MARKET EXPRESS

Quarter 04 2023

- Macroeconomic outlook
- Currencies
- Equities
- Commodities
- 360 Reference Portfolio
- Fabulous Wealth Management Offers

中信银行(国际)
CHINA CITIC BANK INTERNATIONAL

China CITIC Bank International brings you market updates and commentaries from renowned financial gurus across the globe, keeping you abreast of the latest market developments while helping you to make smart, informed investment decisions.

CNCBI'S EXPERTS

Tristan Zhuo, Chief Economist, China CITIC Bank International Limited
Kenneth Lee, Economist, China CITIC Bank International Limited
Peggy Huang, Economist, China CITIC Bank International Limited

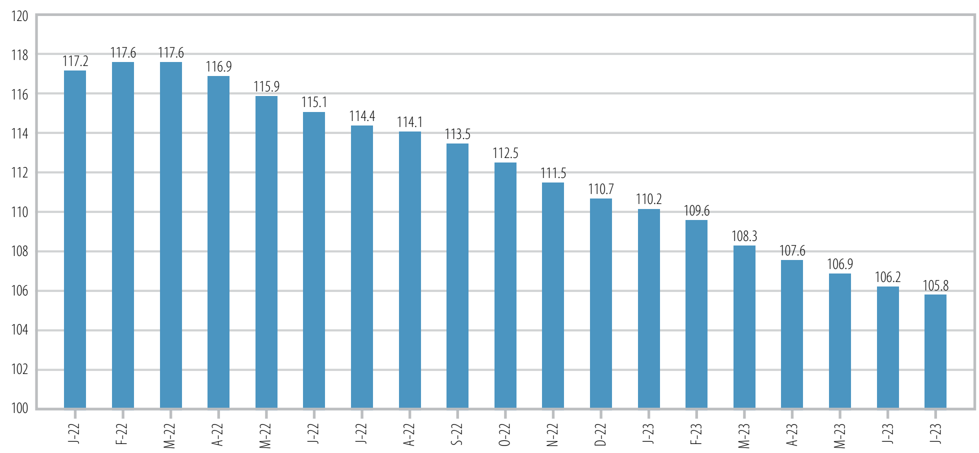
Macroeconomic outlook

The Global economy – Rate-hike cycles of major Western central banks largely over; Mainland China's growth momentum stabilizes.

While inflation has decelerated in developed economies to different extents, risks of economic downturn remain persistent. The rate-hike cycles of major Western central banks are either largely over or extremely near the end, while rate cuts will likely commence next year. In China, a series of forceful support measures have begun to stabilize growth momentum. Continued expansion in industrial production and services help offset weakness in exports and the real estate sector.

US — While rising gasoline prices lifted CPI, core inflation excluding energy and food continued to decelerate. Therefore, the Fed may be able to hike by another 25 basis points at most, if at all. The Conference Board's leading economic index (LEI) measures growth momentum and is a leading indicator of business cycles. Before recessions, the LEI tends to trend downwards, reflecting weakening growth and sending out recession warnings. The most recent peak of the LEI occurred in March 2022, when the Fed initiated the current rate-hike cycle. Since then, the LEI has slumped for 16 consecutive months. From March 2022 to July 2023, the cumulative decline of the LEI amounted to 10%. Recession risks should not be ignored.

Chart 1: U.S. leading economic index (from January 2022 to July 2023; 2016=100)



Source: Bloomberg, CNCBI Research

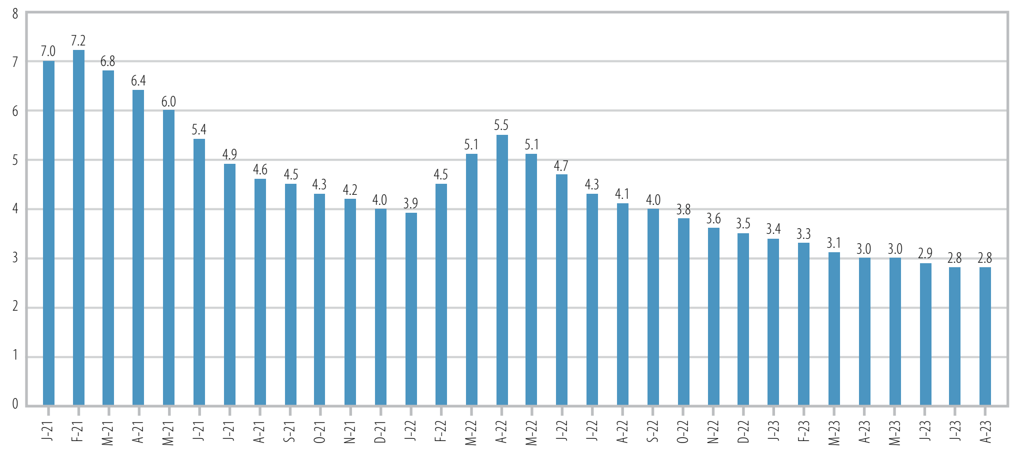
Europe — The Euro-zone's manufacturing sector remains in contraction, while its largest economy, Germany, will likely shrink in 2023. To combat inflation, the ECB lifted its benchmark interest rate to 4%. However, due to anemic economic performance, the ECB's hiking cycle may have already ended. In the UK, the consumer price index came in at 6.7% in August, a still elevated level but nonetheless an 18-month low. Should UK inflation continue to ease, the BOE's rate-hike cycle could also be inching closer to an end.

Japan — As the rate-hike cycles of major Western central banks approach an end, the BOJ remains steadfastly dovish. While there have been minor adjustments of the yield curve control mechanism, the negative interest rate policy is still in place. As nominal wage increases lag behind inflation, weak private consumption fails to lift the economy. The weak yen has prompted verbal intervention from Japanese officials. However, without monetary policy normalization, the yen will remain pressured.

Mainland China — China's economy grew 5.5% in the first half and is on track to reach the official 5% GDP growth target. A slowing global economy, weakening demand for exports, and contracting real estate investment and development are major headwinds. However, thanks to favorable base effects, the year-over-year performance of exports may gradually improve. Moreover, manufacturing remains fairly resilient, with industrial production growing 3.9% in real terms during the first 8 months of the year. Meanwhile, industrial profits also rebounded strongly in August, growing 17.2% year-over-year. As for the real estate sector, a series of support measures have been rolled out, including the relaxation of eligibility for property purchases, a reduction of down payment ratio, and lowering interest rates on both existing and new mortgages. Granted, rebuilding confidence will take time. Yet lower mortgage payments will increase household disposable income, reinforcing the recovery of private consumption. To boost economic growth, monetary policy adjustments have also become more frequent. In the fourth quarter, the LPR may be cut by 10 basis points, and the reserve requirement ratio could be lowered by 25 basis points.

Hong Kong — Hong Kong's re-exports sector have taken a heavy hit due to the weakening global economy and slowing international trade, pressuring growth. However, the recovery in tourism has boosted retail sales, and improving domestic demand continues to drive private consumption. The labor market remains buoyant, as the unemployment rate declined to 2.8%, a level reflecting full employment. HK's GDP could grow over 4% in 2023. As for the interest rates environment, as the Fed's rate-hike cycle is approaching an end, Hong Kong dollar interbank rates have rather limited room for further increases but may stay relatively elevated until the Fed's rate-cut cycle begins in 2024.

Chart 2: Hong Kong's unemployment rate (%)



Source: Census and Statistics Department, CNCBI Research

Currencies

US Dollar

The Fed held off rate hiking in September as market expected. According to the latest dot plot, the median of Fed Funds Rate would reach 5.6% in late 2023 and 5.1% at the end of 2024, which indicates a chance of 0.25 percentage point rate hiking in the last quarter this year and two rate cuts with 50 basis points in 2024. In the short run, US bond yields continue to hover at high, supporting the dollar. However, regarding the uneven domestic economic data, the exchange rate could volatile due to US recession risk.

The Euro

The European Central Bank took its key interest rate to 4% in the latest monetary policy meeting. The Council member pointed that this rate could substantially contribute to the timely return of inflation to the target, if maintaining for a sufficient long period. Moreover, forecast on inflation has been upgraded with a significant cut on economic growth projection by the ECB. As such, the central bank could be implying the end of rate hike cycle, with the sluggish real economy further shrinking by aggressive rate hikes. Therefore, the Euro is suppressed due to the end of rate hiking and economic prospect.

British Pound

In September, the Bank of England brought a halt to the consecutive 14-time of rate hikes since December 2021. However, it is noticeable that the decision made was voted by a narrow margin. Among the members, the ratio of those in favor of pausing and 0.25 percentage point rate hike was 5:4, indicating a mixed view on the interest rate direction. Recent data suggested that UK's inflation is declining, while it is above other major economies. Hence, it would be too rush to conclude the end of UK's rate hike cycle. However, continued tightening monetary policy has been posting negative impact on labour market and the real economy, which would further be detrimental to the exchange rate. The British pound is in downside.

Canadian Dollar

The Bank of Canada upwards revised the economic outlook and extended 6 months for reaching target inflation rate, due to the improving economic performance and inflation reignited from 3.3% to 4% in August. Regarding the crude oil market, production cuts by OPEC+ and Russia support oil price. In view of this, with the encouraging economic performance and the upward momentum of oil price, the Canadian dollar is strengthened.

Japanese Yen

In July, Bank of Japan adjusted its yield curve control (YCC) policy by relaxing the control on the yield of 10-year government bond with flexibility. The yield has surged to over 0.7%, achieving the highest level in recent decade. This indicated central bank's intension to combatting the continued weakening Yen by allowing bond interest rates to rise and enforcing Yen's attractiveness. However, the governor called for keeping ultra-loosen monetary policy, while regarded the 2% inflation rate as a key target. The Yen will be suppressed.

Renminbi

In the third quarter, China introduced a number of stimulus measures and relaxed property purchase polices to support financial market stability, which further resulting in an improving economic performance. Specifically, benefited from domestic consumption promotion policy and seasonal factor, retail sales in services recorded around 20% growth (YOY) in both July and August. Though mainland fundamental is seeing a good sign, Renminbi is oscillating between a certain range, driven by US-China interest rate spread.

Australian Dollar

The Reserve Bank of Australia held the benchmark cash rate unchanged for the third month, maintaining the rate at 4.1%. Driven by weak global demand, Australian exports have been showing a downward trend since mid-2022, recording a 9.1% (YOY) fell in July 2023. Though domestic market is resilient supported by economic and employment data, the inflation data could not show a sustainable declining. Together with the tightening cycle is calling an end, the Australian dollar is blocked at one-year lows.

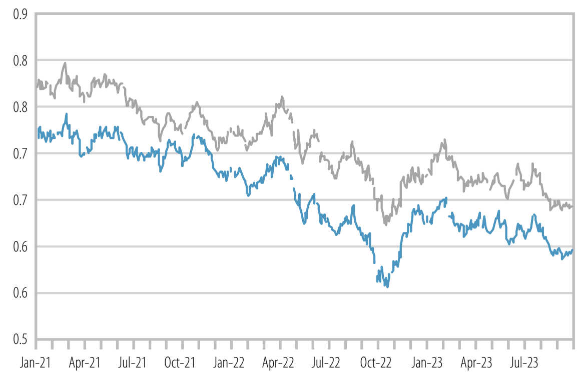
New Zealand Dollar

Even though New Zealand gets over the technical recession due to the upward revision of GDP for the first quarter, there are half of its domestic industries contrasting. Suffering from weak global demand, New Zealand is recording shrinking export volumes to major destinations and falling prices of its core export goods. The New Zealand Dollar is therefore tremble at low level.

Chart 3: US Dollar Index, British Pound and Euro

Source: CEIC

Chart 4: Australian Dollar and New Zealand Dollar



Source: CEIC

Equities

US equities

US equities were mostly resilient and stayed afloat for a majority of the third quarter, just to see a notable sell-off in late-September. The Dow Jones Industrial Average Index (DJIA) edged up and managed to hit a new high this year in early-August, followed by a steeper fall to end the quarter with a drop. The US stock market was dragged by the sustained rises of US government bond yields that reached a nearly 16-year high, together with the Fed holding a hawkish stance on the monetary policy at its September meeting.

The outlook for the US stock market continues to be mixed in the months ahead. In its latest meeting, the Fed not only signaled one more interest rate hike before this year end, but it also revised the projected interest rate cut in 2024 to just 50 basis points from 100 basis points. The renewed interest rate projection would keep the US government bond yields to stay higher-for-longer, and in turn weigh on the stock market. Meanwhile, the US economy could see slower growth due to weakening consumer confidence, the ongoing labor strikes, and a potential government shutdown. On the whole, we are neutral on the US equities in the final months of this year, with risks tilted to the downside.

European equities

European equities continued to show no clear directions with mild fluctuations going into the third quarter, but were under increasing downward pressures near the quarter end. the Euro Stoxx 50 index experienced a pike to a new high this year early in the quarter, before finishing the quarter with a drop. The European stock markets were face with the worsening economic conditions in the region amid the monetary tightening by the ECB that lifted its policy interested rate to a record high.

In contrast to the Fed, the ECB signaled the interest rate hike at its September meeting could be the last as the much tighter financing conditions have significantly hampered economic activities in the region. But at the same time an interest rate cut by the ECB is unlikely to occur anytime soon, given that the inflation rate in the region is still well above the 2% target. A prolonged period of tight financing conditions would inevitably darken the economic prospects in the region. Hence, the European equities are expected to underperform equities in other major markets in the final quarter of 2023.

Japan equities

Japanese equities lacked momentum of advancing further and hovered near the multi-year highs in the third quarter, after outperforming global equity markets with a strong rally in the preceding quarter. The Nikkei 225 was range-bound and fluctuated underneath the 33,500 mark for a majority of the third quarter. The ultra-loose monetary policies by the BOJ, the ongoing weakness of Japanese Yen and the improving Japanese corporate governance, continued to keep the Japan stock market buoyant.

The BOJ made no change to its ultra-loose monetary policies at its September meeting, after another surprise tweak to its bond yield curve control (YCC) policy by allowing a higher cap at 1.0% at its previous meeting. While the BOJ is anticipated to maintain its ultra-loose monetary policies well into next year, there could be further relaxations of it YCC policy. The ensuring ample liquidity conditions should continue to mitigate any negative shocks to the stock market, keeping the Japanese shares afloat. More importantly, corporate earnings are set to remain robust, on the back of the weak Japanese Yen. Hence. We are constructive on Japanese equities in the coming months.

Mainland China equities

Mainland China A-shares struggled to gain tractions and retreated again in the third quarter. The Shanghai Composite Index continued to move ups and downs going into the third quarter, before edging down and consolidating near this year low by the quarter end. The lingering property market troubles, and the depreciation of Renminbi against the US dollar weighed on the A-shares markers in spite of the further easing of monetary policy by the PBOC.

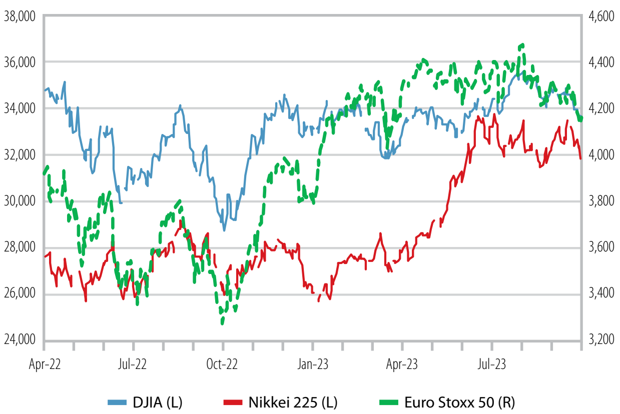
In a continued effort to support economic recovery and prop up growth, the PBOC made a cut to the key interest rates for a second time in three months, followed by another RRR cuts in September. Considering the Chinese authorities are determined to shore up the economy, additional easing of monetary policy are warranted. Investor confidence on A-shares markets should improve as soon as the Mainland economy shows signs of gathering strength, easing the pressures on the A-shares. In view of such, the A-shares markets are anticipated to improve, with the upside pending on more substantial economic developments in China.

Hong Kong equities

Hong Kong equities largely tracked the movements of its Mainland counterparts and pared losses in the third quarter. The Hang Seng Index managed to climb above the 20,000 mark in early Q3, but then started to decline and hit a new low this year near the quarter end. Other than the headwinds of Renminbi weakness against the US dollar and the renewed concerns over the distressed Chinese property developers, investor sentiment took a further hit with the Fed maintaining a hawkish stance on its monetary policy, leading to the sell-off of Hong Kong stock market.

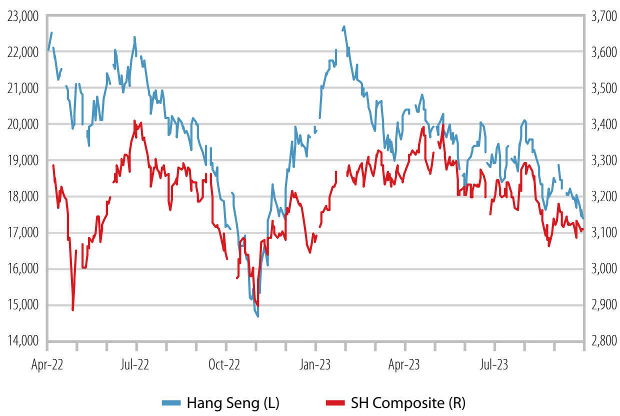
The above mentioned challenges are poised to continue clouding the near-term outlook of Hong Kong stock market. In particular, Hong Kong equities movements will greatly hinge on Mainland China's economic performance and the strength of Renminbi. Meanwhile, Mainland investors have shown increasing interest in Hong Kong shares, as reflected in the gradually increasing net capital inflows through the southbound stock-connect channels since June. There could be more net capital inflows from Mainland investors if there is a further correction of Hong Kong stock market, thereby limiting its downside. All in all, we expect Hong Kong equities to continue tracking the A-shares movements but with larger fluctuations moving forward.

Chart 5: Major equity market index



Source: CEIC

Chart 6: Stock market index in China & HK



Source: CEIC

Commodities

Gold

Gold price was mostly steady with moderating fluctuations in the third quarter, after hitting this year high at above US$2,000/ troy oz in the quarter earlier. Gold price moved in a narrow range of US$1,870-1,990/troy oz throughout Q3, while sliding below US$1,900/troy oz by quarter end. The non-interest bearing precious metal price continued to face downside pressures, stemming from the sustained rise of US government bond yields and the bounce back of the US dollar, particularly after the Fed maintained a hawkish stance in its September meeting.

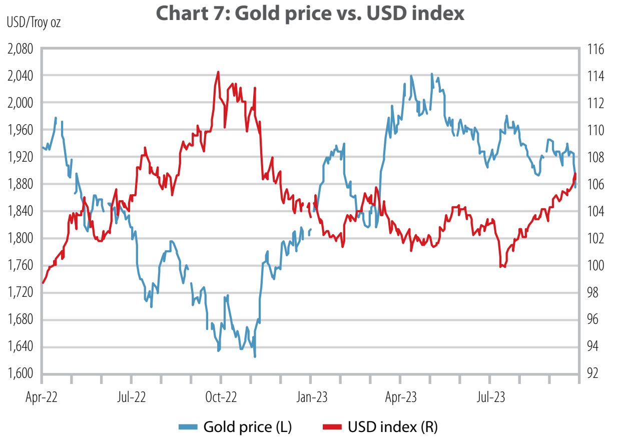
With the Fed targeting one more interest rate hike before the year end and reducing the projected interest rate cuts for 2024, the US government bond yields are poised to stay at elevated levels in the foreseeable future. Meanwhile, the US dollar should strengthen further going forward, thanks to the hawkish US monetary policy stance. The higher-for-longer US government bond yields and a stronger US dollar would continue to weigh on gold price. Therefore, gold price is expected to trend down moderately in the remainder of this year.

Crude Oil

Crude oil prices ended the year-long downturn and staged a notable rally in the third quarter. After consolidating around US$75/ barrel in May and June, Brent crude oil prices trended up throughout the third quarter, nearly hit US$ 100/barrel before closing the quarter at above US$90/barrel. The oil production cuts by Russia and Saudi Arabia, followed by their decision to extend output cuts through the end of 2023, contributed to a tightening global oil market and the spike in international oil prices.

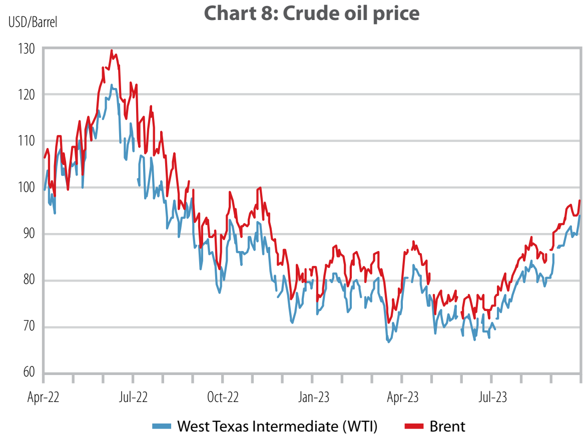
The tightness in global oil market is likely to persist in the remainder of this year. The OPEC crude oil output would need to be around 30 million barrel/day in the fourth quarter in order to keep the global oil market roughly balanced, according to the OPEC's analysis in its latest monthly oil market report. Note that OPEC crude oil output stood at 27.5 million barrel/day in August, and a significant uptick in the coming months is deemed unlikely given the extension of output cuts by Russia and Saudi Arabia. Besides, there could be a stronger-than-expected oil demand during the winter season. As such, Brent crude oil prices are anticipated to stay on the uptrend with the likelihood of topping US$100/barrel by the year end.

Chart 7: Gold price vs. USD index



Source: CEIC

Chart 8: Crude oil price



Source: CEIC

Asset class outlook

Foreign exchanges	1-3 months
US Dollar	+
The Euro	O
Bristish Pound	O
Canadian Dollar	+
Japanese Yen	-
Renminbi	O
Australia Dollar	O
New Zealand Dollar	O
Fixed income	**1-3 months**
US Treasuries	O
European Sovereign	O
Chinese Sovereign	+
Investment Grade Credit	
US IG	+
European IG	O
Asia IG	O
High Yield Credit	
US HY	O
European HY	O
Asia HY	-
Equities	**1-3 months**
United States	O
Europe	O
Japan	+
Asia (ex-Japan)	+
China A-share	O
Hong Kong	O
Commodities	**1-3 months**
Gold	-
Crude Oil	+

Note: "+" Positive, "-" Negative; "O" Neutral

360 REFERENCE PORTFOLIOS

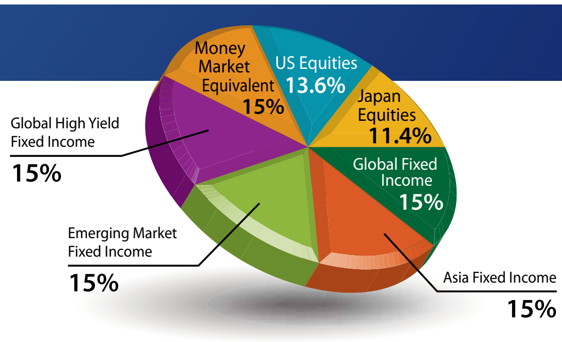
2023 | Quarter 4

The 360 Reference Portfolios use algorithms, quantitative methods and finance model to generate reference portfolios provide asset allocation ideas with reference portfolios based on the difference risk profile.

Risk Profile : Moderate

Annualized Expected Return: 5.0%

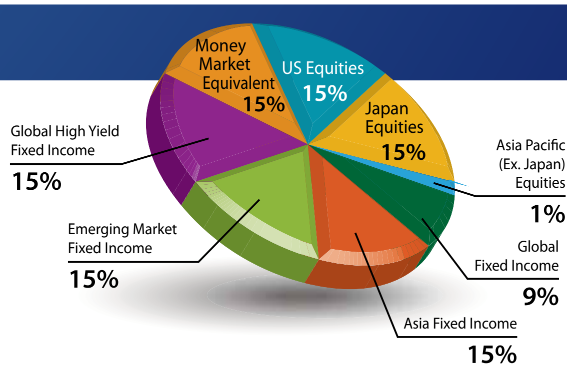
Annualized Expected Volatility: 8.0%



Risk Profile : Balanced

Annualized Expected Return: 5.2%

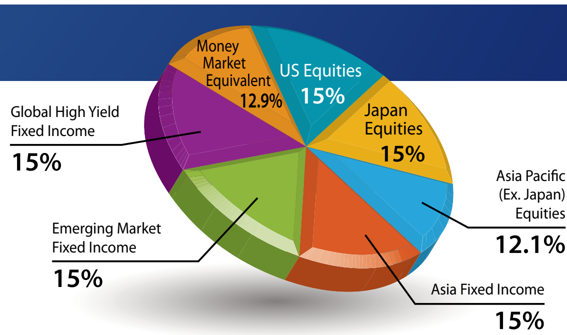
Annualized Expected Volatility: 8.9%



Risk Profile : Growth

Annualized Expected Return: 5.4%

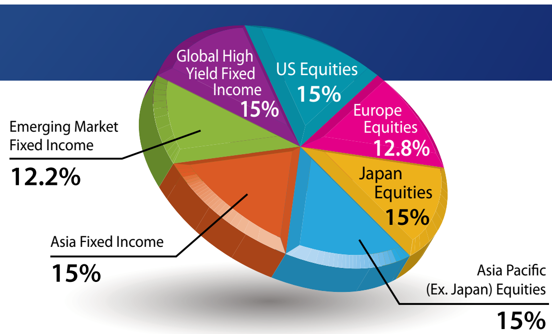
Annualized Expected Volatility: 9.8%



Risk Profile : Aggressive

Annualized Expected Return: 5.9%

Annualized Expected Volatility: 12.3%



The annualized expected return and annualized expected volatility are calculated based on performance and volatility of each asset class benchmark during the data period (30 Dec 2005 – 28 Sep 2023), which are for reference only. The benchmarks of each subsidiary category asset class are: (a) Money Market Equivalent: Barclays US 3-month LIBOR Cash Index; (b) Global Fixed Income: Bloomberg Barclays Global-Aggregate Total Return Index Value Unhedged USD; (c) Asia Fixed Income: J.P. Morgan Asia Credit Index Core; (d) US Equities: S&P 500 Total Return Index; (e) Europe Equities: STOXX 600 Total Return Index; (f) Emerging Markets Fixed Income: JPMorgan Emerging Market Bond Index; (g) Asia Pacific (Ex. Japan) Equities: MSCI AC Asia Pacific Ex. Japan Index; (h) Japan Equities: NIKKEI 225 Total Return Index; and (i) Global High Yield Fixed income: Bloomberg Barclays Global High Yield Total Return Index Value Unhedged. Data is sourced from Bloomberg.

Important Notices and Disclaimers

Disclaimers

1. This document is issued by China CITIC Bank International Limited ("the Bank") and used for reference only. This is not a research material and it has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.
2. This document is for general evaluation only. It does not itself constitute any offer, invitation, or advice to any person to purchase or sell or acquire or invest in any investment products. Investing can be complex due to changing market conditions. Investors may have their own personal circumstances, specific needs and investment objectives, and they may also hold assets elsewhere. These factors, which can change from time to time, have not been factored in. You are not advised to execute any trades simply relying on this document. Notwithstanding any discussion with your Relationship Manager, before deciding to proceed with any investment transaction, you should make an independent assessment about the risks, merits and appropriateness of each investment transaction, and seek independent professional advice.
3. The Bank is not providing portfolio monitoring services and is not obliged to review, manage or monitor the performance of your investment holdings.
4. The Bank is not responsible for any loss, damage or other consequences of any kind that any person may incur or suffer as a result of, arising from or relating to his/her use of reliance of the information herein.
5. Information contained in this document is current only as at its date and may no longer be true or complete when read by an investor. Opinions are subject to change without notice to you. This document does not purport to show you a comprehensive list of risks of investing in the investment products.
6. The Bank gives no guarantee, representation or warranty as to the accuracy, timeliness or completeness of the contents of this material.
7. No part of this document may be reproduced or transmitted in any form or by any means without the prior written permission of the Bank.
8. In the event of discrepancy between the English and Chinese versions, the English version shall prevail.

360 Reference Portfolios

1. The 360 Portfolios are backed by the Bank's algorithms, quantitative methods, finance model and also by applying Modern Portfolio Theory ("MPT") to generate reference portfolios to provide asset allocation ideas with reference portfolios profile. The MPT is a practical and mathematical method for selecting investments to build a portfolio in order to maximize their overall returns within an acceptable level of risk. American economist Harry Markowitz pioneered this theory in his paper "Portfolio Selection," which was published in the Journal of Finance in 1952. He was later awarded a Nobel Prize for his work on modern portfolio theory.
2. The Reference Portfolios are provided according to 4 investor Risk Tolerance Levels ("RTL"), namely Moderate (RTL 2), Balanced (RTL 3), Growth (RTL 4) and Aggressive (RTL 5), which are for reference only and subject to change from time to time without prior notice. A Moderate Reference Portfolio (RTL 2) is a portfolio which volatility is low-to-medium. The likelihood that the portfolio value may fall below the original investment amount is low. A Balanced Reference Portfolio (RTL 3) is a portfolio which volatility is medium. The likelihood that the portfolio value may fall in a great extent below the original investment amount is medium. A Growth Reference Portfolio (RTL 4) is a portfolio which volatility is medium-to-high. The likelihood that the portfolio value may fall substantially below the original investment amount is high. An Aggressive Reference Portfolio (RTL 5) is a portfolio which volatility is high. It is very likely that the portfolio value may fall substantially below the original investment amount.
3. The algorithm, quantitative method and finance model may include performance data and statistics that are derived based on historical data and methodologies formulated on various assumptions. Asset allocation of Reference Portfolios are based on representative benchmark data e.g. major indices commonly used and adopted by the financial market. Extreme events such as drastic market declines are not explicitly modelled.
4. The Annualized Expected Return and Annualized Expected Volatility are forecasts and calculated based on performance and volatility of each asset class benchmark data during the specified data period, which are for reference only. Investment product performance can deviate significantly from benchmarks and past performance is not an indicator of future returns. Any forecast contained herein constitutes an opinion only and is not indicative of actual future returns, events or occurrences. Further, where performance information is presented this does not take into account the effect of fees, commissions or other charges.

Risk Disclosure Statement

1. Investment involves risks. The prices of investment products fluctuate, sometimes dramatically and the worst case may result in loss of your entire investment amount. Past performance is no guide to its future performance. Investors should consider their own investment objectives, investment experience, financial situation and risk tolerance level before making any investment decision. Investors should carefully read the relevant offering documents, in particular the investment policies and the risk factors and latest financial results information and are advised to seek independent professional advice before making any investment decision.
2. China CITIC Bank International Limited is an authorized institution under the Banking Ordinance and is regulated by the Hong Kong Monetary Authority. The contents of this material have not been reviewed by the Securities and Futures Commission in Hong Kong.

Fabulous Wealth Management Offers

1. Investment Rewards Offer – up to HK$20,000 Cash Rewards

- CITIC*diamond* customers can enjoy HK$1,000 (Maximum: HK$20,000) Cash Rewards for every accumulated Eligible Transaction Amount of HK$500,000 (or equivalent) during the Promotion Period
- CITIC*first* customers can enjoy HK$200 (Maximum: HK$5,000) Cash Rewards for every accumulated Eligible Transaction Amount of HK$200,000 (or equivalent) during the Promotion Period

2. Securities Trading Offer – Join "Rewards Go!" Lifetime Stock Trading Fee Waiver Lucky Draw mission ("Lucky Draw") to win up to lifetime $0 brokerage commission for securities purchases[1]

Open a new One Account during the Promotion Period , then join inMotion "Rewards Go!" Lucky Draw to win up to lifetime $0 brokerage commission for unlimited BUY trades of Hong Kong and U.S. stocks as well as China A-shares via **inVest and inMotion**, and also up to 12-month no minimum charge of brokerage commission for securities trades.

In addition, all One Account customers can enjoy fabulous offers on a series of securities services:

- $0 brokerage commission to buy/sell newly listed HK stocks on its first trade day
- $0 IPO Application Handling Fee via Automated channels
- Unlimited free real time quotes for Hong Kong stocks, U.S. stocks and China A-shares

1) *"Lifetime Stock Trading Fee Waiver Lucky Draw" is only applicable to new customers who have not hold any credit card, current, savings, time deposits, securities or investment accounts (either in sole name or joint name account) with the Bank within the preceding 12 months or selected customers who (i) received the mission via inMotion Rewards Go! and (ii) hold a valid bank account and i-banking account. To enjoy the "Up to lifetime HK$0 brokerage commission for securities purchases" offer, designated customers have to execute at least one trade within the first 3 months and at least execute one trade in each quarter thereafter via inVest or inMotion.*

3. Investment Funds Offers

- Enjoy 0% subscription fee offer for subscription via online channels (including inMotion and Internet Banking)
- HK$300 (Maximum: HK$99,000) Cash Rewards for every cumulative fund transfer-in of HK$100,000

4. Robo 360 Offer

- Enjoy $0 Advisory Service Fee for customers who maintain Robo 360 Account

5. Structured Product(s) Offer – Enjoy Extra Coupon up to HK$8,888

Eligible Customers[2] successfully complete the subscription of Eligible Structured Products with the Bank within the Promotion Period can enjoy extra coupon as follow:

For every accumulated Eligible Transaction Amount of	Extra Coupon	Maximum Extra Coupon
HK$500,000 or equivalent	HK$888	HK$8,888

2) *Eligible Customers are customers of China CITIC Bank International Limited who have not subscribed any eligible Structured Products with the Bank from 18 September 2022 to 17 September 2023*

6. Foreign Exchange Offer – Enjoy up to HK$ 2,500 Cash Reward for inMotion FX Transaction

Eligible Customers[3] can grab "inMotion Exclusive FX Offer" mission at inMotion "Rewards Go!", and enjoy instant cash rewards up to HK$2,500 after mission completion!

Mission Level	Accumulated FX Amount (HKD equivalent)	Mission Rewards	Cash Rewards
1	HK$100,000 to below HK$300,000	HK$100	HK$100
2	HK$300,000 to below HK$500,000	Extra HK$100	HK$200
3	HK$500,000 to below HK$1,000,000	Extra HK$100	HK$300
4	HK$1,000,000 to below HK$3,000,000	Extra HK$500	HK$800
5	HK$3,000,000 to below HK$5,000,000	Extra HK$700	HK$1,500
6	HK$5,000,000 or above	Extra HK$1,000	HK$2,500

3) *Eligible Customers refers to customers who did not trade any FX transactions via inMotion during past 12 months.*

7. Currency Linked Deposit and Structured Deposit Offer – up to HK$15,800 Cash Rewards

Eligible Customers[4] who have successfully subscribed Currency Linked Deposit or Structured Deposit via any channels and reached the designated accumulated transactions amount will be entitled Cash Rewards:

Accumulated Transaction Amount (HKD equivalent)	Cash Rewards
HK$1,000,000 to below HK$2,500,000	HK$300
HK$2,500,000 to below HK$5,000,000	HK$800
HK$5,000,000 to below HK$10,000,000	HK$1,800
HK$10,000,000 to below HK$20,000,000	HK$3,800
HK$20,000,000 to below HK$35,000,000	HK$8,800
HK$35,000,000 or above	HK$15,800

4) *Eligible Customers refers to CITICfirst, CITICdiamond and Private Banking customers who have not subscribed any Currency Linked Deposit or Structured Deposit with the Bank during 1 April 2023 to 30 September 2023.*

Unless otherwise indicated, promotion period: 1 October 2023 to 31 December 2023. Terms and conditions apply. Please visit branches for details or browse the following website for the promotional materials and terms and conditions:
Details for "Investment Rewards Offer – up to HK$20,000 cash rewards" https://www.cncbinternational.com/personal/promotions/integrated-investment/en/index.html#aum
Details for "Securities Trading Offer" https://www.cncbinternational.com/personal/promotions/securities_trading/en/index.html
Details for "Investment Funds Offers" https://www.cncbinternational.com/personal/promotions/integrated-investment/en/index.html#investmentfunds
Details for "Robo 360 offer" https://www.cncbinternational.com/_document/investment_service/robo360_tnc.pdf
Details for "Equity Linked Product(s) Offer" https://www.cncbinternational.com/personal/promotions/integrated-investment/en/index.html#elp
Details for "Foreign Exchange Offer" and "Currency Linked Deposit and Structured Deposit Offer" https://www.cncbinternational.com/personal/promotions/integrated-investment/en/index.html#fx

Important Notes

Some of the investment products are structured products involving derivatives. The investment decision is yours but you should not invest in the product unless the intermediary who sells it to you has explained to you that the product is suitable for you having regard to your financial situation, investment experience and investment objectives. You should not invest in this product based on this promotional material alone.

Risk Disclosure Statements for Securities Trading

(1) Investment involves risks. (2) The price of securities fluctuates, sometimes dramatically. The price of securities may move down or up and may become valueless. It is as likely that losses will be incurred rather than profits made as a result of buying or selling securities. (3) Investors should seek advice from own professional advisors as to particular tax position, including but not limited to estate duty and withholding tax that might arise from investing in overseas products. (4) If investors investing in investment products denominated in non-local currency, one should be aware of the risk of exchange rate fluctuations that may cause a loss of principal. (5) Before making any investment decision, investors should refer to the terms and conditions of relevant Securities Trading Services and risk disclosure statements and seek professional advice where needed. (6) Renminbi (RMB) is subject to exchange rate risk. The Hong Kong dollar value of investment will decrease if the RMB depreciates against Hong Kong dollar. Conversion between RMB and other currencies (including Hong Kong dollar) is subject to policy restrictions relating to Renminbi and consequently the relevant regulatory requirements in Hong Kong. Such requirements may be amended subject to changes in the policy restrictions relating to RMB. RMB is not freely convertible at present. The actual conversion arrangement will depend on the restrictions prevailing at the relevant time.

Risk Disclosure Statements for Investment Funds

(1) Investment Funds are not equivalent to time deposits or its substitute and provide no guarantee of return or yield on investment. (2) Investors should note that investment involves risk and past performance is not indicative of future performance. The price of the Investment Funds may go down as well as up and may become valueless. It is as likely that losses will be incurred rather than profits made as a result of investing in Investment Funds. In the worst case scenario, the value of the Investment Funds may be substantially less than your investment amount. (3) Investors should consider their own investment objectives, financial resources and relevant circumstances, and read the relevant offering document, terms and conditions and risk disclosure statement before making any investment decision. (4) Investors should carefully read the relevant fund's offering documents (including the investment policy and risk factors stated therein) in details before making any investment decision. If needed, investors should seek independent professional advice.

Risk Disclosure Statements relating to the Robo 360 Advisory Services

(1) Using Robo 360 Advisory Services involve investment risks, market risks, partial execution risks, termination/suspension of Robo 360 Advisory Services, regulatory risks, investment strategy risks, diversification risks, performance risks and limitation of historical data. (2) Whilst the Bank may provide Rebalancing Alerts as it may determine appropriate after its review or upon occurrence of specific events, the Bank will not execute any Rebalancing Instruction automatically. If the investor does not provide Rebalancing Instructions to the Bank or there is any delay in providing such Rebalancing Instructions, the Selected Portfolio may become no longer suitable for the investor and the investor shall bear such consequences. (3) Portfolios construction and rebalancing are generated by a model-driven process according to the portfolio construction and methodologies set out by the Bank. The model is algorithm- and rule-based instead of attempting to recommend positon taking with respect to the direction of markets. Please refer to Robo 360 Advisory Service Supplemental Terms and Conditions for more details about important information and risk disclosures.

Risk Disclosure Statements for Bonds

(1) Investment involves risk. The prices of bonds can fluctuate, sometimes dramatically. The price of bonds may move up or down, and may become valueless. It is as likely that losses will be incurred rather than profit made as a result of buying and selling bonds. (2) Investing in this product is not equivalent to time deposit. This product is not a protected deposit and is not protected by the Deposit Protection Scheme in Hong Kong. (3) Default/ Credit risk - There is a risk that the issuer may fail to pay you the interest or principal as scheduled. In the worst case scenario, you may not be able to receive back the interest and principal if the issuer defaults on the bond. (4) Interest rate risk - When the interest rate rises, the price of a fixed rate bond will normally drop. (5) Exchange rate risk - If your bond is denominated in a foreign currency, you may face an exchange rate risk if you choose to convert payments made on bond to your home currency. (6) Liquidity risk - If you need to sell the bonds before maturity for an urgent cash-flow need or use the capital for other investments, you may not be able to do this since the liquidity of the secondary bond market could be low. If you choose to sell your bond before it matures, you may lose part or all of your investment. (7) Reinvestment risk - If you hold a callable bond, when the interest rate goes down, the issuer may redeem the bond before maturity. If this happens and you have to re-invest the proceeds, you may not be able to enjoy the same rates of return. (8) Equity risk - If your bond is "convertible" or "exchangeable", you also face equity risk associated with the stock. A fall in the stock price will usually follow by a fall in the bond price.

Risk Disclosure Statements for Equity-Linked Investments ("ELI")

(1) Equity-linked Investment (ELI) is a structured product and complex investment products involving derivatives. You should exercise caution in relation to this product. (2) ELI is not equivalent to time deposits or its substitute and provide no guarantee of return or yield on investment. It is NOT protected by the Deposit Protection Scheme in Hong Kong. (3) ELI is NOT principal protected and is NOT secured by any asset or collateral. In the worst case scenario, you could lose all of your investment. (4) The maximum potential gain may be limited. It is possible that you may not receive any potential distribution amount for the entire scheduled tenor of this product. You may, at settlement, receive physical delivery of reference asset(s). (5) Investing in ELI is not the same as investing in the reference assets. During the investment period, you have no rights in the reference asset(s). Changes in the market price of the reference asset may not lead to a corresponding change in the market value of, or your potential payout of the product. (6) If you invest in ELI, they are relying upon the creditworthiness of the issuer and, as the case may be, the guarantor and no other person. You may get nothing back if the issuer and/or the guarantor becomes insolvent or defaults in performing its obligations in relation to the product. (7) ELI involves risks, including but not limited to re-investment risk, risks of early termination, limited market making arrangements, conflict of interest, market risk, liquidity risk, currency/exchange rate risk and risks relating to Renminbi. (8) The price or value of the ELIs may move up or down, and may even become valueless. It is as likely that losses will be incurred rather than profit made as a result of subscribing for, buying and selling the ELIs. Past performance is not indicative of future performance. (9) If the ELI is linked to US underlyings, you should also take note on the relevant risks, such as risks relating to difference in trading days and hours and their implications, taxation risks and certain information about the linked stocks may be available in English only. (10) Before making any investment decision, you should read and understand the relevant offering documents for details and the risks involved and carefully consider your financial situation, investment experience and investment objectives. You should seek independent professional advice if needed. (11) ELI is unlisted and not covered by the Hong Kong Investor Compensation Fund. (12) SFC authorization is not a recommendation or endorsement of a product nor does it guarantee the commercial merits of a product or its performance. (13) Limited market making arrangements are available and you may suffer a loss if you sell your ELIs before expiry - ELIs are designed to be held until expiry. If you try to sell your ELIs before expiry, the amount you receive for each ELI may be substantially less than your original investment amount. (14) Potential and actual conflicts of interest may arise from the different roles played by the issuer and its subsidiaries and affiliates in connection with the Product, which may be adverse to your interest in the Product.

Risk Disclosure Statement for Structured Notes ("SN", also known as Private Placement Note, "PPN")

(1) Structured Notes (SN) are structured products and complex investment products involving derivatives. You should exercise caution in relation to this product and seek independent professional advice when necessary before making investment decisions. (2) SN is unauthorized by any regulatory authority in Hong Kong. Relevant offering documents have not been reviewed by the SFC and you are advised to exercise caution on this product. (3) SN is only available to professional investors. (4) SN is not equivalent to time deposits or its substitute and provide no guarantee of return or yield on investment. It is NOT protected by the Deposit Protection Scheme in Hong Kong. (5) SN is NOT principal protected and is NOT secured by any asset or collateral. In the worst case scenario, you could lose all of your investment. (6) If you invest in SN, they are relying upon the creditworthiness of the issuer and, as the case may be, the guarantor and no other person. Investors may get nothing back if the issuer and/or the guarantor becomes insolvent or defaults in performing its obligations in relation to the product. (7) Limited market making arrangements are available and you may suffer a loss if you sell your SNs before expiry - SNs are designed to be held until expiry. If you try to sell your SNs before expiry, the amount you receive for each SN may be substantially less than your original investment amount. (8) Before making any investment decision, you should read and understand the relevant offering documents for details and the risks involved and carefully consider your financial situation, investment experience and investment objectives. You should seek independent professional advice if needed. (9) SN is unlisted and not covered by the Investor Compensation Fund. (10) The maximum potential gain may be limited. It is possible that you may not receive any potential distribution amount for the entire scheduled tenor of this product. You may, at settlement, receive physical delivery of reference asset(s). (11) Investing in SN is not the same as investing in the reference assets. During the investment period, you have no rights in the reference asset(s). Changes in the market price of the reference asset may not lead to a corresponding change in the market value of, or your potential payout of the product. (12) Potential and actual conflicts of interest may arise from the different roles played by the issuer and its subsidiaries and affiliates in connection with the Product, which may be adverse to your interest in the Product. (13) SN involves risks, including but not limited to, liquidity risk, market risk, exposure to market price movements in case of physical delivery of underlying stock, currency/exchange rate risk, risks relating to RMB, discretion of the calculation agent, potential conflict of interest, settlement disruption, early termination/redemption, hedging risk, no claim against any reference item and extraordinary events. (14) The price or value of the SN may move up or down, and may even become valueless. It is as likely that losses will be incurred rather than profit made as a result of subscribing for, buying and selling the SN. Past performance is not indicative of future performance.

Risk Disclosure Statements for Foreign Exchange

Foreign currency investments are subject to exchange rate risk which may result in gain or loss. The fluctuation in the exchange rate of foreign currency may result in losses in the event that customer converts the foreign currency into HKD or other foreign currencies. Renminbi is not freely convertible at present. The actual conversion arrangement will depend on the restrictions prevailing at the relevant time.

Risk Disclosure Statements for Currency Linked Deposit ("CLD")

(1) CLD is NOT equivalent to time deposit. It is NOT protected by the Deposit Protection Scheme in Hong Kong. (2) Investing in CLD is not the same as buying the Linked Currency directly. During the Deposit Period, you have no rights in the Linked Currency, and movements in the exchange rate of the Linked Currency may not lead to any corresponding change in your return on CLD. (3) CLD involves risks, including but not limited to derivatives risk, market risk, liquidity risk, credit risk of the Bank, currency risk, risks relating to Renminbi and risks of early termination by the Bank. (4) The maximum potential gain is limited. (5) CLD is NOT principal protected and you could lose all of your deposit amount. (6) Currency-Linked Deposit is not covered by the Hong Kong Investor Compensation Fund.

Risk Disclosure Statements for Structured Deposit ("SD")

(1) Not a time deposit – This product is NOT equivalent to, nor should it be treated as a substitute for, time deposit. It is NOT a protected deposit and is NOT protected by the Deposit Protection Scheme in Hong Kong. (2) Principal protection at maturity ONLY – This product is principal protected ONLY IF this product is held to maturity. If this product is early terminated, you may suffer from a substantial loss due to the devaluation of the embedded derivative(s). (3) Derivatives risk – This product is embedded with a currency swap with Spot Rate and Forward Rate as prescribed in the Product Term Sheet. Generally, when buying this product, you may be subject to market risk, credit risk, liquidity risk, legal risk and settlement risk. (4) Credit risk of the Bank – This product is not secured by any collateral. When you invest in this product, you will be relying on the Bank's creditworthiness. If the Bank becomes insolvent or defaults on its obligations under this product, you can only claim as an unsecured creditor of the Bank. In the worst case, you could suffer a total loss of your deposit amount. (5) Maximum potential loss – This product is principal protected at Maturity ONLY. You may lose your entire deposit amount if the Bank defaults in performing its obligations or there has been a tremendous devaluation of the Settlement Currency you receive at maturity. (6) Limited potential gain – The maximum potential gain is limited to the interest payment to be determined by reference to the Interest Rate. (7) No secondary market – This product is not a listed security. There is no secondary market for you to sell this product prior to its maturity.(8) Not the same as buying the Underlying currency – Investing in this product is not the same as buying the Linked Currency directly. Changes in the market price of the Linked Currency may not lead to corresponding changes to the market value and/or the performance of this product. (9) Liquidity risk – This product is designed to be held till maturity. You do not have a right to request early termination of this product before maturity. (10) Currency risk – If the Settlement Currency is not your home currency, and you choose to convert it back to your home currency upon maturity, you may make a gain or loss due to exchange rate fluctuations. (11) Risks relating to Renminbi – Where the Settlement Currency is in Renminbi, you should note that the value of Renminbi against other foreign currencies fluctuates and will be affected by, amongst other things, the PRC government's control (for example, the PRC government regulates conversion between Renminbi and foreign currencies), which may adversely affect your return under this product when you convert Renminbi into your home currency. Renminbi is not freely convertible at present. The actual conversion arrangement will depend on the restrictions prevailing at the relevant time.

China CITIC Bank International Limited ("the Bank") reserves the right to suspend, amend or cancel any of these Promotion Offers and Services without prior notice.
This promotional material does not itself constitute an offer of, or an invitation by or on behalf of the Bank to any person to purchase or acquire or invest in any investment products.
China CITIC Bank International Limited is an authorized institution under the Banking Ordinance and is regulated by the Hong Kong Monetary Authority.
This promotional material is issued by China CITIC Bank International Limited and has not been reviewed by the Securities and Futures Commission.

For details, please visit branches or call 2287 6788.
www.cncbinternational.com

ME-Mass (10/2023)