COMMERZBANK

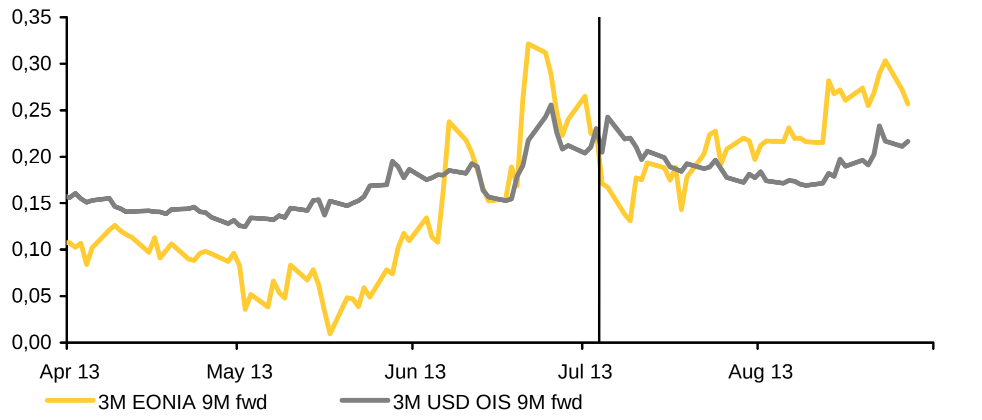
FX Alpha

27 August 2013

Give me the money

Give me the money. EUR-USD remains above 1.33 due to doubts about ECB´s forward guidance and disappointing US data. The fact that further aid for Greece has reached the German election campaign is unlikely to pressure the cross. However, due to the impressive return of EUR longs the downside seems vulnerable.

CHART 1: **Forward Guidance not really credible**
Money market futures, vertical mark: announcement of "forward guidance through the ECB



Source: Commerzbank Research

G10 Highlights. Long positions in EUR-CHF seem attractive. There is no idiosyncratic yen strength. Riksbank won't switch back into a more dovish stance.

FX Metrics. We use correlation forecasts to construct optimized carry trades. Based on this we outline a trade idea on carry trades.

EM Highlights. TRY to remain weak despite CBRT's efforts. Rate decision and GDP release in Brazil. Investors should tread carefully when it comes to initiating long ILS-positions.

Tactical trade recommendations. Establish long USD-ZAR positions.

Technical Analysis. The US Dollar Index remains bid while trading above the 80.50 June low.

Event calendar. Some important data due in Japan ahead of the next BoJ meeting at the beginning of September.

CONTENTS

Give me the money

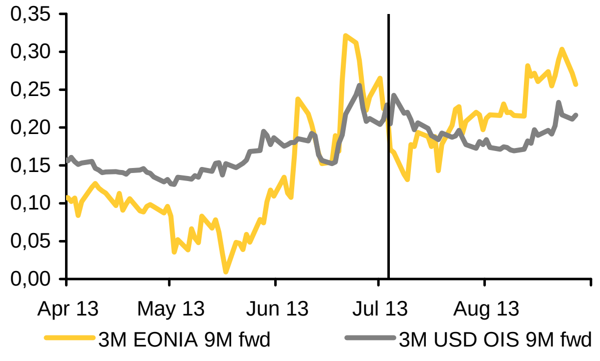
EUR-USD remains above 1.33 due to doubts about ECB´s forward guidance and disappointing US data. The fact that further aid for Greece has reached the German election campaign is unlikely to pressure the cross. However, due to the impressive return of EUR longs the downside seems vulnerable.

Author:

Lutz Karpowitz
+49 69 136 42152
Hlutz.karpowitz@commerzbank.com

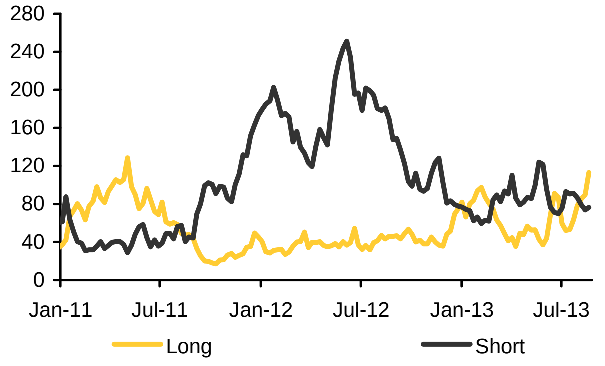
The FX market did not really take the ECB's forward guidance seriously and there are increasing doubts about an imminent Fed tapering following the latest disastrous US macro data (new home sales, durable goods orders). Against this backdrop EUR-USD continues to trade above 1.33 even though it is still obvious that the two most important central banks will soon move into opposite directions. Is it possible that EUR-USD will now come under pressure on a different front? The debate about further aid for Greece is certainly gathering momentum and has also reached the German election campaign after German finance minister Wolfgang Schäuble mentioned a third aid package. While another aid package is pretty likely, most of the finance ministers are opposing a renewed haircut due to concerns about the bond market reaction. Athens on the other hand has made it clear that it does not care where the money comes from as long as there is further aid (ideally in the shape of the ESM covering the cost of the bank recapitalisation which would reduce the state debt by 50 billion EUR). In this context Athens is sounding increasingly confident. That is also likely to be due to the fact that Greece is now recording a primary budget surplus, i.e. disregarding the interest payments the budget is no longer in deficit. A primary surplus is more than merely putting a gloss on the figures. Above all a primary surplus means that a country can seriously consider a default. Even though the Greek bargained up to the last minute during the negotiations for the previous aid programmes, they too are likely to have realised that due to their then primary budget deficit they would have had to impose even stricter austerity measures in case of the negotiations failing and a resulting default than was the case under the aid programmes agreed upon in the end. Things are different this time round and this is likely to affect the negotiating position of the donor countries. As strange as it may sound, but Greece, whose state finances are so disastrous that (including the haircut) the country has received the equivalent of EUR 30,000 for every inhabitant does have more pull. The danger of the negotiations actually failing is nonetheless likely to be miniscule. Irrespective of the election campaign there is no quantitatively serious opposition against further aid payments in Germany. And the FX market agrees with Athens on this point: it does not matter where the money comes from, as long as it arrives. And there is no doubting that! The recent CFTC data confirms that with an impressive return of EUR longs. However, this euro optimism also entails some risks, as it has to be continuously supported by fundamental reasons. So EUR-USD might react notably should markets be disappointed.

CHART 2: **Forward Guidance not really credible**
Money market futures, vertical mark: announcement of "forward guidance through the ECB



Source: Commerzbank Research

CHART 3: **Unusually high EUR longs**
Directional EUR positions of non-commercial IMM traders, in ´000 contracts



Sources: Commerzbank Research, CFTC

G10 Highlights

Long positions in EUR-CHF seem attractive. There is no idiosyncratic yen strength. Riksbank won't switch back into a more dovish stance.

Author:

Lutz Karpowitz
+49 69 136 42152
Hlutz.karpowitz@commerzbank.com

Ulrich Leuchtmann
+49 69 136 23393
ulrich.leuchtmann@commerzbank.com

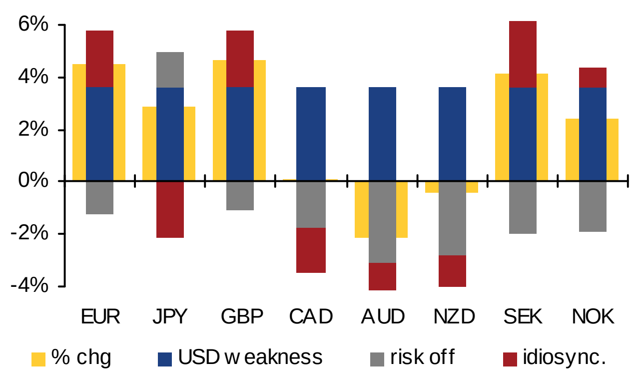
Antje Praefcke
+49 69 136 43834
antje.praefcke@commerzbank.com

CHF: Currently is seems rather easy to find a strategy to trade EUR-CHF as the cross is kept in a range between 1.2300 and 1.2380. On the one hand European macro data surprised on the upside on the other hand the CHF benefits from rising risk aversion. The state of the Swiss economy does not play much of a role against this backdrop. And the same applies to the rising inflation rate. The main concern for the Swiss National Bank when implementing the minimum rate in EUR-CHF has been deflationary pressures. In July now, the inflation rate left negative territory for the first time since almost two year. But do not get caught on the wrong foot be betting on the SNB to skip the 1.20 floor. The SNB will not take any changes to create renewed appreciation pressures on the CHF. That said the downside in EUR-CHF is still capped. With EUR-CHF currently trading around 1.23 adopting some long positions in the cross seems attractive.

JPY: The high yielding currencies are under fire from all directions at present, while the outlook for the yen on the other hand is getting increasingly positive. First of all the expectation of a normalisation of US monetary policy is damaging the high yielding G10 currencies (AUD, NZD, NOK) – similar to the damage it does to the EM currencies. Moreover increased geopolitical risks (Egypt, Syria…) are no doubt a reason for many FX market participants to look for "safe havens" (JPY, CHF). And regarding the JPY one should keep in mind that fundamental reasons do not matter when it comes to deciding whether a currency is a safe haven. For the markets the attractive time profile of safe haven currency yields compensates for the yield disadvantage. That means that it makes little sense to look for fundamental reasons behind the recent yen strength. As our factor model illustrates the gradually lower USD-JPY prices since early July are due to USD weakness and risk-off – and merely gloss over the idiosyncratic JPY weakness.

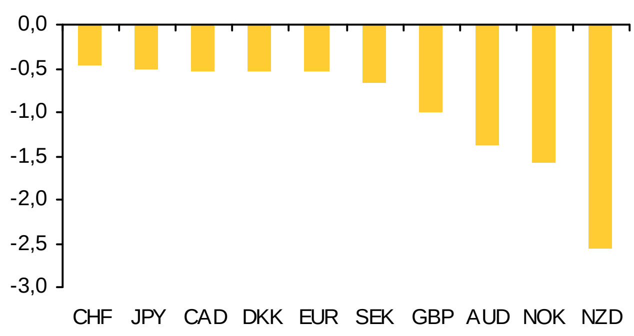
SEK: Things are going to get really interesting for SEK as of tomorrow, as that is when the sentiment indicators are going to be published, followed by retail sales on Thursday. Riksbank's last rate meeting took place on 3rd July, with the next one after the summer recess following on Thursday next week. Just as a reminder: in July Riksbank had raised the rate path marginally thus signalling that a further rate cut has become less likely. The economic data since the July meeting has been mixed. Initially the recession in the euro zone still had an effect, but recently the data has improved. As a result Riksbank will not slip back into a more dovish stance next week. If this week's data disappoints, a small excursion towards 8.80 in EUR-SEK is possible, but this level is likely to hold ahead of the Riksbank meeting next week.

CHART 4: **No idiosyncratic yen strength – on the contrary!**
Dissection of USD exchange rate moves since 9th July according to our G10 factor model



Source: Commerzbank Research

CHART 5: **USD strength and Kiwi being the worst performer**
% gain / loss vs. USD since August 15 2013



Source: Commerzbank Research

FX Metrics

Author:

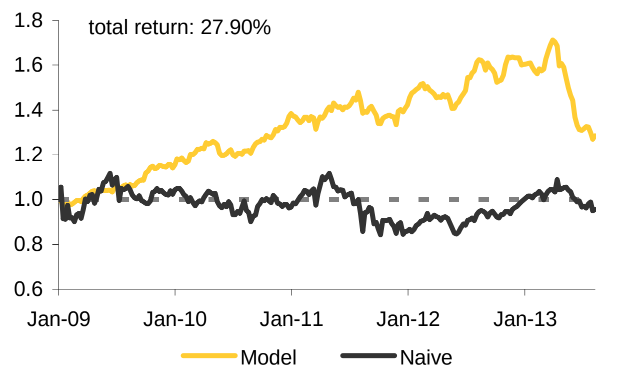
Thu Lan Nguyen
+49 69 136 82878
Hthulan.nguyen@commerzbank.com

G10 carry trade indices

The portfolio weighting of a common carry trade strategy often simply corresponds to the ranking of the interest rate levels. Moreover the number of investment positions is usually fixed at the outset. However, such a strategy does not effectively exploit the benefits of diversifying across different investments. We therefore suggest a portfolio strategy that optimizes the diversification effect and significantly reduces the downside risk entailed in carry trades using "mean-variance" optimization.

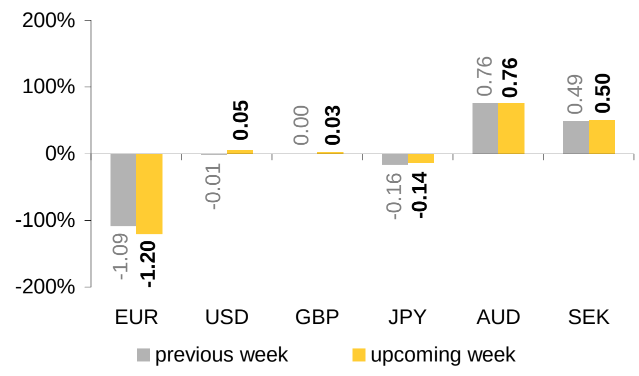
Below we illustrate an example of a mean-variance optimised carry trade portfolio on a selected currency basket with a pre-set risk level. For the optimization the variance has been chosen randomly and can be adjusted as required.

CHART 6: **Historic performance of optimized Carry Trade Portfolio**
Cumulative return[1] since 6 January 2009, weekly rebalancing, target variance: 6%; Naïve strategy: B&H strategy, 3 high yielders long, 3 low yielders short; Currency basket: EUR (base), USD, GBP, JPY, AUD, SEK, CHF (excluded after Sept 2011)



Source: Commerzbank Research

CHART 7: **Portfolio weights for week 27 Aug to 3 Sep**
Currency basket: EUR (base), USD, GBP, JPY, AUD, SEK; weights in %



Source: Commerzbank Research

Methodology

Our optimized strategy considers the correlation of the exchange rates in the portfolio weighing decision, i.e. the good old "mean-variance" optimisation according to Harry M. Markowitz. For the carry trade portfolio this means investing in carries in such a manner that an optimum relation between carry and the risk assumed is achieved. Needless to say, the more accurate the estimate of the correlation matrix the larger the advantage of the portfolio optimisation. For our portfolio we therefore use a trend model to forecast the relevant correlations on a weekly basis. In particular, the forecast is based on a linear trend over the weekly correlations of the last month. This trend is then extrapolated to the coming week to yield a forecast. Subsequently, the trend is rolled over on a weekly basis. This trend-based forecast therefore uses more timely input which ultimately increases forecast accuracy.

[1] Returns are based on Tuesdays' London opening

EM Highlights

TRY to remain weak despite CBRT's efforts. Rate decision and GDP release in Brazil. Investors should tread carefully when it comes to initiating long ILS-positions.

Author:

Thu Lan Nguyen
+49 69 136 82878
Hthulan.nguyen@commerzbank.com

You-Na Park
+49 69 136 42155
Hyou-na.park@commerzbank.com

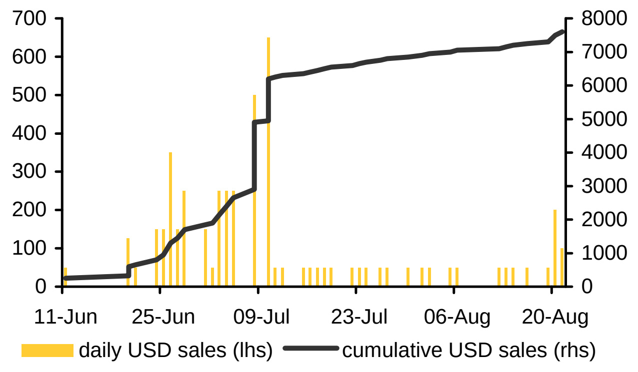
Peter Kinsella
+44 20 7475 3959
peter.kinsella@commerzbank.com

TRY: The Turkish lira is under increasing pressure on the back of uncertainty regarding US monetary policy. CBRT governor Erdem Basci today stepped in to try and calm markets. In his view the TRY will surely recover by year end as uncertainty over the Fed's future course will become more clear. However, markets remained unimpressed and even increased the depreciation pressure as Basci noted that there was no need to further hike key rates. Instead he signalled that the CBRT was ready to intervene more aggressively via FX sales on the market. Further such tightening measures will be announced on Sept 2nd. Market skepticism remains high though. Although Basci assured that the CBRT has enough reserves to support the TRY, it is highly uncertain what the effect of the Fed actually starting to taper will be. Due to the high current account deficit, Turkey is particularly vulnerable to a sudden capital reversal. This risk is keeping the depreciation pressure on the TRY on elevated levels.

BRL: The central bank (BCB) stepped up its efforts to mitigate the real's fall. On Thursday the BCB announced that it will hold regular swap auctions (Mondays to Thursdays) and will provide credit lines in USD (Fridays). The programme, which started last Friday, is going to continue at least until year-end. While the real was able to benefit significantly on Friday, the positive effect seems to be already fading, unsurprisingly. Fundamentals are still an issue. Last week's release of the July current account intensified concerns in this respect. While the deficit increased, FDI inflows decreased, raising the question how Brazil is going to finance the deficit in the future. This week's events might weigh on the real. On Wednesday the BCB will decide on its key rates. While the decision itself should deliver no surprise (50bps hike) the accompanying statement will be watched carefully for any hints on further rate hikes since the weak BRL is a risk for inflation. In any case, the central bank's dilemma (high inflation, weak growth) will once again be highlighted by the meeting. On Friday Q2 GDP will be released. After a weak Q1 (0.6% qoq), Q2 will probably only show a slight pick up in growth. Fundamental weakness, uncertainty surrounding Fed-tapering and, additionally, risk-off mood: although the authorities made clear that there is more to come if necessary, a weaker currency seems unavoidable.

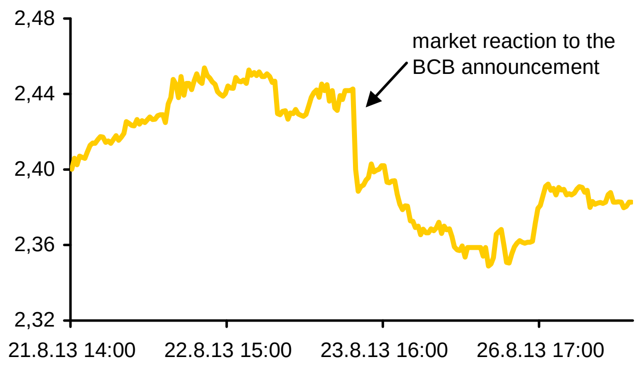
ILS: Yesterday the Bank of Israel left rates on hold as expected at 1.5%. Our view was and remains that key rates have bottomed and that they will likely remain at these low levels for an extended period before moving higher. Inflation levels have also bottomed and will likely move with a mild upward bias in the coming months, hence a dovish bias is no longer warranted, at least for domestic concerns. However USD-ILS has corrected from its recent lows (3.55) towards 3.62. This is due to generic EM concerns and although shekel strength is justified by developments in Israel's balance of payments situation, it makes little sense to initiate long ILS positions before Fed tapering begins. The bottom line, at least for the moment, is that investors should tread carefully when it comes to initiating long EM positions, ILS being no exception.

CHART 8: **Turkish reserves are melting away**
FX sales of CBRT in USD mn



Source: Commerzbank Research

CHART 9: **Positive effect already fading…**
USD-BRL spot rate, 10 minutes data



Source: Commerzbank Research

Tactical trade recommendation

Author:

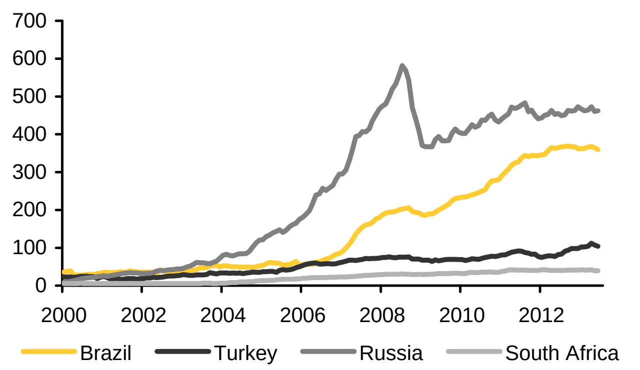
Peter Kinsella
+44 20 7475 3959
peter.kinsella@commerzbank.com

Establish long USD-ZAR positions.

Year to date ZAR has lost the most ground amongst the EMEA complex. The reasons for ZAR weakness are at this stage well known: a high current account deficit, high inflation levels and high unemployment levels which prevent the SARB from hiking rates. This differentiates ZAR from other EM currencies in that other central banks like CBRT can engage in non standard measures to prevent excessive currency weakness, thereby rendering ZAR less attractive on an absolute and relative basis.

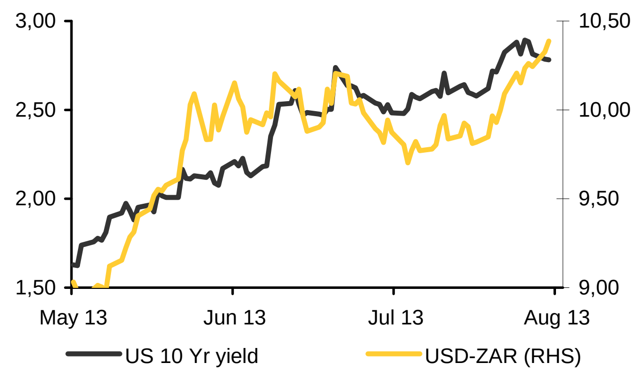
The SARB is constrained not just by a lack of options with key interest rates but more to the point, a notable dearth of FX reserves compared to peers mean that there is little SARB can do to attenuate further ZAR weakness. Thus should EM currencies continue to lose ground, then it stands to reason that ZAR should weaken further. Even in the case of a turnaround, ZAR remains beset by idiosyncratic weakness which in our view will limit appreciation potential over the short to medium term. We recommend investors to buy any dip in USD-ZAR with a view to taking profit towards 10.85. We maintain a tight stop below 10.20.

CHART 10: **South Africa FX reserves relatively small**
FX reserves in USD billion



Sources: Commerzbank Research, Bloomberg LP, IMF

CHART 11: **USD-ZAR moving in line with US yields**
USD-ZAR spot, US 10 Yr yield in %



Sources: Commerzbank Research, Bloomberg LP

TAB. 1: **Discretionary Option Trade Recommendations (base currency EUR)**

Trade date	Strategy	Expiry	Size	Premium	Value	P&L	Open / Closed
04.02.2013	Short EURp-CHFc 1.2050	04.12.2013	1m	+1.10%	-0.21%	0.89%	Open
12.03.2013	Sell CAD-MXN risk reversal 13.00 / 11.90	12.09.2013	2m x 1m	0.28%	0.05%	-0.23%	Open
28.05.2013	Buy USD-CHF risk reversal 0.94 / 1.00	28.08.2013	1m x 1m	0.23%	-1.50%	-1.73%	Open
08.07.2013	Sell GBP-USD risk reversal 1.51 / 1.46	08.10.2013	1m x 1m	0.01%	-3.60%	-3.61%	Open
20.08.2013	Buy AUDp-JPYc 87.00	19.09.2013	1m	0.42%	0.69%	0.27%	Open

Sources: Bloomberg L.P., Commerzbank Research

Technical Analysis

The US Dollar Index remains bid while trading above the 80.50 June low

Author:

Axel Rudolph
+44 20 7475 5721
axel.rudolph@commerzbank.com

Over the past couple of weeks the US Dollar Index dropped back towards the June low at 80.50 but managed to stabilise above it.

As long as it holds, our medium term bullish forecast will remain valid.

Upside targets for the months ahead are the 84.10/75 2012 as well as May and July 2013 highs.

The 78.6% Fibonacci retracement of the 2010-11 decline at 85.28 and the 2005-13 resistance line at 85.97 also remain in focus.

Should key support at 80.50 be fallen through, however, the 200 week moving average at 79.70 and the September 2012 to January 2013 lows at 78.92/60 could be retested before the long term uptrend resumes.

We expect the 80.50 support area to hold, though, and for renewed upside momentum to be seen in the weeks to come.

CHART 12: **US Dollar Index Weekly Chart**
Remains bid while above the 80.50 June low; this is key for the medium term trend

Source: CQG, Commerzbank Research

Event Calendar

Date	Time	Region	Release	Unit	Period	Survey	Prior
27 August	14:00	USA	Case-Shiller house price index	yoy	JUN	12,1	12,2
	15:00	USA	Consumer confidence CB		AUG	79,0	80,3
28 August	07:00	GER	GfK Consumer Confidence		SEP	7,1	7,0
	07:00	GER	Import Prices	mom	JUL	0,3	-0,8
				yoy	JUL	-2,5	-2,2
	09:00	EUR	M3 money supply 3 month av.	yoy	JUL	2,4	2,8
	12:00	USA	MBA Mortgage Applications	%	AUG 23	-	-4,60
	13:00	RUB	CPI weekly year to date	%	AUG 26	-	4,5
	15:00	USA	Pending home sales	mom	JUL	0,0	-0,4
29 August	00:50	JPY	Retail trade	mom	JUL	-1,0	-0,2
				yoy	JUL	0,1	1,6
	08:00	TRY	Trade balance	USD bn	JUL	-8,70	-8,57
		SEK	Retail sales	mom	JUL	0,1	0,6
				yoy	JUL	3,3	3,6
	12:00	RUB	FX and gold reserves	USD bn	AUG 23	-	507,7
	13:00	GER	Consumer prices	mom	AUG P	0,1	0,5
				yoy	AUG P	1,7	1,9
	13:30	USA	Initial jobless claims	K	AUG 24	331	336
	13:30	USA	GDP annualized	qoq	2Q S	2,2	1,7
30 August	00:05	GBP	GfK Consumer Confidence		AUG	-14	-16
			ex fresh food and energy	mom	AUG	-0,3	-0,4
	00:30	JPY	CPI	yoy	AUG	0,5	0,4
			ex fresh food	yoy	AUG	0,4	0,3
	00:30	JPY	Unemployment rate	%	JUL	3,9	3,9
	00:50	JPY	Industrial production	mom	JUL P	3,6	-3,1
				yoy	JUL P	1,8	-4,6
	07:00	GBP	Nationwide House Price Index	mom	AUG	0,6	0,8
				yoy	AUG	3,3	3,9
	07:00	GER	Retail sales	mom	JUL	0,6	-0,8
				yoy	JUL	1,8	-2,8
		CHF	KOF leading indicator		AUG	1,32	1,23
	08:00	HUF	Producer price index	mom	JUL	-	0,3
				yoy	JUL	1,7	0,6
	09:00	PLN	GDP	yoy	2Q F	-	0,8
	09:30	GBP	Mortgage approval	K	JUL	59	58
	10:00	EUR	Consumer confidence		AUG F	-16,5	-15,6
			Industrial confidence		AUG	-9,6	-10,6
			Business confidence		AUG	93,8	92,5
	10:00	EUR	Consumer price index	yoy	AUG	1,4	1,6
			core rate	yoy	AUG A	1,1	1,1
	13:00	ZAR	Trade balance	ZAR bn	JUL	-9,0	-7,7
	13:30	USA	Personal income	mom	JUL	0,2	0,3
			Personal spending	mom	JUL	0,3	0,5
			PCE-deflator	yoy	JUL	1,4	1,3
			PCE core rate	mom	JUL	0,2	0,2
				yoy	JUL	1,3	1,2
	13:30	CAD	GDP	mom	JUN	-0,4	0,2
	14:45	USA	Chicago PMI		AUG	53,0	52,3
	14:55	USA	Michigan consumer confidence		AUG F	80,5	80,0
02 September	07:30	SEK	Swedbank PMI Survey		AUG	-	51,3
	08:00	NOK	Puchasing Manager Index		AUG	-	47,5
	08:00	RON	Retail sales	mom	JUL	-	0,0
				yoy	JUL	-	-2,3
	08:30	CHF	SVME- PMI		AUG	-	57,4
	08:55	GER	PMI (Markit)		AUG F	-	52,0
	09:00	EUR	PMI (Markit)		AUG F	50,7	51,3
	09:30	GBP	PMI (Markit)		AUG	-	54,6
	10:00	ZAR	Investec PMI		AUG	-	52,2

This document has been created and published by the Corporates & Markets division of Commerzbank AG, Frankfurt/Main or Commerzbank's branch offices mentioned in the document. Commerzbank Corporates & Markets is the investment banking division of Commerzbank, integrating research, debt, equities, interest rates and foreign exchange.

The author(s) of this report, certify that (a) the views expressed in this report accurately reflect their personal views; and (b) no part of their compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or views expressed by them contained in this document. The analyst(s) named on this report are not registered / qualified as research analysts with FINRA and are not subject to NASD Rule 2711.

Disclaimer
This document is for information purposes only and does not take account of the specific circumstances of any recipient. The information contained herein does not constitute the provision of investment advice. It is not intended to be and should not be construed as a recommendation, offer or solicitation to acquire, or dispose of, any of the financial instruments mentioned in this document and will not form the basis or a part of any contract or commitment whatsoever.

The information in this document is based on data obtained from sources believed by Commerzbank to be reliable and in good faith, but no representations, guarantees or warranties are made by Commerzbank with regard to accuracy, completeness or suitability of the data. The opinions and estimates contained herein reflect the current judgement of the author(s) on the data of this document and are subject to change without notice. The opinions do not necessarily correspond to the opinions of Commerzbank. Commerzbank does not have an obligation to update, modify or amend this document or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

The past performance of financial instruments is not indicative of future results. No assurance can be given that any opinion described herein would yield favourable investment results. Any forecasts discussed in this document may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information and/or the subsequent transpiration that underlying assumptions made by Commerzbank or by other sources relied upon in the document were inapposite.

Neither Commerzbank nor any of its respective directors, officers or employees accepts any responsibility or liability whatsoever for any expense, loss or damages arising out of or in any way connected with the use of all or any part of this document.

Commerzbank may provide hyperlinks to websites of entities mentioned in this document, however the inclusion of a link does not imply that Commerzbank endorses, recommends or approves any material on the linked page or accessible from it. Commerzbank does not accept responsibility whatsoever for any such material, nor for any consequences of its use.

This document is for the use of the addressees only and may not be reproduced, redistributed or passed on to any other person or published, in whole or in part, for any purpose, without the prior, written consent of Commerzbank. The manner of distributing this document may be restricted by law or regulation in certain countries, including the United States. Persons into whose possession this document may come are required to inform themselves about and to observe such restrictions. By accepting this document, a recipient hereof agrees to be bound by the foregoing limitations.

Additional notes to readers in the following countries:
Germany: Commerzbank AG is registered in the Commercial Register at Amtsgericht Frankfurt under the number HRB 32000. Commerzbank AG is supervised by the German regulator Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), Marie-Curie-Strasse 24-28, 60439 Frankfurt am Main, Germany.

United Kingdom: This document has been issued or approved for issue in the United Kingdom by Commerzbank AG London Branch. Commerzbank AG, London Branch is authorised by Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority. Details on the extent of our regulation by the Financial Conduct Authority and Prudential Regulation Authority are available from us on request. This document is directed exclusively to eligible counterparties and professional clients. It is not directed to retail clients. No persons other than an eligible counterparty or a professional client should read or rely on any information in this document. Commerzbank AG, London Branch does not deal for or advise or otherwise offer any investment services to retail clients.

United States: This document has been approved for distribution in the US under applicable US law by Commerz Markets LLC ("Commerz Markets"), a wholly owned subsidiary of Commerzbank AG and a US registered broker-dealer. Any securities transaction by US persons must be effected with Commerz Markets. Under applicable US law; information regarding clients of Commerz Markets may be distributed to other companies within the Commerzbank group. This report is intended for distribution in the United States solely to "institutional investors" and "major U.S. institutional investors," as defined in Rule 15a-6 under the Securities Exchange Act of 1934. Commerz Markets is a member of FINRA and SIPC.

Canada: The information contained herein is not, and under no circumstances is to be construed as, a prospectus, an advertisement, a public offering, an offer to sell securities described herein, solicitation of an offer to buy securities described herein, in Canada or any province or territory thereof. Any offer or sale of the securities described herein in Canada will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the dealer registration requirement in the relevant province or territory of Canada in which such offer or sale is made. Under no circumstances is the information contained herein to be construed as investment advice in any province or territory of Canada and is not tailored to the needs of the recipient. In Canada, the information contained herein is intended solely for distribution to Permitted Clients (as such term is defined in National Instrument 31-103) with whom Commerz Markets LLC deals pursuant to the international dealer exemption. To the extent that the information contained herein references securities of an issuer incorporated, formed or created under the laws of Canada or a province or territory of Canada, any trades in such securities may not be conducted through Commerz Markets LLC. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon these materials, the information contained herein or the merits of the securities described herein and any representation to the contrary is an offence.

European Economic Area: Where this document has been produced by a legal entity outside of the EEA, the document has been re-issued by Commerzbank AG, London Branch for distribution into the EEA.

Singapore: This document is furnished in Singapore by Commerzbank AG, Singapore branch. It may only be received in Singapore by an institutional investor as defined in section 4A of the Securities and Futures Act, Chapter 289 of Singapore ("SFA") pursuant to section 274 of the SFA.

Hong Kong: This document is furnished in Hong Kong by Commerzbank AG, Hong Kong Branch, and may only be received in Hong Kong by 'professional investors' within the meaning of Schedule 1 of the Securities and Futures Ordinance (Cap.571) of Hong Kong and any rules made there under.

Japan: Commerzbank AG, Tokyo Branch is responsible for the distribution of Research in Japan. Commerzbank AG, Tokyo Branch is regulated by the Japanese Financial Services Agency (FSA).

Australia: Commerzbank AG does not hold an Australian financial services licence. This document is being distributed in Australia to wholesale customers pursuant to an Australian financial services licence exemption for Commerzbank AG under Class Order 04/1313. Commerzbank AG is regulated by Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) under the laws of Germany which differ from Australian laws.

Commerzbank Corporates & Markets

Frankfurt	London	New York	Singapore Branch	Hong Kong Branch
Commerzbank AG	Commerzbank AG	Commerzbank AG	Commerzbank AG	Commerzbank AG
DLZ - Gebäude 2, Händlerhaus	London Branch	2 World Financial Center,	71 Robinson Road, #12-01	29/F, Two IFC
Mainzer Landstraße 153	PO BOX 52715	31st floor	Singapore 068895	8 Finance Street
60327 Frankfurt	30 Gresham Street	New York,		Central Hong Kong
	London, EC2P 2XY	NY 10281		
Tel: + 49 69 13621200	Tel: + 44 207 623 8000	Tel: + 1 212 703 4000	Tel: +65 63110000	Tel: +852 3988 0988