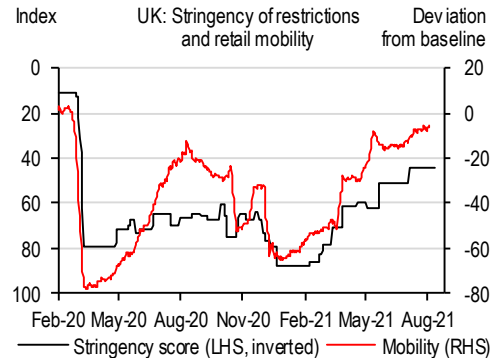
### 9. UK public seems open to the idea of booster jabs, especially older people



Source: ONS.

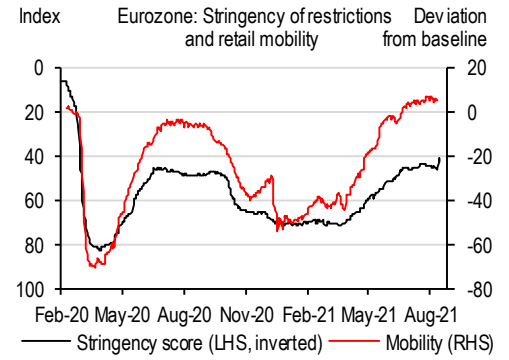
## Activity levels stabilising at around pre-pandemic levels

### 10. UK mobility has started to rise again but remains below pre-pandemic baseline



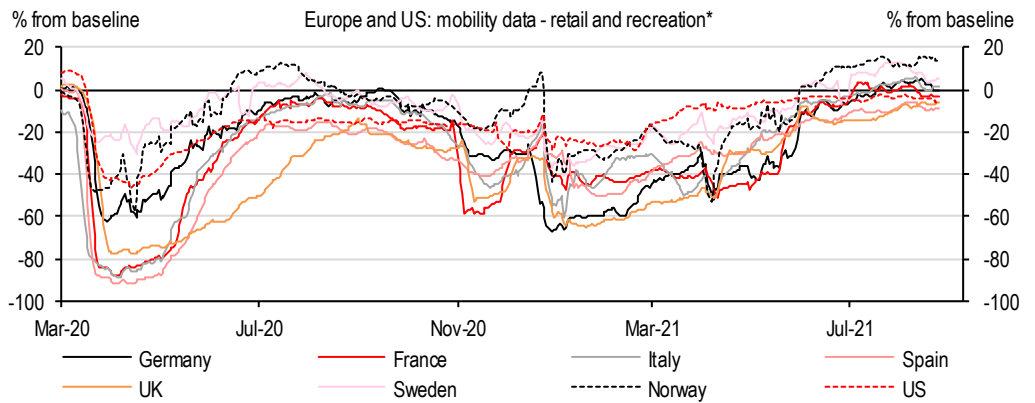
Source: Google mobility, Oxford COVID-19 Government response Tracker, HSBC.

### 11. ...whereas in the Eurozone, it has stabilised slightly above it



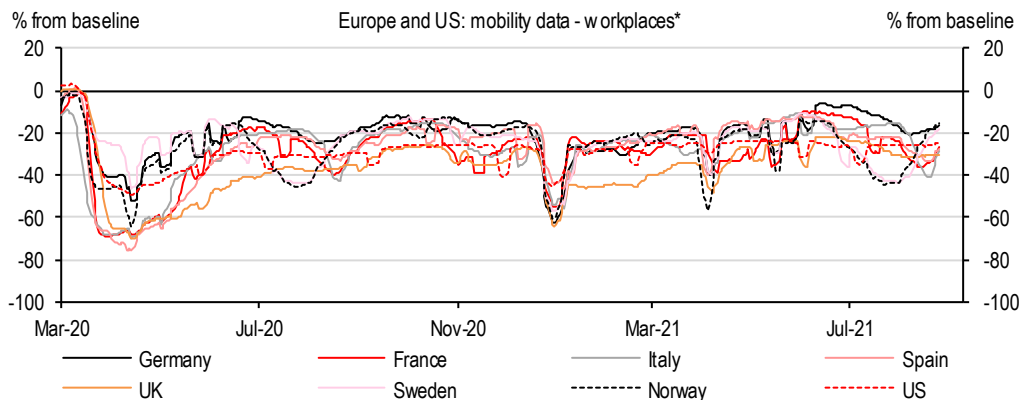
Source: Google mobility, Oxford COVID-19 Government response Tracker, HSBC.

### 12. Retail and recreation activity is back to pre-pandemic levels in many places...



Source: Google, HSBC. Note: \*7-day moving average.

### 13. ...while the holiday season may be playing a role keeping people away from work



Source: Google, HSBC. Note: \*7-day moving average.

## Restriction levels little changed

### 14. Latest on the restrictions from the major European countries

Country	Latest lockdown measures
Germany	<p>To speed up the stalling vaccination campaign, Chancellor Merkel and the heads of the federal states on 10 August took actions to overhaul the outdated COVID-19 regulations and incentivise the take-up of vaccines. To this end, a so-called 3G-rule (3G: "geimpft, genesen, getestet" – "vaccinated, recovered, tested") was implemented. Starting from 23 August, unvaccinated people (except children) are thus required to present a negative Corona test for indoor activities (e.g. restaurants, services, events, etc.). Moreover, from 11 October, tests will no longer be free of charge except for people who are medically not advised to get a vaccine shot (e.g. children, adolescents, or pregnant women). The 3G-rule will be reviewed every four weeks. But each federal state can decide on its own whether to suspend the 3G-rule in whole or partly as long as the 7-day incidence in a district is below 35 new infections per 100k inhabitants or the indicator system of the Federal state reflects a comparably low incidence and an increase of the number of infections is not to be expected as a consequence of the suspension of the rules. As of 1 September, 312 of the 401 districts exceeded the 35-threshold with 79 above the incidence threshold of 100.</p> <p>The following rules also apply:</p> <ul style="list-style-type: none"> <li>◆ Contact restrictions and curfews no longer apply to vaccinated and recovered persons (those persons are no longer counted at private gatherings).</li> <li>◆ Distance and hygiene regulations continue to apply nationwide. This also includes vaccinated or recovered persons.</li> <li>◆ When using public transport or visiting shops, masks of the "KN95 of FFP" standards must be worn. An even stricter rule applies for employees and visitors of nursing homes, who have to wear FFP-2 masks for at least as long as there is not sufficient protection through vaccination.</li> </ul> <p>Restrictions (such as limited number of participants for clubs and parties) are still possible, and hygiene concepts must be presented at sporting events with more than 5,000 spectators. The maximum number of spectators is limited to 25,000.</p> <p>From 1 August 2021, there will be a general obligation to carry a proof of vaccination, recovery or a negative test for COVID-19 when entering Germany (irrespective from where and by which means of transport travellers are entering the country) for persons aged over 12 to avoid quarantine. Vaccinated or recovered persons do not have to be quarantined after returning from a "high-risk area", which is defined as a region with particularly high numbers or where there is "evidence of "dangerous incidence of infection" (e.g. a new virus variant).</p>
France	<p>The government introduced strict additional restrictions at the start of the year, including a stricter curfew and travel restrictions. Full-time lockdowns (including closure of non-essential shops and services and further restrictions on domestic travel) were then put in place in 19 departments on 20 March, then extended to all metropolitan France on 3 April (with schools being closed for between three and four weeks, including the already planned spring holidays).</p> <p>Restrictions have started to be gradually eased since the end of April. Kindergartens and primary schools reopened on 26 April, followed by secondary and high schools on 3 May. All restrictions on domestic travel were also lifted on 3 May. On 19 May, non-essential shops, cultural places (museums, cinemas) and the outdoor part of bars and restaurants partially reopened. Moreover, the start of the curfew was set at 9pm instead of 7pm. On 9 June, gyms and the indoor parts of bars and restaurants reopened. The start of the curfew was delayed to 11pm. The curfew was completely lifted on 20 June. On 30 June, most existing capacity limits (shops, restaurants, gyms, cultural venues) were lifted. Nightclubs reopened on 9 July but with strict protocols (capacity limit of 75% indoors and a required COVID-19 health pass).</p> <p>Due to the rapid spread of the Delta variant, President Macron announced new measures on 12 July to boost vaccination numbers, including mandatory vaccination for health care workers (controls will start to be held on 15 September) and the widening of the scope of activities requiring a COVID-19 health pass (i.e. a proof of vaccination or a negative test). From 21 July, health passes were required for all leisure and cultural places (like museums or cinemas) and from 9 August for bars, restaurants, shopping malls, hospitals and some transports (trains, planes). In addition, PCR tests will no longer be free of charge from this autumn (unless obtained with a medical prescription).</p> <p>Local restrictions (including a renewed curfew) were announced on 12 July for the overseas territories of Martinique and Réunion Island. Later in July, several coastal departments (Pyrénées-Orientales, Corsica, Charentes-Maritimes and Gironde) implemented renewed local restriction measures (like mandatory mask wearing outdoors, early closures of bars and restaurants, and restriction on outdoor gatherings). More recently, a full lockdown has been implemented in some overseas territories (on 9 August for Martinique and 11 August for Guadeloupe).</p> <p>Primary, secondary and high schools will reopen on 2 September with 100% of physical attendance but with the maintain of strict protocols (frequent testing, mask wearing, limitation of interactions, restriction on some indoor activities). In primary schools, the detection of one COVID-19 case in a classroom will lead to its closure for 7 days (with lessons being held on distance). For secondary and high schools, in the same situation, vaccinated pupils will be authorised to continue to attend lessons physically.</p>
Spain	<p>On 9 May, the state of emergency expired and was not extended by the government. With that, the nationwide curfew also came to an end. The freedom to travel across regions has been re-established with no regions maintaining the external border closure in place (even though regions are still imposing travel restrictions in and out from specific areas within the regions). On Saturday 26 June, Spain also eased its face mask rules, making masks no longer necessary in outdoor settings where social distancing is observed. Some restrictions, though, remain in place at the regional level, and some were tightened recently with COVID-19 cases now back on the rise. Most regions impose limitations in terms of the maximum number of people allowed for gatherings and restrictions to the opening times for restaurants and bars.</p> <p>For example, Aragon brought forward the closing time of clubs to 12:30am and Navarra to 1am. Recently joining them, Catalonia announced that all non-essential activities, including bars, must close by 12:30am and social gatherings must be capped at 10 people. In addition, a 1-6am curfew has been reintroduced on 17 July in several municipalities, including Barcelona. The Valencia Community, Navarra and Cantabria also recently introduced a 1-6 am curfew. In the Madrid region and Andalusia, restaurants have to close at 1am and bars and clubs can remain open until 2am and 3am, respectively. Spain's external frontier remains open. For entry, a proof of vaccination or a negative COVID-19 test is required. Even then, the UK maintaining Spain in the 'amber' list of countries requiring quarantine upon re-entry could be a setback for the ability of Spain to attract foreign tourists.</p>

Source: Country data, HSBC

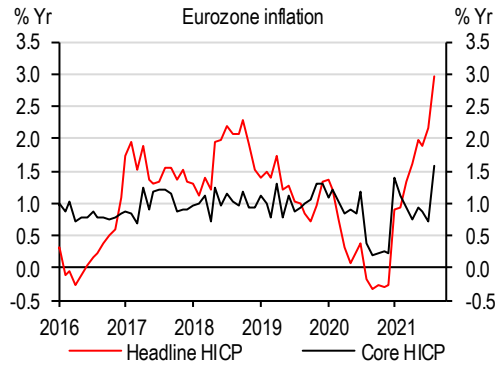
## 15. Latest on the restrictions from the major European countries (cont'd)

Country	Latest lockdown measures
Italy	<p>Currently, all the Italian territory is in the 'white' category with hardly any restrictions (other than obligatory mask wearing indoors – since 28 June, masks are no longer required outdoors – and some social distancing requirements) although the press has been speculating that some regions might move back in the 'yellow' category with limited restrictions applying in the coming weeks due to the rising number of COVID-19 cases, but it seems unlikely this will happen before the end of the holiday season (La Repubblica, 6 August).</p> <p>In the COVID-19 decree approved on 18 May, restrictions were lifted based on the following steps. Primary schools were reopened everywhere (up to 13 years of age) while high school attendance is set at between 50% and 100%. Outdoor restaurants, cinemas and theatres and museums have already been allowed to reopen (for restaurants, both for lunch and dinner). There are no more limits for the number of people in restaurants outdoors. From 22 May, shopping centres were also opened on weekends and ski resorts were allowed to reopen (although the ski season is basically over). From 24 May, gyms were allowed to reopen. and from 1 June, indoor restaurants. From 15 June, theme parks and museums reopened, and from 1 July, indoor swimming pools, sport halls, trade exhibitions and congresses. However, the opening of clubs has been pushed back with no reopening date communicated as of yet. From 19 May, the curfew has been delayed from 10pm to 11pm (still until 5am). It was then delayed further from 12pm from 7 June and abolished altogether on 21 June. From 28 June, wearing masks outdoors is no longer required (it still is for indoor gatherings, though). Home visits to relatives and friends remain permitted once a day, up to a maximum of four people (in addition to the residents). The government also recently introduced a 'green pass' requirement to go into restaurants and bars (indoors), theatres, cinemas public transport and attend concerts and sporting events. As for international travel, people arriving from the EU no longer have to quarantine, but they will be required to show a negative COVID-19 test undertaken within 48 hours before departure (unless fully vaccinated). For the UK, the government introduced a special 5-day quarantine requirement and might introduce it for other countries.</p>
UK	<p>Having been in lockdown through the first quarter of the year, the UK economy has now largely reopened. The delayed final step for England, which saw government removing "all legal limits on social contact", including opening nightclubs, removing social distancing requirements for hospitality and ending mandatory mask wearing, was taken on 19 July. As of 16 August, those who have received both doses of the vaccine and those who are under 18 no longer need to self-isolate after coming into contact with someone who has tested positive. However, it has also said that entry into nightclubs will require proof of vaccination from September. Meanwhile, Transport for London is maintaining an obligatory mask policy for its services.</p> <p>For the rest of the UK, plans for further lifting of restrictions vary by country. For Scotland, the 'final' easing of restrictions, akin to that already taken in England, took place on 9 August, but First Minister Nicola Sturgeon warned on 24 August that some restrictions might have to be re-imposed. In Wales, social distancing was lifted on 7 August, but working from home is still recommended and mask wearing is still mandatory. In Northern Ireland, a further stage of reopening took effect on 16 August, but limits and mask wearing will remain in place.</p> <p>International leisure travel has been allowed since 17 May with regulations on testing and quarantine requirements guided by a traffic light system with lighter restrictions for amber and green listed countries, depending on their levels of COVID-19 infection rates and variants present (UK government, 12 May 2021). Inbound arrivals will be subject to the same rules. On 28 July, the government announced that doubly vaccinated citizens of the US and the EU could enter the UK without quarantining from 2 August.</p> <p>Entry into the UK from a 'red list' of around 60 countries, including South Africa, Brazil and Turkey, remains banned to non-UK or Irish nationals. As of 15 February, for those who cannot be refused entry from these countries – i.e. returning British or Irish nationals – a mandatory 10-day quarantine in government-approved accommodation applies.</p>

Source: Country data, HSBC

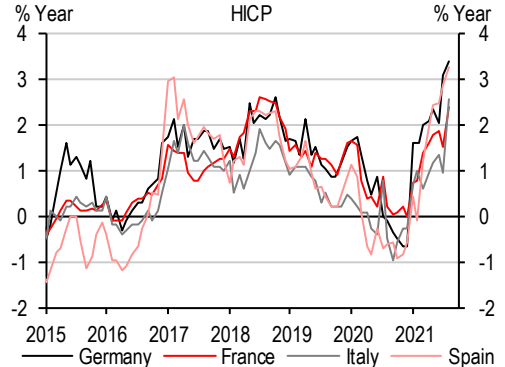
## Strong labour markets, high inflation... but higher wage growth still elusive

### 16. Headline eurozone inflation surprised to the upside in July...



Source: Refinitiv Datastream, HSBC.

### 17. ... led by Germany and Spain where y-o-y rates topped 3%



Source: Refinitiv Datastream, HSBC.

### 18. Meanwhile, labour markets continue to show signs of tightness



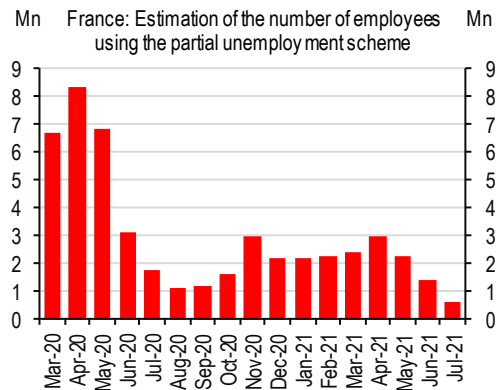
Source: Macrobond, HSBC.

### 19. The increase in German employment in July was the largest since January 2008



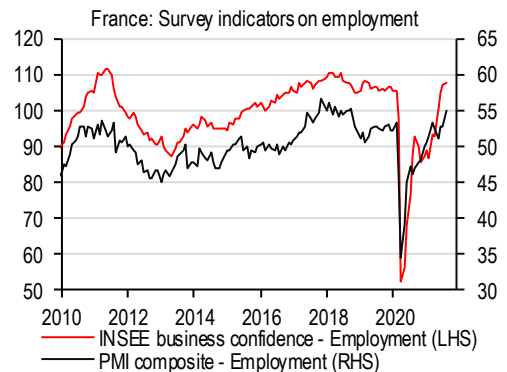
Source: Macrobond, HSBC.

### 20. The signs were good in France too with participation in the short-time work scheme at a post-pandemic low in July ...



Source: French Labour Ministry, HSBC

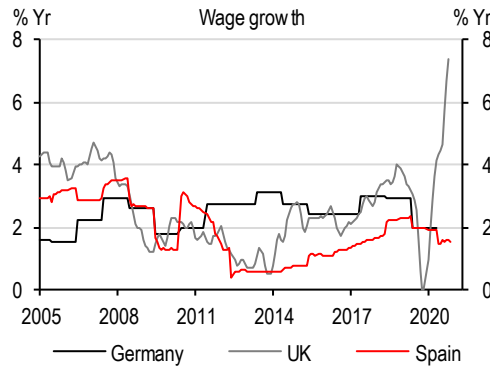
### 21. ... and the surveys pointing to continuing momentum in job creation



Source: INSEE, Refinitiv Datastream.

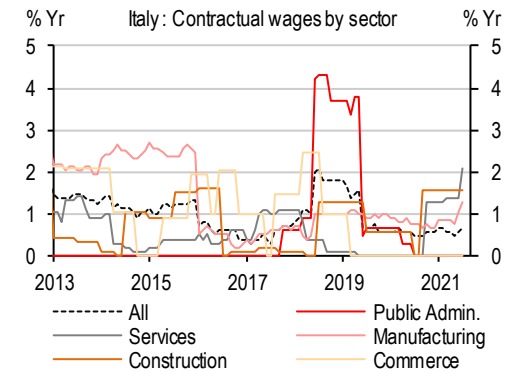
## Labour market continues to strengthen

**22. There is little sign of any wage growth pressures outside of the UK ...**



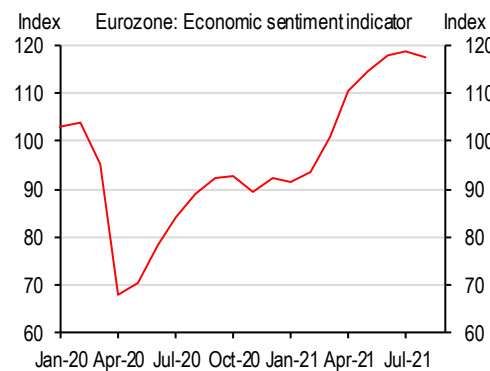
Source: Refinitiv Datastream, Macrobond, HSBC.

**23. ... though there are some pockets of pressure in Italy**



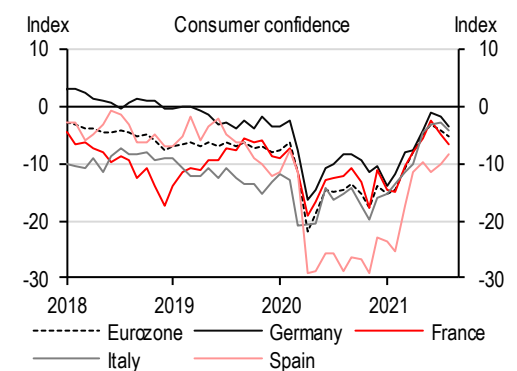
Source: Refinitiv Datastream, HSBC.

**24. Eurozone economic sentiment inched down from its July high in August ...**



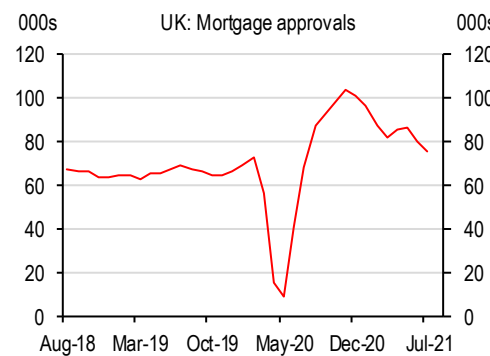
Source: Refinitiv Datastream, HSBC.

**25. ... and consumer confidence also dipped a little (except in Spain, where it is still recovering)**



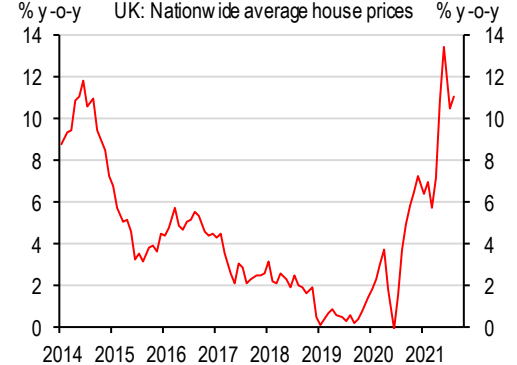
Source: Refinitiv Datastream, HSBC.

**26. In the UK, mortgage approvals have fallen back to a still high level following the end of most of the stamp duty cut benefits ...**



Source: Refinitiv Datastream, HSBC.

**27. ... and there was no let-up in price growth, with the Nationwide index up 11% y-o-y in August**

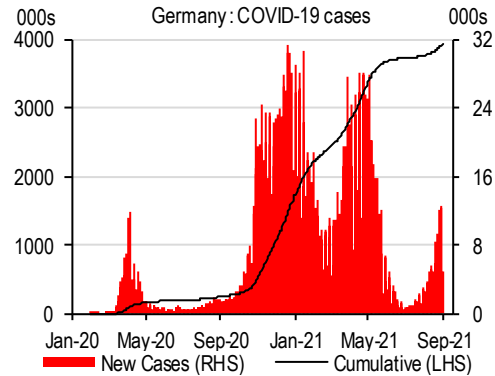


Source: Refinitiv Datastream, HSBC.



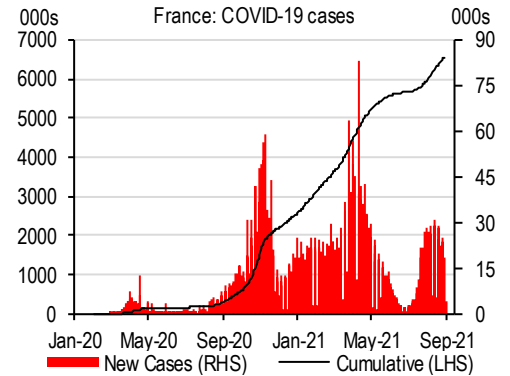
## COVID-19 in Western Europe

**28. In Germany, high case numbers in North Rhine Westphalia have kept the national aggregate elevated ...**



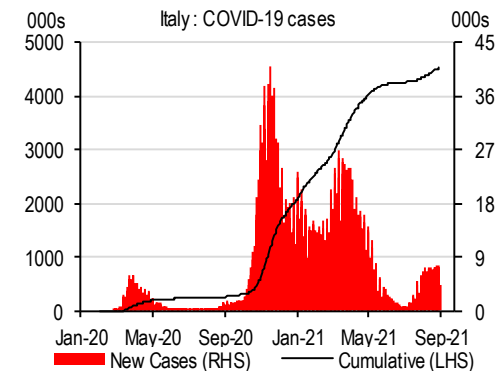
Source: Refinitiv Datastream, HSBC.

**29. ... while in France the recent uptick has slowed**



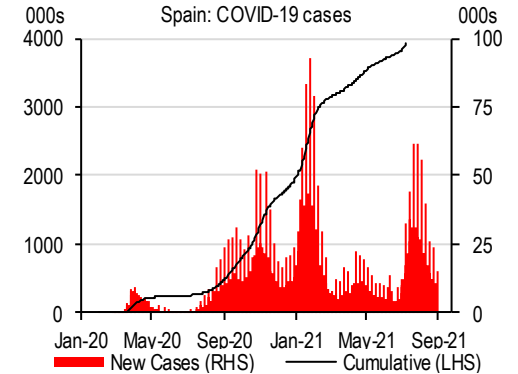
Source: Refinitiv Datastream, HSBC.

**30. In Italy, infection rates have stabilised**



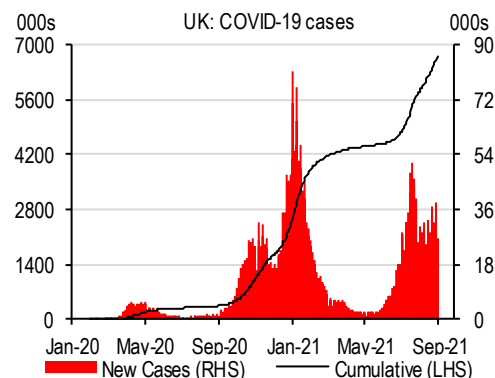
Source: Refinitiv Datastream, HSBC.

**31. Spanish numbers are falling sharply**



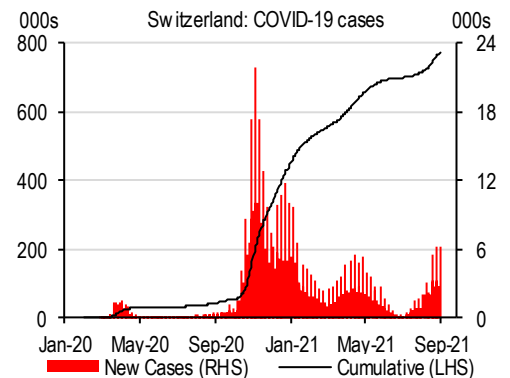
Source: Refinitiv Datastream, HSBC.

**32. Numbers in the UK may have stabilised though trends in England are better than those in Scotland ...**



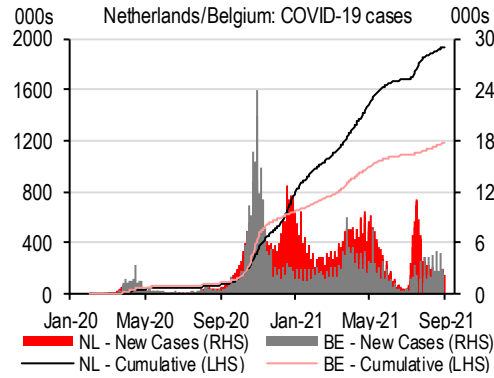
Source: Refinitiv Datastream, HSBC.

**33. ... while in Switzerland they are stable, but not yet falling**



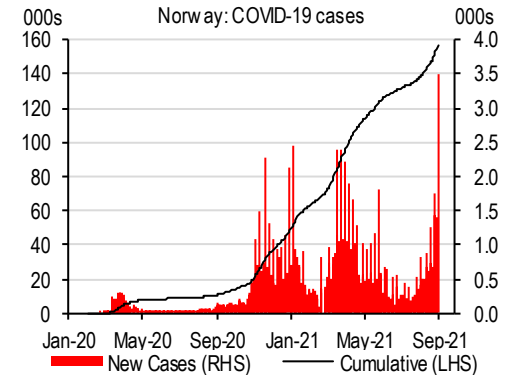
Source: Refinitiv Datastream, HSBC.

**34. Dutch cases have been broadly stable, but they seem back on the rise in Belgium**



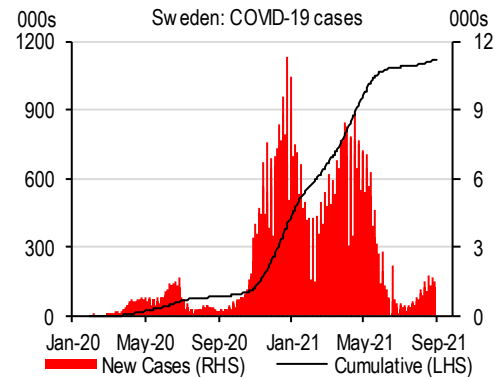
Source: Refinitiv Datastream, HSBC.

**35. Case numbers in Norway have risen further over the last week**



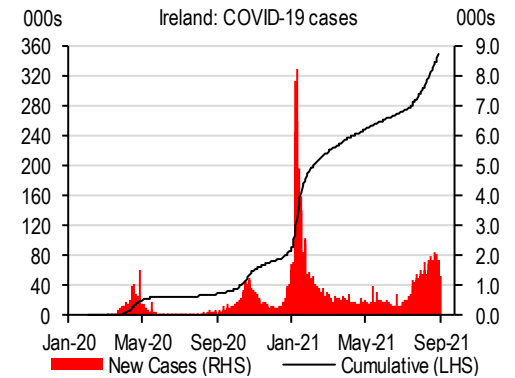
Source: Refinitiv Datastream, HSBC.

**36. Sweden has not really felt much of the Delta variant so far**



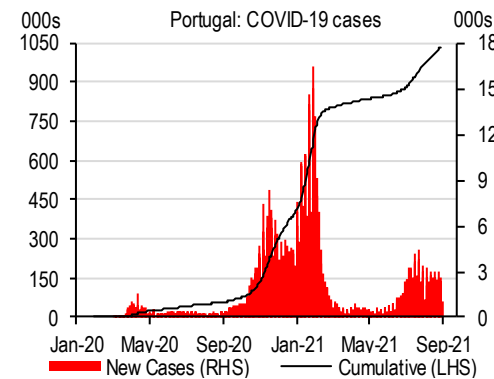
Source: Refinitiv Datastream, HSBC.

**37. Irish cases are little changed over the last week**



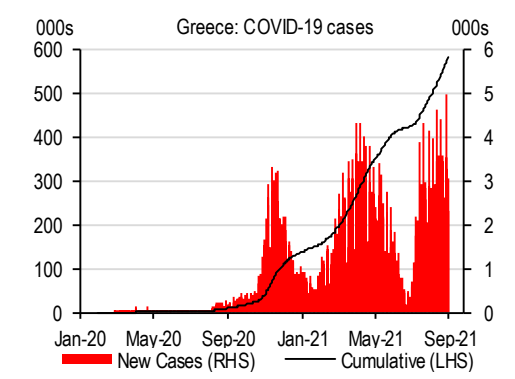
Source: Refinitiv Datastream, HSBC.

**38. Portugal has seen a steady drop in cases after a small spike in August...**



Source: Refinitiv Datastream, HSBC.

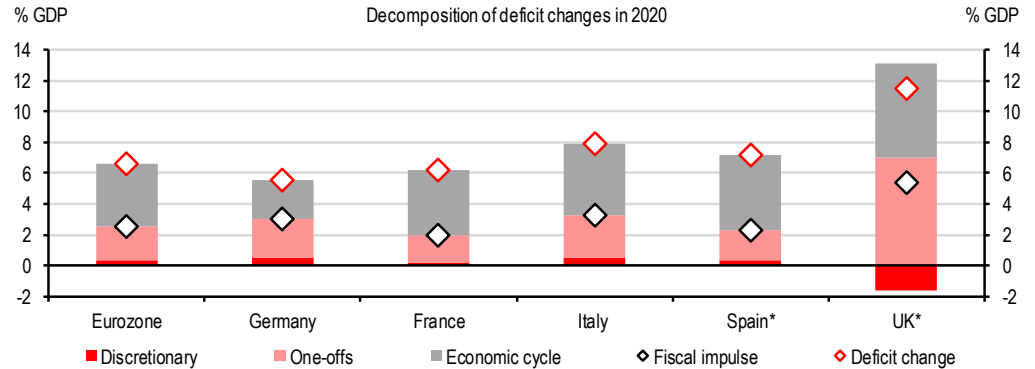
**39. ...while in Greece cases have stabilised at a relatively high level**



Source: Refinitiv Datastream, HSBC.

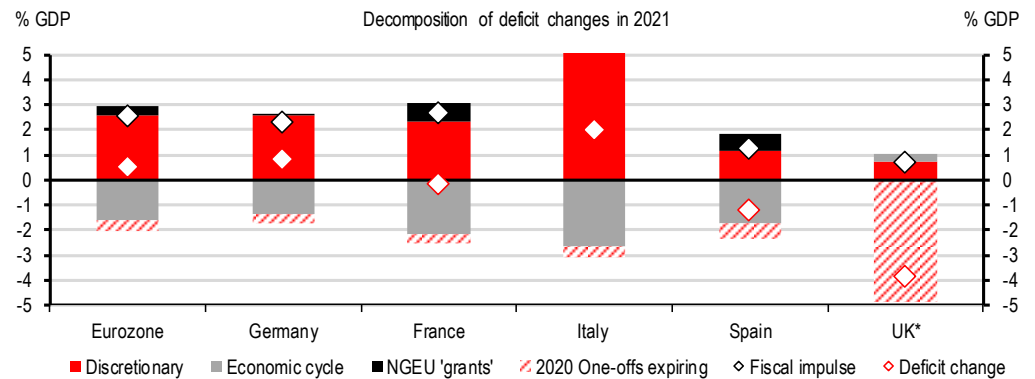
## Fiscal measures (in the Big 4 eurozone countries and the UK)

**40. Fiscal policy was highly supportive of growth last year even if a significant chunk of support did not make it into the economy due to restrictions and was actually saved**



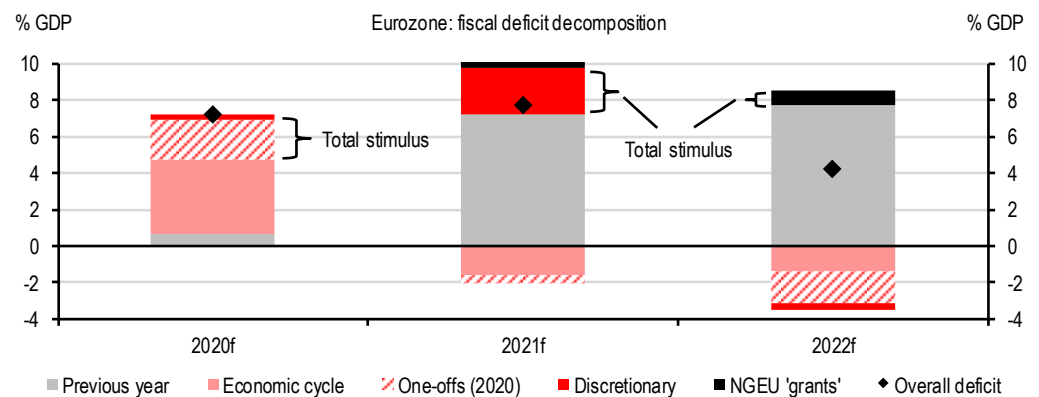
Source: HSBC calculations based on national statistical institutes, Eurostat and European Commission, 2020 budgets and amendments. Notes: \*Refers to fiscal year 2020/21. \*\*Discounting the impact (0.9% of GDP) of the incorporation of 'Sareb' under the public sector. The 'Economic Cycle' component for eurozone countries and the Big 4 includes the 'normal' short-time work compensation schemes but not the extensions and more generous terms agreed in response to the COVID-19 crisis. For the UK, it includes the Job Retention Scheme (JRS).

**41. After the latest significant upward revisions of this year's deficit targets by most eurozone countries, fiscal policy could be even more supportive of growth this year**



Source: HSBC calculations based on national statistical institutes, Eurostat and European Commission, 2020 budgets and amendments. Notes: \*Refers to fiscal year 2020/21. The 'Economic Cycle' component for eurozone countries and the Big 4 includes the 'normal' short-time work compensation schemes but not the extensions and more generous terms agreed in response to the COVID-19 crisis. For the UK, it includes the Job Retention Scheme (JRS).

**42. Fiscal policy should remain expansive in 2022 in the eurozone thanks to the Next Generation EU fund, while Brussels has said that EU fiscal rules will remain suspended**



Source: HSBC calculations based on national statistical institutes, Eurostat and European Commission, 2020 budgets and amendments. Notes: The adjusted series takes into account that due to ongoing restrictions at least part of the stimulus implemented last year and this year did not actually feed through into the economy but will only do so once restrictions are lifted.

# Disclosure appendix

## Analyst Certification

The following analyst(s), economist(s), or strategist(s) who is(are) primarily responsible for this report, including any analyst(s) whose name(s) appear(s) as author of an individual section or sections of the report and any analyst(s) named as the covering analyst(s) of a subsidiary company in a sum-of-the-parts valuation certifies(y) that the opinion(s) on the subject security(ies) or issuer(s), any views or forecasts expressed in the section(s) of which such individual(s) is(are) named as author(s), and any other views or forecasts expressed herein, including any views expressed on the back page of the research report, accurately reflect their personal view(s) and that no part of their compensation was, is or will be directly or indirectly related to the specific recommendation(s) or views contained in this research report: Elizabeth Martins

## Important disclosures

This document has been prepared and is being distributed by the Research Department of HSBC and is not for publication to other persons, whether through the press or by other means.

This document is for information purposes only and it should not be regarded as an offer to sell or as a solicitation of an offer to buy the securities or other investment products mentioned in it and/or to participate in any trading strategy. Advice in this document is general and should not be construed as personal advice, given it has been prepared without taking account of the objectives, financial situation or needs of any particular investor. Accordingly, investors should, before acting on the advice, consider the appropriateness of the advice, having regard to their objectives, financial situation and needs. If necessary, seek professional investment and tax advice.

Certain investment products mentioned in this document may not be eligible for sale in some states or countries, and they may not be suitable for all types of investors. Investors should consult with their HSBC representative regarding the suitability of the investment products mentioned in this document and take into account their specific investment objectives, financial situation or particular needs before making a commitment to purchase investment products.

The value of and the income produced by the investment products mentioned in this document may fluctuate, so that an investor may get back less than originally invested. Certain high-volatility investments can be subject to sudden and large falls in value that could equal or exceed the amount invested. Value and income from investment products may be adversely affected by exchange rates, interest rates, or other factors. Past performance of a particular investment product is not indicative of future results.

HSBC and its affiliates will from time to time sell to and buy from customers the securities/instruments, both equity and debt (including derivatives) of companies covered in HSBC Research on a principal or agency basis or act as a market maker or liquidity provider in the securities/instruments mentioned in this report.

Analysts, economists, and strategists are paid in part by reference to the profitability of HSBC which includes investment banking, sales & trading, and principal trading revenues.

Whether, or in what time frame, an update of this analysis will be published is not determined in advance.

For disclosures in respect of any company mentioned in this report, please see the most recently published report on that company available at [www.hsbcnet.com/research](http://www.hsbcnet.com/research). HSBC Private Banking clients should contact their Relationship Manager for queries regarding other research reports. In order to find out more about the proprietary models used to produce this report, please contact the authoring analyst.

**Additional disclosures**

- 1 This report is dated as at 01 September 2021.
- 2 All market data included in this report are dated as at close 01 September 2021, unless a different date and/or a specific time of day is indicated in the report.
- 3 HSBC has procedures in place to identify and manage any potential conflicts of interest that arise in connection with its Research business. HSBC's analysts and its other staff who are involved in the preparation and dissemination of Research operate and have a management reporting line independent of HSBC's Investment Banking business. Information Barrier procedures are in place between the Investment Banking, Principal Trading, and Research businesses to ensure that any confidential and/or price sensitive information is handled in an appropriate manner.
- 4 You are not permitted to use, for reference, any data in this document for the purpose of (i) determining the interest payable, or other sums due, under loan agreements or under other financial contracts or instruments, (ii) determining the price at which a financial instrument may be bought or sold or traded or redeemed, or the value of a financial instrument, and/or (iii) measuring the performance of a financial instrument or of an investment fund.

# Disclaimer

## Legal entities as at 1 December 2020

'UAE' HSBC Bank Middle East Limited, DIFC; HSBC Bank Middle East Limited, Dubai; 'HK' The Hongkong and Shanghai Banking Corporation Limited, Hong Kong; 'TW' HSBC Securities (Taiwan) Corporation Limited; 'CA' HSBC Securities (Canada) Inc.; 'France' HSBC Continental Europe; 'Spain' HSBC Continental Europe, Sucursal en España; 'Italy' HSBC Continental Europe, Italy; 'Sweden' HSBC Continental Europe Bank, Sweden Filial; 'DE' HSBC Trinkaus & Burkhardt AG, Düsseldorf; '000' HSBC Bank (RR), Moscow; 'IN' HSBC Securities and Capital Markets (India) Private Limited, Mumbai; 'JP' HSBC Securities (Japan) Limited, Tokyo; 'EG' HSBC Securities Egypt SAE, Cairo; 'CN' HSBC Investment Bank Asia Limited, Beijing Representative Office; The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch; The Hongkong and Shanghai Banking Corporation Limited, Seoul Securities Branch; The Hongkong and Shanghai Banking Corporation Limited, Seoul Branch; HSBC Securities (South Africa) (Pty) Ltd, Johannesburg; HSBC Bank plc, London, Tel Aviv; 'US' HSBC Securities (USA) Inc, New York; HSBC Yatirim Menkul Degerler AS, Istanbul; HSBC México, SA, Institución de Banca Múltiple, Grupo Financiero HSBC; HSBC Bank Australia Limited; HSBC Bank Argentina SA; HSBC Saudi Arabia Limited; The Hongkong and Shanghai Banking Corporation Limited, New Zealand Branch incorporated in Hong Kong SAR; The Hongkong and Shanghai Banking Corporation Limited, Bangkok Branch; PT Bank HSBC Indonesia; HSBC Qianhai Securities Limited; Banco HSBC S.A.

## Issuer of report

**HSBC Bank plc**  
8 Canada Square, London  
E14 5HQ, United Kingdom  
Telephone: +44 20 7991 8888  
Fax: +44 20 7992 4880  
Website: [www.research.hsbc.com](http://www.research.hsbc.com)

In the UK, this publication is distributed by HSBC Bank plc for the information of its Clients (as defined in the Rules of FCA) and those of its affiliates only. Nothing herein excludes or restricts any duty or liability to a customer which HSBC Bank plc has under the Financial Services and Markets Act 2000 or under the Rules of FCA and PRA. A recipient who chooses to deal with any person who is not a representative of HSBC Bank plc in the UK will not enjoy the protections afforded by the UK regulatory regime. HSBC Bank plc is regulated by the Financial Conduct Authority and the Prudential Regulation Authority. If this research is received by a customer of an affiliate of HSBC, its provision to the recipient is subject to the terms of business in place between the recipient and such affiliate. In Australia, this publication has been distributed by The Hongkong and Shanghai Banking Corporation Limited (ABN 65 117 925 970, AFSL 301737) for the general information of its "wholesale" customers (as defined in the Corporations Act 2001). Where distributed to retail customers, this research is distributed by HSBC Bank Australia Limited (ABN 48 006 434 162, AFSL No. 232595). These respective entities make no representations that the products or services mentioned in this document are available to persons in Australia or are necessarily suitable for any particular person or appropriate in accordance with local law. No consideration has been given to the particular investment objectives, financial situation or particular needs of any recipient.

In the European Economic Area, this publication has been distributed by HSBC Continental Europe or by such other HSBC affiliate from which the recipient receives relevant services. The document is distributed in Hong Kong by The Hongkong and Shanghai Banking Corporation Limited and in Japan by HSBC Securities (Japan) Limited. Each of the companies listed above (the "Participating Companies") is a member of the HSBC Group of Companies, any member of which may trade for its own account as Principal, may have underwritten an issue within the last 36 months or, together with its Directors, officers and employees, may have a long or short position in securities or instruments or in any related instrument mentioned in the document. Brokerage or fees may be earned by the Participating Companies or persons associated with them in respect of any business transacted by them in all or any of the securities or instruments referred to in this document. In Korea, this publication is distributed by either The Hongkong and Shanghai Banking Corporation Limited, Seoul Securities Branch ("HBAP SLS") or The Hongkong and Shanghai Banking Corporation Limited, Seoul Branch ("HBAP SEL") for the general information of professional investors specified in Article 9 of the Financial Investment Services and Capital Markets Act ("FSCMA"). This publication is not a prospectus as defined in the FSCMA. It may not be further distributed in whole or in part for any purpose. Both HBAP SLS and HBAP SEL are regulated by the Financial Services Commission and the Financial Supervisory Service of Korea. This publication is distributed in New Zealand by The Hongkong and Shanghai Banking Corporation Limited, New Zealand Branch incorporated in Hong Kong SAR.

The information in this document is derived from sources the Participating Companies believe to be reliable but which have not been independently verified. The Participating Companies make no guarantee of its accuracy and completeness and are not responsible for errors of transmission of factual or analytical data, nor shall the Participating Companies be liable for damages arising out of any person's reliance upon this information. All charts and graphs are from publicly available sources or proprietary data. The opinions in this document constitute the present judgement of the Participating Companies, which is subject to change without notice. From time to time research analysts conduct site visits of covered issuers. HSBC policies prohibit research analysts from accepting payment or reimbursement for travel expenses from the issuer for such visits. This document is neither an offer to sell, purchase or subscribe for any investment nor a solicitation of such an offer.

HSBC Securities (USA) Inc. accepts responsibility for the content of this research report prepared by its non-US foreign affiliate. The information contained herein is under no circumstances to be construed as investment advice and is not tailored to the needs of the recipient. All US persons receiving and/or accessing this report and intending to effect transactions in any security discussed herein should do so with HSBC Securities (USA) Inc. in the United States and not with its non-US foreign affiliate, the issuer of this report. In Singapore, this publication is distributed by The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch for the general information of institutional investors or other persons specified in Sections 274 and 304 of the Securities and Futures Act (Chapter 289) ("SFA") and accredited investors and other persons in accordance with the conditions specified in Sections 275 and 305 of the SFA. Only Economics or Currencies reports are intended for distribution to a person who is not an Accredited Investor, Expert Investor or Institutional Investor as defined in SFA. The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch accepts legal responsibility for the contents of reports pursuant to Regulation 32C(1)(d) of the Financial Advisers Regulations. This publication is not a prospectus as defined in the SFA. This publication is not a prospectus as defined in the SFA. It may not be further distributed in whole or in part for any purpose. The Hongkong and Shanghai Banking Corporation Limited Singapore Branch is regulated by the Monetary Authority of Singapore. Recipients in Singapore should contact a "Hongkong and Shanghai Banking Corporation Limited, Singapore Branch" representative in respect of any matters arising from, or in connection with this report. Please refer to The Hongkong and Shanghai Banking Corporation Limited Singapore Branch's website at [www.business.hsbc.com.sg](http://www.business.hsbc.com.sg) for contact details. HSBC México, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC is authorized and regulated by Secretaría de Hacienda y Crédito Público and Comisión Nacional Bancaria y de Valores (CNBV).

In Canada, this document has been distributed by HSBC Securities (Canada) Inc. (member IIROC), and/or its affiliates. The information contained herein is under no circumstances to be construed as investment advice in any province or territory of Canada and is not tailored to the needs of the recipient. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed judgment upon these materials, the information contained herein or the merits of the securities described herein, and any representation to the contrary is an offense. In Brazil, this document has been distributed by Banco HSBC S.A. ("HSBC Brazil"), and/or its affiliates. As required by Instruction No. 598/18 of the Securities and Exchange Commission of Brazil (Comissão de Valores Mobiliários), potential conflicts of interest concerning (i) HSBC Brazil and/or its affiliates; and (ii) the analyst(s) responsible for authoring this report are stated on the chart above labelled "HSBC & Analyst Disclosures".

The document is intended to be distributed in its entirety. Unless governing law permits otherwise, you must contact a HSBC Group member in your home jurisdiction if you wish to use HSBC Group services in effecting a transaction in any investment mentioned in this document. HSBC Bank plc is registered in England No 14259, is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority and is a member of the London Stock Exchange. (070905)

If you are an HSBC Private Banking ("PB") customer with approval for receipt of relevant research publications by an applicable HSBC legal entity, you are eligible to receive this publication. To be eligible to receive such publications, you must have agreed to the applicable HSBC entity's terms and conditions for accessing research and the terms and conditions of any other internet banking service offered by that HSBC entity through which you will access research publications ("the Terms"). Distribution of this publication is the sole responsibility of the HSBC entity with whom you have agreed the Terms. If you do not meet the aforementioned eligibility requirements please disregard this publication and, if you are a customer of PB, please notify your Relationship Manager. Receipt of research publications is strictly subject to the Terms and any other conditions or disclaimers applicable to the provision of the publications that may be advised by PB.

© Copyright 2021, HSBC Bank plc, ALL RIGHTS RESERVED. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, on any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of HSBC Bank plc. MCI (P) 028/02/2021, MCI (P) 087/10/2020