

Weekly Newsletter



MARKET OVERVIEW

EUROZONE

Eurozone manufacturing confidence fell from 58.6 to 56.6 in March, a level unseen since July 2017.

UNITED KINGDOM

Despite Brexit uncertainty weighing on the economy, UK GDP growth remained positive at 1.4% YoY in Q4, matching consensus.

UNITED STATES

The ISM manufacturing confidence index fell from 60.8 to 59.3 in March while the consensus was for a stronger figure (59.6).

ASIA & EMERGING COUNTRIES

Economic expansion continues in Japan, with industrial production printing at +1.4% YoY vs an expected 2.3%. The Tankan survey suggested that the managers of large companies in Japan were only slightly more depressed in Q1 than in Q4. Despite that, capital expenditures surprised on the upside.

THEME OF THE WEEK

Information Technology – it's just a phase

SUMMARY

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Information Technology – it's just a phase

After the early February sell-off, global equity markets took another tumble in March as fear shifted from economic overheating to the FAANGs (namely Facebook, Amazon, Apple, Netflix, Google) – among other things.

The Cambridge Analytica scandal could encourage regulators to tighten their grip on tech companies by asking for better data protection. It could also lead to lower traffic on social media platforms – although it is still too early to say. All this will come at a cost for the firms impacted and could affect stock prices through lower revenues and margins. The S&P 500 Information Technology index has already fallen 7.2% from its 12 March peak (with Facebook and Google down 13.8% and 11.4% respectively) while the S&P 500 Internet Retail sub-industry (which includes Amazon and Netflix) dropped 8.5%.

Admittedly, data protection is not the only source of concern. In recent years, the European Commission (EC) has charged several tech giants with abusing their dominant position. 2017 saw Google fined €2.1bn and Facebook €110m for anti-competitive behaviours. More recently, on 21 March 2018, the EC proposed a new 3% tax on gross revenues of digital giants based on where their users are located. The planned tax will cover companies “which offer services such as advertising or the sale of user data”, and “services provided by multi-sided digital platforms, which let users find and interact with each other and where users supply goods and services directly to each other”.

However, the transition to tighter regulations will be quite slow and sector fundamentals remain positive overall. Companies worldwide will continue to spend heavily on automation and digitalization to avoid getting disrupted by technological progress. Global sales of semiconductors have grown fast in recent months, with the pace reaching 21% YoY in February. Corporate profits growth was a strong 25.3% last year and the IBES consensus forecast is for 17.7% 2018 EPS growth in the MSCI AC World Information Technology index. Despite the decline, growth remains solid and above the average for global equity markets. The same is true for margins and profitability on aggregate and balance sheets are sound. Finally, valuation is expensive with a forward price-to-earnings ratio of 17x, or a 13% premium to its 10-year median, and 15% higher than global equity markets. However, compared to history, valuation is far lower than during the tech bubble of the late 90s.

All in all, while we advise caution in the short term, we remain bull in the longer run.

Market News

This week and next

EUROZONE

Eurozone manufacturing confidence fell from 58.6 to 56.6 in March, a level unseen since July 2017.

The eurozone unemployment rate edged down from 8.6% to 8.5% in February.

Inflation remains subdued, printing at 1% YoY in March vs an expected 1.1%.

Retail sales missed expectations in February (+1.8% vs +2.2%).



This week's key events

		Period	Prev.	Cons.
12 Apr	Industrial production, MoM	Feb	-1.0%	--

UNITED KINGDOM

Despite Brexit uncertainty weighing on the economy, UK GDP growth remained positive at 1.4% YoY in Q4, matching consensus.

However, even if manufacturing confidence remained stable from last month, it printed at 55.1 above the 54.7 surveyed.



This week's key events

		Period	Prev.	Cons.
11 Apr	Industrial Production, MoM	Feb	1.3%	0.6%
11 Apr	Trade balance (in million,£)	Feb	-3074	-2800

UNITED STATES

The ISM manufacturing confidence index fell from 60.8 to 59.3 in March while the consensus was for a stronger figure (59.6).

Factory orders returned in positive ground in February (+1.2% MoM) after a weak January (-1.4%) but rose less than expected (+1.7% MoM).



This week's key events

		Period	Prev.	Cons.
11 Apr	Consumer price index (MoM)	Mar	0.2%	0.1%

ASIA & EMERGING COUNTRIES

Economic expansion continues in Japan, with industrial production printing at +1.4% YoY vs an expected 2.3%. The Tankan survey suggested that the managers of large companies in Japan were only slightly more depressed in Q1 than in Q4. Despite that, capital expenditures surprised on the upside.

In China, manufacturing confidence surprised positively, printing at 51.5 in March vs an expected 50.6.



This week's key events

		Period	Prev.	Cons.
11 Apr	China: CPI YoY	Mar	2.9%	2.6%

Market Performance

MARKETS AT A GLANCE

Interest rates						Government bonds*							
	Last	1wk	3mth	YTD	12mth		1wk	3mth	YTD	12mth			
EONIA (EUR)	-37 bp	-2 bp	↓	-1 bp	-2 bp	-2 bp	United States (3-7yr)	-0.3%	↓	-0.9%	-1.2%	-0.8%	
3mth Euribor (EUR)	-33 bp	0 bp	→	0 bp	0 bp	0 bp	United Kingdom (3-7yr)	-0.2%	↓	-1.0%	-1.1%	-1.6%	
3mth Libor (USD)	233 bp	2 bp	↑	63 bp	64 bp	118 bp	Germany (3-7yr)	-0.1%	↓	-0.1%	-0.2%	-1.2%	
3mth Libor (GBP)	75 bp	4 bp	↑	23 bp	23 bp	42 bp	Japan (3-7yr)	0.0%	→	0.0%	0.0%	-0.1%	
10-year US Treasury bond	283 bp	9 bp	↑	36 bp	42 bp	48 bp							
10-year German bond	53 bp	3 bp	↑	9 bp	10 bp	27 bp	Equities**						
10-year French bond	76 bp	15 bp	↑	9 bp	9 bp	-18 bp		Last	1wk	3mth	YTD	12mth	
10-year UK bond	146 bp	7 bp	↑	18 bp	24 bp	43 bp	MSCI AC World	509	0.6%	↑	-2.9%	-0.3%	16.4%
							Eurostoxx 50	3 430	2.0%	↑	-4.6%	-1.8%	1.9%
							DAX	12 305	1.7%	↑	-7.6%	-4.7%	0.7%
							CAC 40	5 277	2.1%	↑	-3.3%	-0.5%	6.9%
							S&P 500	2 663	0.9%	↑	-2.5%	0.1%	15.4%
							FTSE 100	7 200	2.1%	↑	-5.7%	-5.2%	2.2%
							SMI	8 743	0.2%	↑	-7.1%	-5.4%	4.4%
							Topix	1 725	1.2%	↑	-7.4%	-4.2%	17.0%
							IBOV Brazil	85 210	-0.2%	↓	7.8%	11.5%	31.6%
							MICEX Russia ***	2 296	1.0%	↑	4.0%	8.8%	11.7%
							MSCI EM	1 166	-0.2%	↓	-2.5%	1.2%	23.5%
							SENSEX 30 India	33 597	1.9%	↑	-1.5%	-0.5%	13.5%
							Hang Seng (H-K)	29 519	-1.8%	↓	-3.8%	-0.9%	25.6%
							Shanghai Composite	3 131	-0.9%	↓	-7.7%	-5.3%	-4.3%
Credit						Commodities							
		1wk	3mth	YTD	12mth		Last	1wk	3mth	YTD	12mth		
BAML EURO Corp. IG		-0.05%	→	-0.6%	-0.4%	1.4%	Brent	\$68	-2.6%	↓	1.0%	2.5%	25.5%
BAML EURO Corp HY		0.1%	→	-1.0%	-0.4%	4.4%	Gold	\$1 325	0.1%	↑	0.5%	1.7%	6.2%
BAML GBP Corp IG		-0.52%	↓	-2.1%	-1.9%	0.9%	Silver	\$16	0.5%	↑	-5.0%	-3.6%	-10.1%
BAML US IG		-0.38%	↓	-2.2%	-2.6%	2.0%							
BAML US HY		0.31%	↑	-1.4%	-0.6%	3.8%							
JPM Global EM Sov. Plus		0.2%	↑	-1.8%	-1.2%	6.0%							
Exchange rates													
	Last	1wk	3mth	YTD	12mth								
EUR/USD	1.22	-0.5%	↓	1.7%	1.9%	14.8%							
EUR/CHF	1.18	0.2%	↑	0.5%	0.8%	10.0%							
GBP/USD	1.4	-0.1%	→	3.2%	3.7%	12.2%							
USD/JPY	107.38	0.9%	↑	-5.0%	-4.7%	-3.0%							
USD/BRL	3.34	1.2%	↑	3.6%	1.0%	7.2%							
USD/CNY	6.31	0.2%	↑	-2.8%	-3.1%	-8.6%							
USD/RUB	57.7	0.7%	↑	1.3%	0.1%	2.4%							

Performance should not be seen as a guarantee of future returns. Source: Datastream, 05 April 2018, .

*Government bonds = 3-7 year returns. **Equities; total return in local currency. ***Price return for MICEX equity index.

1wk = 1-week change, 3mth = 3-month change, 12mth = 12-month change, YTD = year-to-date change, YoY = year-on-year change, BAML = Bank of America Merrill Lynch, JPM = JP Morgan, IG = Investment Grade, EM = emerging markets.

CURRENCIES & COMMODITIES

Thursday close	
EUR/USD	1.22
GBP/USD	1.40
EUR/CHF	1.18
USD/JPY	107
Brent	\$68.3
Gold	\$1,352

Source: Datastream. On 05 April 2018, . Projections of future performance rely on internal calculations and the opinions of Societe Generale Private Banking can change anytime. Performance should not be seen as a guarantee of future returns.

** Starting from the publication day of the Letter.

Splitska banka structured products (pricing as of 06.04.2018.)

	ISIN	NAME	UNDERLYING	CURRENCY	BONUS	MATURITY	PRICE
1	XS1119148853	5Y EUR DEPOSIT LINKED NOTE	Košarica valuta	EUR	9% p.a.	10/12/2019	92,42%
2	XS1202851223	5Y USD PHOENIX DOUBLE PLUS	Košarica rudarskih i naftnih kompanija	USD	4%/8% p.a.	14/05/2020	113,69%
3	XS1212271008	5Y EUR TWINWIN 65 SX5E100 CAP	Eurostoxx 50	EUR	sudjelujući	12/06/2020	102,06%
4	XS1265964210	5Y EUR DEPOSIT LINKED NOTE	WO Total, Repsol, Statoil	EUR	5,70% p.a.	16/10/2020	97,21%
5	XS1314889129	USD CAPPED & FLOORED FLOATER NOTE	USD LIBOR 3M	USD	1,70% p.a.	17/03/2021	96,02%
6	XS1334783617	AUD CAPPED & FLOORED FLOATER NOTE	AUD-BBR-BBSW	AUD	2,10% p.a.	29/04/2019	98,96%
7	XS1367217558	USD FLOORED FLOATER NOTE	USD LIBOR 3M	USD	1,50% p.a.	01/07/2021	97,39%
8	XS1416369285	3Y EUR PHOENIX PLUS WO	ENGIE, E.ON, Enel	EUR	3,0% p.s.	08/08/2019	101,10%
9	XS1417403265	3 Y USD CAPPED & FLOORED FLOATER NOTE	USD LIBOR 3M	USD	1,0% p.a.	12/10/2019	98,79%
10	XS1574509565	3Y EUR PH+ SECURITY WORST OF 70% CA FP MEO GY BN FP 1.50% PQ 22042020	WO Carrefour, Metro, Danone	EUR	1,50% p.q.	22/04/2020	89,70%
11	XS1574472384	3Y EURQ PH + WO 50% HUI SX5E 1.10% PQ 21042020	WO Eurostoxx 50, HUI	EUR	1,10% p.q.	21/04/2020	97,61%
12	XS1706791214	3Y EUR PHOENIX PLUS 60% WO EDF BNP CO 1,91%	WO EDF BNP CO	EUR	1,91% p.q.	04/12/2020	90,65%
13	XS1759355412	3Y EUR PHOENIX PLUS 60% WO ISP UCG 1,95% p q	WO ISP UCG	EUR	1,95% p.q.		97,90%
14	XS1778765930	4Y EUR PH+ WO SPX,SX5E, CAC 1,0% P.Q.	WO SPX,SX5E, CAC	EUR	1,0% p.q.		96,35%
15							

Important: There is limited availability of structured products on secondary market so availability should be checked before every transaction.

Structured products bought on secondary market (pricing as of 06.04.2018.)

	ISIN	NAME	UNDERLYING	CURRENCY	BONUS	MATURITY	PRICE
1	XS1245190555	3Y EUR PHOENIX PLUS 75% SX5E 2,84% P.S. 03092018	EURO STOXX 50	EUR	2.84% p.s.	03/09/2018	100,89%
2	XS1456533634	5Y USD PHOENIX PLUS SECURITY 50% HUI 1.68% P.Q. 19102021	HUI	USD	1,68% p.q.	19/10/2021	100,81%
3	XS1471994811	3Y USDQ PHOENIX PLUS 70% DAI GY 2.40% P.Q. NC2Q 06012020	Daimler	USD	2,40% p.q.	06/01/2020	96,87%
4	XS1472027330	2Y USDQ PH+ WO 70% BMW GY DAI GY VOW3 GY 3.24% P.Q. NC2Q 140119	BMW, DAIMLER, VOLKSWAGEN	USD	3,24% p.q.	14/01/2019	103,67%
5	XS1457486402	5Y USDQ PHOENIX PLUS 60% WO RDS FP 2,25% P.Q.	WO Total Royal Dutch Shell	USD	2,25% p.q.	12/01/2022	99,01%
6	XS1562505542	3Y USD PHOENIX PLUS 70% WO RDS FP 2,26% P.Q.	WO BAYER PFIZER	USD	2,26% p.q.	20/03/2020	91,72%
7	XS1533380355	5Y EUR PHOENIX PLUS 50% CO FP 1,81% P.Q. NC2Q 12052022	Casino Guichard	EUR	1,81% p.q.	12/05/2022	81,17%
8	XS1574623341	3Y CHF PHOENIX PLUS 60% 70% LH	Lafarge Holcim	CHF	3,0% p.s.	22/04/2020	99,24%
9	XS1555608782	5Y USDQ PHOENIX PLUS STEP DOWN 50% CO FP 2,20% P.Q.	Casino Guichard	USD	2,20% p.q.	16/05/2022	79,55%
10	XS1555620720	3Y USDQ PH+ STEP DOWN SEC WO 75% SLB XOM RDSA 2.36% P.Q.	WO Schlumberger, Exxon, Royal Dutch Shell	USD	2,36% p.q.	26/05/2020	96,06%
11	XS1511962331	3Y USD PHOENIX PLUS 80% HUI 7.60% P.S.	HUI	USD	7,60% p.s.	03/03/2020	86,31%
12	XS1622385232	5Y EUR PHOENIX PLUS 70% BNP FP 2.18% P.Q. NC2Q 06062022	BNP	EUR	2,18% p.q.	06/06/2022	95,61%
13	XS1596972668	3Y USDQ PH+ STEP DOWN WO 70% 9201 JT CHL UN BP LN 2.60% P.Q. 16062020	JT, CHL, BP	USD	2,60% p.q.	16/06/2020	91,21%
14	XS1570747094	5Y EURQ PH+ SD SC 75% NOVN SAN PFE ROG 2.12% PQ NC2Q 270622	WO Novartis, Sanofi, Pfizer, Roche	EUR	2,12% p.q.	27/06/2022	82,88%
15	XS1583545865	5Y EUR PHOENIX PLUS 60% CO FP 2% P.Q.	Casino Guichard	EUR	2,0% p.q.	08/08/2022	79,19%
16	XS1622812326	2Y EUR PHOENIX PLUS WO 80% CS FP BNP FP INGA NA 7.62% P.S. 21082019	WO AXA, BNP, ING	EUR	7,62% p.s.	21/08/2019	79,35%
17	XS1622812326	2Y EUR PHOENIX PLUS WO 80% CS FP BNP FP INGA NA 7.62% P.S. 21082019	WO AXA, BNP, ING	EUR	7,62% p.s.	21/08/2019	83,41%
18	XS1212347006	3Y EUR PHOENIX PLUS 50% 60% WO BNP CA 1.7%PQ 28052018 NC6M	WO Carrefour, BNP	EUR	1,70% p.q.	28/05/2018	92,67%
19	XS1586136464	1Y EUR PHOENIX PLUS 70% VK FP 7.80% P.S. 10052018	Vallourec	EUR	7,80% p.s.	10/05/2018	87,33%
20	XS1242978770	3Y EUR PHOENIX PLUS WORST OF 60% FR FP ML FP VOW3 GY 2% P.Q. 12062018	WO Volkswagen, Valeo, Michelin	EUR	2,0% p.q.	12/06/2018	99,15%
21	XS1620557394	5Y EURQ PH+ SECURITY WO 75% SX5E CAC SMI 1.02% P.Q. NC4Q 29092022	WO SX5E,CAC, SMI	EUR	1,02% p.q.	29/09/2022	95,69%
22	XS1513289469	2Y USDQ PH+ STEP DOWN WO 60% GG NEM ABX 2.40% P.Q. 17052019	WO Goldcorp, Newmont mining, Barrick gold	USD	2,40% p.q.	17/05/2019	94,57%
23	XS1669740976	3Y USDQ PH+ SD WO 70% 2914 JT DAI GY VOW3 GY 2.95% P.Q. 30102020	WO Volkswagen, Daimler, JT	USD	2,95% p.q.	31/10/2020	85,22%
24	XS1658366932	4Y EUR PH+ SD SEC WO 57% RWE EOAN ENGI 1,375% P.Q.	WO EOAN, ENGIE RWE	EUR	1,375% p.q.	07/12/2021	96,68%
25	XS1669454537	1Y EUR PH+ 75% STM FP 4,80% P.S.	ST Microelectronics	EUR	4,80% p.s.	20/11/2018	90,95%
26	XS1667712852	5Y EUR PH+ 60% ACA FP 1,75%	Credit Agricole	EUR	1,75% p.q.	22/12/2022	91,73%
27	XS1667711961	2Y EUR PH+ 70% RNO FP 2%	Renault	EUR	2,0% p.q.	08/01/2020	102,93%
28	XS1706665269	2Y EUR PHOENIX PLUS WO 80% CS FP RNO FP 16.35% P.A. 20122019	Renault, AXA	EUR	16,35% p.a.	20/12/2019	94,10%
29							
30							

GLOSSARY

Accommodative Monetary Policy: when a central bank attempts to expand the overall money supply to boost the economy when growth is slowing by lowering the interest rate or by purchasing Treasury bonds.

Basis Points: A unit that is equal to 1/ 100th of 1% and used to denote the change in a financial instrument.

Bear: an investor who believes, for any technical or fundamental reason, that a security or the broader market will decline significantly. A bear takes the appropriate steps to limit losses during the period that they believe that the security will decline.

Ibovespa Index: The Ibovespa Index is a gross total return index weighted by traded volume & is comprised of the most liquid stocks traded on the Sao Paulo Stock Exchange.

BoC: Central Bank of Canada

BoE: Central Bank of England

BoJ: Central Bank of Japan

CPI (Consumer Price Index): measures changes in the price level of a market basket of consumer goods and services purchased by households.

Credit risk: credit risk is the chance that a bond issuer will not make the coupon payments or principal repayment to its bondholders. In other words, it is the chance the issuer will default.

Deflation: a general decline in prices, often caused by a reduction in the supply of money or credit. Deflation can be caused also by a decrease in government, personal or investment spending.

EPS (Earnings Per Share): the portion of a company's profit allocated to each outstanding share of common stock. Earnings per share serves as an indicator of a company's profitability.

ECB (European Central Bank): created in 1998, the European Central Bank determines the monetary policy to be adopted within the Eurozone. To do so, it has various means, in particular the key interest rates. The ECB is responsible for the single currency. Its main mission consists of maintaining price stability within the Euro zone.

EM/ EC (Emerging markets/ countries): markets/ countries in the process of rapid growth and industrialization.

Equity Risk Premium: The excess return that an individual stock or the overall stock market provides over a risk-free rate.

Eurostoxx50: A market capitalization-weighted stock index of 50 large, blue-chip European companies operating within eurozone nations.

Fed (Federal Reserve): central bank of the United States and controls the money supply.

FOMC (Federal Open Market Committee): The branch of the Federal Reserve Board that determines the direction of monetary policy.

Guaranteed capital: on maturity, a capital-guaranteed structured product repays a minimum 100% of the capital invested on expiry. However, the investor bears the risk associated with the issuer of a structured product. If the issuer defaults, there is a risk of loss of capital.

Hang Seng index (Hong-Kong Index): A market capitalization-weighted index of 40 of the largest companies that trade on the Hong Kong Exchange. The index aims to capture the leadership of the Hong Kong exchange, and covers approximately 65% of its total market capitalization.

Investment-grade bonds: a rating that indicates that a municipal or corporate bond has a relatively low risk of default.

ISM Manufacturing Index: monitors employment, production inventories, new orders and supplier deliveries.

Issuer: in the case of a structured product, an issuer is an entity that issues and distributes investment products. An issuer may be a bank or a company created specifically for this purpose. In the case of a bond, an issuer is an entity (government, company, government agency etc.) that issues bonds and borrows the amounts required for its financing.

Long/ Short Strategy: An investing strategy of taking long positions in stocks that are expected to appreciate and short positions in stocks that are expected to decline.

Maturity date: in finance, maturity or maturity date refers to the final payment date of a loan or other financial instrument, at which point the principal (and all remaining interest) is due to be paid. The term fixed maturity is applicable to any form of financial instrument under which the loan is due to be repaid on a fixed date.

MSCI World Index: index designed to provide a broad measure of equity-market performance throughout the world. The Index is maintained by Morgan Stanley Capital International, and is comprised of stocks from both developed and emerging markets.

Overweight: An analyst's opinion regarding the future performance of a security. Overweight will usually signify that the security is expected to outperform either its industry, sector or, even, the market altogether.

P/B Value (Price/ Book value): a ratio used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest quarter's book value per share.

P/E ratio (Price/Earning ratio): the ratio [Share price/earnings per share] reflects the trading price of a share in relation to the expected earnings. As such, the higher this ratio, the more expensive the stock, and vice versa. Note: the P/E ratio also depends on profit growth; companies with high profit growth tend to have a higher P/E.

PMI composite : composite of five of the survey indices. These are New orders, Output, Employment, Suppliers' delivery times (inverted) and Stocks of purchases

PMI (Purchasing Managers Index): Economic indicator of the manufacturing sector.

Protected capital: a product with protected capital does not guarantee the repayment of all the capital invested on maturity. The main risk associated with this type of product is a risk of capital loss, linked to fluctuations in the capital markets. There is a risk part or all of the capital may not be returned, depending on the type of protection.

QE (Quantative Easing): An unconventional monetary policy in which a central bank purchases government securities or other securities from the market in order to lower interest rates and increase the money supply.

Quarterly Earnings Report: A quarterly filing made by public companies to report their performance. Included in earnings reports are items such as net income, earnings per share, earnings from continuing operations and net sales. These reports follow the end of each quarter. Most companies file in January, April, July and October.

S&P500 (SPX Index): An index of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. The S&P 500 is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe.

Structured product: structured products are investment solutions comprised of a number of financial instruments. They combine one or more financial assets such as equities, currencies, interest rates etc. with a more sophisticated options component.

Topix stock index: an index that measures stock prices on the Tokyo Stock Exchange (TSE).

Underweight: An analyst's opinion regarding the future performance of a security. Underweight will usually mean that the security is expected to underperform either its industry, sector, or even the market altogether.

US Dollar Index (DXY): A measure of the value of the U.S. dollar relative to majority of its most significant trading partners.

Valuation: the process of determining the current worth of an asset or company.

Valuation metric: assessment method to determine the valuation of an asset such as the P/E for equities.

Volatility: volatility is a measure for variation of price of a financial instrument over time.

EXPLANATION OF RISK LEVELS

For example, risk level R1 corresponds to a defensive risk profile. These indicators are based on the 1-year 95% Value at Risk (VaR). VaR is a measurement of the maximum amount a portfolio could lose under normal market conditions over a given period with a given probability. If the 1-year 95% VaR amounts to x%, this means that there is a 95% probability that the portfolio will not lose more than x% of its value in one year.

Risk classification	0 Lowest Risk	1 Low Risk	2 Medium Risk	3 High Risk	4 - Highest Risk
Loss	There is a 95% probability that the product will not depreciate in value in one year.	There is a 95% probability that the product will not lose more than 5% of its value in one year.	There is a 95% probability that the product will not lose more than 15% of its value in one year.	There is a 95% probability that the product will not lose more than 30% of its value in one year.	There is a minimum of 5% probability that the product will lose more than 30% of its value in one year.

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