

Europe COVID-19 tracker

Cases falling, prices rising

Free to View
Economics - Europe

- ◆ New COVID-19 cases are stable or falling across many of Europe's large economies
- ◆ But prices are rising at a faster pace than anticipated, with eurozone inflation hitting a new high in January...
- ◆ ...weighing on consumer and business confidence despite an improving COVID-19 backdrop

Simon Wells
Chief European Economist
HSBC Bank plc

New cases remain high, but are falling in most large economies

Although new COVID-19 cases remain high in Europe, the numbers are falling across most of the largest economies (Chart 1). But they are still rising slowly in Germany and more sharply in some smaller economies. Denmark has suffered a particularly severe wave (Chart 5), reflecting a seemingly more infectious Omicron sub-variant. Cases are also very high in other Scandinavian economies and the Netherlands. In France, where cases are also still very high, the national caseload seems to be following Paris down (Chart 6). Fortunately, despite high cases, ICU admissions and deaths remain generally low relative to previous waves (Charts 3 and 4). This is allowing restrictions to be eased, with further relaxation for France on 2 February (Table 15).

With restrictions easing and the Omicron wave close to or past its peak, vaccination campaigns seem to have slowed further (Chart 10). Testing has also fallen (Chart 8). In the UK, this may reflect people not reporting test results as diligently as in the past. Indeed, a gap may be opening up between official UK case numbers and those voluntarily reporting symptoms to the (ZOE) COVID-19 study app (Chart 9).

Despite strong labour markets, consumers are cautious

Eurozone GDP grew 0.3% q-o-q in Q4 2021, dragged down by a contraction in Germany (Chart 16). However, this was enough to put GDP back to its pre-pandemic level (Chart 17). But despite a strong labour market (Chart 20), business sentiment and consumer confidence eased slightly in January – likely reflecting Omicron fears and possibly rising inflation.

Inflation still a source of unwelcome surprises

Eurozone inflation surprised again hugely to the upside in January, going from 5.0% y-o-y in December to a fresh all-time high of 5.1% y-o-y, considerably higher than the consensus expectation of 4.4% (Chart 22). Input price inflation remains high and the oil price has risen further (Charts 24 and 25). High and persistent inflation will erode real-terms household income, pushing it up the political agenda and piling pressure on central banks to remove monetary accommodation. While rising inflation is clearly preferable to a health crisis, the economic impact of COVID-19 continues to reverberate even in economies where restrictions are now minimal and new cases are falling.

This is a Free to View version of a report by the same title published on 02-Feb-22. Please contact your HSBC representative or email AskResearch@hsbc.com for more information.

Disclosures & Disclaimer

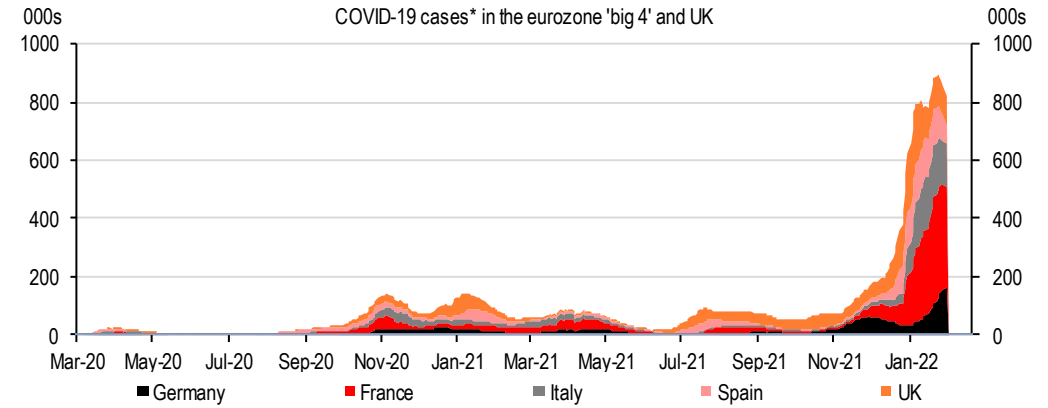
This report must be read with the disclosures and the analyst certifications in the Disclosure appendix, and with the Disclaimer, which forms part of it.

Issuer of report: HSBC Bank plc

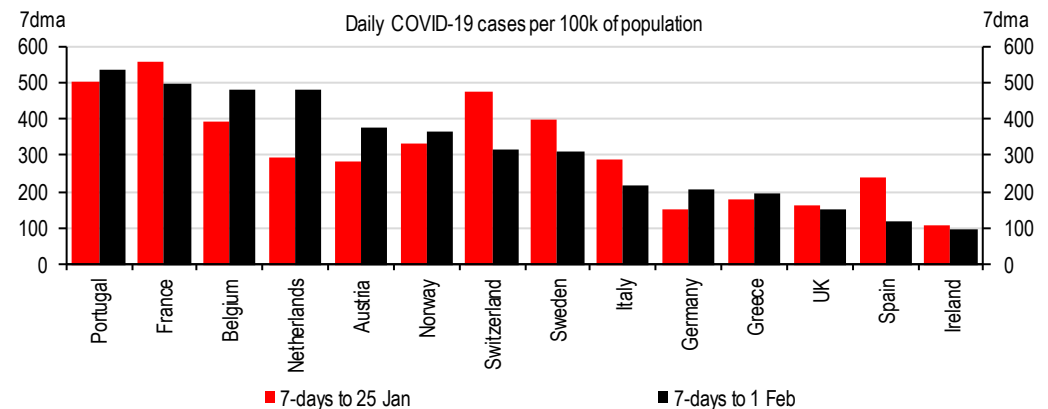
View HSBC Global Research at:
<https://www.research.hsbc.com>

New cases remain high, but are falling in most large economies

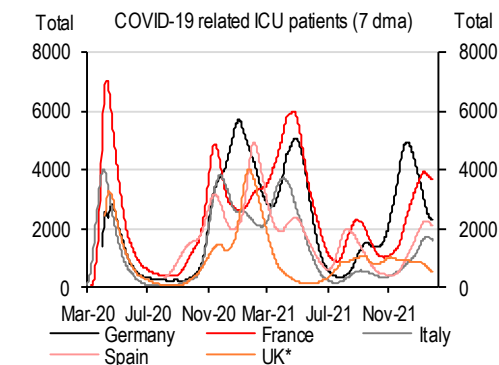
1. In general across Europe's largest economies, cases are now falling...



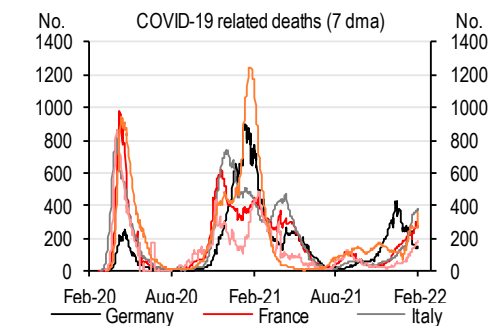
2. ...but the picture remains mixed elsewhere



3. ICU numbers seem to have peaked across the largest economies...



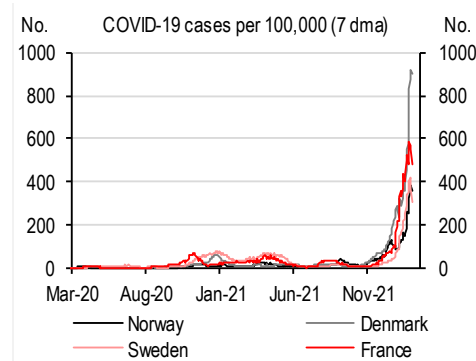
4. ...with deaths still low relative to previous waves



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

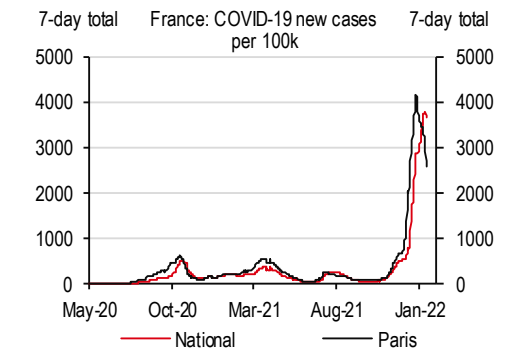
New cases are down, but so is testing

5. Denmark has seen a particularly severe Omicron wave



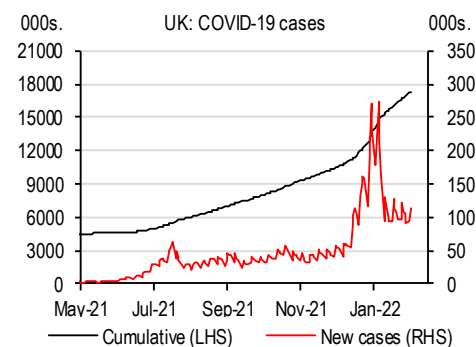
Source: Refinitiv Datastream, HSBC.

6. National cases in France seem to be following Paris down



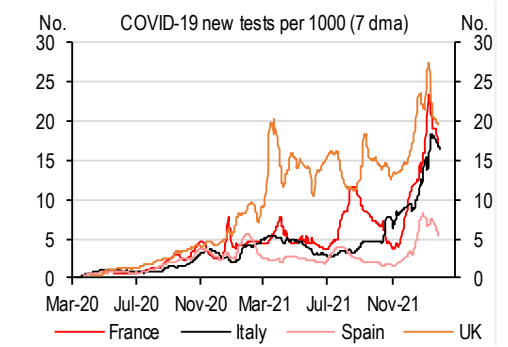
Source: French government, HSBC.

7. UK cases increased on 31 January due to the inclusion of re-infections, which added 4% to total cumulative case numbers



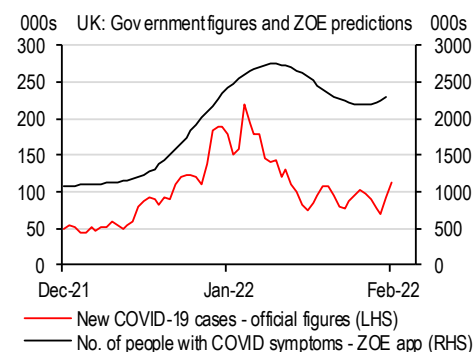
Source: Refinitiv Datastream, HSBC

8. Testing has fallen further



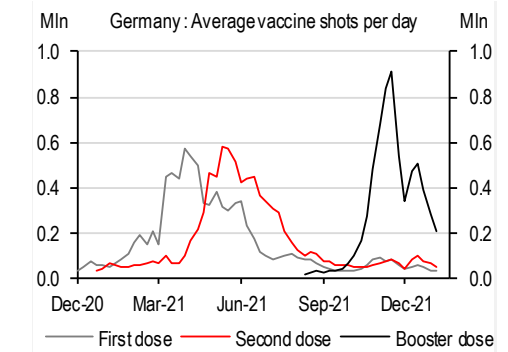
Source: Our World in Data, HSBC.

9. Official UK data show stable cases but the number of people self-reporting symptoms has risen recently



Source: ZOE, UK government, HSBC.

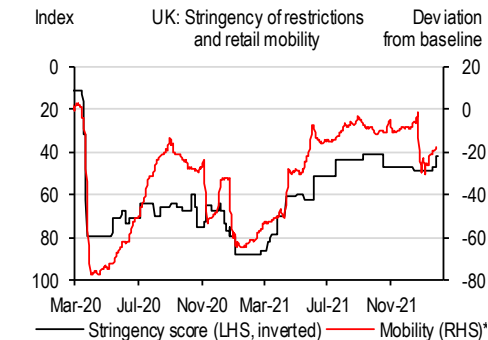
10. The vaccination and booster campaigns have slowed, as illustrated by Germany



Source: Macrobond, HSBC.

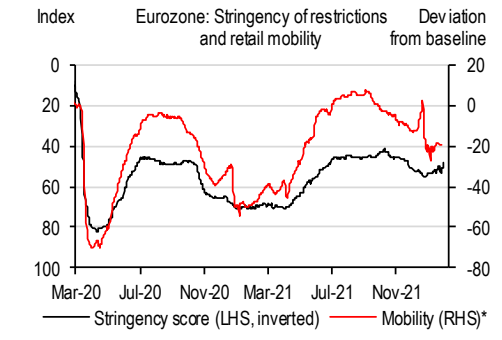
Omicron has left its mark on activity in Europe

11. Retail mobility in the UK continues to grind higher...



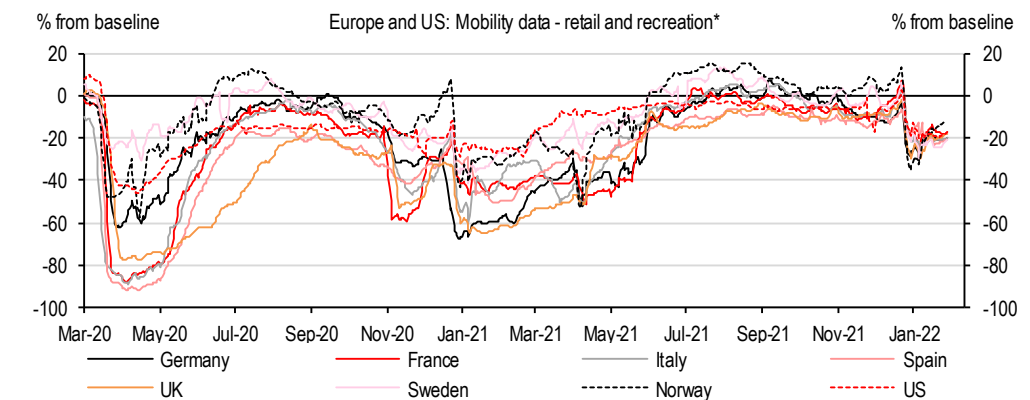
Source: Google mobility, Oxford COVID-19 Government response Tracker, HSBC
 Note: *7-day moving average.

12. ...while it has been stable in the eurozone



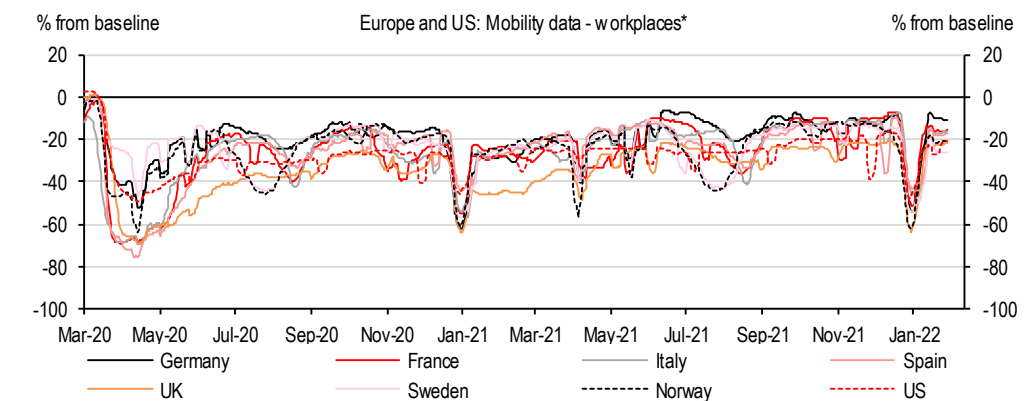
Source: Google mobility, Oxford COVID-19 Government response Tracker, HSBC
 Note: *7-day moving average

13. Mobility with respect to shopping and leisure remains stable below H2 2021 levels



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

14. Workplace mobility is broadly unchanged over the past few weeks



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

New restrictions focused on unvaccinated people, UK to re-open

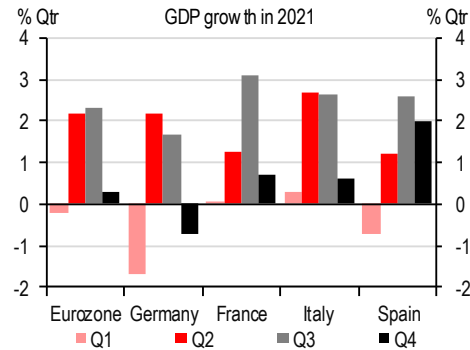
15. Latest on the restrictions from the major European countries

Country	Latest lockdown measures
Germany	Germany extended all previous restrictions at the latest COVID-19 summit on 24 January. Apart from the general limit of just 10 people (not accounting for children) for private and public meetings irrespective of the COVID-19 situation and the vaccination status, a general banning of spectators from visiting "non-regional" (sporting) events indoors and outdoors and a closure of all dance clubs and potentially bars (though the latter depends on the federal states' local legislation), the so-called 2G+ rule will be applied to the whole gastronomy sector. This means that even fully vaccinated (or recently COVID-19 recovered) people now require a negative test result that is not older than 24 hours to enter a restaurant. However, people who have had a booster shot are exempt from the test mandate. This new regulation thus extends the general nationwide 2G-rule for almost all other activities, including retail shopping or private and public services irrespective of the local COVID-19 situation, and federal states are allowed to selectively apply a 2G+ rule to these sectors as well if the infection situation requires it. Moreover, unvaccinated people are even restricted from meeting with a maximum of two people from different households and need to provide a negative COVID-19 test to use public transport. Since the beginning of the pandemic, indoor mask wearing has been mandatory, including on public transport. More restrictive measures in general could still be applied on a local or federal state level depending on the respective infection situation. All these measures will be in place until at least the next scheduled COVID-19 summit on 16 February.
France	<p>The COVID-19 health pass ("passe sanitaire") introduced in July 2021 to access some (museums, cinemas, bars, restaurants, large shopping malls, hospitals and some long-distance transport such as aeroplanes and trains) has been tightened and converted since 24 January into a vaccine pass ("passe vaccinal") for people aged above 16. This pass may be obtained with a proof of vaccination or recent recovery, but no longer with a negative test. Moreover, since 15 January, a booster is required 7 months after the last dose to maintain the pass. Regarding travel, all non-EU travellers coming to France have to present a negative test, even if they are vaccinated.</p> <p>Conversely, self-isolation rules were loosened on 3 January, due to the sharp rise in COVID-19 cases led by the Omicron variant. For infected people, the length of the isolation period has been cut to 7 days for vaccinated people, against 10 days for unvaccinated people. Besides, vaccinated people in contact with infected people don't have to quarantine if they have a negative test, contrary to unvaccinated people that have to isolate for 7 days.</p> <p>The government unveiled on 20 September a two-step calendar to ease other current restrictions. On 2 February, the mandatory rule on remote working (at least 3 and preferably 4 days per week when possible) was scrapped (although remote working remains advised). Mandatory mask wearing outdoors (required in several departments) was also ended. Finally, current limits on large sport and cultural events (2,000 indoor, 5,000 outdoor) also end, but mask wearing for these events remains mandatory. On 16 February, nightclubs (closed since 10 December) are set to reopen. Standing concerts and standing consumption at bars will also be allowed again.</p>
Spain	<p>Since May, Spain hasn't been in a state of emergency and the nationwide curfew has ended. As the number of COVID-19 cases has started to increase again, though, some restrictions have been reintroduced in some areas. Most regions have now introduced a 'green pass' requirement for entering restaurants, bars and all cultural and sports events. Some regions have also imposed additional limits on: the opening hours of bars, restaurants and clubs (2am or 4am if all the staff are vaccinated or had a negative COVID-19 test); the size of gatherings (8 or 12 people, depending on the region) and the capacity of buildings for events. Catalonia is the region which has imposed the toughest restrictions, imposing a 1am curfew in the cities with higher infection rates and limiting gatherings to 10 people. Asturias has closed bars and restaurants indoors. Other regions have imposed other restrictions to the opening hours of restaurants bars and clubs. Masks are not necessary in outdoor settings where social distancing is observed.</p>
Italy	<p>Since mid-September, a 'green pass' (full vaccination or negative COVID-19 test) has been required to go into restaurants and bars (indoors), theatres, cinemas public transport, as well as some outdoors venues, and attend concerts and sporting events. Since 15 October, it has also been a requirement for all public and private sector workers, with high penalties for the non-compliant. This was tightened on 15 December with the introduction of a 'super green pass', restricting access to social events (cinemas, restaurants, theatres, etc.) to people who are vaccinated or have had the virus in the past six months – so it's no longer enough to have tested negative. A negative test is still sufficient to go to work though. Restrictions have been tightened further since 10 January with the super-green pass requirement extended to several professions (health, education, military, public facing jobs) while the vaccination has been made mandatory for people of more than 50 years of age. From 20 January, the super green pass will also be required for hairdressers, beauty salons and all retail shops, and from 1 February for all public offices, postal services and banks.</p> <p>Currently, only six regions are left in the 'white' category while the remaining 14 are now back in the 'yellow' category with obligatory mask wearing outdoors and further restrictions to mobility. Press reports suggest some regions could move into the 'orange' category (with a further extension of the super green pass to restaurants, shopping malls, and mobility across different municipalities limited to essential reasons). Some municipalities in Northern Italy are now back in the 'red zone' with curfews from 8pm to 5am. As for international travel, arrivals from the EU no longer have to quarantine, but they are required to show a negative COVID-19 test undertaken within 48 hours before departure (from 16 December even if fully vaccinated).</p>
UK	<p>Mask wearing is mandatory in most public spaces, but England, Scotland and Wales have announced the end to the Omicron-specific measures introduced in December. In England, this means the working from home guidance has been lifted, vaccine passport arrangements no longer apply and masks are no longer mandatory in schools. In Scotland, it means nightclubs can reopen and the three household limit on social interactions has been lifted. In Wales, restrictions on outdoor and indoor activity were lifted on 21 and 28 January, respectively.</p> <p>As of 7 January 2022, pre-departure tests are no longer required for arrivals into the UK, and passengers will need to take a lateral flow test, not a PCR, by day two after arrival. Rules are set to be further relaxed from 11 February, when full vaccinated travellers will no longer have to take post-arrival tests, and unvaccinated travellers will no longer need to isolate or take a test on day eight after arrival (though they will still need to take a pre-departure test and post-arrival PCR by day two).</p> <p>UK PM Boris Johnson has said that he is hoping to let all COVID-19 rules lapse – including self-isolation for those testing positive – when the legislation expires in March.</p>

Source: Country data, HSBC

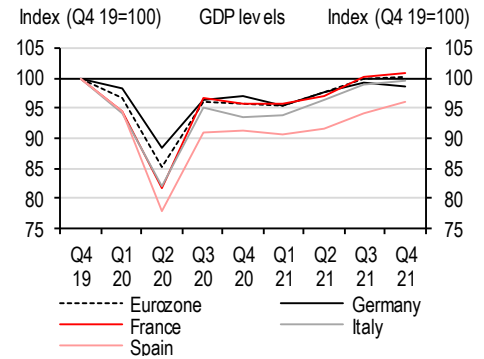
Despite strong labour markets, consumers are cautious

16. Germany dragged eurozone growth down in Q4 2021



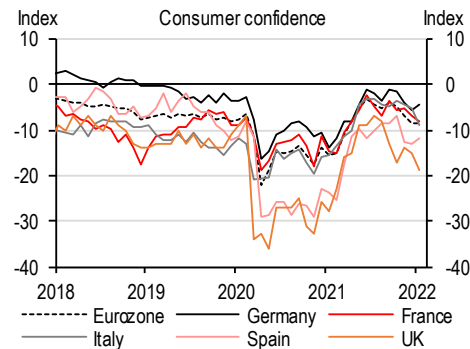
Source: Refinitiv Datastream, HSBC.

17. Eurozone GDP was back to its pre-pandemic level in Q4 2021



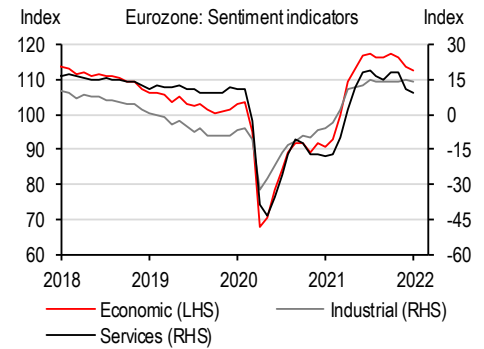
Source: Refinitiv Datastream.

18. Consumers remain cautious, particularly in the UK...



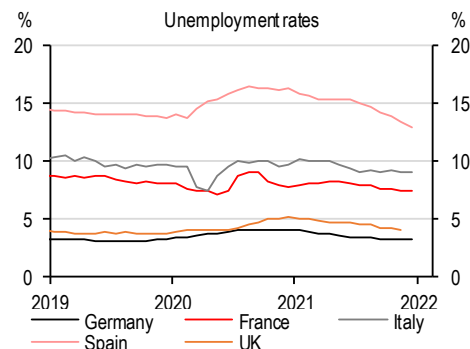
Source: Refinitiv Datastream.

19. ...while economic sentiment among eurozone businesses eased in January



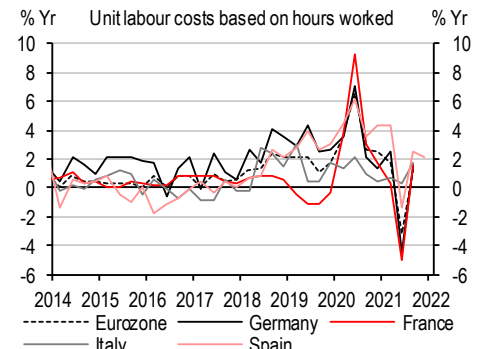
Source: Refinitiv Datastream, HSBC.

20. But labour markets remain strong, with further falls in unemployment rates



Source: Refinitiv Datastream.

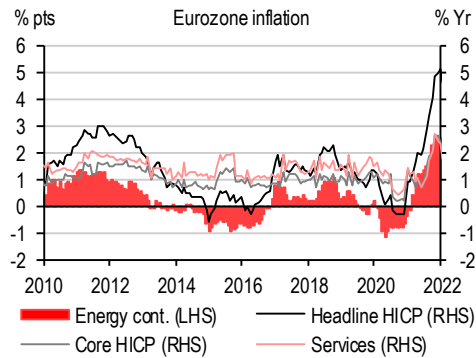
21. Unit labour cost growth is at rates consistent with the ECB's inflation target



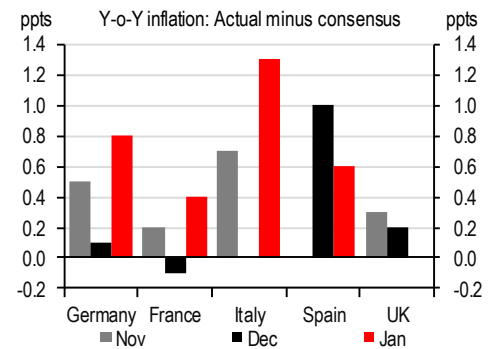
Source: Refinitiv Datastream.

Inflation still a source of unwelcome surprises

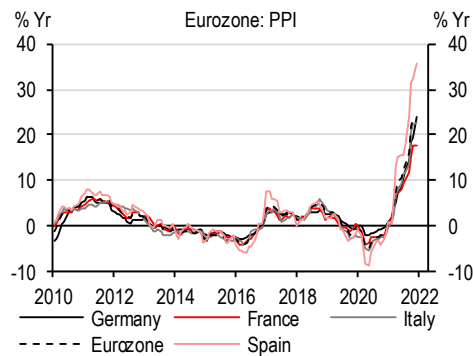
22. Eurozone inflation unexpectedly hit a new all-time high in January...



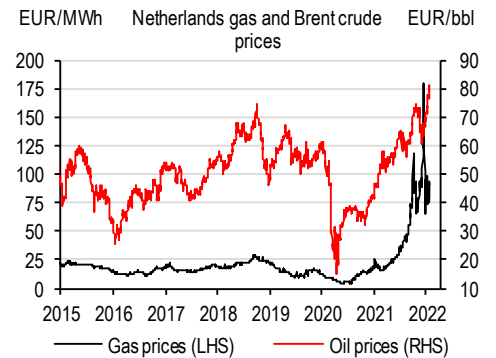
23. ... with an even bigger surprise vs consensus expectations



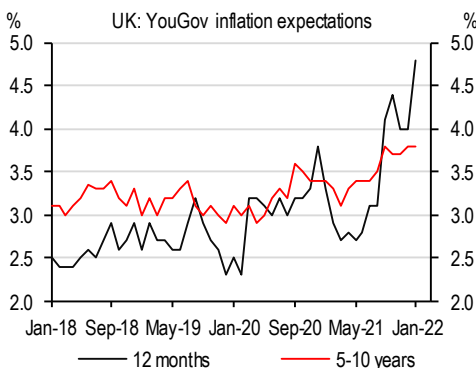
24. Producer price pressures remain high



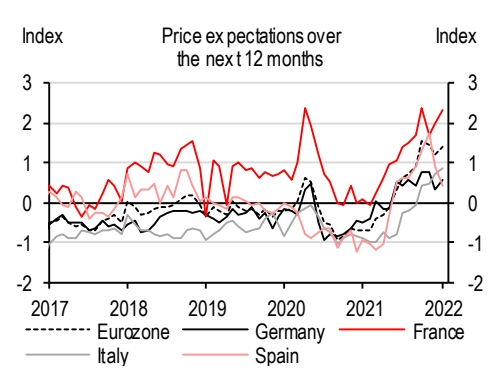
25. The oil price has risen further while gas prices remain volatile



26. Near-term UK household inflation expectations have risen sharply, with medium-term expectations elevated

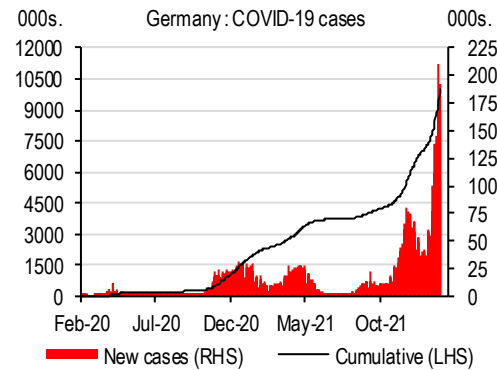


27. Near-term inflation expectations have risen further in the eurozone too



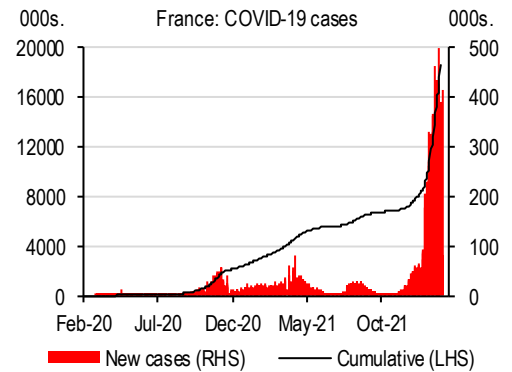
COVID-19 in Western Europe

28. Germany is still seeing cases rise gradually...



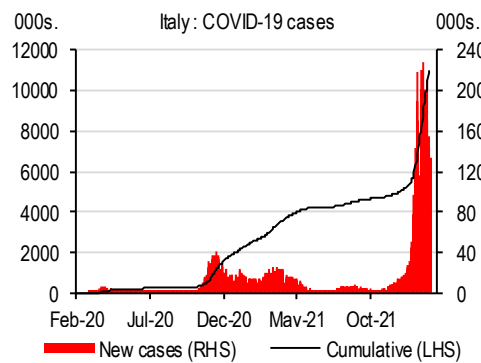
Source: Refinitiv Datastream, HSBC.

29. ... while France appears past the peak



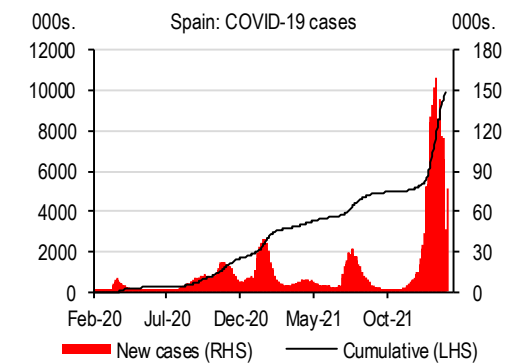
Source: Refinitiv Datastream, HSBC.

30. Cases are falling in Italy...



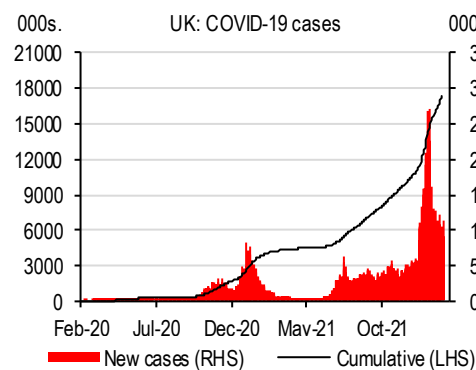
Source: Refinitiv Datastream, HSBC.

31. ...and Spain



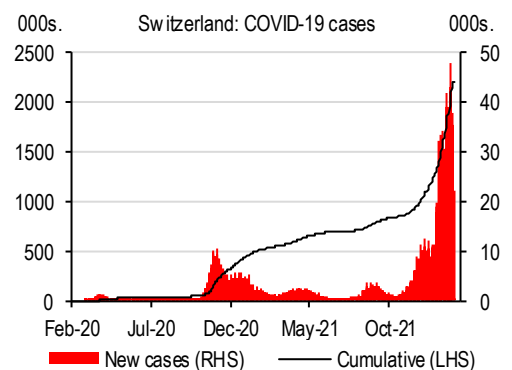
Source: Refinitiv Datastream, HSBC.

32. The UK has stabilised although numbers rose from 31 January following the inclusion of reinfections



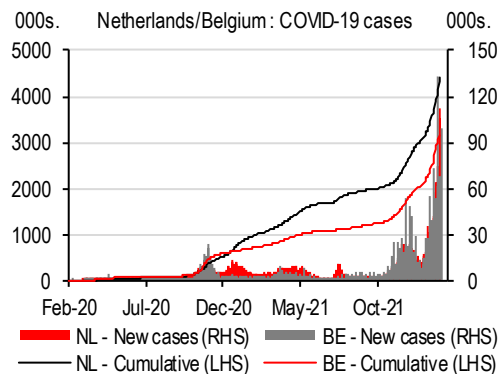
Source: Refinitiv Datastream, HSBC.

33. Switzerland may be close to a peak



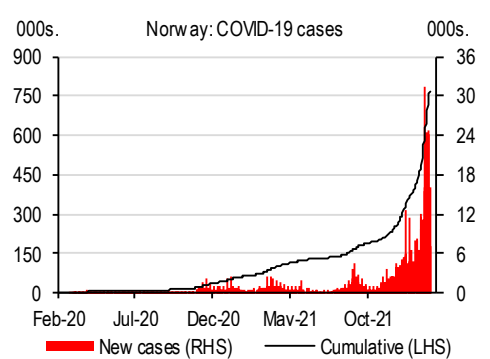
Source: Refinitiv Datastream, HSBC.

34. The Netherlands is facing another sharp rise in cases



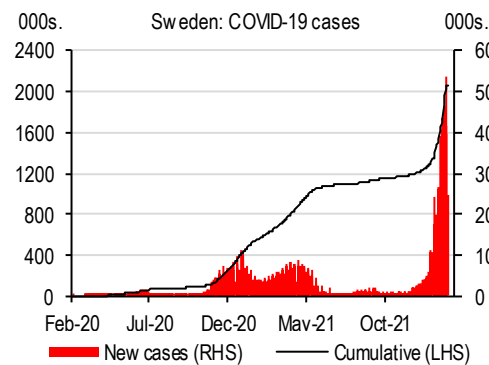
Source: Refinitiv Datastream, HSBC.

35. Cases in Norway are relatively high but have stabilised...



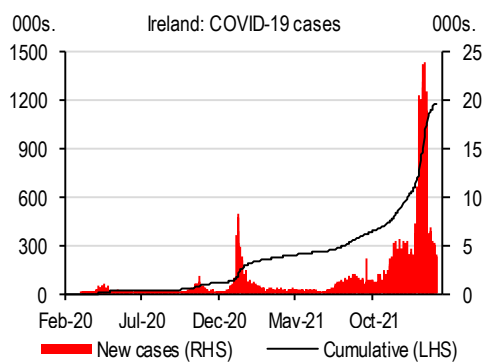
Source: Refinitiv Datastream, HSBC.

36. ...with a similar story in Sweden



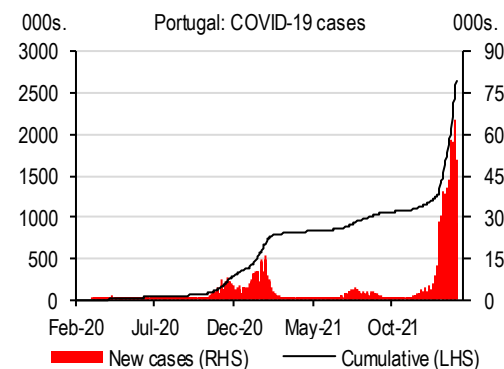
Source: Refinitiv Datastream, HSBC.

37. Ireland is well past its recent peak



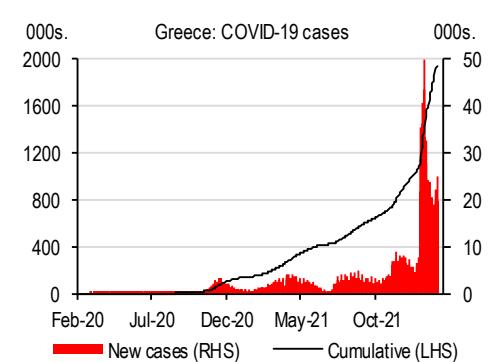
Source: Refinitiv Datastream, HSBC.

38. Despite the highest vaccination percentage Portuguese cases still high



Source: Refinitiv Datastream, HSBC.

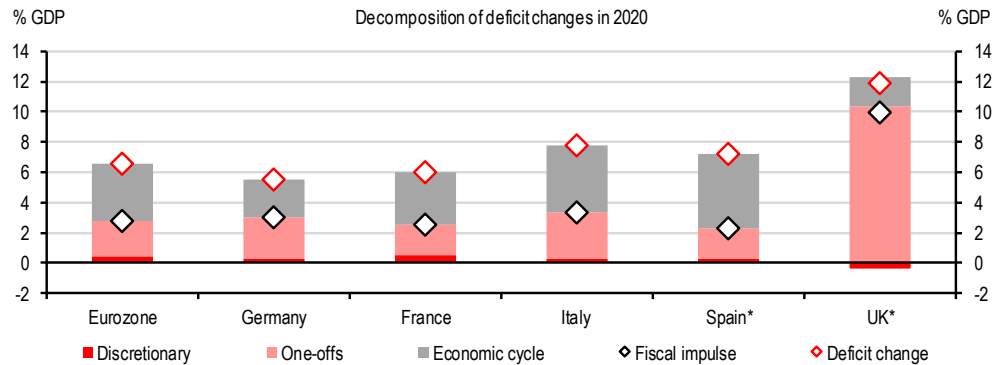
39. Greece is past its peak but cases have crept up slightly



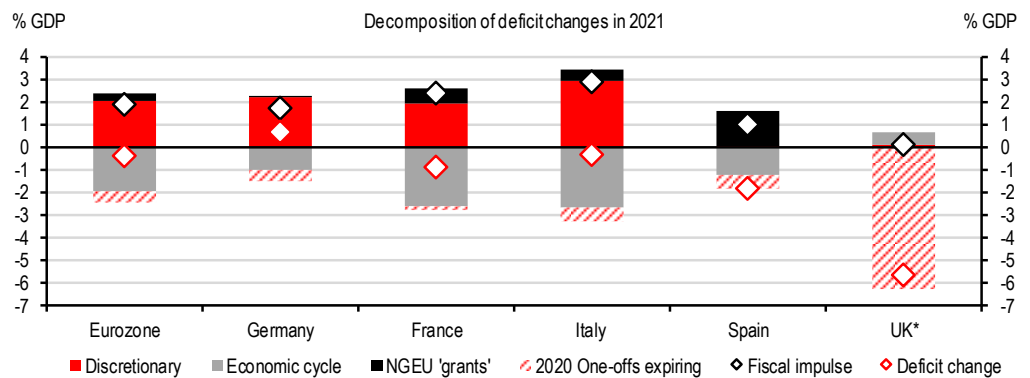
Source: Refinitiv Datastream, HSBC.

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

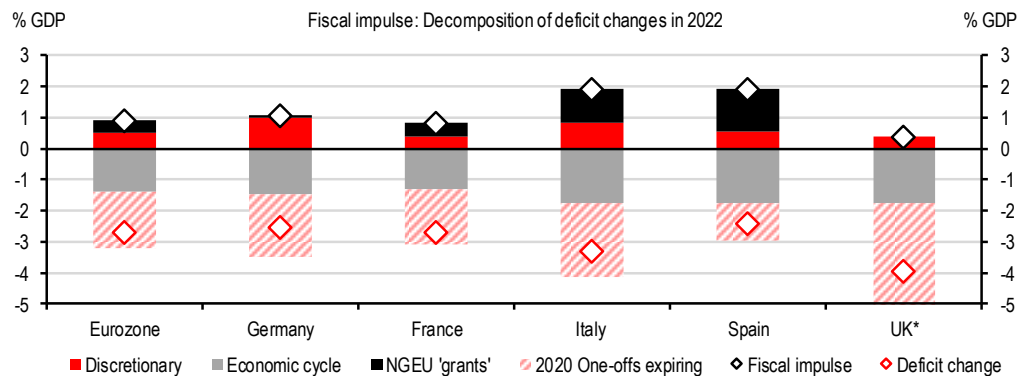
40. Fiscal policy was highly supportive of growth last year even if a significant chunk of support did not make it into the economy due to restrictions and was actually saved



41. Stronger-than-anticipated growth has helped contain the fiscal deficits this year despite a strongly expansionary fiscal policy, particularly in the eurozone



42. In 2022, the domestic fiscal policy stance should remain mildly expansionary in the eurozone, thanks also to the support provided by the Next Generation EU (NGEU) fund



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: Simon Wells

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. 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 02 February 2022.
- 2 All market data included in this report are dated as at close 02 February 2022, 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

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 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 2022, 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) 037/01/2022, MCI (P) 017/10/2021

[1186363]