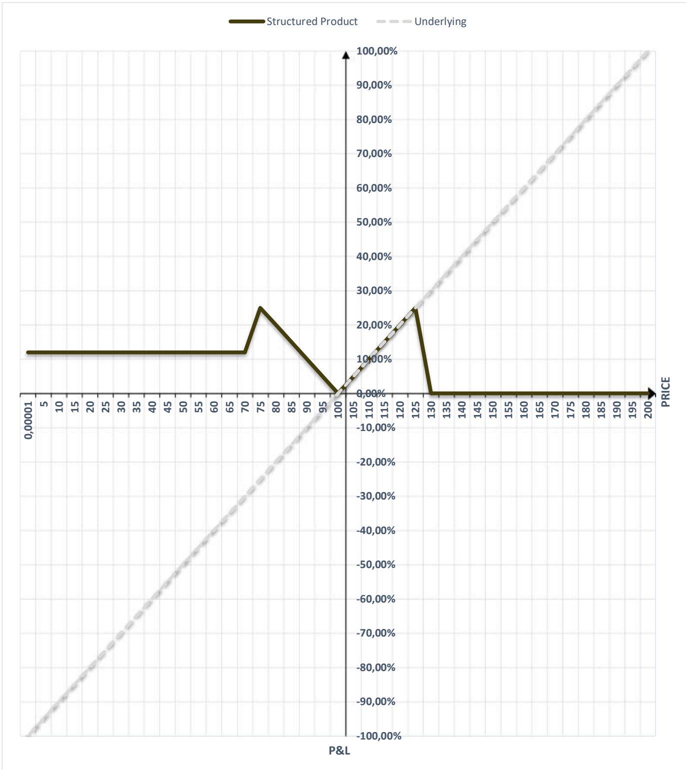
Uncertain Oil Movement

2 Years Twin Win Product on Crude Oil's Price

Product Overview

Issuer	BBB-
Maturity	2 Years
Currency	USD
Underlying	CL.1 (Crude Oil)
Capital Protection	100,00%
Participation	100,00%
Call Barrier	127,50%
Rebate Upside	0,00%
Put Barrier	72,50%
Rebate Downside	12,00%
Observation	At Maturity

Underlying	Structured Product
100%	0,00%
90%	0,00%
80%	0,00%
70%	0,00%
60%	0,00%
50%	0,00%
40%	0,00%
30%	0,00%
20%	20,00%
10%	10,00%
0%	0,01%
-10%	10,00%
-20%	20,00%
-30%	12,00%
-40%	12,00%
-50%	12,00%
-60%	12,00%
-70%	12,00%
-80%	12,00%
-90%	12,00%
-100%	12,00%



Product Description

This is a twin win structure with the underlying being the CL.1 (Crude Oil) .

3 Scenarios Possible:

1) At maturity, if the underlying is between 100% and 127,5%, the investor will receive 100% of the performance.

2) At maturity the investor will receive: 100% of the initial capital if the underlying is above 127.5% of its inital value.

3) At maturity, if the underlying is between 72,5% and 100% of its initial value, the investor receives the inverse of the negative performance

4) At maturity, if the underlying is below 72.5% the investor will receive a 12% rebate

Risk Analysis

Pros:

Positive performance both on the upside and on the downside

12% Rebate on the downside if underlying is below barrier

100% Capital Protection

Cons:

The product only offers capital protection at maturity.

The redemption value of the product may be lower than the amount of the initial investment during the lifetime of the product.

The investor takes a credit risk on the issuer, i.e. the insolvency.

WHY NOW ?

Considering the uncertain times in the commodities market right now and more precisely the uncertain movement of the price of oil in the coming months, we have decided to design a twin win structure to be able to benefit investors who are looking to play the oil scenario but are not too convinced on which way it is going to head in the short run.

This is why we have designed this twin win product. As our personal views are more bearish, we have decided to place a rebate on the downside participation and not on the upside. To cross the barrier, the price of crude oil would have to increase by more than 27.5% in the next 24 months and we do not see that happening due to the reasons listed below.

Growing supply

- Oil is going to see a rise in its supply. This rise of supply estimated to around 800,000 barrels a day, which would come from Russia, Iran, and Venezuela.

- The rise in supply from these sanctioned countries is likely going to be one of the causes of a downturn in the price of oil.

Weakening Demand worldwide but more precisely in China:

- A fall in the global demand for oil aswell as weakening economic data from China are also factors that are leading us to our bearish forecasts for oil prices.

- Also, likely to contribute to the lower demand of oil from the Chinese Economy, is the fact that the Chinese property market has weakened over the past few months.

- Furthermore, concerns are also because of the People's Bank of China cutting two benchmark lending rates by 10 b.p each, which the market did not expect.

Saudi Arabia Supply cut

- Even though our view on oil prices is mostly bearish, one of the factors that leads us to be hesitant on oil prices forecasts is the fact that Saudi Arabia has announced a big cut in their supply for oil as from July aswell as an OPEC + deal to cut down supply further in 2024.

- This cut is expected to not cause a spike in the prices even though it is going to reduce the global output by one million barrels a day (from 10 to 9 million barrels a day) as from July 2023.

- However, the product is designed to be able to absorb a potential rise in price of petrol. Leaving the investor to feel more secure if ever they are not sure about their forecast for petrol.

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