Swiss SMEs start the new year in an optimistic mood
Swiss SMEs start the new year in an optimistic mood

- Export sentiment remains robust among Swiss SMEs at the beginning of 2019. Although expectations weakened slightly compared to the previous quarter, around 56% of all SMEs still expect rising exports in the first quarter of 2019. The latest survey by Switzerland Global Enterprise (S-GE) on export sentiment suggests that Swiss SMEs remain highly optimistic.

- The Credit Suisse Export Barometer also remains positive. The figure edged down modestly again, but at 1.0 remains well above the growth threshold. The normalization expected by Credit Suisse for 2019 is now coming through as expected.

- After the boom year for exports in 2018 the picture for the export industry is therefore of a return to average long-term growth rates. Asian countries head the list of the strongest export markets in 2019 by a clear margin.

The Credit Suisse Export Barometer, which measures foreign demand for Swiss products, declined slightly from the previous quarter to 1.0, but remains comfortably in the growth zone (see chart overleaf). After the record levels of 2018, Swiss export growth is therefore likely to return to its long-term average over the coming months. But even if conditions in the Swiss export industry are no longer quite as exceptional as they were for large parts of 2018, the outlook remains positive.

**Weaker export growth**

Credit Suisse has been expecting the growth outlook to normalize in 2019 and the main purchasing managers’ indices now seem to be confirming this expectation. European industrial production is likely to continue growing– even if at a slightly slower pace – which should have a positive impact on demand for Swiss goods exports. Credit Suisse therefore expects growing demand for exported Swiss goods for the foreseeable future.

Credit Suisse sees the muted business sentiment in Switzerland’s foreign markets as the main reason for the modest decline in the Export Barometer. There have been signs of a downturn in Europe for some time, but more recently the trend has also slowed in the US and other countries. While business sentiment has only deteriorated modestly in the eurozone as a whole, Italy and France have seen more significant weakening. The same applies to China, Taiwan and South Korea. Business sentiment remains strong in the UK, India and Australia. And in the USA too the indices remain positive in spite of a modest downturn.

**Trade war a sword of Damocles**

The unresolved trade dispute between the US and China remains the biggest risk for Swiss foreign trade and so for overall economic growth in Credit Suisse’s view. A slowdown in bilateral trade between the world’s two biggest economies would very likely have a slowing impact on global trade growth and so hit Switzerland indirectly.
As far as expected growth is concerned, according to Credit Suisse Asian countries occupy the first six places among the most attractive export markets in 2019. Credit Suisse expects the strongest growth of 7.2% in India, followed by 6.5% in the Philippines and 6.2% in China. Indonesia (5.1%), Malaysia (4.2%) and Thailand (3.8%) are also ahead of Poland, the first non-Asian country in the ranking. The emerging markets generally appear in the upper half of the table, which Credit Suisse attributes primarily to their faster growth rates compared with the industrialized countries.

### Credit Suisse 2019 ranking of export markets

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Country</th>
<th>Avg. expected growth in 2019 (%)</th>
<th>Forecast change in domestic currency versus CHF (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>India</td>
<td>7.2</td>
<td>2.1</td>
</tr>
<tr>
<td>2</td>
<td>Philippines</td>
<td>6.5</td>
<td>1.9</td>
</tr>
<tr>
<td>3</td>
<td>China</td>
<td>6.2</td>
<td>1.9</td>
</tr>
<tr>
<td>4</td>
<td>Indonesia</td>
<td>5.1</td>
<td>0.2</td>
</tr>
<tr>
<td>5</td>
<td>Malaysia</td>
<td>4.6</td>
<td>-2.7</td>
</tr>
<tr>
<td>6</td>
<td>Thailand</td>
<td>3.8</td>
<td>1.8</td>
</tr>
<tr>
<td>7</td>
<td>Poland</td>
<td>3.6</td>
<td>-5.3</td>
</tr>
<tr>
<td>8</td>
<td>Brazil</td>
<td>3.0</td>
<td>-4.5</td>
</tr>
<tr>
<td>9</td>
<td>Australia</td>
<td>2.8</td>
<td>2.3</td>
</tr>
<tr>
<td>10</td>
<td>New Zealand</td>
<td>2.8</td>
<td>-3.5</td>
</tr>
<tr>
<td>11</td>
<td>Singapore</td>
<td>2.7</td>
<td>-0.4</td>
</tr>
<tr>
<td>12</td>
<td>Hong Kong</td>
<td>2.7</td>
<td>-1.8</td>
</tr>
<tr>
<td>13</td>
<td>USA</td>
<td>2.6</td>
<td>1.6</td>
</tr>
<tr>
<td>14</td>
<td>South Korea</td>
<td>2.4</td>
<td>0.4</td>
</tr>
<tr>
<td>15</td>
<td>Spain</td>
<td>2.1</td>
<td>6.2</td>
</tr>
</tbody>
</table>

* The weighting of the ranking (4/5 economic growth, 1/5 exchange rate movements) derives from a historical analysis of export elasticities.

** Expected movement over 12 months relative to the exchange rate of 11 January 2019; positive figures indicate a rise the foreign currency versus CHF, negative figures a fall

Source: Credit Suisse
The SME export sentiment indicator published by Switzerland Global Enterprise (S-GE) fell slightly at the beginning of the first quarter of 2019 but still stood at 72, not far below the record high for this data series, which was launched in 2010. This indicator, which can range from 0 to 100, is calculated from a combination of SME export expectations for the first quarter of 2019 and effective exports in the previous quarter.

Switzerland Global Enterprise SME Export Sentiment
Weighted value of Q4 2018 and Q1 2019, growth threshold = 50

Chart
Source: Survey of a panel of around 200 Swiss SMEs

Around 56% of the Swiss SMEs participating in the S-GE survey expect an increase in exports in the coming quarter. While 41% expect growth in exports of 1–10%, 9% foresee exports growing by between 10% and 25%. 6% even see exports increasing by 25% or more. 32% of SMEs believe their export volumes will stagnate. 12% are expecting exports to decline – twice as many as in the survey before last.

Germany remains the most important export market for Switzerland in every respect and by some distance. 83% of the SMEs surveyed intend to export goods or services to Germany in the next three months, a slightly higher proportion than in Q4. France is again in second place with a 70% response rate. This confirms the significant increase in recent quarters for France. The US is now in third place with 61% of SMEs planning to export there. This is exactly the same figure as in the fourth quarter of 2018, but because Austria and Italy each fell slightly to 58%, the US moved up in the ranking. Scandinavia and China follow with 53% each, with Spain in eighth position with 48% of responses.

11% of the SMEs taking part in the survey indicated that they want to launch activities in the US, China and/or India over the next six months. South America, Indonesia, Russia and Germany come next as proposed new markets for 10% of respondents. A significant 9% of companies surveyed plan to launch new activities in Iran. 7% cited the Baltic, Brazil, the Gulf states, Korea, Mexico, Saudi Arabia, Thailand or Turkey as new export destinations.

SMEs are even more positive on the outlook for the full year 2019 than for the first quarter. Around 77% of companies expect exports to grow, while just 6% foresee a decline compared with 2018. In terms of the importance of the export destinations the picture is a familiar one: Germany is out in front in first place with 58%, followed by 21% for the US and 19% for China.
Methodology

**Credit Suisse Export Barometer**
The Credit Suisse Export Barometer takes as its basis the dependence of Swiss exports on foreign export markets. In constructing the export barometer, we have drawn together important leading industry indicators in Switzerland’s 28 most important export countries. These indicators generally have a forecast horizon of approximately one to two quarters. The values of these leading indicators are weighted on the basis of the share of exports that goes to each country. The export barometer consolidates this information to produce a single indicator. Since the values in question are standardized, the export barometer is calibrated in standard deviations. The zero line corresponds to the growth threshold. The long-term average growth of Swiss exports of approximately 5% is 1.

The chart on page 3 underlines the nature of the Credit Suisse export barometer as a forecasting tool: The correlation between export growth (6-month moving average) and the barometer with a lead time of one quarter is a good 0.82. In addition to providing forecasts for exports as a whole, the export barometer also makes forecasts about specific sectors or regions.

For more detailed information:


**Switzerland Global Enterprise SME Export Sentiment Indicator**
Enterprise’s SME export sentiment indicator is quite simple: SMEs indicate whether they expect growth, stagnation or a decline in exports in the current quarter compared with the previous one. The same question is put with regard to export expectations for the following quarter compared with the current one. To emphasize the forecast nature of the SME export sentiment indicator, expected export activity in the following quarter is weighted at 60% with exports in the current quarter being weighted at 40%. The SME export sentiment indicator can range from 0 to 100, whereby figures between 0 and 50 show an expected decline in exports and figures of 50 to 100 an expected rise in exports.

The SME export sentiment indicator is based on a quarterly survey of a fixed panel of around 200 Swiss SMEs. Participants represent the pharmaceuticals/chemicals industry, machinery, consumer goods, the metals industry, paper, electrical engineering, the precision instruments industry, services, ICT and food. Participants provide further information on export volumes, for instance the reasons behind a change in their export volume, export markets, etc. This information gives an accurate picture of the export activities of Swiss SMEs.
For more detailed information:

Please note: From 2010 through 2015, this publication bore the title “SME Export Indicator”.

Contacts
Credit Suisse AG:

Sascha Jucker, Economist
Tel. +41 44 333 03 96, sascha.jucker@credit-suisse.com

Switzerland Global Enterprise:

Silvana Giger, Multimedia Journalist
Tel. +41 44 365 55 12, sgiger@s-ge.com

Copyright
This publication may be reproduced, provided that the source is quoted.
Copyright © 2019 Credit Suisse Group AG and Switzerland Global Enterprise.
All rights reserved.

Credit Suisse AG
Credit Suisse AG is one of the world’s leading financial services providers and is part of the Credit Suisse group of companies (referred to here as ‘Credit Suisse’). As an integrated bank, Credit Suisse offers clients its combined expertise in the areas of private banking, investment banking and asset management. Credit Suisse provides advisory services, comprehensive solutions and innovative products to companies, institutional clients and high-net-worth private clients globally, as well as to retail clients in Switzerland. Credit Suisse is headquartered in Zurich and operates in over 50 countries worldwide. The group employs approximately 46,840 people. The registered shares (CSGN) of Credit Suisse’s parent company, Credit Suisse Group AG, are listed in Switzerland and, in the form of American Depositary Shares (CS), in New York. Further information about Credit Suisse can be found at www.credit-suisse.com.

Switzerland Global Enterprise
Switzerland Global Enterprise (S-GE) guides its clients on the path to new markets. On behalf of the Swiss Confederation (State Secretariat for Economic Affairs SECO) and the Swiss cantons, S-GE promotes exports and investments by helping its clients to realize new potential for their international businesses and thus to strengthen Switzerland as an economic hub. As the driver of a global network of experts and as a trusted and strong partner to clients, cantons and the Swiss government, S-GE is the first point of contact in Switzerland for all questions relating to internationalization. More information can be found at www.s-ge.com.
Important Information

This report represents the views of the Investment Strategy Department of CS and has not been prepared in accordance with the legal requirements designed to promote the independence of investment research. It is not a product of the Credit Suisse Research Department even if it references published research recommendations. CS has policies in place to manage conflicts of interest including policies relating to dealing ahead of the dissemination of investment research. These policies do not apply to the views of Investment Strategists contained in this report.

Risk warning

Every investment involves risk, especially with regard to fluctuations in value and return. If an investment is denominated in a currency other than your base currency, changes in the rate of exchange may have an adverse effect on value, price or income.

For a discussion of the risks of investing in the securities mentioned in this document, please refer to the following Internet link: https://investment.credit-suisse.com/gr/riskdisclosure/

This document may include information on investments that involve special risks. You should seek the advice of your independent financial advisor prior to taking any investment decisions based on this document or for any necessary explanation of its contents. Further information is also available in the information brochure "Special Risks in Securities Trading" available from the Swiss Bankers Association.

Past performance is not an indicator of future performance. Performance can be affected by commissions, fees or other charges as well as exchange rate fluctuations.

Financial market risks

Historical returns and financial market scenarios are no guarantee of future performance. The price and value of investments mentioned and any income that might accrue could fall or rise or fluctuate. Past performance is not a guide to future performance. If an investment is denominated in a currency other than your base currency, changes in the rate of exchange may have an adverse effect on value, price or income. You should consult with such advisor(s) as you consider necessary to assist you in making these determinations.

Investments may have no public market or only a restricted secondary market. Where a secondary market exists, it is not possible to predict the price at which investments will trade in the market or whether such market will be liquid or illiquid.

Emerging markets

Where this document relates to emerging markets, you should be aware that there are uncertainties and risks associated with investments and transactions in various types of investments of, or related or linked to, issuers and obligors incorporated, based or principally engaged in business in emerging markets countries. Investments related to emerging markets countries may be considered speculative, and their prices will be much more volatile than those in the more developed countries of the world. Investments in emerging markets investments should be made only by sophisticated investors or experienced professionals who have independent knowledge of the relevant markets, are able to consider and weigh the various risks presented by such investments, and have the financial resources necessary to bear the substantial risk of loss of investment in such investments. It is your responsibility to manage the risks which arise as a result of investing in emerging markets investments and the allocation of assets in your portfolio. You should seek advice from your own advisers with regard to the various risks and factors to be considered when investing in an emerging markets investment.

Alternative investments

Hedge funds are not subject to the numerous investor protection regulations that apply to regulated authorized collective investments and hedge fund managers are largely unregulated. Hedge funds are not limited to any particular investment discipline or trading strategy, and seek to profit in all kinds of markets by using leverage, derivatives, and complex speculative investment strategies that may increase the risk of investment loss.

Commodity transactions carry a high degree of risk and may not be suitable for many private investors. The extent of loss due to market movements can be substantial or even result in a total loss.

Investors in real estate are exposed to liquidity, foreign currency and other risks, including cyclical risk, rental and local market risk as well as environmental risk, and changes to the legal situation.

Interest rate and credit risks

The retention of value of a bond is dependent on the creditworthiness of the Issuer and/or Guarantor (as applicable), which may change over the term of the bond. In the event of default by the Issuer and/or Guarantor of the bond, the bond or any income derived from it is not guaranteed and you may get back none of, or less than, what was originally invested.

Investment Strategy Department

Investment Strategists are responsible for multi-asset class strategy formation and subsequent implementation in CS’s discretionary and advisory businesses. If shown, Model Portfolios are provided for illustrative purposes only. Your asset allocation, portfolio weightings and performance may look significantly different based on your particular circumstances and risk tolerance. Opinions and views of Investment Strategists may be different from those expressed by other Departments at CS. Investment Strategist views may change at any time without notice and with no obligation to update. CS is under no obligation to ensure that such updates are brought to your attention.

From time to time, Investment Strategists may reference previously published Research articles, including recommendations and rating changes collated in the form of lists. The recommendations contained herein are extracts and/or references to previously published recommendations by Credit Suisse Research. For equities, this relates to the respective Company Note or Company Summary of the issuer. Recommendations for bonds can be found within the respective Research Alert (bonds) publication or Institutional Research Flash/Alert – Credit Update Switzerland. These items are available on request or from https://investment.credit-suisse.com/

Disclosures are available from www.credit-suisse.com/disclosure

Global disclaimer / important information

This document is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject CS to any registration or licensing requirement within such jurisdiction.

References in this document to CS include Credit Suisse AG, the Swiss bank, its subsidiaries and affiliates. For more information on our structure, please use the following link: http://www.credit-suisse.com

NO DISTRIBUTION, SOLICITATION, OR ADVICE: This document is provided for information and illustrative purposes and is intended for your use only. It is not a solicitation, offer or recommendation to buy or sell any security or other financial instrument. Any information including facts, opinions or quotations, may be condensed or summarized and is expressed as of the date of writing. The information contained in this document has been provided as a general market commentary only and does not constitute any form of regulated financial advice, legal, tax or other regulated service. It does not take into account the financial objectives, situation or needs of any persons, which are necessary considerations before making any investment decision. You should seek the advice of your independent financial advisor prior to taking any investment decisions based on this document or for any necessary explanation of its contents. This document is intended only to provide observations and views of CS at the date of writing, regardless of the date on which you receive or access the information. Observations and views contained in this document may be different from those expressed by other Departments at CS and may change at any time without notice and with no obligation to update. CS is under no obligation to ensure that such updates are brought to your attention. FORECASTS & ESTIMATES: Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. To the extent that this document contains statements about future
performance, such statements are forward looking and subject to a number of risks and uncertainties. Unless indicated to the contrary, all figures are unaudited. All valuations mentioned herein are subject to CS valuation policies and procedures. CONFLICTS: CS reserves the right to remedy any errors that may be present in this document. CS, its affiliates and/or their employ- ees may have a position or holding, or other material interest or effect trans- actions in any securities mentioned or options thereon, or other investments related thereto and from time to time may add to or dispose of such invest- ments. CS may be providing, or have provided within the previous 12 months, significant advisory, research, or investment services listed in this document or a related investment to any company or issuer mentioned. Some investments referred to in this document will be offered by a single entity or an associate of CS or CS may be the only market maker in such investments. CS is involved in many businesses that relate to companies mentioned in this document. These businesses include specialized trading, risk arbitrage, market making, and other proprietary trading. TAX: Nothing in this document constitutes investment, legal, accounting or tax advice. CS does not advise on the tax consequences of investments and you are advised to contact an independent tax advisor. The levels and basis of taxation are dependent on individual circumstances and are subject to change.

SOURCES: Information and opinions presented in this document have been obtained or derived from sources which in the opinion of CS are reliable, but CS makes no representation as to their accuracy or completeness. CS ac- cepts no liability for a loss arising from the use of this document. WEBSITES: This document may provide the addresses of, or contain hyperlinks to, websites. Except to the extent the document refers to websites on which CS has not reviewed the linked site and takes no responsibility for the content contained therein. Such address or hyperlink (including addresses or hyperlinks to CS’s own website material) is provided solely for your convey- ence and information and the content of the linked site does not in any way form part of this document. Accessing such website or following such link through this document or CS’s website shall be at your own risk. DATA PRIVACY: Your personal data will be processed in accordance with the CS Principles of Client Data Processing accessible at your domicile through the official CS website at www.credit-suisse.com/ch/en/legal.html.

**Distributing entities**

Except as otherwise specified herein, this report is distributed by Credit Suisse AG, a Swiss bank, authorized and regulated by the Swiss Financial Market Supervisory Authority. Austria: This report is distributed by CREDIT SUISE (LUXEMBOURG) S.A. Zweigniederlassung Österreich (the “Austria branch”) which is a branch of CREDIT SUISE (LUXEMBOURG) S.A., a duly authorized credit institution in the Grand Duchy of Luxembourg with registered address 5, rue Jean Monnet, L-2180 Luxembourg. The Austria branch is subject to the prudential supervision of the Luxembourg supervisory authority, the Commission de Surveillance du Secteur Financier (CSSF).

Bahrain: This report is distributed by Credit Suisse AG, Bahrain Branch, authorized and regulated by the Central Bank of Bahrain (“BNB”) and is registered before the National Banking and Securities Commission (“CNBV”) under folio number 30070 and therefore is not a bank, does not accept deposits, nor to custody any securities, is not part of any group financial institution, and its indirect relationship with Grupo Financiero Banca d’Italia and CONSOB.

Lebanon: This report is distributed by Credit Suisse (Lebanon) Finance SAL (“CSFL”), a financial institution incorporated in Lebanon and regulated by the Central Bank of Lebanon (“CBL”) with a financial institution license number 42. Credit Suisse (Lebanon) Finance SAL is subject to the CBL’s laws and regulations as well as the laws and decisions of the Capital Markets Authority of Lebanon (“CMA”). CSFL is a subsidiary of Credit Suisse AG and part of the Credit Suisse Group (CS). The CMA does not accept any responsibility for the content of the information included in this report, including the accuracy or completeness of such information. The liability for the content of this report lies with the issuer, its directors and other persons, such as experts, whose opinions are included in the report with their consent. The CMA has also assessed the suitability of the investment for any particular investor or type of investor. Investments in financial markets may involve a high degree of complexity and risk and are not suitable to all investors. The suitability of the investment provided by CSFL with respect to this investment will be undertaken based on information that the investor would have provided to CSFL and in accordance with Credit Suisse internal policies and processes. It is understood that the English language will be used in all communication and documentation provided by CS and/or CSFL. By accepting to invest in the product, the investor confirms that he has no objection to the use of the English language.

Luxembourg: This report is distributed by Credit Suisse (Luxembourg) S.A., a duly authorized credit institution in the Grand Duchy of Luxembourg with registered address 5, rue Jean Monnet, L-2180 Luxembourg, Credit Suisse (Luxembourg) S.A. is subject to the prudential supervision of the Luxembourg supervisory authority, the Commission de Surveillance du Secteur Financier (CSSF).

Mexico: Banco Credit Suisse (México), S.A., Institución de Banca Múltiple, Grupo Financiero Credit Suisse (México) and C. Suisse Asesoría México, S.A. de C.V. (“Credit Suisse México”). This document is elaborated for information purposes only and does not constitute a recommendation, advice or a guarantee about the performance, such statements are forward looking and subject to a number of risks and uncertainties. Unless indicated to the contrary, all figures are unaudited. All valuations mentioned herein are subject to CS valuation policies and procedures.

Netherlands: This report is distributed by Credit Suisse (Luxembourg) S.A., a Dutch authorized credit institution registered with the Chamber of Commerce in Amsterdam (registration no. INB230970637; INF230970637; INB10970631; INF010970631), having registered address at 9th Floor, Ceejay House, Dr. R. van Wassenaerplein 5, 1043 BD Amsterdam, Netherlands Branch (“the ‘Netherlands branch’) which is a branch of Credit Suisse (Luxembourg) S.A., a duly authorized credit institution in the Grand Duchy of Luxembourg with registered address 5, rue Jean Monnet, L-2180 Luxembourg. The Netherlands branch is subject to the prudential supervision of the Luxembourg supervisory authority, the Commission de Surveillance du Secteur Financier (CSSF), and of the Dutch supervisory authority, De Nederlandsche Bank (DNB) and of the Dutch market supervisor, the Autoriteit Financiële Marktregelings.
Changes in future.

Pends on the individual circumstances of each client and may be subject to compensation scheme will also not be available to you. Tax treatment depends on the individual circumstances of each client and may be subject to compensation scheme will also not be available to you. Tax treatment depends on the individual circumstances of each client and may be subject to changes in future.

Credit Suisse (Qatar) L.L.C., which is duly authorized and regulated by the Qatar Financial Centre Regulatory Authority (QFCRA) under QFC License No. 00005. All related financial products or services will only be available to Business Customers or Market Counterparties (as defined by the QFCRA), including individuals, who have opted to be classified as a Business Customer, with net assets in excess of QR 4 million, and who have sufficient financial knowledge, experience and understanding to participate in such products and/or services. Therefore this information must not be delivered to, or relied on by, any other type of individual. The QFCRA has no responsibility for reviewing or verifying any prospectus or other documents in connection with this product/service due to the fact that this product/service is not registered in the QFC or regulated by the QFCRA. Accordingly, the QFCRA has no responsibility for reviewing or verifying this marketing material or any other associated documents nor taken any steps to verify the information set out in this document, and has no responsibility for it. Investors in this product/service may not have the same access to information about the product/service that they would have to information about a product/service registered in the QFC. The product/service to which this marketing material relates may be illiquid and/or subject to restrictions on their resale. Recourse against the product/service, and those involved with it, may be limited or difficult and may have to be pursued in a jurisdiction outside the QFC. Prospective purchasers of the product/service offered should conduct their own due diligence on the product/service. If you do not understand the contents of this brochure you should consult an authorized financial advisor.

Saudi Arabia: This information is being distributed by Credit Suisse Saudi Arabia (CR Number 1010228645), duly licensed and regulated by the Saudi Arabian Capital Market Authority pursuant to License Number 08104-37 dated 23/03/1429H corresponding to 21/03/2008AD. Credit Suisse Saudi Arabia’s principal place of business is at King Fahad Road, Hay Al Mhamadiya, 12361-6858 Riyadh, Saudi Arabia. Website: https://www.credit-suisse.com/sa. Spain: This report is distributed in Spain by Credit Suisse AG, Sucursal en España, legal entity registered at Comisión Nacional del Mercado de Valores. Turkey: The investment information, comments and recommendations contained herein are not within the scope of investment advisory activity. The investment advisory services are provided by the authorized institutions to the persons in a customized manner taking into account the risk and return preferences of the persons. Whereas, the comments and advices included herein are of general nature. Therefore recommendations may not be suitable for your financial status or risk and yield preferences. For this reason, making an investment decision only by relying on the information given herein may not give rise to results that fit your expectations. This report is distributed by Credit Suisse Istanbul Memik dúger Anonim Sirketi, regulated by the Capital Markets Board of Turkey, with its registered address at Yildirim Oguz Goker Caddesi, Maya Plaza 10th Floor Akiatlar, Besiktas/Istanbul-Turkey. United Kingdom: This material is issued by Credit Suisse (UK) Limited. Credit Suisse (UK) Limited, is authorized by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The protections made available by the Financial Conduct Authority and/or the Prudential Regulation Authority for retail clients do not apply to investments or services provided by a person outside the UK, nor will the Financial Services Compensation Scheme be available if the issuer of the investment fails to meet its obligations. To the extent communicated in the United Kingdom (“UK”) or capable of having an effect in the UK, this document constitutes a financial promotion which has been approved by Credit Suisse (UK) Limited which is authorized by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority for the conduct of investment business in the UK. The registered address of Credit Suisse (UK) Limited is Five Cabot Square, London, E14 4QR. Please note that the rules under the UK’s Financial Services and Markets Act 2000 relating to the protection of retail clients will not be applicable to you and that any potential compensation made available to “eligible claimants” under the UK’s Financial Services Compensation Scheme will also not be available to you. Tax treatment depends on the individual circumstances of each client and may be subject to changes in future.

United States: Neither this report nor any copy thereof may be sent, taken into or distributed in the United States or to any US person within the meaning of Regulation S under the US Securities Act of 1933, as amended.

This report may not be reproduced either in whole or in part, without the written permission of Credit Suisse. Copyright © 2019 Credit Suisse Group AG and/or its affiliates. All rights reserved.