De-Dollarisation and the Strengthening of the Chinese Renminbi

OVERVIEW :

- Three Years of accumulated USD savings by China due to the pandemic have now been released into the global economy. Since then, the USD has been struggling and has fallen back to the March 2022 level.

- Countries such as China and Saudi Arabia are negotiating and navigating towards peace, whilst the US-Saudi Arabia relationship is worsening may cause these countries to be less reliant on the US, causing the phenomenon of "Dedollarisation".

- Moreover, investors are increasingly attracted to the Chinese Renminbi, we strongly believe that this product will let investors take advantage of the upward trend of the Renminbi.

STRUCTURATION :

100% K.G

Maturity	3 Years
Currency	USD
Exposure	Worst of
Underlyings	USD (Short)
	CNH (Long)
Capital Protection	100%
Participation	175%
Cap	Uncapped

WHY NOW ?

Accumulated USD by China and the Reopening of China:

- The COVID-19 pandemic had a profound impact on the global economy, and China was not immune to the economic fallout. However, unlike many other countries that struggled with economic contraction and decreased trade, China managed to accumulate significant USD savings over the past three years, due to a combination of factors such as reduced imports and increased exports.

- Recently, China has released these USD savings into the global economy, which has caused the value of the US dollar to decline, the market becomes saturated with the currency and its value decreases due to reduced demand. This decline has significant implications for the global economy, a weaker USD can make imports in the US more expensive and US exports more competitive.

- This will have important impacts on international trade and investment in the coming years.

The DeDollarisation and the Strengthening of the Chinese Renminbi:

- The deteriorating relationship between the US and Saudi Arabia and the growing partnership between China and Saudi Arabia could contribute to the phenomenon of dedollarisation. This process could involve countries reducing their reliance on the US dollar as the world's reserve currency and exploring alternatives such as the Chinese Renminbi.

- It could lead to a strengthening of the Chinese Yuan, as more countries begin to use it as a reserve currency and conduct transactions in it. This could further enhance China's economic and political influence on the global stage and challenge the dominance of the US in the international financial system.

Capital Protected Product On USDCNH

100% CAPITAL PROTECTED ON USD (SHORT)
CNH (LONG)

175% PARTICIPATION ON THE UPSIDE
UNCAPPED

De-Dollarisation and Strengthening of the Chinese Yuan

Issuer	A -
Maturity	3 Years
Currency	USD
Underlying	USD (SHORT)
	CNH (LONG)
Capital Protection	100%
Participation	175%
Cap	Uncapped
Observation	At Maturity
Format	EMTN (Euro Medium Term Note)

Product Description

This is a capital protected product with the underlying being the USD (SHORT) and CNH (LONG).

2 Scenarios Possible:

1) At maturity the investor will receive: 100% of the initial capital + 1,75x positive performance of underlying

2) At maturity the investor will receive: 100% of the initial capital, if the underlying is below or equal to 100% of its initial level.

Risk Analysis

Pros:

100% capital protection at maturity If the level of the underlying is below100% of its initial level.

Participation to the positive performance of the underlying is uncapped and amplified

Cons:

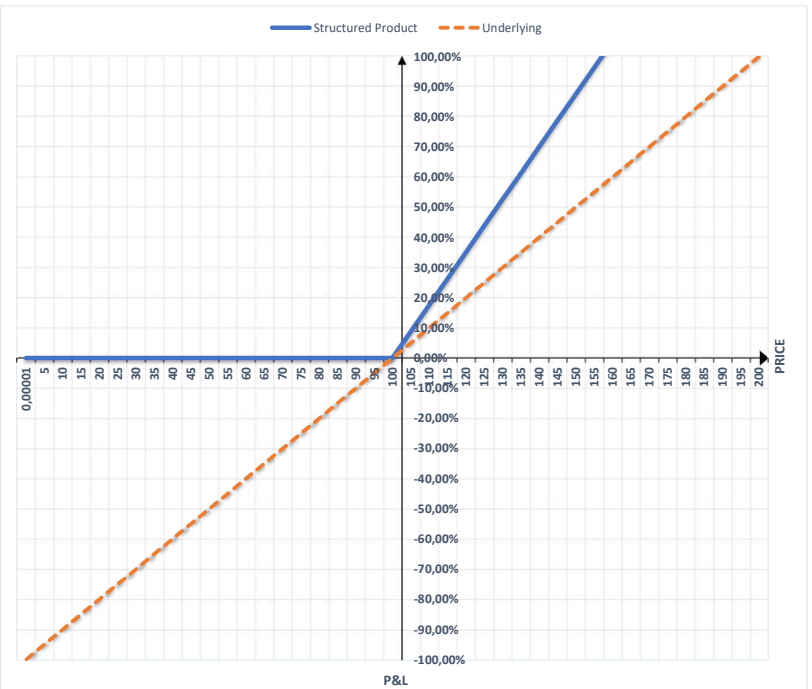
The product only offers capital protection at maturity.
The redemption value of the product may be lower than the amount of the initial investment during the lifetime of the product.

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

Redemption Mechanism

Underlying	Structured Product
100%	175%
90%	158%
80%	140%
70%	123%
60%	105%
50%	88%
40%	70%
30%	53%
20%	35%
10%	18%
0%	0%
-10%	0%
-20%	0%
-30%	0%
-40%	0%
-50%	0%
-60%	0%
-70%	0%
-80%	0%
-90%	0%
-100%	0%

Graphical Demonstration



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