

Good MornING Asia - 9 November 2018

The US Fed remains on course to a 'gradual tightening', thanks to sustained strong economic growth and falling unemployment rate. The economic risks remain roughly balanced.

In this bundle



United States

ASEAN Morning Bytes

General market tone: Wait and watch The US Fed remains on course to a 'gradual tightening', thanks to sustained strong economic growth and...



Asia week ahead: Relief for Asia's busiest central banks

Recent currency gains have taken the pressure off Asian central banks to tighten, while growth has started to taper off and inflation remains subdued in...



China

China data reflects pessimism about trade talks

Strong export data in October shows that Chinese exporters are worried that US tariffs will increase in January 2019. We expect this front-loading...



Philippines

Philippines: GDP prints at 6.1% as consumption slows

Downgrade of GDP and BSP policy forecast

ASEAN Morning Bytes

General market tone: Wait and watch The US Fed remains on course to a 'gradual tightening', thanks to sustained strong economic growth and falling unemployment rate. The economic risks remain roughly balanced.



International theme: Strong US economy - Gradual Fed tightening

- The US Federal Reserve remains on course for the fourth rate hike of the year in December. Aside from a signal of moderating fixed asset investment growth, the statement was little changed from the previous meeting. Reversing the post-midterm movement, stocks slipped and the USD gained against most G-10s while 10-year treasury yields were little changed.

EM Space: Back to the wait and watch mode, China data providing some direction

- **General Asia:** Following overnight moves in the US, we think the Asian markets will likely shift to the 'wait and watch' mode. China data on CPI and PPI may provide some direction. China exports with a robust 21% YoY growth in October downplayed the trade war impact, though this may not last for too long.
- **Indonesia:** Incumbent President Jokowi has revised his growth target from 7% to 5-6% as

his political party readies for next year's April election. Jokowi pointed to mounting global turmoil, most notably the protracted trade debacle between the United States and China. With economic objectives now more geared for stability, we expect the Bank of Indonesia to keep policy rates unchanged at its next meeting as the IDR has enjoyed a healthy appreciation for the month on improving risk sentiment.

- **Philippines:** Philippine 3Q GDP slowed to 6.1%, slipping below market consensus for a 6.2% gain as household spending took a hit from above-target inflation and elevated borrowing costs. Consumption posted a 5.2% expansion but overall growth buttressed by double-digit growth in government spending and capital formation (14.3% and 16.7%). On top of slower consumption, net trade numbers weighed on growth with the trade deficit sapping 4.06 percentage points from growth. With consumption growth slowing, the BSP may be forced to hold off on hiking rates at its 15 November meeting to give the economy some breathing room.
- **Malaysia:** September industrial production data today will help to fine-tune GDP estimate for 3Q18. Our estimate GDP growth slowed to 4.1% YoY in 3Q from 4.5% in 2Q, warranting continued central bank policy accommodation. As widely expected, BNM left the policy on hold yesterday citing continued downside risks to the economy from global trade tensions as well as the constraint on public sector spending as the government strives to narrow the budget gap.

What to look out for: China CPI, UK 3Q GDP

- CH Oct inflation (9 Nov)
- ID 3Q current account (9 Nov)
- MY Sep industrial production (9 Nov)
- UK 3Q GDP (9 Nov)
- US Oct PPI, Nov Univ. of Michigan Confidence (9 Nov)

Author

Nicholas Mapa

Senior Economist, Philippines

nicholas.antonio.mapa@asia.ing.com

Article | 8 November 2018

Asia week ahead: Relief for Asia's busiest central banks

Recent currency gains have taken the pressure off Asian central banks to tighten, while growth has started to taper off and inflation remains subdued in most of the region. A softer dollar in the aftermath of the US midterm elections combined with sliding oil prices suggest that hard-hit Asian currencies INR, IDR, and PHP will outperform



Source: Shutterstock

➔ Three central bank meetings – all on hold

Bank Indonesia, Bangko Central ng Pilipinas, and the Bank of Thailand hold their monetary policy meetings next week. We expect all three to leave policy unchanged.

A moderation in GDP growth and subdued inflation (aside from the Philippines) is partially

responsible for this. But more importantly, an ongoing consolidation in their respective currencies after significant losses earlier in the year is a big solace for BI and BSP, Asia's busiest central banks, in their drive to rein in currency weakness.

The Philippine peso (PHP) was the region's best performer in October and continues to add to those gains in November with a 1.8% month-to-date (MTD) appreciation against the US dollar. This month, the best performing currency is the Indonesian rupiah (IDR), with a 4.4% of gain so far, recovering more than a third of the cumulative loss in the first 10 months of the year. The Thai baht (THB), which, in a sudden reversal of fortune, was Asia's worst currency in October, has also joined in the rally this month. Lower oil prices are also helping to keep policy unchanged and, absent some adverse shock on the horizon, Asia's hitherto hard-hit currencies are set to perform well.

This week, Indonesia and the Philippines reported steady GDP growth for the third quarter, at 5.2% and 6.1%, respectively. However, a softening of household spending- the key GDP driver in both countries- was alarming, particularly in the Philippines where inflation of 6.7% in October has already been hurting consumers. Until the Philippines GDP release, our house view had been for a 25 basis point BSP rate hike at the meeting next week. That's now been revised to no change, probably through the rest of the year ([read more here](#)). The same looks to be the case for BI policy, as a strong performance for the Indonesian rupiah and stable inflation around 3% allow for stable policy, for now.

Shifting between talk of continued accommodation and tightening (or normalisation), the BoT policymakers have missed the boat this year. Recent economic data undermines the government's optimism on GDP growth this year – we have cut our 3Q forecast to 3.7% from 4.1% ([read more here](#)). This dampens the prospects for policy normalisation; it's hard to call it tightening, which isn't required just yet with continued low inflation and prevailing growth risks.

[Philippines: GDP prints at 6.1% as consumption slows](#)

[Thailand: Weak activity leads GDP forecast downgrade](#)

➔ China soft-landing – a key positive for Asia

China's exports rose 21% year-on-year in October even though tariffs on \$250 billion of exports to the US went into full effect at the end of September. Some of this strength could be attributed to the front-loading of shipments before the tariffs rate on \$200 billion of exports rises from 10% to 25% at the beginning of 2019 ([read more here](#)). The government is also taking action to soften the impact of the trade dispute with fiscal stimulus.

China's remaining October data on industrial production, fixed asset investment, retail sales, and home prices will be viewed in light of this fiscal stimulus. Any upside surprises from this data will reinforce that the stimulus is kicking in. We believe that macro policy in China is geared towards a soft-landing, which is a key positive for the rest of Asia, and probably the global economy.

[China trade data reflects no-deal from coming trade talks](#)

➔ India – calm after the storm

A slew of economic data from India on inflation, trade, and industrial production will add to the local market volatility after a holiday-related respite this week.

Inflation data matters the most for the central bank's (RBI) policy. The RBI resisted pressure to support the currency (INR) during stormy periods of emerging market contagion earlier in the year, and again in October when a row between the RBI and government (over the issue of boosting banking liquidity and lending growth ahead of elections) intensified. The RBI's rationale for keeping policy stable has been well-behaved consumer price inflation, within the 2-6% policy target, and increased downside growth risks. We don't expect the data next week to depart from the recent trend of stable inflation around 4%. The good news here is a conditional waiver from the US sanctions on oil imports from Iran for six months.

With lower oil prices offsetting administrative measures (a hike in minimum support prices for farm products and higher civil servant salaries) inflation should remain in the middle of the RBI's target range through the end of the current financial year in March 2019. However, with tight liquidity depressing investment and the drag from net exports continuing to widen, GDP growth is poised to slow. Such a growth-inflation dynamic suggests the RBI will keep policy unchanged at the next meeting in December.

For now, calm has returned. A truce between the RBI and the government together with lower oil prices and a softer US dollar have put some life back in Asia's most-stressed currency this year. With a 1.3% month-to-date appreciation, November looks to be shaping up as the best month for the INR since March 2017.

Asia Economic Calendar

| Country | Time | Data/event | ING | Survey | Prev. |
|------------------------------|------|--|-----------|--------|----------|
| Saturday 10 November | | | | | |
| China | - | Oct Money supply (M2) (YoY%) | 8.3 | 8.4 | 8.3 |
| Monday 12 November | | | | | |
| India | 1200 | Oct CPI (YoY%) | 3.8 | 3.6 | 3.8 |
| | 1200 | Sep Industrial Production (YoY%) | 3.5 | 4.3 | 4.3 |
| Singapore | 0500 | Sep Retail Sales Value (MoM/YoY%) | 0.3/2.9 | -/- | 2.5/-0.4 |
| Tuesday 13 November | | | | | |
| South Korea | 2300 | Oct Unemployment Rate (% SA) | 4.1 | - | 4 |
| Wednesday 14 November | | | | | |
| China | 0200 | Oct Retail Sales (YoY%) | 9.3 | 9.2 | 9.2 |
| | 0200 | Oct Industrial Production (YoY%) | 6 | 5.9 | 5.8 |
| | 0200 | Oct Fixed Asset investment (YTD, YoY%) | 5.4 | 5.5 | 5.4 |
| India | 0630 | Oct WPI (YoY%) | 5 | 5.0 | 5.1 |
| Thailand | 0705 | Benchmark Interest Rate | 1.5 | - | 1.5 |
| Thursday 15 November | | | | | |
| China | 0130 | Oct 70-cities New Home Prices (MoM/YoY%) | 0.0/5.0 | -/- | 1.0/8.9 |
| India | - | Oct Trade deficit (US\$bn) | -17.8 | -16300 | -13979 |
| | - | Oct Exports (YoY%) | 14 | - | -2.2 |
| | - | Oct Imports (YoY%) | 19 | - | 10.5 |
| Indonesia | 0400 | Oct Exports (YoY%) | -2.9 | - | 1.7 |
| | 0400 | Oct Imports (YoY%) | -2.6 | - | 14.2 |
| | 0400 | Oct Trade balance (US\$mn) | -600 | - | 227.1 |
| | - | BI Policy Decision (7-day reverse repo, %) | 5.75 | - | 5.75 |
| Philippines | 0800 | Overnight Borrowing Rate | 4.5 | - | 4.5 |
| | - | Sep OCW Remittances (YoY%) | 4.5 | - | -0.9 |
| Friday 16 November | | | | | |
| Hong Kong | 0830 | 3Q GDP (Q) (SA, QoQ/YoY%) | -/3.3 | -/- | -0.2/3.5 |
| Malaysia | 0400 | 3Q GDP (SA, QoQ%/YoY%) | 1.4/4.1 | -/- | 0.3/4.5 |
| | 0400 | 3Q Current Account (Q) (MYR bn) | 10100 | - | 3900 |
| Singapore | 0030 | Oct Non-oil Domestic Exports (MoM/YoY%) | 10.1/-3.8 | -/- | -4.3/8.3 |

Source: ING, Bloomberg

Author

Alissa Lefebre

Economist

alissa.lefebvre@ing.com

Deepali Bhargava

Regional Head of Research, Asia-Pacific

Deepali.Bhargava@ing.com

Ruben Dewitte

Economist

+32495364780

ruben.dewitte@ing.com

Kinga Havasi

Economic research trainee

kinga.havasi@ing.com

Marten van Garderen

Consumer Economist, Netherlands

marten.van.garderen@ing.com

David Havrlant

Chief Economist, Czech Republic
420 770 321 486

david.havrlant@ing.com

Sander Burgers

Senior Economist, Dutch Housing

sander.burgers@ing.com

Lynn Song

Chief Economist, Greater China

lynn.song@asia.ing.com

Michiel Tukker

Senior European Rates Strategist

michiel.tukker@ing.com

Michal Rubaszek

Senior Economist, Poland

michal.rubaszek@ing.pl

This is a test author

Stefan Posea

Economist, Romania

tiberiu-stefan.posea@ing.com

Marine Leleux

Sector Strategist, Financials

marine.leleux2@ing.com

Jesse Norcross

Senior Sector Strategist, Real Estate

jesse.norcross@ing.com

Teise Stellema

Research Assistant, Energy Transition

teise.stellema@ing.com

Diederik Stadig

Sector Economist, TMT & Healthcare

diederik.stadig@ing.com

Diogo Gouveia

Sector Economist

diogo.duarte.vieira.de.gouveia@ing.com

Marine Leleux

Sector Strategist, Financials

marine.leleux2@ing.com

Ewa Manthey

Commodities Strategist

ewa.manthey@ing.com

ING Analysts

James Wilson

EM Sovereign Strategist

James.wilson@ing.com

Sophie Smith

Digital Editor

sophie.smith@ing.com

Frantisek Taborsky

EMEA FX & FI Strategist

frantisek.taborsky@ing.com

Adam Antoniak

Senior Economist, Poland

adam.antoniak@ing.pl

Min Joo Kang

Senior Economist, South Korea and Japan

min.joo.kang@asia.ing.com

Coco Zhang

ESG Research

coco.zhang@ing.com

Jan Frederik Slijkerman

Senior Sector Strategist, TMT

jan.frederik.slijkerman@ing.com

Katinka Jongkind

Senior Economist, Services and Leisure

Katinka.Jongkind@ing.com

Marina Le Blanc

Sector Strategist, Financials

Marina.Le.Blanc@ing.com

Samuel Abettan

Junior Economist

samuel.abettan@ing.com

Franziska Biehl

Economist, Germany

Franziska.Marie.Biehl@ing.de

Rebecca Byrne

Senior Editor and Supervisory Analyst

rebecca.byrne@ing.com

Mirjam Bani

Sector Economist, Commercial Real Estate & Public Sector (Netherlands)

mirjam.bani@ing.com

Timothy Rahill

Credit Strategist

timothy.rahill@ing.com

Leszek Kasek

Senior Economist, Poland

leszek.kasek@ing.pl

Oleksiy Soroka, CFA

Senior High Yield Credit Strategist

oleksiy.soroka@ing.com

Antoine Bouvet

Head of European Rates Strategy

antoine.bouvet@ing.com

Jeroen van den Broek

Global Head of Sector Research

jeroen.van.den.broek@ing.com

Edse Dantuma

Senior Sector Economist, Industry and Healthcare

edse.dantuma@ing.com

Francesco Pesole

FX Strategist

francesco.pesole@ing.com

Rico Luman

Senior Sector Economist, Transport and Logistics

Rico.Luman@ing.com

Jurjen Witteveen

Sector Economist

jurjen.witteveen@ing.com

Dmitry Dolgin

Chief Economist, CIS

dmitry.dolgin@ing.de

Nicholas Mapa

Senior Economist, Philippines

nicholas.antonio.mapa@asia.ing.com

Egor Fedorov

Senior Credit Analyst

egor.fedorov@ing.com

Sebastian Franke

Consumer Economist

sebastian.franke@ing.de

Gerben Hieminga

Senior Sector Economist, Energy

gerben.hieminga@ing.com

Nadège Tillier

Head of Corporates Sector Strategy

nadege.tillier@ing.com

Charlotte de Montpellier

Senior Economist, France and Switzerland

charlotte.de.montpellier@ing.com

Laura Straeter

Behavioural Scientist

+31(0)611172684

laura.Straeter@ing.com

Valentin Tataru

Chief Economist, Romania

valentin.tataru@ing.com

James Smith

Developed Markets Economist, UK

james.smith@ing.com

Suvi Platerink Kosonen

Senior Sector Strategist, Financials

suvi.platerink-kosonen@ing.com

Thijs Geijer

Senior Sector Economist, Food & Agri

thijs.geijer@ing.com

Maurice van Sante

Senior Economist Construction & Team Lead Sectors

maurice.van.sante@ing.com

Marcel Klok

Senior Economist, Netherlands

marcel.klok@ing.com

Piotr Poplawski

Senior Economist, Poland

piotr.poplawski@ing.pl

Paolo Pizzoli

Senior Economist, Italy, Greece

paolo.pizzoli@ing.com

Marieke Blom

Chief Economist and Global Head of Research

marieke.blom@ing.com

Raoul Leering

Senior Macro Economist

raoul.leering@ing.com

Maarten Leen

Head of Global IFRS9 ME Scenarios

maarten.leen@ing.com

Maureen Schuller

Head of Financials Sector Strategy

Maureen.Schuller@ing.com

Warren Patterson

Head of Commodities Strategy

Warren.Patterson@asia.ing.com

Rafal Benecki

Chief Economist, Poland

rafal.benecki@ing.pl

Philippe Ledent

Senior Economist, Belgium, Luxembourg

philippe.ledent@ing.com

Peter Virovacz

Senior Economist, Hungary

peter.virovacz@ing.com

Inga Fechner

Senior Economist, Germany, Global Trade

inga.fechner@ing.de

Dimitry Fleming

Senior Data Analyst, Netherlands

Dimitry.Fleming@ing.com

Ciprian Dascalu

Chief Economist, Romania

+40 31 406 8990

ciprian.dascalu@ing.com

Muhammet Mercan

Chief Economist, Turkey

muhammet.mercan@ingbank.com.tr

Iris Pang

Chief Economist, Greater China

iris.pang@asia.ing.com

Sophie Freeman

Writer, Group Research

+44 20 7767 6209

Sophie.Freeman@uk.ing.com

Padhraic Garvey, CFA

Regional Head of Research, Americas

padhraic.garvey@ing.com

James Knightley

Chief International Economist, US

james.knightley@ing.com

Tim Condon

Asia Chief Economist

+65 6232-6020

Martin van Vliet

Senior Interest Rate Strategist

+31 20 563 8801

martin.van.vliet@ing.com

Robert Carnell

Regional Head of Research, Asia-Pacific
robert.carnell@asia.ing.com

Karol Pogorzelski
Senior Economist, Poland
Karol.Pogorzelski@ing.pl

Carsten Brzeski
Global Head of Macro
carsten.brzeski@ing.de

Viraj Patel
Foreign Exchange Strategist
+44 20 7767 6405
viraj.patel@ing.com

Owen Thomas
Global Head of Editorial Content
+44 (0) 207 767 5331
owen.thomas@ing.com

Bert Colijn
Chief Economist, Netherlands
bert.colijn@ing.com

Peter Vanden Houte
Chief Economist, Belgium, Luxembourg, Eurozone
peter.vandenhoute@ing.com

Benjamin Schroeder
Senior Rates Strategist
benjamin.schroeder@ing.com

Chris Turner
Global Head of Markets and Regional Head of Research for UK & CEE
chris.turner@ing.com

Gustavo Rangel
Chief Economist, LATAM
+1 646 424 6464
gustavo.rangel@ing.com

Carlo Cocuzzo
Economist, Digital Finance
+44 20 7767 5306
carlo.cocuzzo@ing.com

China data reflects pessimism about trade talks

Strong export data in October shows that Chinese exporters are worried that US tariffs will increase in January 2019. We expect this front-loading behaviour to continue for the rest of 2018, as we don't think the Xi-Trump meeting at the G20 will yield positive results. At the same time, China's fiscal stimulus could boost import growth in 2019



Strong exports due to front-loading activities

Exports grew 15.6% year-on-year, higher than the consensus of 11.7%.

We believe this growth is due to exporters' concern that the 10% tariffs on \$200 billion of exported goods to the US will rise to 25% on 1 January 2019, which has led them to front-load exports.

15.6%

China export growth (YoY)

Higher than expected

Front-loading can't last long

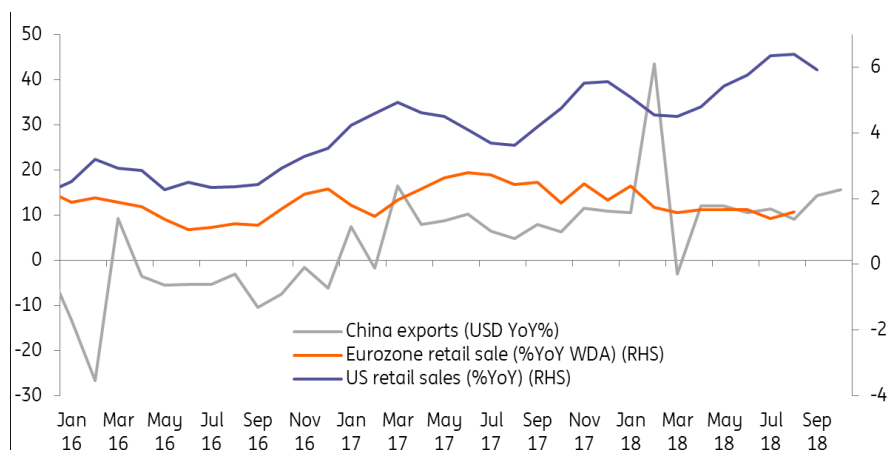
Front-loading export activities should continue in November and December. So export growth data will continue to be stronger than in previous holiday seasons.

We think that President Xi's meeting with President Trump at the end of November will not achieve positive results and as such the increase of the current tariff rate from 10% to 25% on \$200 billion of US imported goods from China is highly probable. We're hoping the meeting doesn't damage the trade relationship even further, as Trump once said that if trade talks fail, he could raise tariffs on all Chinese imported goods.

Though US demand will continue to be strong, import tariffs on Chinese goods could have a dampening effect. We expect that some of these exports will be diverted to Europe. Whether they can also be diverted to other Asian economies depends on the extent to which those economies are themselves affected by the trade war.

Strong export growth may not last very long. Export growth should slow under higher tariff rates and, as a result, we are not particularly optimistic on China's export growth in 2019, especially in 2H19.

China may not be able to enjoy strong US demand



Source: ING, Bloomberg

Due to US' import tariffs imposed on imported goods from China

Imports could grow faster

Front-loading is also the reason for strong import growth (at 21.4% YoY) though to a lesser extent, as importers worry that future export growth will decline.

Still, China has begun to implement fiscal stimulus and we expect that imports of building materials for infrastructure projects, as well as imports of consumables due to tax cuts, will partly offset slower demand for import materials for export manufactured goods.

Imports could, therefore, grow faster than exports in 2019.

21.4% China's import growth (YoY)

Will China strengthen the yuan to facilitate cheaper imports

We do not think so as we believe that the USD/CNY and USD/CNH largely follow the direction of the dollar index. We believe in this trade conflict that China will passively follow the dollar index to avoid being labelled a currency manipulator by the US, and to avoid further possible damage on trade and investments.

Our forecasts on USD/CNY and USD/CNH at 7.0 and 7.30 by end of 2018 and 2019, respectively, are still intact.

Author

Iris Pang

Chief Economist, Greater China

iris.pang@asia.ing.com

Philippines: GDP prints at 6.1% as consumption slows

Downgrade of GDP and BSP policy forecast



Source: Shutterstock

6.1%

Lower than expected

GDP growth in 3Q

consumption slows to 5.2%

Weak consumption, wide trade deficit limit GDP upside

Household spending, traditionally the driving force behind growth, has been slowing in the face of above-target inflation and elevated borrowing costs, posted 5.2% growth versus 5.9% in 2Q18 and from 5.4% in 3Q17. The 3Q GDP growth of 6.1% brings YTD growth to 6.3%, well within reach of ING's full-year 6.3% forecast.

Reinforcements have arrived

With consumption decelerating, government spending and investments were up to the task, growing by 14.3% and 21.5%, respectively, to help offset the weaker punch from household expenditure. On the external front, the net trade numbers continue to be a drag on overall

economic growth with the deficit sapping 4.06 percentage points from growth.

Change in game plan but net trade to continue to be a drag

Going forward, growth is likely to follow the same formula of late with slowing consumption offset by government spending and investments. Meanwhile, given the burgeoning economy, the trade gap is expected to widen as imports of capital machinery, construction materials and consumer goods look to meet the demands of the economy, exerting fundamental pressure on the Philippine peso to weaken.

“Moderate” rate hike next? BSP watch is on

The disappointing growth print may give some ammunition for the doves to call for a pause at next week's 15 November Bangko Sentral ng Pilipinas (BSP) meeting. The 150 basis point cumulative rate hike for the year is likely weighing on consumption and will dampen investment going forward. Holding off on an additional rate hike, as marginal as it may be, would give the Philippine economy the room it needs to catch its breath and sustain its above 6% growth trajectory in 4Q with the mid-term election approaching. With the 6.1% print, the likelihood that BSP leaves policy on-hold has increased with recent dovish undertones from key voting BSP officials likely to pick up as slowing consumption is now a “concern” according to the government. Stay tuned.

Outlook for growth

4Q growth should moderate with household final consumption expected to decelerate further while the drag from net trade will likely remain. Offsetting these two factors will be a possible pick-up in government spending ahead of the mid-term elections while business investment is seen to remain healthy, bringing 4Q GDP to 6.0% (down from the previous forecast of 6.2%). The projected slowdown in the last quarter forces us to revise our full-year 2018 GDP forecast to 6.2% while 2019 growth will likely settle at 6.3% with strong growth seen in 1H19 on election-related spending.

Author

Nicholas Mapa

Senior Economist, Philippines

nicholas.antonio.mapa@asia.ing.com

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies)*. The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit www.ing.com.