

Callable Twin Win on WTI (oil)

a 12 months opportunity - Leverage: n/a

Strategy Summary

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Level of Risk	Time Horizon	Upside Opportunity	Asset Type	MAX Coupons	Currency

Your benefits:

- ▶ Underlying instrument: WTI CRUDE NYMEX (WTI)
- ▶ Currency: USD
- ▶ Coupon: Quarterly; 10 % p.a. (paid pro rata if called)
- ▶ Underlying instrument: WTI CRUDE NYMEX (WTI)
- ▶ Currency: USD
- ▶ Barrier Level: 50% - European observation
- ▶ Payout opportunities:
 - At maturity:**
 - WTI performance: +30% => the product is redeemed at 130%
 - WTI performance: -30% => the product is redeemed at 130%
 - WTI Performance: : -49% => the product is redeemed at 149%
 - WTI Performance: : -51% => the product is redeemed at 49%
 - If called early:**
 - after 3 months => the product is redeemed at 102.5%
 - after 6 months => the product is redeemed at 105.0%
 - after 9 months => the product is redeemed at 107.5%
- ▶ Valuation: Bid/Ask live Intraday

Investment Opportunity

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A focused approach

With Russia's production gone off-line, market participants turn their attention to different exporters. Yet, after year-long under-investments and voluntary exit strategies by some oil-majors to meet zero-emission standards, spare output capacities were reached some time ago. On the other hand, oil and gas consumption increases, on average, every year by about 2 %, notwithstanding the fact that alternative energy source come online.

The recent decision by OPEC+ to raise oil output quotas by just about 100,000bpd, starting September, came as a bit of a surprise, particularly following hopes that President Biden's visit to Saudi Arabia had carried favor with the de-facto leader of the group. The barrel reference price settles \$95pb.

Outlook:

Fears of a recession and weaker demand from China have failed to dampen the oil price; prices have reached the highest level in June this year. Despite mounting expectations for slowing global growth, we expect crude to remain well supported by a pickup in travel and tight supplies. The EU's ban on Russian oil imports, while staggered, will also worsen the long-term structural imbalance in global oil supply. As for the strategic oil reserve releases of OECD countries, this tap is only a short-term fix as the reserves need to be restocked at some stage.

The outlook for petroleum remains therefore positive. We believe that the barrel price is somehow range bound between USD 85.-/bbl and 130.-/bbl., and would not expect to go below USD 60.-/bbl even with a prolonged recession. We continue to advise risk-taking investors to be exposed to energy market.

Product view:

- ▶ The proposed structure is yielding both side of the equation; on the upside the maximum payout, on the upside is 30 % while on the downside the maximum payout is 49 %. The product can be called, quarterly, by the issuer.
- ▶ On the downside, the product has a conditional capital protection as long as the WTI does not perform less than -49% (based on the spot price when fixed). Once this barrier is broken, the investors obtains 100 % of the absolute performance of the WTI.

Heatmaps

Mastercard

	1 to	10 to	30 to	70 to	90 to	1 to	10 to	30 to	70 to	90 to	1 to	10 to	30 to	70 to	90 to	
	9.99	29.99	69.99	89.99	100	9.99	29.99	69.99	89.99	100	9.99	29.99	69.99	89.99	100	
Price Momentum																
Analyst Revision																
Relative Value																
Earnings Quality																
Risk Metrics																
Growth Metrics																
Value Metrics																
Momentum Metrics																
Social Media Metrics																
Total [Data Quality]	91.84					97.95					91.84					

WTI is the main oil benchmark for North America as it is sourced from the United States, primarily from the Permian Basin. The oil comes mainly from Texas. It then travels through pipelines where it is refined in the Midwest and the Gulf of Mexico. The main delivery point for physical exchange and price settlement for WTI is Cushing, Oklahoma.

- West Texas Intermediate (WTI) is a light, sweet crude oil that serves as one of the main global oil benchmarks.
- It is sourced primarily from inland Texas and is one of the highest quality oils in the world, which is easy to refine.
- WTI is the underlying commodity for the NYMEX's oil futures contract.
- WTI is often compared to Brent crude, which is an oil benchmark for two-thirds of the world's oil contracts based on oil extracted in the North Sea.

12-months price probability analysis

TP	-10%	-20%	-30%	-35%	TP	-10%	-20%	-30%	-35%	TP	-10%	-20%	-30%	-35%
36%	23%	11%	8%	6%										

Guidance

Pay-out diagram (plus eventual coupons payment) based on issue price of 100%

Worst-Performer	100%	90%	80%	70%	60%	51%	50%	49%	40%	30%	20%	10%
Redemption	100%	110%	120%	130%	140%	149%	50%	49%	40%	30%	20%	10%

Characteristics

Nam Name	WTI Twin Win Opportunity
Issuing Bank	to be announced
ISIN Number	to be announced
Duration:	Maximum 12 months, early redemption mechanism applies
Management Fee	2 % on the invested capital
Type of investment	Yield enhancement
Issue size:	USD 100K, min denomination USD 1K
Risk scale	

Risk

- Capital is not protected below barrier or if the issuer or guarantor fails
- Gain is limited to the coupon payment
- The investor will not receive dividend payments from the underlying

Product Launch

- Launch subject to investment conditions fixed by the issuer and amount raised.

Disclaimer

Past performance is no guarantee of future returns.

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