ANZ RESEARCH

ASIA PACIFIC ECONOMICS
VIETNAM QUARTERLY CHARTBOOK

12 APRIL 2012

CONTRIBUTOR

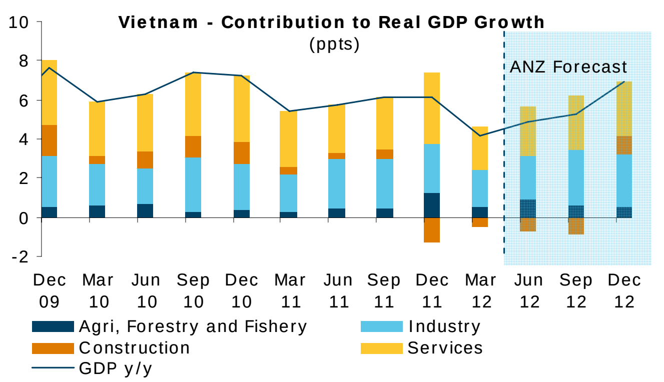
Hai Pham
Analyst, Mekong Economics
Hai.Pham@anz.com

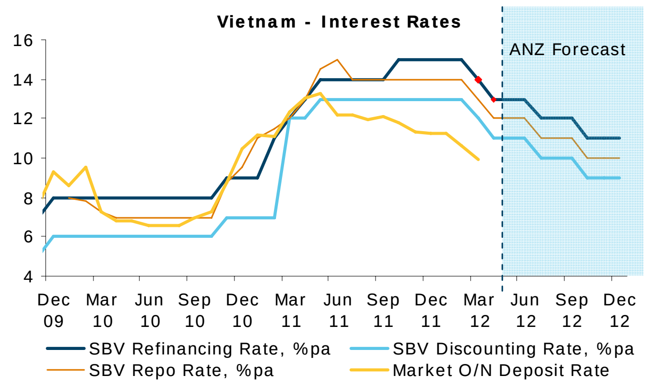
Important Notice pg 15

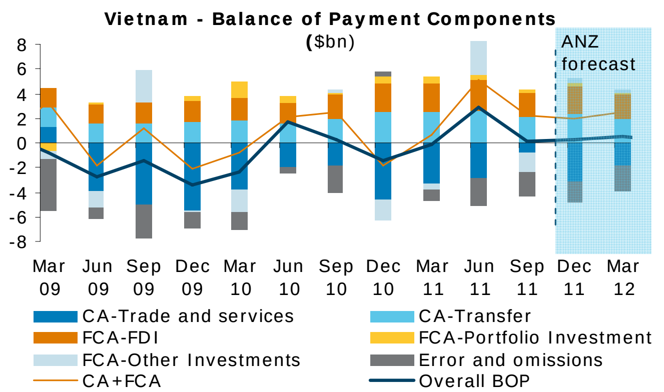
LOWER GROWTH AND INFLATION, THE SBV CUT RATES QUICKLY

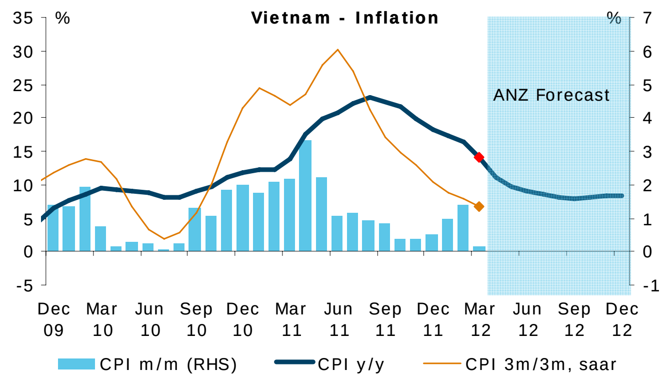
- Real GDP growth decelerated in Q1 to 4.0% y/y from 6.1% in Q4 last year as domestic demand slumped, a result of tightened monetary settings. CPI inflation fell to 14.2% in March 2012.
- The trade deficit narrowed significantly as import growth slowed much more than exports, supporting the dong's stability in Q1. We have observed structural changes to the trade profile as electronics and mobile phone exports (and imports) surged.
- The SBV cut its key policy rates by 100bps in March and another 100bps in April. Market interest rates fell drastically following the first policy move in March. The quickening pace of monetary easing worries us.
- We expect GDP growth to pick up in H2 on loosened policies, and 2012 growth to be at 5.5%. The overall growth slowdown will help bring inflation down to single digits in Q3.

FEATURED CHARTS



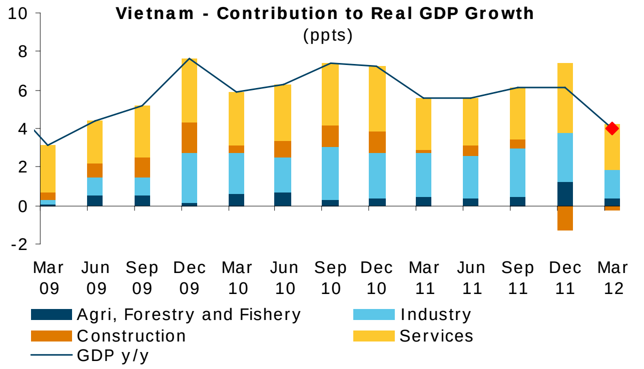


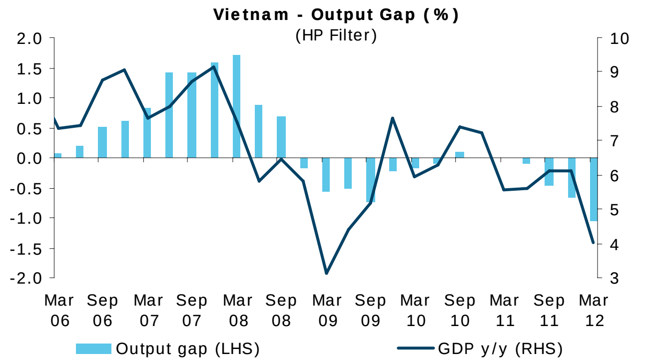


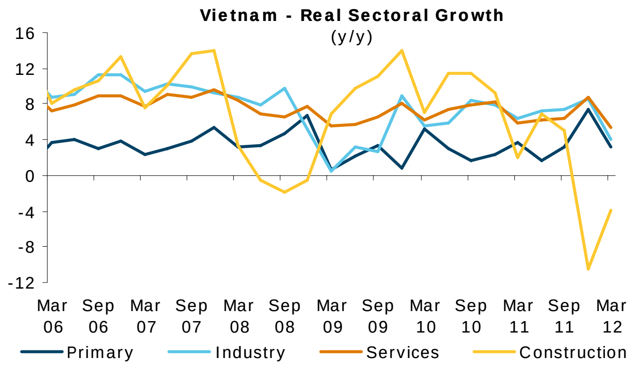


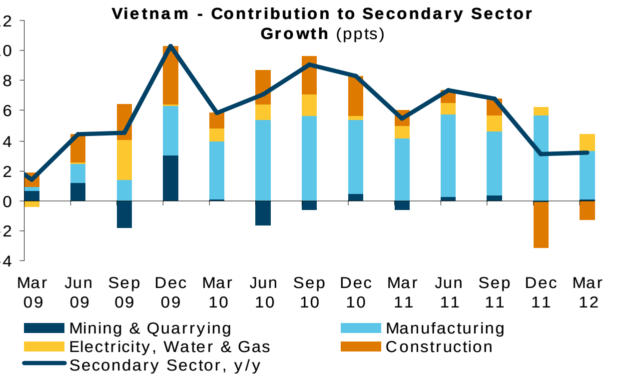
REAL ACTIVITY: Q1 GROWTH SLOWED MORE THAN EXPECTED, SUGGESTING LOWER GROWTH PROSPECTS FOR 2012 AS A WHOLE

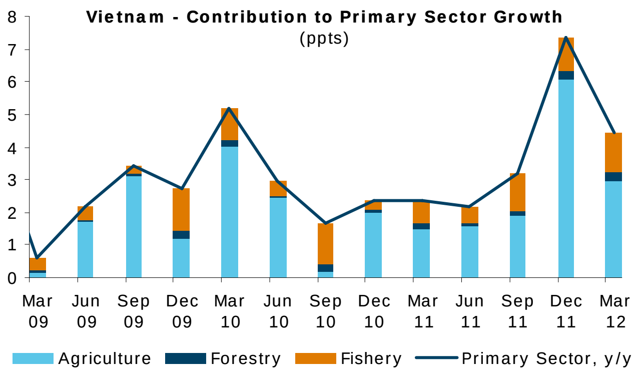
- Real GDP growth in Q1 decelerated to 4.0% y/y from 6.1% in Q4 last year. This was the second-lowest y/y growth figure in more than a decade, and only marginally better than the result of Q1 2009. We estimate the output gap to have widened, suggesting lower demand-side price pressures going forward.
- The broad-based slowdown was more than we had expected with y/y growth across sectors falling below their long-term averages: growth in both industry and construction were at their lowest levels since Q1 2009, and services growth was at its lowest level in five years.
- Construction's contraction was less than in Q4 2011 on base effects, but continued to drag down overall growth by 0.24ppt. The sector is interest-rate sensitive and has been affected the most by tightened monetary policy since Q3 2011, especially as credit for real estate investment was discouraged.
- We expect growth to pick up in H2, but have revised down our 2012 growth forecast to 5.5% as the low start in Q1 makes the government's 6.0% growth target difficult to achieve. However, Vietnam's data releases are subjected to revision, and Q1 data should always be treated with care due to its unstable seasonality.

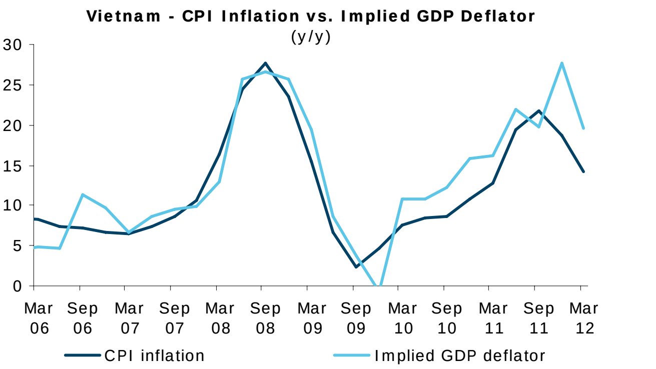








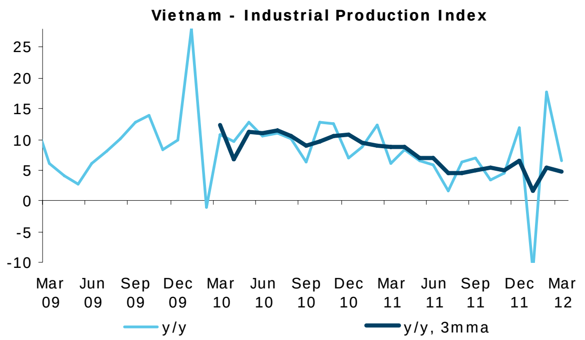


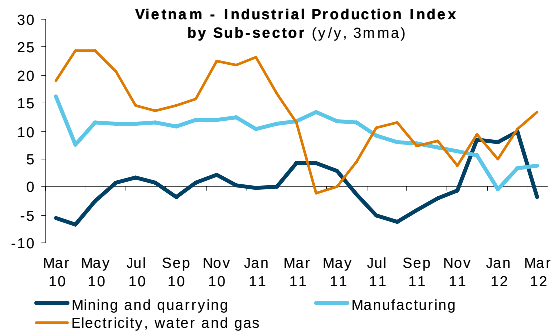


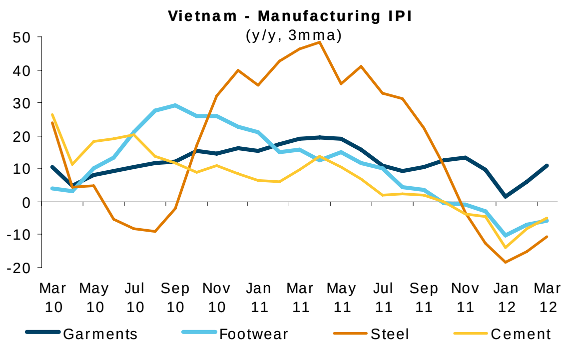
Sources: CEIC, ANZ Research

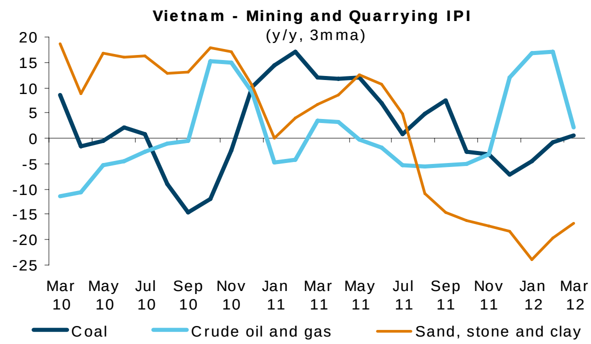
INDUSTRIAL PRODUCTION: HIGH INVENTORY POINTS TO FUTURE WEAKNESS IN GROWTH

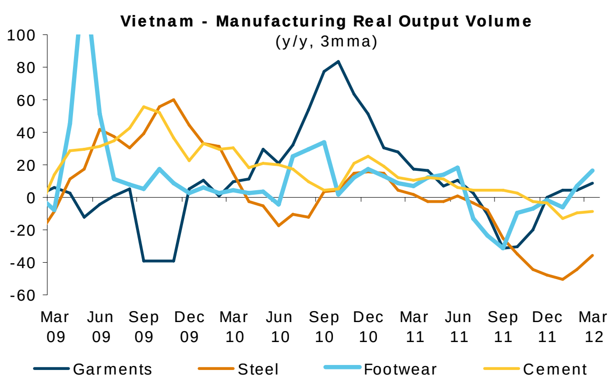
- The industrial production index (IPI)[1] climbed 4.1% y/y in Q1 (official report), down from 6.6% in the previous quarter (our estimate). Growth in manufacturing and mining-quarrying IPOs, the main drivers of the overall IPI, slowed, whereas growth in the electricity, water and gas IPI picked up.
- The mining-quarrying IPI contracted after a one-off rebound in the previous quarter, as growth in the crude oil IPI decelerated. The coal IPI rebound, up 0.5% y/y in Q1 after having contracted 7.1% in Q4 last year.
- The manufacturing IPI picked up gradually in the first three months of 2012, but growth for the quarter as a whole trended lower from Q4 2011. The garment and footwear IPIs picked up, whereas the construction-linked sub-indices of steel and cement continued to contract.
- Notably, the inventory index of manufacturing grew 34.9% y/y in Q1, up from 23.0% in Q4 last year, and was even higher than inventory growth of Q1 2009. Inventory growth increased in most industries, suggesting that low industrial production growth will likely continue in Q2.

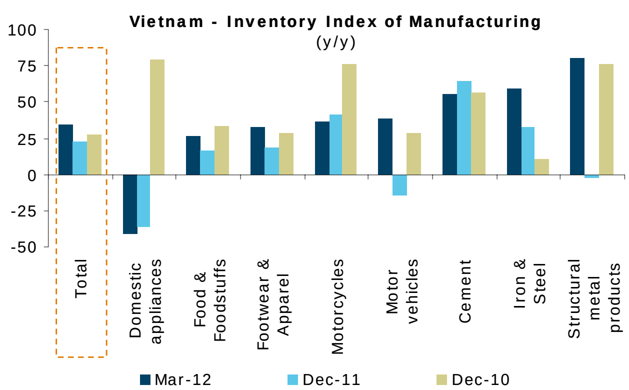










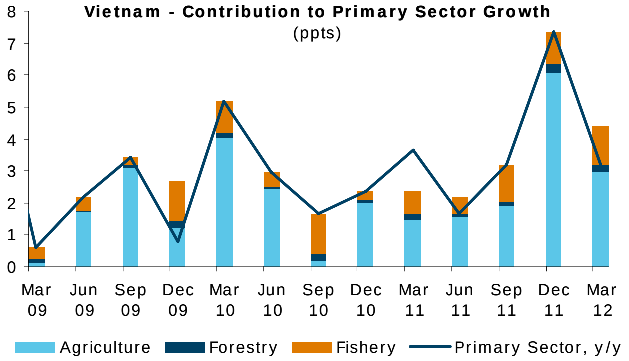


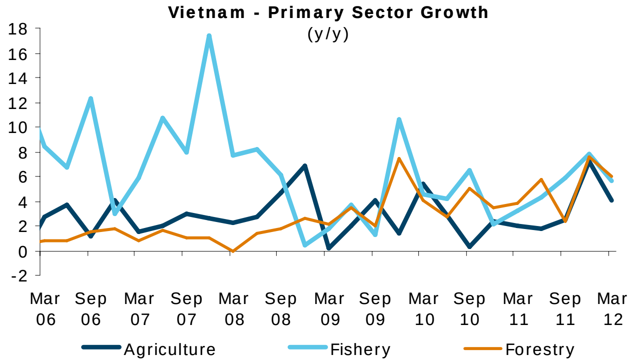
Sources: CEIC, General Statistics Office of Vietnam, ANZ Research

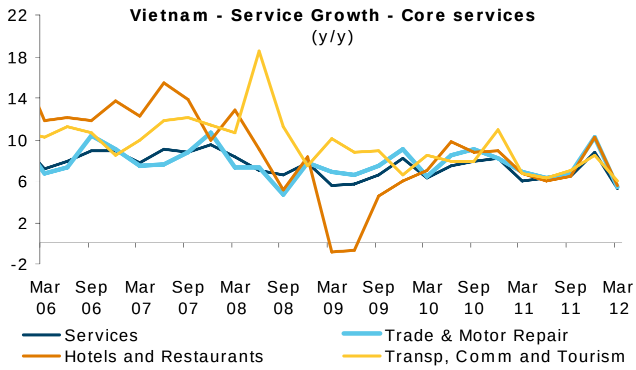
[1] The industrial production index (IPI) is a new series that uses a 2005-based product sample, while the industrial production output series used in GDP accounting uses a 1994-based product sample.

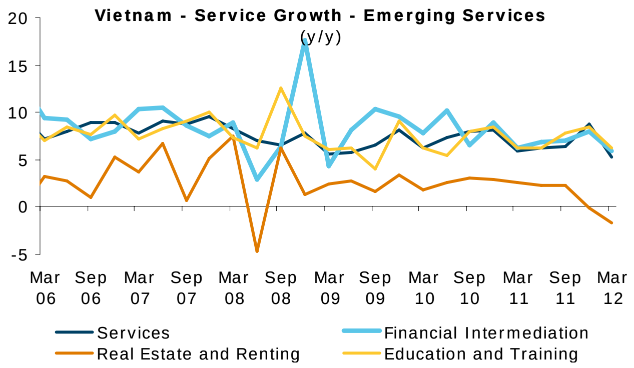
PRIMARY AND TERTIARY SECTORS: A SIMILAR SLOWDOWN ACROSS THE BOARD

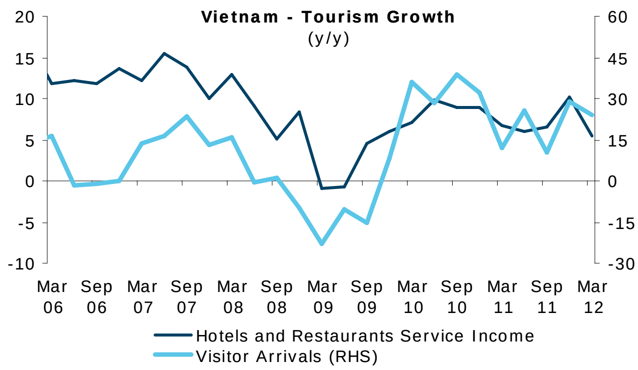
- Primary sector growth decelerated across the board to 3.1% y/y in Q1 from 7.4% in Q4 2011. Agriculture growth fell as the winter-spring crop came later than last year's and the harsh winter affected cattle farming in the north.
- Tertiary (services) sector growth also fell on a broad-based basis to 5.3% y/y from 8.7% in Q4 last year. Real estate and renting services contracted for the second quarter, by 1.7% y/y, in line with the contraction in construction output.
- Turning to tourism, inbound visitor arrivals totalled 1.8m, up from 1.7m in the previous quarter. However, visitor arrival growth eased to 24.0% y/y from 29.1% in Q4 last year.







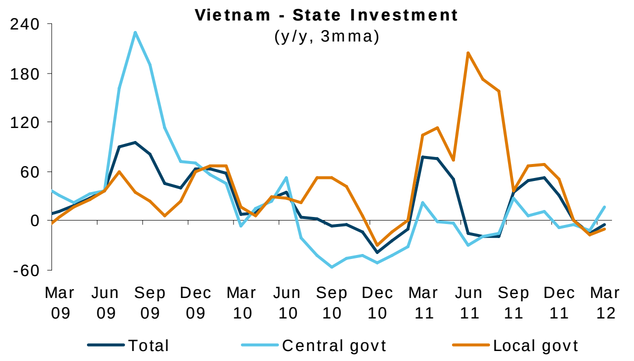


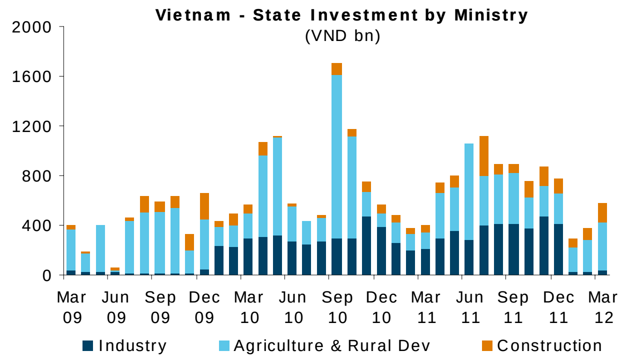


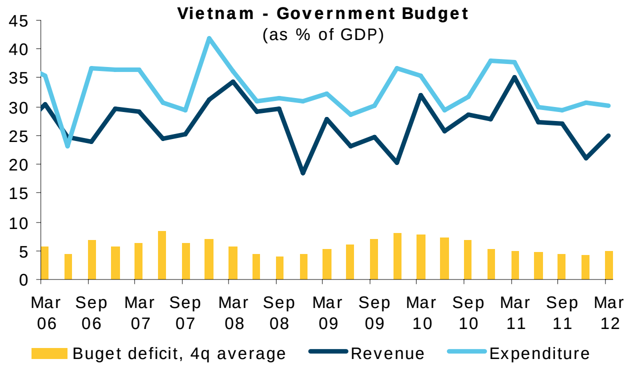
Sources: CEIC, ANZ Research

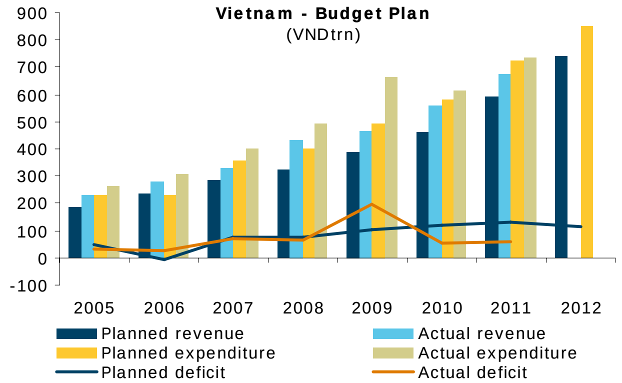
STATE INVESTMENT AND BUDGET: 2012 BUDGET REVENUE MAY BE AFFECTED BY SLOW GROWTH

- Total state investment contracted 4.9% y/y in Q1 this year, compared with 31.5% growth in Q4 and 78.3% increase in Q1 last year. Local government spending, which accounts for more than 70% of total spending, fell 10.5%, whereas central government spending increased by 16.3%.
- Budget expenditure fell 1.3% y/y, whereas revenue decreased 12.0% in Q1 as corporate tax revenue fell. Consequently, the overall budget deficit totalled VND28trn or 5.1% of GDP, compared with 2.6% of GDP in Q1 last year. The government plans a budget deficit of VND140.2trn in 2012, or less than 5.0% of its projected GDP (2011 budget deficit totalled 4.8% of GDP.)
- While tight fiscal spending will likely continue throughout this year, lower budget revenue due to a slowdown in growth, as seen in Q1 data, is also likely. Thus, improving the fiscal balance this year may prove a more challenging task than expected.





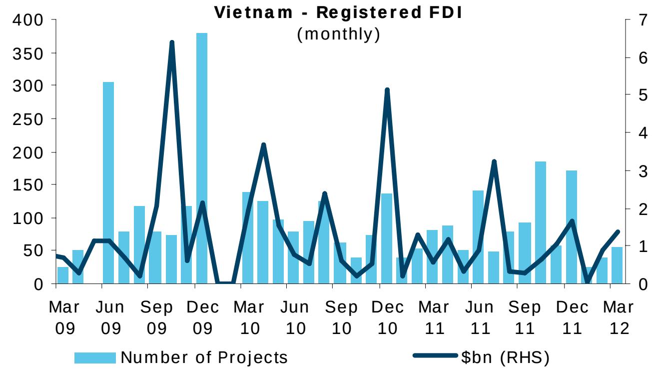


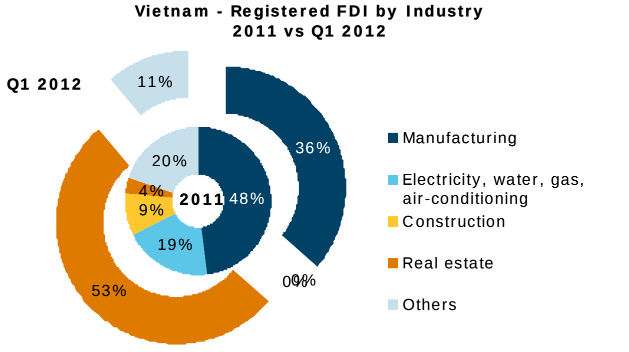


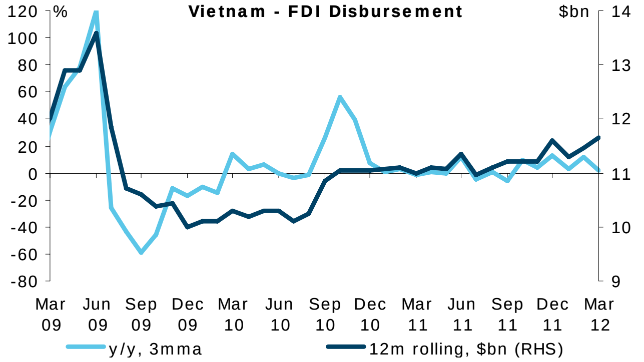
Sources: CEIC, GSO, ANZ Research

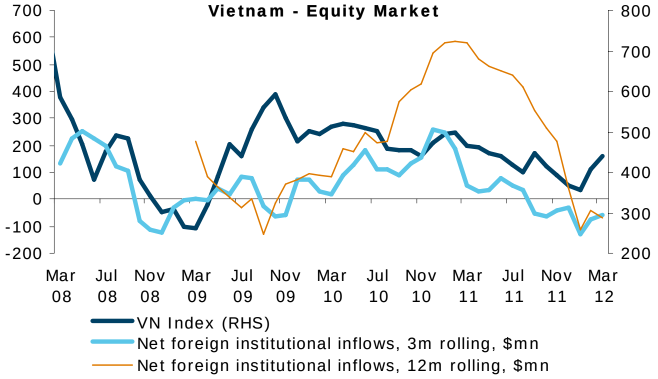
INVESTMENT FLOWS: FDI FELL DESPITE BIG INVESTMENTS BY JAPAN; NET PORTFOLIO OUTFLOWS CONTINUED DESPITE VNINDEX'S GAIN

- **Foreign Direct Investment (FDI)**: Newly registered FDI inflows fell 22.8% y/y in Q1 and totalled $2.3bn. Disbursed FDI also fell marginally, to $2.5bn.
- Japanese FDI accounted for 92.6% of totalled registered FDI in Q1, with one Japanese real estate development project in Binh Duong province accounted for more than half of that total figure. Real estate and renting businesses attracted only 4% of total FDI inflows last year.
- **Portfolio Investment**: Vietnam recorded net foreign equity outflows for the third consecutive quarter in Q1, totalling $60.8m of net outflows, despite a 13.7% gain of the VN Index.
- However, taking out ANZ's divestment from the country's Sacombank in January, Vietnam recorded modest net portfolio inflows in Q1, in line with AXJ regional equity flow profile in early 2012's risk-on environment.





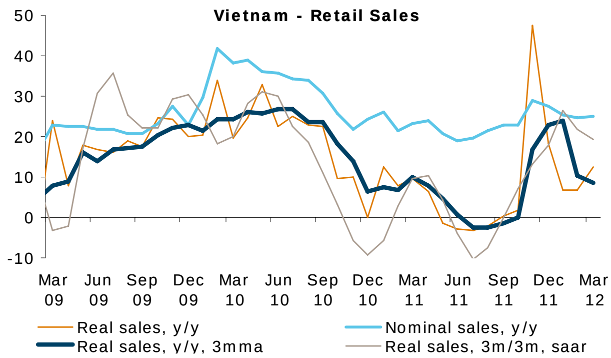


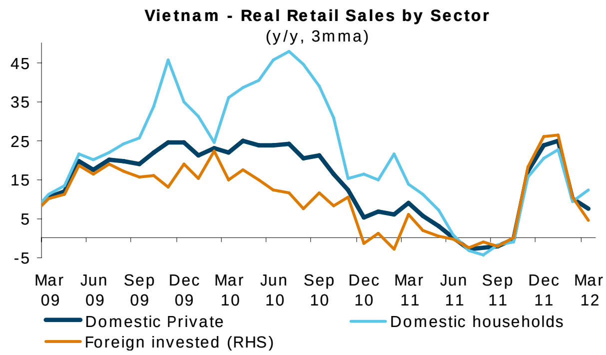


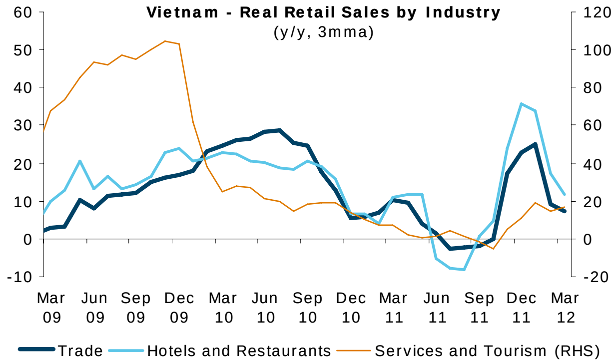
Sources: General Statistics Office (GSO), CEIC, Bloomberg, ANZ Research

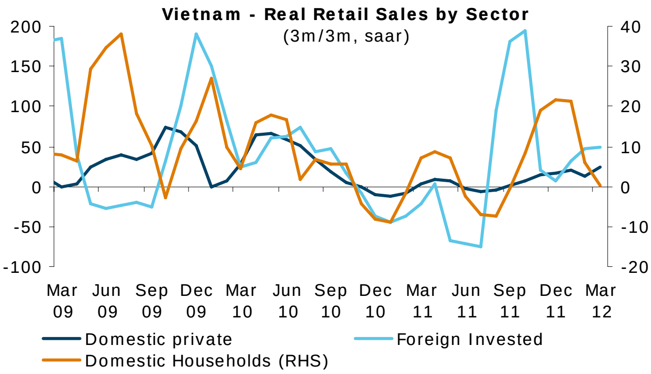
CONSUMPTION: RETAIL DEMAND GROWTH FELL ON TIGHTER CREDIT

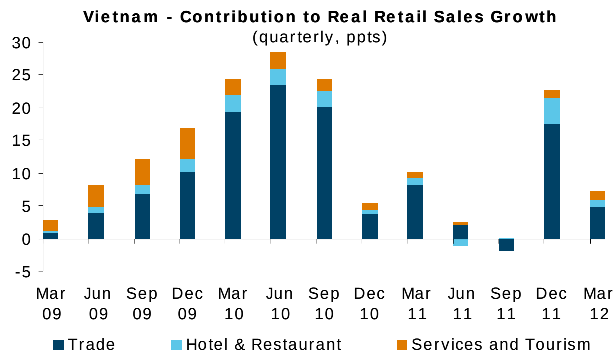
- Nominal retail sales fell to 21.8% y/y (official calculation) for Q1 as a whole, from 26.5% in the previous quarter, even though festival-linked demand pushed growth up in February. The slowdown was broad-based. We estimate real (CPI adjusted) sales growth to have slumped as well.
- However, sales growth picked up for the second quarter on a momentum basis (3m/3m, saar). We note that the seasonally adjusted data were likely distorted by the early Tet holiday, which caused growth momentum to peak in January and trended down in the last two months.
- Vehicle sales continued to contract in early 2012, by 35.8% y/y in Q1, compared with a 15.1% decline in Q4 last year. Car sales have been affected by increased restrictions on car imports, tightened credit policies, higher registration fees and potential road charges in the major cities.

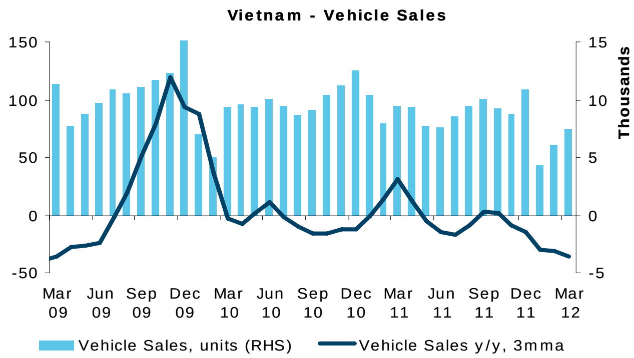








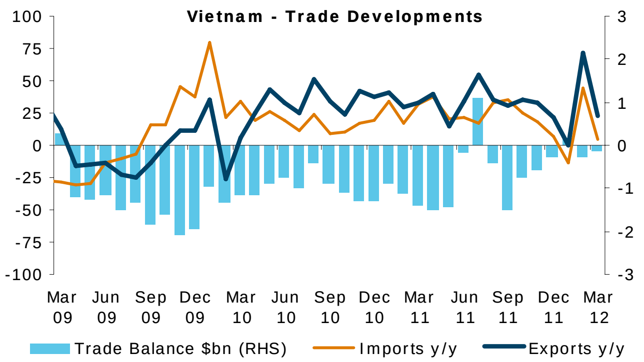


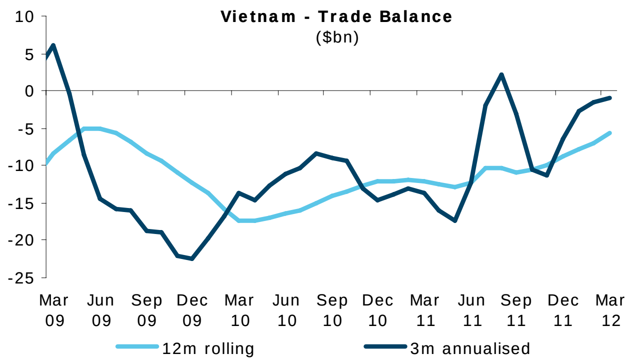


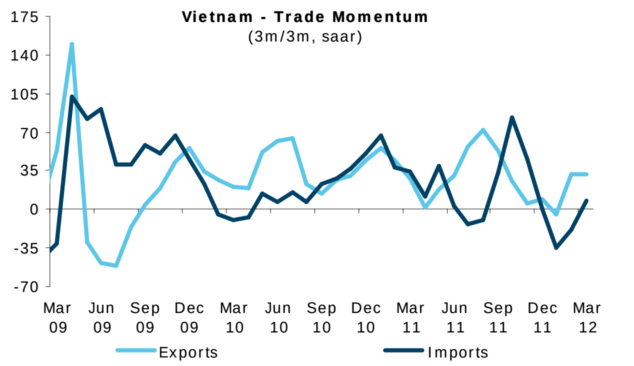
Sources: CEIC, Bloomberg, ANZ Research

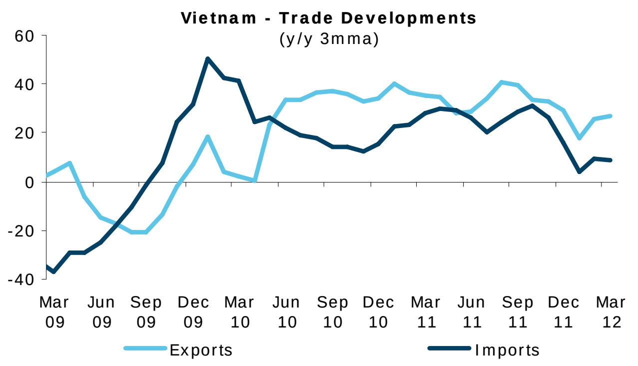
FOREIGN TRADE: THE TRADE DEFICIT NARROWED SIGNIFICANTLY, SUPPORTING THE BOP

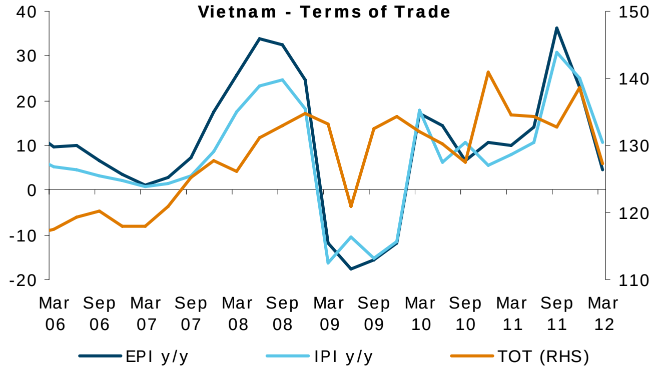
- For Q1 as a whole, both export and import growth continued to decline, to 26.6% and 8.9% y/y, respectively, from 29.3% and 16.2% in the previous quarter. However, monthly data show that y/y growth bottomed out in February and March (February data is Lunar-distorted nevertheless).
- Both export and import growth momentum (3m/3m, saar) rebounded, suggesting higher growth in the next few months.
- The Q1 trade deficit narrowed to the lowest level since Q1 2009, as import growth fell much more quickly than exports. We expect this significant development to have offset the decline in foreign investment flows and thus helped the overall balance of payments maintain a small surplus. This, in turn, suggests continued short-term stability of the VND.
- The terms of trade deteriorated in Q1, as the export price index fell (q/q) more than the import price index (IPI).

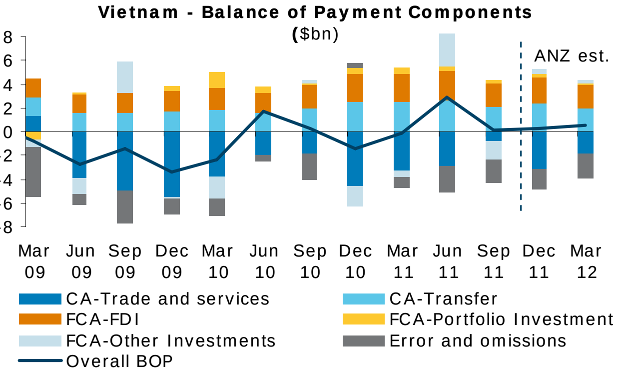








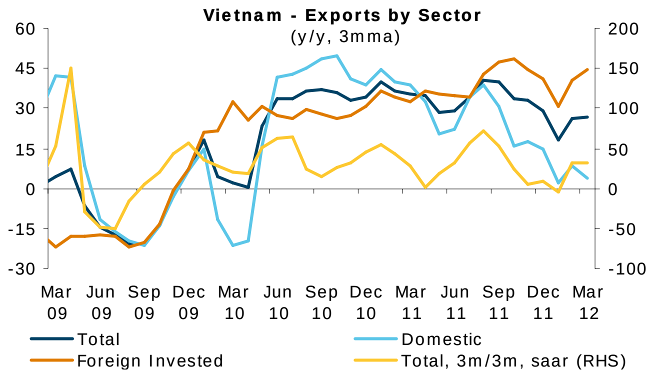


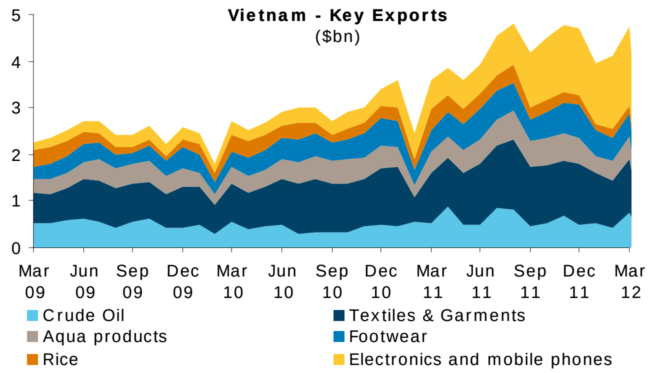


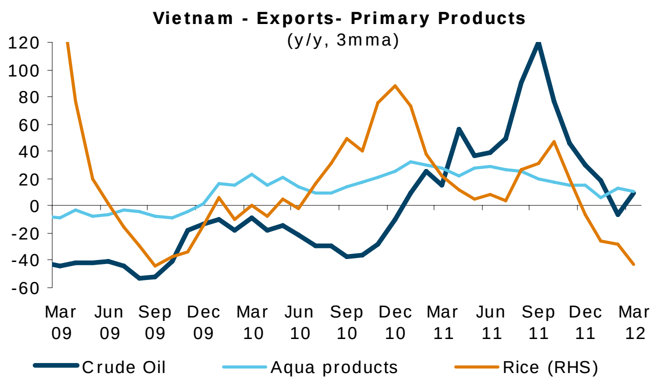
Sources: CEIC, ANZ Research

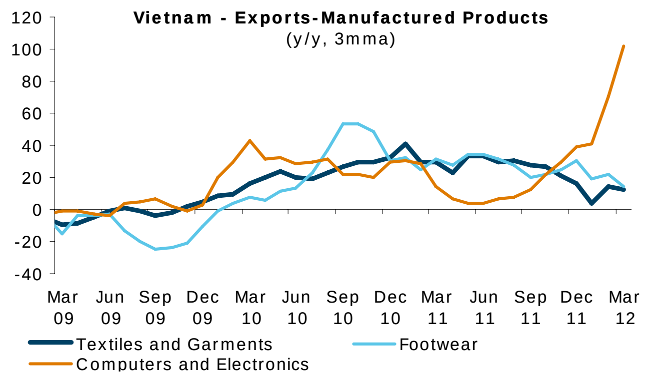
EXPORTS: ONGOING STRUCTURAL CHANGE WITH ELECTRONICS AND MOBILE PHONE EXPORTS RISING

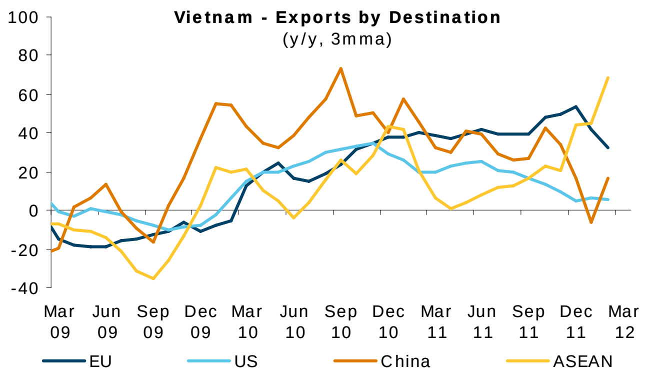
- Exports expanded 26.6% y/y in Q1, with growth momentum rebounding to 32.1% 3m/3m, saar, from 8.6% in the previous quarter, signalling that exports will likely remain healthy in the coming months.
- Primary exports remained weak as rice shipment growth in particular fell rapidly for the second quarter by 42.7%. Crude oil export growth also fell to 9.8% y/y from 29.6% in the previous quarter due to a 7.7% contraction in volume growth (not shown).
- Some major electronics and mobile phone producers went into full operation in Q4 last year. Electronics shipments climbed to a record high of 101.6% y/y in Q1 and contributed 4.4ppts to overall export growth. Shipments of mobile phones and parts also accelerated to account for more than 10% of Q1 total exports. Footwear and garment growth eased.
- By destination, growth of exports to ASEAN continued to accelerate, while that to EU and the US eased.
- The export price index climbed 4.6% y/y in Q1, down from 23.0% in Q4 last year.

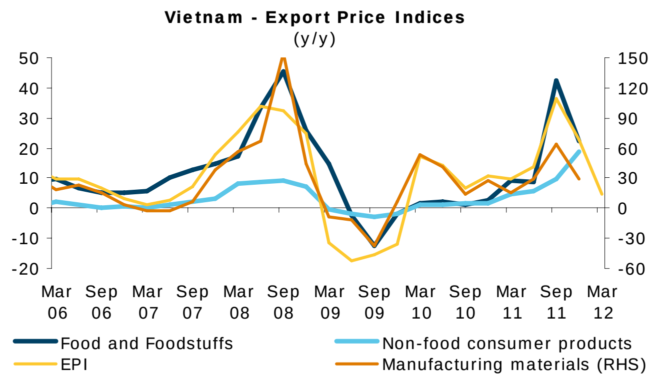








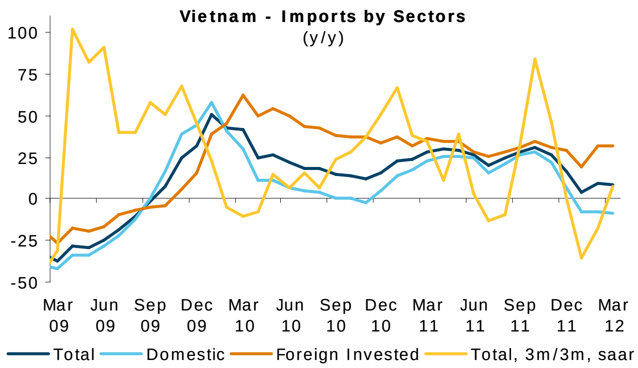


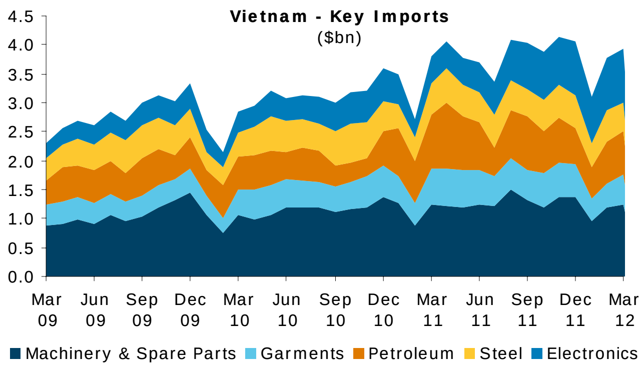


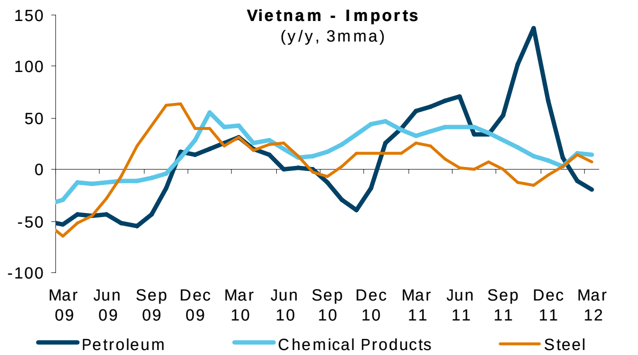
Sources: CEIC, GSO, ANZ Research

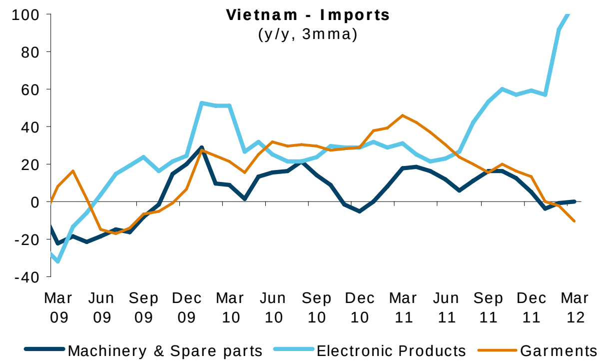
IMPORTS: GROWTH FELL ACROSS THE BOARD, ELECTRONICS BEING THE EXCEPTION

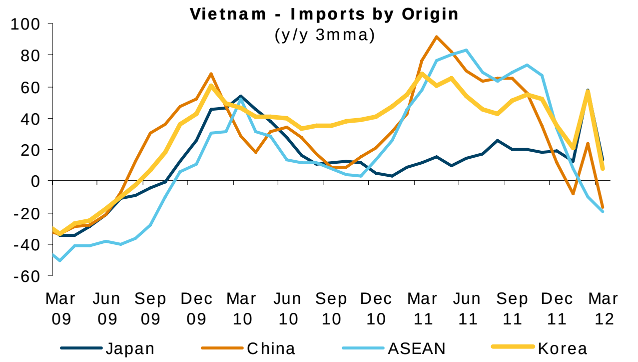
- Q1 import growth remained weak across all sectors, industries (bar electronics), and countries of origin, as domestic demand slumped on tight policy settings. Growth momentum rebounded, however, suggesting stronger imports going forward.
- Electronics import growth accelerated at a similar pace to electronics exports, suggesting that Vietnam likely remains reliant on part imports for the manufacturing of its high-tech exports.
- The surge in electronics trade also suggests that the country is realising its cost advantages and is now a rising assembly point for global electronics and IT firms. This will bring about important structural changes to the economy in the medium and long term.
- In terms of origin, imports from China and ASEAN contracted for the first time since Q2 2009. Growth of imports from Korea decelerated, while that from Japan fell.
- The import price index climbed 10.6% y/y in Q1, down from 24.9% in the previous quarter.

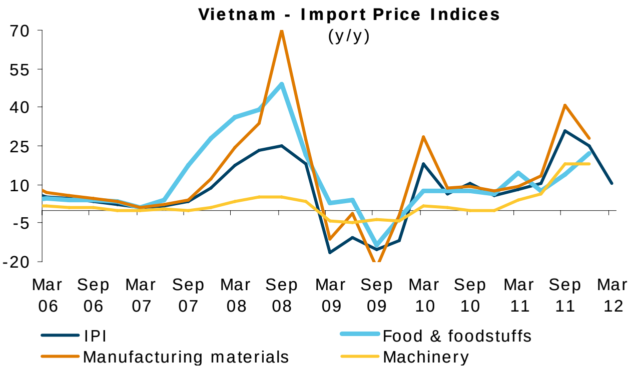








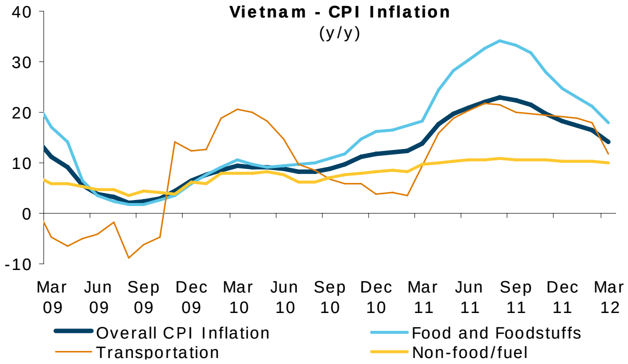


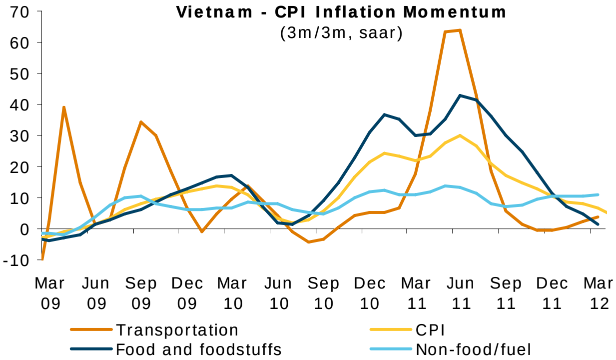


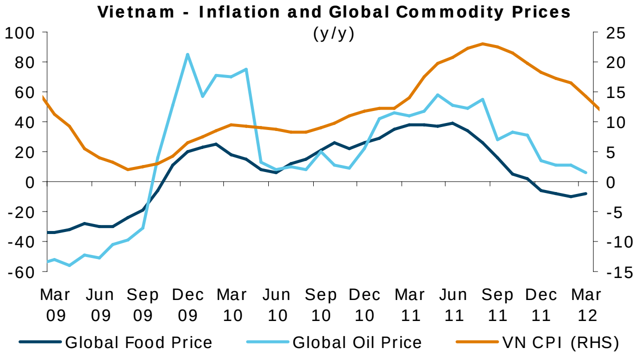
Sources: CEIC, ANZ Research

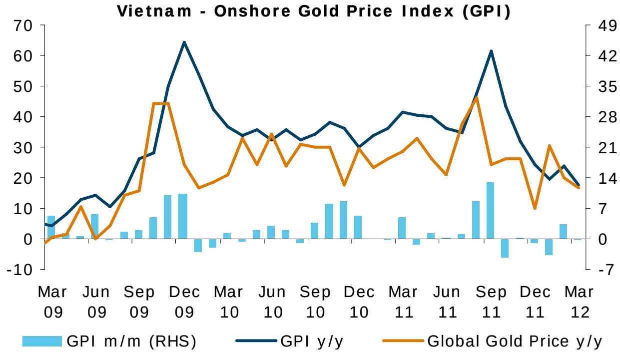
PRICES: SINGLE-DIGIT INFLATION LIKELY IN Q3

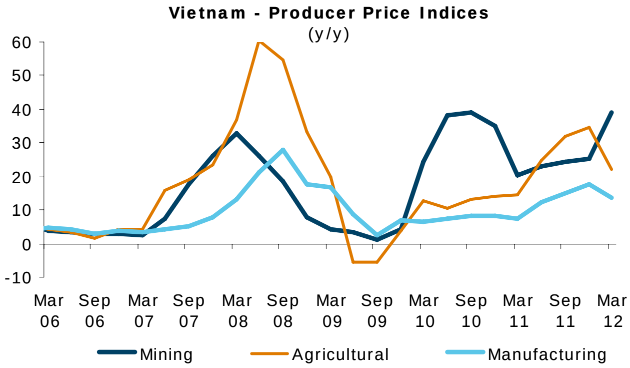
- CPI inflation decelerated to 14.2% y/y in March from its peak of 23.0% in August 2011. The decline was mostly due to decreased food prices, while non-food/fuel inflation eased a modest 1.0ppt from its peak last August to 10.0% in March.
- Inflation momentum fell to single digits in Q1, suggesting headline inflation will fall further in the coming months. We expect the government's single-digit inflation target will be reached in Q3, barring any surprise in global commodity prices.
- Onshore gold price eased marginally in Q1 despite increased global prices, as the VND gained from last year. The onshore-offshore gold price gap narrowed as a result.
- Mining PPI inflation surged as coal PPI accelerated while crude oil and gas PPI fell in Q1. Meanwhile, manufacturing and agriculture PPI inflation eased both q/q and y/y, suggesting that input cost pressure on CPI inflation remains moderate going forward.

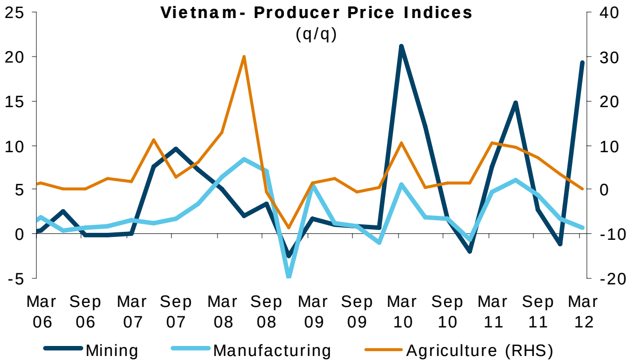








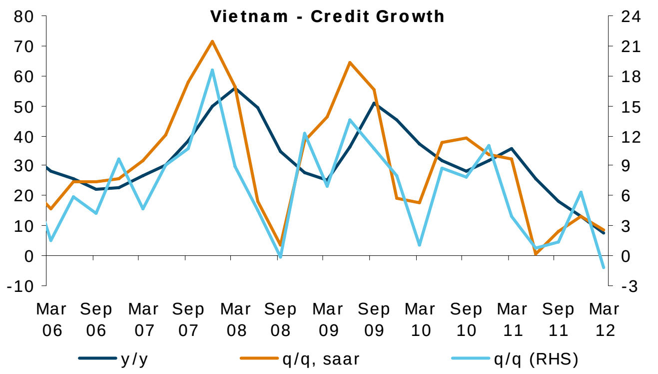


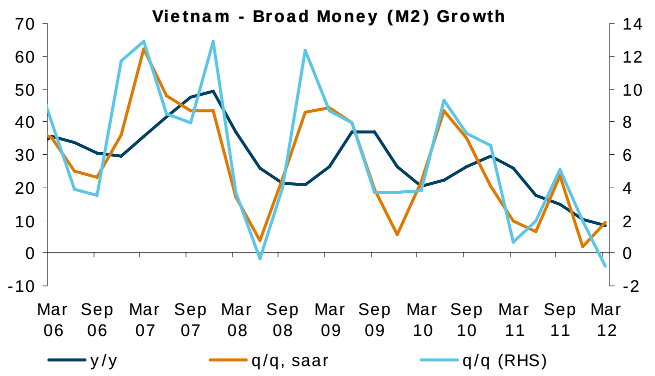


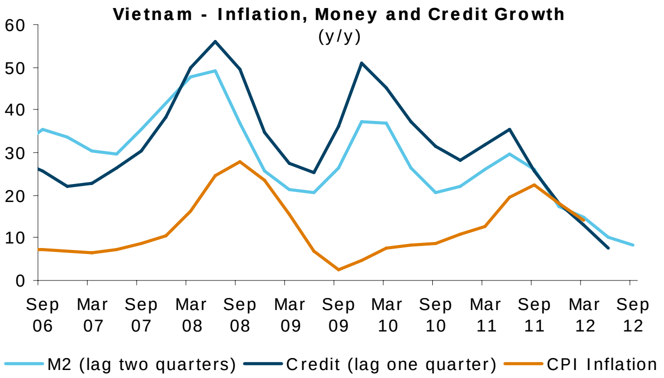
Sources: CEIC, Bloomberg, ANZ Research

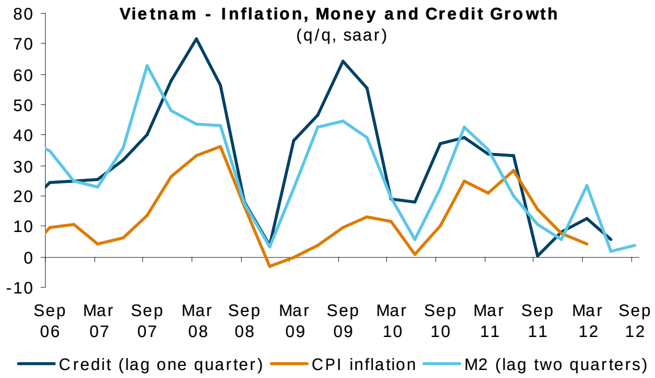
MONEY AND CREDIT: Q1 CREDIT CONTRACTED, BUT EASIER MONETARY SETTINGS SHOULD INCREASE GROWTH

- Tighter policy settings continued to result in low credit and money growth in early 2012. Domestic credit fell 0.53% in February from December 2011, whereas broad money supply (M2) fell 0.11% in the period, according to a SBV report.
- We expect both credit and money growth to have fallen on a quarterly basis in Q1, for the first time since Q3 2008. Y/Y credit and money growth must have declined to a new single-digit record low. On sequential basis, credit growth fell, whereas M2 growth edged up.
- The contraction of credit and money supply in the quarter is consistent with lower GDP growth prospects this year and the potential fall of CPI inflation to below 10% in Q3.
- Nevertheless, as monetary easing will likely continue throughout this year, we expect credit and money growth will pick up gradually in H2 and support growth. The SBV has set 2012 targets for M2 and credit growth at 14-16% and 15-17%, respectively, versus 2011 growth of 10% and 13%.





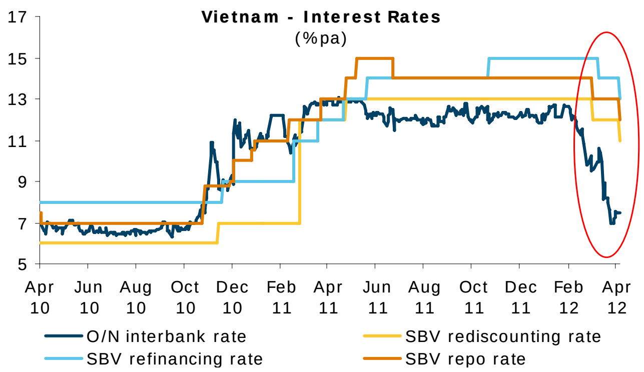


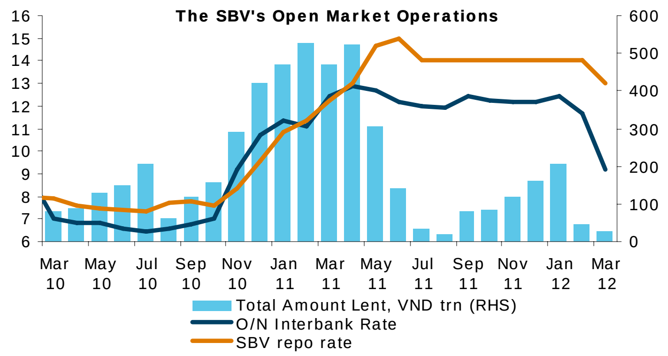


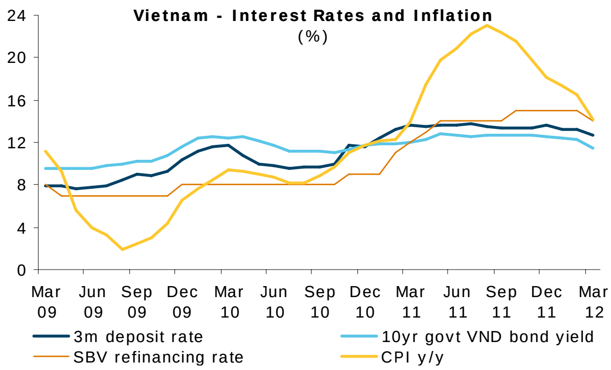
Sources: CEIC, State Bank of Vietnam (SBV), ANZ Research

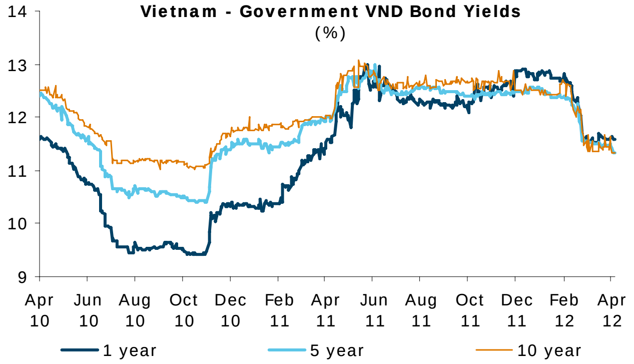
RATES: MONETARY EASING CYCLE STARTED; BONDS RALLIED ON MACRO STABILITY PROSPECTS

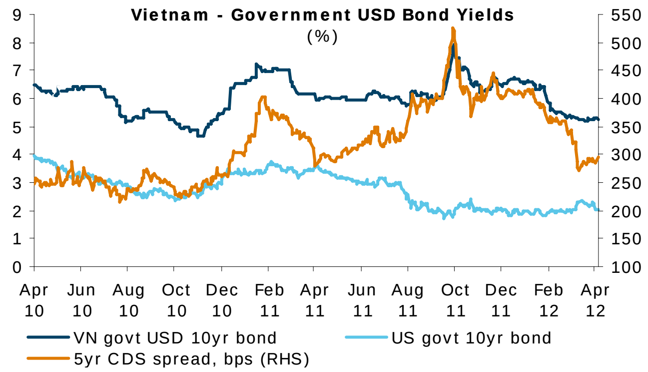
- The SBV started its monetary cycle in March by cutting its key policy rates by 100bps each, and cut rates by another 100bps on 10th April. Although the governor continued to expect key policy rates to be cut by about 100bps each quarter this year, the quickening pace of monetary easing worries us (See *our Vietnam Update, 19 March*, *Vietnam Data Alert, 29 March,* and *Vietnam Policy Alert, 10 April)*.
- Market interbank interest rate fell sharply to below 10% currently following the first policy move in March, and for the first time in more than a year. Bank liquidity was ample in Q1, spurring higher demand for VND government bonds and pushed yields down by more than 1.0ppt.
- The government USD bonds also rallied in Q1 on both domestic macro stability prospects and improved global market sentiment. The 5-year CDS spread against US treasuries fell the most (in absolute terms) in Asia, by more than 100bps, and its yield curve steepened.

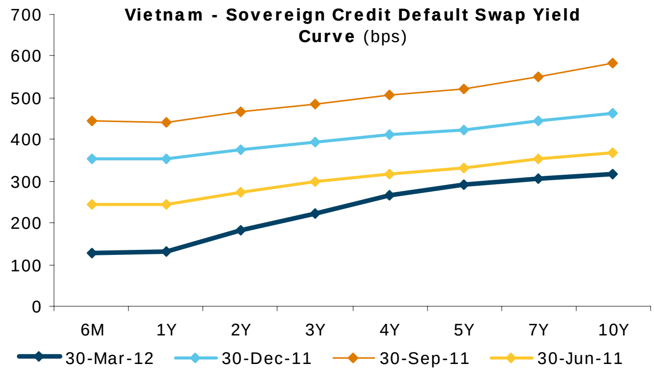








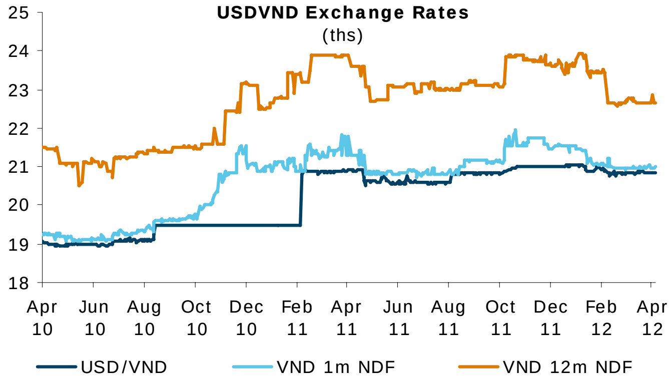


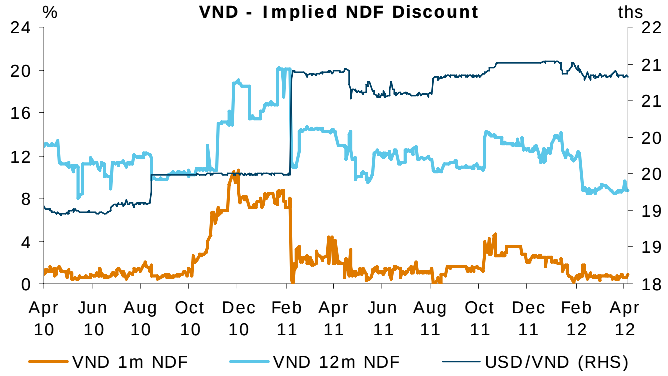


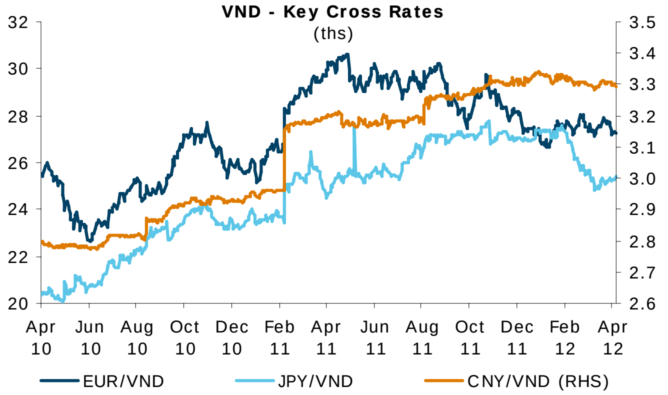
Sources: Bloomberg, SBV, ANZ Research

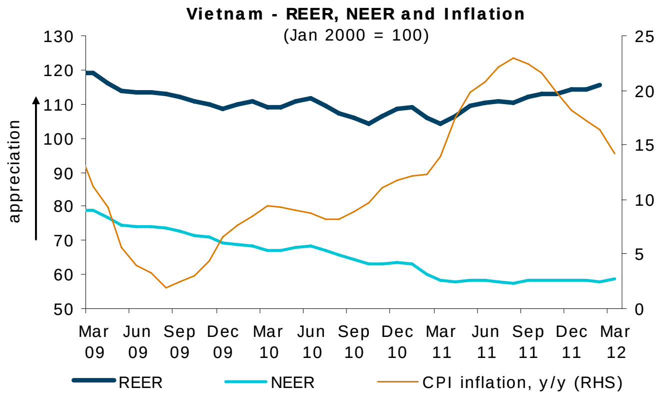
FOREIGN EXCHANGE: STABILITY MAINTAINED, EXPECT SMALL DEPRECIATION IN 2012

- The small trade deficit, overall BOP surplus, and easing inflation continued to keep the dong relatively stable in early 2012. The offshore NDF discounts also imply low short-term depreciating pressures, although the market continues to expect the currency to depreciate in the next 12 months.
- Meanwhile, the dong's real effective exchange rate (REER) appreciated by 1.2% in January – February from the end of last year, despite the nominal effective exchange rate's (NEER) 0.7% depreciation, as the inflation gap remains between Vietnam and its major trading partners.
- The real high appreciation implies lower competitiveness for Vietnamese exports and may place more pressure on the BOP and the nominal exchange rate.
- We expect the trade deficit to widen again in H2 as the monetary easing supports higher domestic demand and results in higher imports. Thus, we continue to expect further depreciation of the VND in 2012, of about 3%, versus 8% depreciation in 2011.









Sources: Bloomberg, ANZ Research

IMPORTANT NOTICE

The distribution of this document may be restricted by law in certain jurisdictions. Persons who receive this document must inform themselves about and observe all relevant restrictions.

1. COUNTRY/REGION SPECIFIC INFORMATION:

AUSTRALIA. This document is distributed in Australia by Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) ("ANZ"). ANZ holds an Australian Financial Services licence no. 234527. A copy of ANZ's Financial Services Guide is available at http://www.anz.com/documents/AU/aboutANZ/FinancialServicesGuide.pdf and is available upon request from your ANZ point of contact. If trading strategies or recommendations are included in this document, they are solely for the information of 'wholesale clients' (as defined in section 761G of the Corporations Act 2001 *Cth*). Persons who receive this document must inform themselves about and observe all relevant restrictions.

BRAZIL. This document is distributed in Brazil by Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) only for the information of the Central Bank of Brazil. No securities are being offered or sold in Brazil under this document, and no securities have been and will not be registered with the Securities Commission - CVM.

BRUNEI. JAPAN. KUWAIT. MALAYSIA. TAIPEI. This document is distributed in each of Brunei, Japan, Kuwait, Malaysia and Taipei by Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) on a cross-border basis.

EUROPEAN ECONOMIC AREA ("EEA"): UNITED KINGDOM. Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) ("ANZ") is authorised and regulated in the United Kingdom by the Financial Services Authority ("FSA"). This document is distributed in the United Kingdom by ANZ solely for the information of persons who would come within the FSA definition of "eligible counterparty" or "professional client". It is not intended for and must not be distributed to any person who would come within the FSA definition of "retail client". Nothing here excludes or restricts any duty or liability to a customer which ANZ may have under the UK Financial Services and Markets Act 2000 or under the regulatory system as defined in the Rules of the FSA. **GERMANY.** This document is distributed in Germany by the Frankfurt Branch of ANZ solely for the information of its clients. **OTHER EEA COUNTRIES.** This document is distributed in the EEA by ANZ Bank (Europe) Limited ("ANZBEL") which is authorised and regulated by the FSA in the United Kingdom, to persons who would come within the FSA definition of "eligible counterparty" or "professional client" in other countries in the EEA. This document is distributed in those countries solely for the information of such persons upon their request. It is not intended for, and must not be distributed to, any person in those countries who would come within the FSA definition of "retail client".

HONG KONG. This document is distributed in Hong Kong by the Hong Kong branch of Australia and New Zealand Banking Group Limited (ABN 11 005 357 522), which is registered by the Hong Kong Securities and Futures Commission to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities. The contents of this document have not been reviewed by any regulatory authority in Hong Kong. If in doubt about the contents of this document, you should obtain independent professional advice.

INDIA. If this document is received in India, only you (the specified recipient) may print it and before doing so, you must specify on it your name and place of printing. Further copying or duplication of this document is strictly prohibited.

PEOPLE'S REPUBLIC OF CHINA. If and when the material accompanying this document is distributed by Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) ("ANZ") or an affiliate (other than Australia and New Zealand Bank (China) Company Limited ("ANZ C")), the following statement and the text below is applicable: No action has been taken by ANZ or any affiliate which would permit a public offering of any products or services of such an entity or distribution or re-distribution of this document in the People's Republic of China ("PRC"). Accordingly, the products and services of such entities are not being offered or sold within the PRC by means of this document or any other document. This document may not be distributed, re-distributed or published in the PRC, except under circumstances that will result in compliance with any applicable laws and regulations. If and when the material accompanying this document relates to the products and/or services of ANZ C, the following statement and the text below is applicable: This document is distributed by ANZ C in the Mainland of the PRC.

SINGAPORE. This document is distributed in Singapore by the Singapore branch of Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) ("ANZ") solely for the information of "accredited investors", "expert investors" or (as the case may be) "institutional investors" (each term as defined in the Securities and Futures Act Cap. 289 of Singapore). ANZ is licensed in Singapore under the Banking Act Cap. 19 of Singapore and is exempted from holding a financial adviser's licence under Section 23(1)(a) of the Financial Advisers Act Cap. 100 of Singapore. In respect of any matters arising from, or in connection with the distribution of this document in Singapore, contact your ANZ point of contact.

UNITED ARAB EMIRATES. This document is distributed in the United Arab Emirates ("UAE") or the Dubai International Financial Centre (as applicable) by Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) ("ANZ"). This document: does not, and is not intended to constitute an offer of securities anywhere in the UAE; does not constitute, and is not intended to constitute the carrying on or engagement in banking, financial and/or investment consultation business in the UAE under the rules and regulations made by the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or the United Arab Emirates Ministry of Economy; does not, and is not intended to constitute an offer of securities within the meaning of the Dubai International Financial Centre Markets Law No. 12 of 2004; and, does not constitute, and is not intended to constitute, a financial promotion, as defined under the Dubai International Financial Centre Regulatory Law No. 1 of 200. ANZ DIFC Branch is regulated by the Dubai Financial Services Authority ("DFSA"). The financial products or services described in this document are only available to persons who qualify as "Professional Clients" or "Market Counterparty" in accordance with the provisions of the DFSA rules. In addition, ANZ has a representative office ("ANZ Representative Office") in Abu Dhabi regulated by the Central Bank of the United Arab Emirates. ANZ Representative Office is not permitted by the Central Bank of the United Arab Emirates to provide any banking services to clients in the UAE.

UNITED STATES. If and when this document is received by any person in the United States or a "U.S. person" (as defined in Regulation S under the US Securities Act of 1933, as amended) ("US Person") or any person acting for the account or benefit of a US Person, it is noted that ANZ Securities, Inc. ("ANZ S") is a member of FINRA (www.finra.org) and registered with the SEC. Also, ANZ S's address is 277 Park Avenue, 31st Floor, New York, NY 10172, United States of America (Tel: +1 212 801 9160 Fax: +1 212 801 9163). This document is distributed in the United States by ANZ S (a wholly owned subsidiary of Australia and New Zealand Banking Group Limited (ABN 11 005 357 522)), which accepts responsibility for its content. Information on any securities referred to in this document may be obtained from ANZ S upon request. Any US Person receiving this document and wishing to effect transactions in any securities referred to in this document must contact ANZ S, not its affiliates.

IMPORTANT NOTICE

2. DISCLAIMER

Except if otherwise specified above, this document is issued and distributed in your country/region by Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) (“ANZ”), on the basis that it is only for the information of the specified recipient or permitted user of the relevant website (collectively, “recipient”). This document may not be reproduced, distributed or published by any recipient for any purpose. It has been prepared without taking into account the objectives, financial situation or needs of any person. Nothing in this document is intended to be an offer to sell, or a solicitation of an offer to buy, any product, instrument or investment, to effect any transaction or to conclude any legal act of any kind. If, despite the foregoing, any services or products referred to in this document are deemed to be offered in the jurisdiction in which this document is received or accessed, no such service or product is intended for nor available to persons resident in that jurisdiction if it would be contradictory to local law or regulation. Such local laws, regulations and other limitations always apply with non-exclusive jurisdiction of local courts. Before making an investment decision, recipients should seek independent financial, legal, tax and other relevant advice having regard to their particular circumstances.

The views and recommendations expressed in this document are the author’s. They are based on information known by the author and on sources which the author believes to be reliable, but may involve material elements of subjective judgement and analysis. Unless specifically stated otherwise: they are current on the date of this document and are subject to change without notice; and, all price information is indicative only. Any of the views and recommendations which comprise estimates, forecasts or other projections, are subject to significant uncertainties and contingencies that cannot reasonably be anticipated. On this basis, such views and recommendations may not always be achieved or prove to be correct. Indications of past performance in this document will not necessarily be repeated in the future. No representation is being made that any investment will or is likely to achieve profits or losses similar to those achieved in the past, or that significant losses will be avoided. Additionally, this document may contain ‘forward looking statements’. Actual events or results or actual performance may differ materially from those reflected or contemplated in such forward looking statements. All investments entail a risk and may result in both profits and losses. Foreign currency rates of exchange may adversely affect the value, price or income of any products or services described in this document. The products and services described in this document are not suitable for all investors, and transacting in these products or services is considered risky. ANZ and its related bodies corporate and affiliates, and the officers, employees, contractors and agents of each of them (including the author) (“Affiliates”), do not make any representation as to the accuracy, completeness or currency of the views or recommendations expressed in this document. Neither ANZ nor its Affiliates accept any responsibility to inform you of any matter that subsequently comes to their notice, which may affect the accuracy, completeness or currency of the information in this document.

Except as required by law, and only to the extent so required: neither ANZ nor its Affiliates warrant or guarantee the performance of any of the products or services described in this document or any return on any associated investment; and, ANZ and its Affiliates expressly disclaim any responsibility and shall not be liable for any loss, damage, claim, liability, proceedings, cost or expense (“Liability”) arising directly or indirectly and whether in tort (including negligence), contract, equity or otherwise out of or in connection with this document.

If this document has been distributed by electronic transmission, such as e-mail, then such transmission cannot be guaranteed to be secure or error-free as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete, or contain viruses. ANZ and its Affiliates do not accept any Liability as a result of electronic transmission of this document.

Disclosure of Interests

ANZ and its Affiliates may have an interest in the products and services described in this document as follows:

- They may receive fees from customers for dealing in the products and/or services described in this document, and their staff and introducers of business may share in such fees or receive a bonus that may be influenced by total sales.
- They or their clients may have or have had interests or long or short positions in the products and/or services described in this document, and may at any time make purchases and/or sales in them as principal or agent.
- They may act or have acted as market-maker in products described in this document.

ANZ may rely on information barriers and other arrangements to control the flow of information contained in one or more areas within ANZ into other areas of ANZ. Further details on the above disclosures are available upon request from your ANZ point of contact.