



16 October 2024

INFLATION SEPTEMBER QUARTERLY CPI PREVIEW

Fuel & cost of living rebates offsets housing inflation

Key points

- We confirm our September quarter CPI near-cast of 0.3%qtr/2.9%yr.
- Our September Monthly CPI Indicator near-cast is 0.2%mtl/2.2%yr.
- Various energy rebates and cost-of-living assistance are driving headline inflation down to the lower half of the RBA's target band.
- We expect the underlying pace of inflation, which excludes most of the impact of those rebates/assistance, continued to moderate.
- Our Trimmed Mean estimate for the September quarter remains 0.7%qtr with the annual pace easing back to 3.5%yr from 3.9%yr in the June quarter.
- The September month provides a critical update on prices that are surveyed in the last month of the quarter which includes many services.

Breakdown Sep Quarter CPI & Sep Monthly CPI

	Sep f/c	Jul	Aug	Sep f/c
	Qtr	Mth	Mth	Mth
Item	% qtr	% mth	% mth	% mth
Food	0.9	0.4	0.5	0.2
of which, bread & cereals	0.8	1.0	-0.1	0.3
of which, meat & seafood	1.0	1.0	0.6	0.2
of which, dairy & related prod.	0.1	0.0	0.0	0.7
of which, fruit & vegetables	2.3	0.7	0.7	0.2
of which, food products nec	0.6	0.5	0.1	0.7
of which, non-alcohol bev.	0.1	-0.2	-0.1	-0.2
Alcohol & tobacco	1.1	0.3	0.6	1.0
of which, alcohol	0.8	0.4	0.9	-0.7
of which, tobacco	1.7	0.1	-0.1	4.5
Clothing & footwear	-0.5	0.9	-0.4	-0.1
of which, garments	-1.0	1.3	-0.5	-0.1
Housing	0.1	-0.1	-1.3	0.3
of which, rents	1.8	0.6	0.6	0.5
of which, house purchases	1.2	0.4	0.1	0.4
of which, electricity	-16.2	-6.4	-14.6	-5.0
of which, gas & other fuels	6.0	5.7	0.9	0.5
H/hold contents & services	0.6	0.3	0.3	0.0
Health	0.2	0.0	0.0	0.3
Transportation	-2.3	-0.8	-0.8	-1.7
of which, auto fuel	-7.0	-2.6	-3.1	-4.8
Communication	0.8	1.7	-0.4	0.3
Recreation	1.2	-1.1	-0.2	1.1
of which, holiday travel	1.0	-2.4	-1.4	2.2
Education	0.1	0.0	0.1	0.0
Financial & insurance services	1.0	0.0	0.5	0.5
CPI: All groups	0.3	0.0	-0.2	0.2

“Critical update on energy prices and services inflation.”

Past performance is not a reliable indicator of future performance. The forecasts given above are predictive in character. Whilst every effort has been taken to ensure that the assumptions on which the forecasts are based are reasonable, the forecasts may be affected by incorrect assumptions or by known or unknown risks and uncertainties. The results ultimately achieved may differ substantially from these forecasts.

Fuel & rebates shaving half a percent off the CPI



Justin Smirk
Senior Economist

August Monthly CPI printed as expected

The August print of 2.7%yr was in line with Westpac's forecast and the median market expectation. There was further disinflation in services and underlying measures show inflation (outside electricity prices) continued to ease in August.

As we have previously emphasised, the Monthly CPI Indicator provides only a partial update on the consumer basket, with the first month of the quarter skewed towards goods while more services appear in the second and third month of the quarter. It is these unknown services prices, for which we have few leading indicators for, that makes forecasting the final month of the quarter quite tricky at times.

September update of quarterly prices

The components of the CPI that will get a quarterly update in the September Monthly CPI indicator, and will also appear as reported in the quarterly CPI, are:

- Maintenance & repairs of dwellings (4.4%mt/qtr)
- Water & sewerage (5.1%mt/qtr)
- Childcare (1.0%mt/qtr)
- Pharmaceutical products (-1.1%mt/qtr)
- Therapeutic appliances & equipment (1.1%mt/qtr)
- Medical & hospital services (0.3%mt/qtr)
- Dental services (2.5%mt/qtr)
- Motor vehicles (-0.6%mt/qtr)
- Books (0.0%mt/qtr)
- Newspapers, magazines & stationery (1.4%mt/qtr)
- Veterinary & other services for pets (2.4%mt/qtr)
- Other financial services (0.7%mt/qtr)

Energy rebates continue to dominate the CPI

The various cost-of-living relief measures, most notably the electricity rebates, had a significant impact in August. The Commonwealth energy bill relief fund rebates flowed to Qld and WA in July, while other jurisdictions followed in August. Qld, WA and Tas also had state specific rebates. Electricity declined -6.4% in July and a further -14.6% in August (we had been expecting -15% in August). Without the rebates, the ABS estimates electricity would have risen 0.9% in July and been flat in August.

It is difficult to assess how the rebates are applied, and thus their impact on actual bills, so estimating their impact and timing on the CPI can be difficult. As we do not get breakdown of the capital cities Monthly CPI, we cannot get a clear picture on just how much of each

Breakdown of CPI: Jun actual, Sep forecast

Item	Jun 2024		Sep 2024 fcs	
	% qtr	contrib	% qtr	contrib
Food	1.2	0.21	0.9	0.15
of which, Fruit & vegetables	6.3	0.13	2.3	0.05
Alcohol & tobacco	1.5	0.10	1.1	0.08
of which, Tobacco	3.0	0.07	1.7	0.04
Clothing & footwear	3.1	0.10	-0.5	-0.02
Housing	1.1	0.25	0.1	0.02
of which, Rents	2.0	0.12	1.8	0.11
of which, House purchases	1.1	0.09	1.2	0.10
of which, Utilities	0.8	0.03	-6.5	-0.26
H/hold contents & services	0.8	0.07	0.6	0.04
Health	1.5	0.10	0.2	0.02
of which, Pharmaceuticals	-0.6	-0.01	-1.1	-0.01
Transportation	0.9	0.10	-2.3	-0.26
of which, Car prices	-0.3	-0.01	-0.5	-0.02
of which, Auto fuel	1.7	0.06	-7.0	-0.26
Communication	-0.8	-0.02	0.8	0.02
Recreation	0.5	0.06	1.1	0.14
of which, Audio visual & comp.	1.0	0.02	0.7	0.01
of which, Holiday travel	0.9	0.05	1.0	0.06
Education	0.2	0.01	0.1	0.00
Financial & insurance services	1.2	0.07	1.0	0.06
CPI: All groups	1.0	-	0.3	-
CPI: All groups % year	3.8	-	2.8	-

Sources: ABS, RBA, Westpac Banking Corporation

state's expected rebates has already flowed through to consumers and how much more is still to come.

We are looking for a further -5% fall in the month of September as the NSW and Vic rebates continue to kick in on top of the existing rebates in the other states. Also recall that the Qld government has provided an additional \$1,000 lump sum rebate which will last over a number of months and could push the net 'out-of-pocket' cost of electricity close to zero in Brisbane (see Chart 1 for monthly national electricity prices).

All up we are looking for electricity to fall -16.2% in the September quarter.

Housing cost pressures moderate due to rebates

Rents gained an average of 0.7% per month through the first half of the year with the last three months seeing a 0.6% rise each month. The indexation of the Commonwealth Rental Assistance to the CPI occurred on the 20th of September so while most of its impact will be felt in October, some will also be felt in September. We have pencilled in a 0.5% increase for the

month of September but see any risk to this being to the downside (see Chart 2). Rents are expected to rise 1.8% in the September quarter then moderate from there.

Dwelling prices gained an average of 0.4% per month through the first half of the year, with the last two months gaining 0.4% and then 0.1% respectively. The monthly pace should continue at around 0.4% per month into the first half of 2025 and have pencilled in a 0.4% gain in September. This should see dwellings rise 1.2% in the September quarter and with the peaking in population growth, so to will rent inflation (see Chart 3).

The decline in electricity prices will mostly offset the rise in rents and dwelling prices with total housing costs forecast to rise 0.1% in the September quarter, contributing just 0.02ppt to the CPI.

Auto fuel fell through the September quarter

The pump price for auto fuel, both petrol and diesel, fell 2.6% in July and a further 3.1% in August (see Chart 4) as crude oil continued to weaken on the back of softer demand and robust supply, particularly from North America (see the Commodities Update in the [October Market Outlook](#)). While the outlook may have become a bit more uncertain given the ongoing conflict in the Middle East, pump prices continued to fall through September and are expected to do so again in October. We are looking for a -4.8%mt fall in auto fuel in September which will see it decline -7.0% in the quarter.

While easing food remains inflationary

Food prices gained 0.4% in July and a further 0.5% in August. Some moderation in food inflation is expected in September, particularly for bread & cereals, meat & seafood and non-alcoholic beverages, resulting a 0.2% rise in the month. All up we are expecting food to rise 0.9% in the September quarter.

Indexation boost tobacco prices

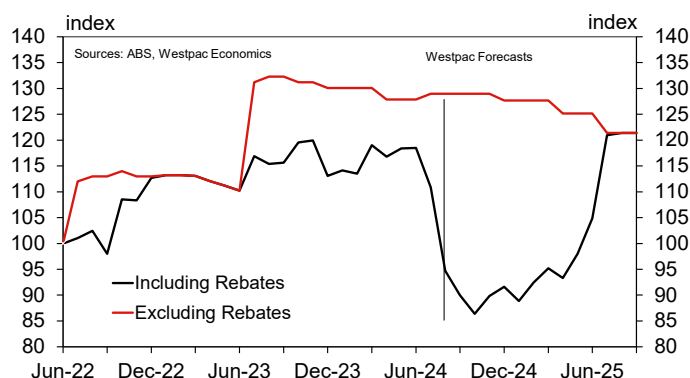
Alcohol & tobacco gained 0.3% in July and 0.6% in August. The tobacco excise is indexed to the CPI in March and September and thus will boost the September print. We are looking for alcohol & tobacco to gain 1.0% in the month of September which will see a quarterly increase of 1.1%.

September month is seasonally stronger

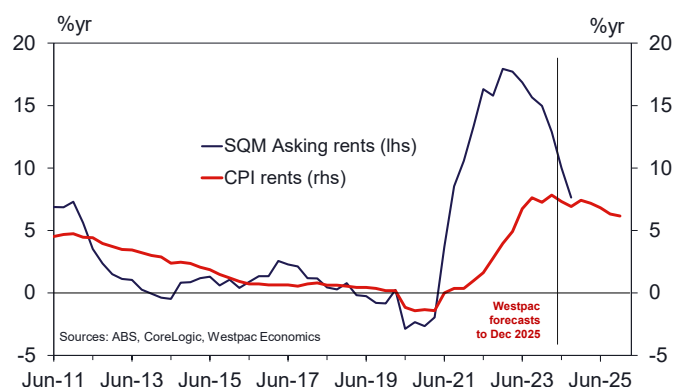
Based on the current seasonal pattern, you could expect a 0.2% gain in the month of September due to seasonality. With rounding, this will see the seasonally adjusted Monthly CPI Indicator fall -0.1%mt, taking the annual pace to 2.3%yr from 2.7%yr.

All groups excluding volatile items is forecast to rise 0.3%mt, with the annual pace easing to 2.7%yr from 2.9%yr. All groups excluding volatile and holidays is forecast to rise 0.2% with the annual pace easing to 2.9%yr from 3.0%yr.

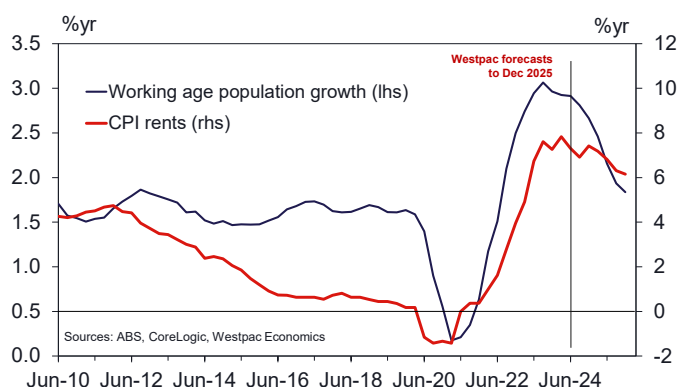
1. Rebates to drive electricity prices lower Monthly electricity prices



2. Rent inflation is peaking Asking rents vs CPI rents



3. As population growth slows so too rents Population growth vs CPI rents



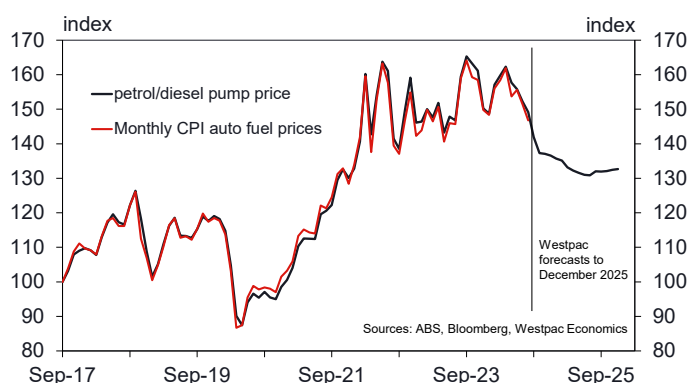
Use the Inflation Gauge cautiously

Westpac has long analysed the Melbourne Institute (MI) Inflation Gauge as a leading indicator for CPI Inflation. We have found that, over time, it can be a useful indicator of broad trends in inflation. However, it should be used judiciously when trying to compare directly to the CPI on a quarterly or monthly basis. For as you can see in Chart 5, there are times when it can diverge from the CPI in a meaningful way. And as the Inflation Gauge is a bit of a black box, compared to all the detailed components available from the Monthly CPI Indicator, we cannot explain the reason for the divergence. For this reason, we note with some optimism the continuing disinflationary trend in the MI Inflation Gauge but, just the RBA Governor noted in a Q&A session at a recent speech, will wait for it to be confirmed in the Monthly and Quarterly CPIs.

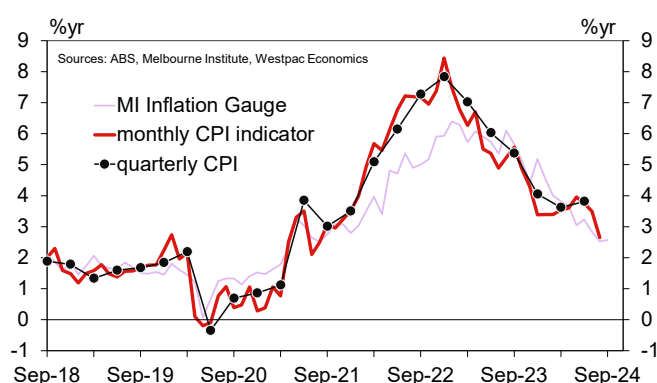
Breakdown Monthly CPI Indicator

	Jun	Jul	Aug	Sep f/c
	Qtr	Mth	Mth	Mth
Item	% yr	% yr	% yr	% yr
Food	3.3	3.8	3.4	4.0
of which, bread & cereals	3.4	4.4	2.5	2.2
of which, meat & seafood	-0.2	0.2	0.2	1.0
of which, dairy & related prod.	1.6	-0.2	-0.2	1.0
of which, fruit & vegetables	3.6	7.5	9.6	13.4
of which, food products nec	3.7	4.3	4.2	4.3
of which, non-alcohol bev.	6.1	4.9	5.1	5.1
Alcohol & tobacco	6.9	7.2	6.6	5.6
of which, alcohol	3.4	3.7	3.0	1.9
of which, tobacco	13.8	13.9	13.4	13.0
Clothing & footwear	3.6	1.9	1.7	1.9
of which, garments	4.4	3.1	2.7	3.0
Housing	5.5	4.0	2.6	2.1
of which, rents	7.1	6.9	6.8	7.0
of which, house purchases	5.4	5.0	5.1	4.8
of which, electricity	7.5	-5.1	-17.9	-22.2
of which, gas & other fuels	-0.6	2.7	3.2	3.5
H/hold contents & services	-1.1	-0.9	-0.9	0.4
Health	5.3	5.3	5.3	5.1
Transportation	4.2	3.4	-1.1	-4.0
of which, auto fuel	6.6	4.0	-7.6	-14.9
Communication	1.0	1.9	-0.2	-0.2
Recreation	0.6	1.1	2.5	1.6
of which, holiday travel	-0.7	0.2	2.8	0.7
Education	5.6	5.6	5.4	6.1
Financial & insurance services	6.4	6.4	6.2	5.9
CPI: All groups	3.8	3.5	2.7	2.2

4. Crude below US\$80/bbl is disinflationary Petrol/diesel prices vs monthly CPI auto fuel



5. Inflation Gauge vs Monthly CPI CPI Monthly/Quarterly vs. MI Inflation Gauge



Past performance is not a reliable indicator of future performance. The forecasts given above are predictive in character. Whilst every effort has been taken to ensure that the assumptions on which the forecasts are based are reasonable, the forecasts may be affected by incorrect assumptions or by known or unknown risks and uncertainties. The results ultimately achieved may differ substantially from these forecasts.



Authors

Westpac Economics / Australia

Sydney

Level 19, 275 Kent Street
Sydney NSW 2000
Australia

E: economics@westpac.com.au

Luci Ellis

Chief Economist Westpac Group
E: luci.ellis@westpac.com.au

Matthew Hassan

Head of Australian Macro-Forecasting
E: mhassan@westpac.com.au

Elliot Clarke

Head of International Economics
E: eclarke@westpac.com.au

Justin Smirk

Senior Economist
E: jsmirk@westpac.com.au

Pat Bustamante

Senior Economist
E: pat.bustamante@westpac.com.au

Mantas Vanagas

Senior Economist
E: mantas.vanagas@westpac.com.au

Ryan Wells

Economist
E: ryan.wells@westpac.com.au

Illiana Jain

Economist
E: illiana.jain@westpac.com.au

Jameson Coombs

Economist
E: jameson.coombs@westpac.com.au

Neha Sharma

Economist
E: neha.sharma1@westpac.com.au

Westpac Economics / New Zealand

Auckland

Takutai on the Square
Level 8, 16 Takutai Square
Auckland, New Zealand

E: economics@westpac.co.nz

Kelly Eckhold

Chief Economist NZ
E: kelly.eckhold@westpac.co.nz

Michael Gordon

Senior Economist
E: michael.gordon@westpac.co.nz

Darren Gibbs

Senior Economist
E: darren.gibbs@westpac.co.nz

Satish Ranchhod

Senior Economist
E: satish.ranchhod@westpac.co.nz

Paul Clark

Industry Economist
E: paul.clarke@westpac.co.nz

Westpac Economics / Fiji

Suva

1 Thomson Street
Suva, Fiji

Shamal Chand

Senior Economist
E: shamal.chand@westpac.com.au



 westpaciq.com.au

©2024 Westpac Banking Corporation ABN 33 007 457 141 (including where acting under any of its Westpac, St George, Bank of Melbourne or BankSA brands, collectively, “Westpac”). References to the “Westpac Group” are to Westpac and its subsidiaries and includes the directors, employees and representatives of Westpac and its subsidiaries.

Things you should know

We respect your privacy: You can view our [privacy statement](#) at [Westpac.com.au](#). Each time someone visits our site, data is captured so that we can accurately evaluate the quality of our content and make improvements for you. We may at times use technology to capture data about you to help us to better understand you and your needs, including potentially for the purposes of assessing your individual reading habits and interests to allow us to provide suggestions regarding other reading material which may be suitable for you.

This information, unless specifically indicated otherwise, is under copyright of the Westpac Group. None of the material, nor its contents, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party without the prior written permission of the Westpac Group.

Disclaimer

This information has been prepared by Westpac and is intended for information purposes only. It is not intended to reflect any recommendation or financial advice and investment decisions should not be based on it. This information does not constitute an offer, a solicitation of an offer, or an inducement to subscribe for, purchase or sell any financial instrument or to enter into a legally binding contract. To the extent that this information contains any general advice, it has been prepared without taking into account your objectives, financial situation or needs and before acting on it you should consider the appropriateness of the advice. Certain types of transactions, including those involving futures, options and high yield securities give rise to substantial risk and are not suitable for all investors. We recommend that you seek your own independent legal or financial advice before proceeding with any investment decision. This information may contain material provided by third parties. While such material is published with the necessary permission none of Westpac or its related entities accepts any responsibility for the accuracy or completeness of any such material. Although we have made every effort to ensure this information is free from error, none of Westpac or its related entities warrants the accuracy, adequacy or completeness of this information, or otherwise endorses it in any way. Except where contrary to law, Westpac Group intend by this notice to exclude liability for this information. This information is subject to change without notice and none of Westpac or its related entities is under any obligation to update this information or correct any inaccuracy which may become apparent at a later date. This information may contain or incorporate by reference forward-looking statements. The words “believe”, “anticipate”, “expect”, “intend”, “plan”, “predict”, “continue”, “assume”, “positioned”, “may”, “will”, “should”, “shall”, “risk” and other similar expressions that are predictions of or indicate future events and future trends identify forward-looking statements. These forward-looking statements include all matters that are not historical facts. Past performance is not a reliable indicator of future performance, nor are forecasts of future performance. Whilst every effort has been taken to ensure that the assumptions on which any forecasts are based are reasonable, the forecasts may be affected by incorrect assumptions or by known or unknown risks and uncertainties. The ultimate outcomes may differ substantially from any forecasts.

Conflicts of Interest: In the normal course of offering banking products and services to its clients, the Westpac Group may act in several capacities (including issuer, market maker, underwriter, distributor, swap counterparty and calculation

agent) simultaneously with respect to a financial instrument, giving rise to potential conflicts of interest which may impact the performance of a financial instrument. The Westpac Group may at any time transact or hold a position (including hedging and trading positions) for its own account or the account of a client in any financial instrument which may impact the performance of that financial instrument.

Author(s) disclaimer and declaration: The author(s) confirms that no part of his/her compensation was, is, or will be, directly or indirectly, related to any views or (if applicable) recommendations expressed in this material. The author(s) also confirms that this material accurately reflects his/her personal views about the financial products, companies or issuers (if applicable) and is based on sources reasonably believed to be reliable and accurate.

Further important information regarding sustainability-related content: This material may contain statements relating to environmental, social and governance (ESG) topics. These are subject to known and unknown risks, and there are significant uncertainties, limitations, risks and assumptions in the metrics, modelling, data, scenarios, reporting and analysis on which the statements rely. In particular, these areas are rapidly evolving and maturing, and there are variations in approaches and common standards and practice, as well as uncertainty around future related policy and legislation. Some material may include information derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information. There is a risk that the analysis, estimates, judgements, assumptions, views, models, scenarios or projections used may turn out to be incorrect. These risks may cause actual outcomes to differ materially from those expressed or implied. The ESG-related statements in this material do not constitute advice, nor are they guarantees or predictions of future performance, and Westpac gives no representation, warranty or assurance (including as to the quality, accuracy or completeness of the statements). You should seek your own independent advice.

Additional country disclosures:

Australia: Westpac holds an Australian Financial Services Licence (No. 233714). You can access [Westpac's Financial Services Guide here](#) or request a copy from your Westpac point of contact. To the extent that this information contains any general advice, it has been prepared without taking into account your objectives, financial situation or needs and before acting on it you should consider the appropriateness of the advice.

New Zealand: In New Zealand, products and services are provided by either Westpac (NZ division) or Westpac New Zealand Limited (company number 1763882), the New Zealand incorporated subsidiary of Westpac (“WNZL”). Any product or service made available by WNZL does not represent an offer from Westpac or any of its subsidiaries (other than WNZL). Neither Westpac nor its other subsidiaries guarantee or otherwise support the performance of WNZL in respect of any such product. WNZL is not an authorised deposit-taking institution for the purposes of Australian prudential standards. The current disclosure statements for the New Zealand branch of Westpac and WNZL can be obtained at the internet address [www.westpac.co.nz](#).

Singapore: This material has been prepared and issued for distribution in Singapore to institutional investors, accredited investors and expert investors (as defined in the applicable Singapore laws and regulations) only. Recipients of this material in Singapore should contact Westpac Singapore Branch in respect of any matters arising from, or in connection with, this material. Westpac Singapore Branch holds a wholesale banking

Disclaimer continues overleaf ▶

licence and is subject to supervision by the Monetary Authority of Singapore.

U.S.: Westpac operates in the United States of America as a federally licensed branch, regulated by the Office of the Comptroller of the Currency. Westpac is also registered with the US Commodity Futures Trading Commission (“CFTC”) as a Swap Dealer, but is neither registered as, or affiliated with, a Futures Commission Merchant registered with the US CFTC. The services and products referenced above are not insured by the Federal Deposit Insurance Corporation (“FDIC”). Westpac Capital Markets, LLC (“WCM”), a wholly-owned subsidiary of Westpac, is a broker-dealer registered under the U.S. Securities Exchange Act of 1934 (‘the Exchange Act’) and member of the Financial Industry Regulatory Authority (‘FINRA’). This communication is provided for distribution to U.S. institutional investors in reliance on the exemption from registration provided by Rule 15a-6 under the Exchange Act and is not subject to all of the independence and disclosure standards applicable to debt research reports prepared for retail investors in the United States. WCM is the U.S. distributor of this communication and accepts responsibility for the contents of this communication. Transactions by U.S. customers of any securities referenced herein should be effected through WCM. All disclaimers set out with respect to Westpac apply equally to WCM. If you would like to speak to someone regarding any security mentioned herein, please contact WCM on +1 212 389 1269. Investing in any non-U.S. securities or related financial instruments mentioned in this communication may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the SEC in the United States. Information on such non-U.S. securities or related financial instruments may be limited. Non-U.S. companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect in the United States. The value of any investment or income from any securities or related derivative instruments denominated in a currency other than U.S. dollars is subject to exchange rate fluctuations that may have a positive or adverse effect on the value of or income from such securities or related derivative instruments.

The author of this communication is employed by Westpac and is not registered or qualified as a research analyst, representative, or associated person of WCM or any other U.S. broker-dealer under the rules of FINRA, any other U.S. self-regulatory organisation, or the laws, rules or regulations of any State. Unless otherwise specifically stated, the views expressed herein are solely those of the author and may differ from the information, views or analysis expressed by Westpac and/or its affiliates.

UK and EU: The London branch of Westpac is authorised in the United Kingdom by the Prudential Regulation Authority (PRA) and is subject to regulation by the Financial Conduct Authority (FCA) and limited regulation by the PRA (Financial Services Register number: 124586). The London branch of Westpac is registered at Companies House as a branch established in the United Kingdom (Branch No. BR000106). Details about the extent of the regulation of Westpac’s London branch by the PRA are available from us on request.

Westpac Europe GmbH (“WEG”) is authorised in Germany by the Federal Financial Supervision Authority (‘BaFin’) and subject to its regulation. WEG’s supervisory authorities are BaFin and the German Federal Bank (‘Deutsche Bundesbank’). WEG is registered with the commercial register (‘Handelsregister’) of the local court of Frankfurt am Main under registration number HRB 118483. In accordance with APRA’s Prudential Standard 222 ‘Association with Related Entities’, Westpac does not stand behind WEG other than as provided for in certain legal agreements (a risk transfer, sub-participation and collateral agreement) between Westpac and WEG and obligations of WEG do not represent liabilities of Westpac.

This communication is not intended for distribution to, or use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation. This communication is not being made to or distributed to, and must not be passed on to, the general public in the United Kingdom. Rather, this communication is being made only to and is directed at (a) those persons falling within the definition of Investment Professionals (set out in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”)); (b) those persons falling within the definition of high net worth companies, unincorporated associations etc. (set out in Article 49(2) of the Order); (c) other persons to whom it may lawfully be communicated in accordance with the Order or (d) any persons to whom it may otherwise lawfully be made (all such persons together being referred to as “relevant persons”). Any person who is not a relevant person should not act or rely on this communication or any of its contents. In the same way, the information contained in this communication is intended for “eligible counterparties” and “professional clients” as defined by the rules of the Financial Conduct Authority and is not intended for “retail clients”. Westpac expressly prohibits you from passing on the information in this communication to any third party.

This communication contains general commentary, research, and market colour. The communication does not constitute investment advice. The material may contain an ‘investment recommendation’ and/or ‘information recommending or suggesting an investment’, both as defined in Regulation (EU) No 596/2014 (including as applicable in the United Kingdom) (“MAR”). In accordance with the relevant provisions of MAR, reasonable care has been taken to ensure that the material has been objectively presented and that interests or conflicts of interest of the sender concerning the financial instruments to which that information relates have been disclosed.

Investment recommendations must be read alongside the specific disclosure which accompanies them and the general disclosure which can be found [here](#). Such disclosure fulfils certain additional information requirements of MAR and associated delegated legislation and by accepting this communication you acknowledge that you are aware of the existence of such additional disclosure and its contents.

To the extent this communication comprises an investment recommendation it is classified as non-independent research. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and therefore constitutes a marketing communication. Further, this communication is not subject to any prohibition on dealing ahead of the dissemination of investment research.