

Investment Strategy Bulletin

Winter
is coming –
what should
we make of the
energy crisis?

Investment Solutions

15 October 2021

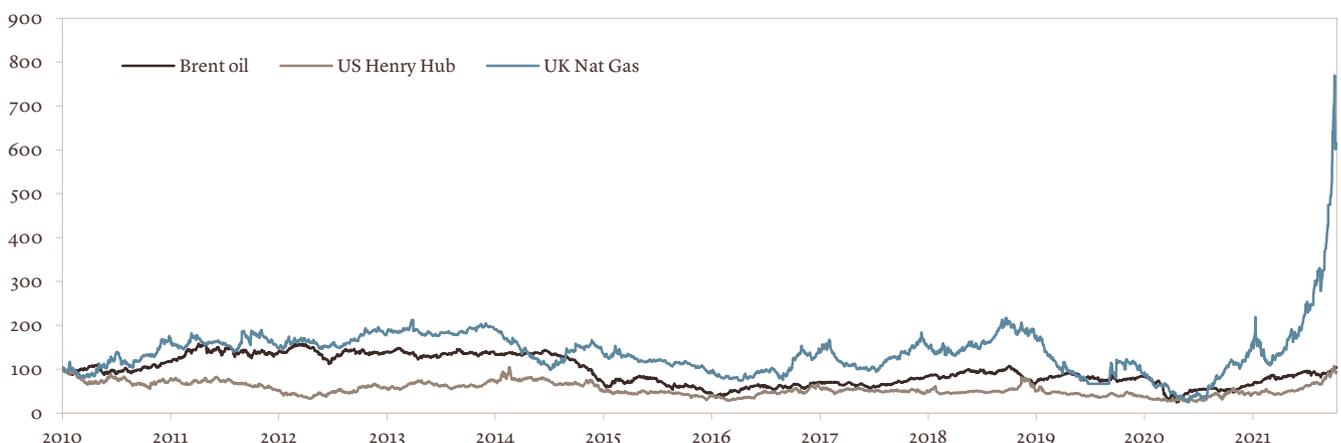
Energy prices continue to make headlines, with a crunch that originated in the gas market now affecting coal, oil and carbon prices. While a clash of supply issues and post-Covid demand implies price spikes could be temporary, a cold year-end could prolong the pain. Spill over effects to oil markets look limited, and we believe we can avoid a prolonged price overshoot in 2022. Yet current dynamics demonstrate the challenges the global economy faces in its shift from fossil fuel dependence. They also imply unavoidable price volatility that governments will need to address.

Recent months have seen high volatility across many commodities, while in some regions, coal, carbon, and gas prices have all hit record highs. In Europe, gas prices are hovering near all-time highs; in the US, they are at seven-year highs. Meanwhile, Brent crude oil is currently trading above USD80/bbl, with year-to-date price increases the largest in 12 years (see chart 1).

Investors are naturally concerned that soaring energy bills could feed through into higher inflation, while tighter consumer budgets, factory shutdowns and energy rationing in some industries could weigh on global growth. All this has fed into the market's existing 'stagflation' concerns.

1. Surging gas prices stoke inflation fears

Natural gas versus oil (rebased to January 2010 = 100)



Source: Bloomberg

Important information: Please read the important information at the end of the document.

Publication of Lombard Odier – Contacts: Investment Solutions, investment-solutions@lombardodier.com

Data as of 15 October 2021 unless otherwise stated.

Lombard Odier · Investment Strategy Bulletin · 15 October 2021

Page 1/7

The story begins with gas

Current circumstances in gas markets largely reflect a confluence of temporary factors and supply bottlenecks. Demand picked up in 2021 after the pandemic lull. A cold spring and extended periods of working from home in Europe and Asia exacerbated the situation. In China, a 'blue sky' policy to control air pollution from coal has switched demand to gas, intensifying competition with Europe for supplies. A spat with Australia curbed coal imports, while floods in Chinese mines drove coal futures to record levels on 11 October, pushing demand for gas imports higher.

At the same time, gas inventories are severely depleted, particularly in Europe (see chart 2). Post-Covid maintenance on pipelines and production facilities affected inventory rebuilding over the summer. Sanctions delayed streams coming online from Russia's Nord Stream 2 pipeline. In the US, gas production has fallen due to lower levels of shale drilling. In Russia, Gazprom has pushed gas production to 10-year highs.

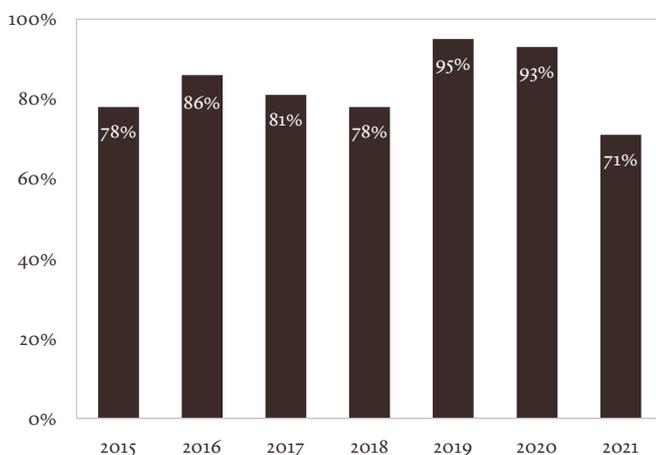
Russian roulette

The impact of the current spike will largely depend on how long gas prices remain elevated. The International Energy Agency (IEA) estimates Russia may have enough supply capacity to ease the crunch¹, but the situation is far from clear: even if Nord Stream 2 is made operational rapidly, Gazprom has not indicated by how much it can effectively boost global supply.

¹ IEA chief says Russia has substantial scope to boost Europe's gas supplies, Financial Times, October 2021

2. European gas storage at decade-lows

Storage levels of natural gas in September (%)



Source: AGSI+ Aggregated gas storage inventory

Politics could play a part, and Russia will want to keep domestic supply flowing over the winter.

Meanwhile, the 'swing' gas supplier, the US shale industry, is constrained by capital discipline and a focus on shareholder returns. We are thus heading into winter with tight supply-demand dynamics and high uncertainty on prices. With European storage still filling up at a steady pace, it is possible that a mild winter could prove manageable. The worst-case scenario would be a sharp cold wave in the coming weeks that prevents storage capacity from being refilled. Looking further ahead, the hope is that with supplies replenished, maintenance completed, and demand normalising, prices will fall again. With this in mind, we will continue to monitor the situation closely.

A different impact on coal and oil

The situation in the gas market has also dragged up the price of thermal coal (a substitute) and electrical power (a product). In coal, there is little capacity to ramp up production, as investment has been cut and carbon allowances continue to deter coal generators. Coal demand is in structural decline as power stations (responsible for 90% of US coal demand) close. Austria and Sweden closed their last coal power plants in 2020; others like Portugal will do so this year.

The gas crunch has also spilt over into the oil market. Investors fret about similar supply shortages, e.g. as countries switch to

3. OPEC's spare capacities still well above historical averages

Capacity in million barrels per day (b/d)



Source: Bloomberg

oil-fired power generation. Yet this switch is tricky to make. Saudi Aramco Chief Executive Amin Nasser recently estimated that substitution out of the natural gas market would only add around 500,000 barrels per day of additional crude oil demand (i.e. slightly more than 0.5% of global demand). Furthermore, from a fundamental standpoint, the situation is very different in gas and oil markets. Firstly, oil markets do not display such high seasonality. Secondly, high frequency indicators suggest that oil demand is plateauing; the Organization of the Petroleum Exporting Countries (OPEC) revised Q4 demand expectations down at its October meeting. Thirdly, the supply response is much less constrained for oil than it is with gas. OPEC has ample spare capacity to meet potential additional short-term demand (see chart 3). So even while inventories are low, there is no fundamental imbalance or stress on the market going forward.

While we have revised our Q4 2021 and Q1 2022 oil price expectations up to USD80/bbl to account for current market dynamics, we expect prices to fall gradually back to the 60-70USD/bbl range in 2022. Fundamentals should eventually come back to the forefront, with additional supply also coming online from Iran (once a deal is finally made, which we now expect in 2022 rather than 2021). **The risk of further price overshoots therefore looks limited to us.**

4. Country dependence by energy source (oil, gas, coal)

Net exporters and importers

	Oil	Natural gas	Coal
● Italy	● NOI	● NGI	● NCI
● UK	Neutral*	● NGI	● NCI
● USA	● NOI	● NGE	● NCE
● Germany	● NOI	● NGI	● NCI
● Japan	● NOI	● NGI	● NCI
● Switzerland	● NOI	● NGI	● NCI
● Norway	● NOE	● NGE	● NCI
● Australia	● NOI	● NGE	● NCE
● Turkey	● NOI	● NGI	● NCI
● India	● NOI	● NGI	● NCI
● China	● NOI	● NGI	● NCI
● Brazil	● NOE	● NGI	● NCI
● UAE	● NOE	● NGI	● NCI
● Russia	● NOE	● NGE	● NCE
● Saudi Arabia	● NOE	Neutral*	● NCI

NOI / E : Net Oil Importer / Exporter - NGI / E : Net Gas Importer / Exporter

NCI / E : Net Coal Importer / Exporter

*Neutral: Difference between imports and exports insignificant

Source: BP Statistical Review of World Energy, July 2021; International Energy Agency; LO calculations

'Looking through' price spikes in Europe

If, as we expect, energy issues do prove temporary, central banks may be able to 'look through' recent price spikes, given 'symmetric' inflation targets that imply tolerance for over-and under-shoots. Even with a comparatively limited impact, we believe the upward pressure on eurozone inflation from the surge in natural gas prices will not be felt evenly throughout the region. Governments are stepping in to cushion the blow, but higher energy bills are a downside risk to the eurozone's consumer recovery, particularly in gas dependent countries like Spain, Italy and the UK. A low use of gas, and a reliance on nuclear and renewables for electricity generation, means that France, Switzerland and the Nordics are less exposed. Norway, the world's third largest exporter of natural gas, could benefit thanks to higher EU export volumes.

China is a special case

In China, we expect some hit to growth in Q4. Electricity prices cannot rise with coal prices since the former are regulated, leading power plants to stop producing, causing electricity outages. The resulting Chinese growth slowdown, especially when the real estate sector is already under pressure, means that industrial metals exporters (e.g. Chile, Peru) and major

trade partners (e.g. Brazil) may suffer. More generally, if lower growth in China weighs on global trade, emerging market (EM) growth momentum might slow more than previously envisioned in our base case scenario. In aggregate, we would expect countries with a higher share of fossil fuels in their electricity mix to be more affected, including Turkey and India (see chart 4, page 3). If the spike lasts long enough to un-anchor EM inflation expectations, that would put central banks in a difficult spot. Again, we see this as a rising – yet still limited – risk for now.

Climate – the bigger picture

Meanwhile, the current scenario is taking place in the context of a much broader, structural shift in prices. Lower wind generation in Europe and hydropower generation in China have exacerbated energy price spikes. The transition to net zero will require tectonic changes in energy markets, including the need for much more storage ahead. Many participants had pinned part of their hopes on gas to ease the energy transition, as a cleaner ‘bridging’ alternative to coal and oil.

However, IEA forecasts show that even though natural gas can be seen as a short-term substitute, the endgame remains one where its share in the energy mix must be replaced by green hydrogen and batteries (see chart 5). As such, investment in new production capacities has been muted, and adjustments

will be made through market prices, implying more volatility ahead.

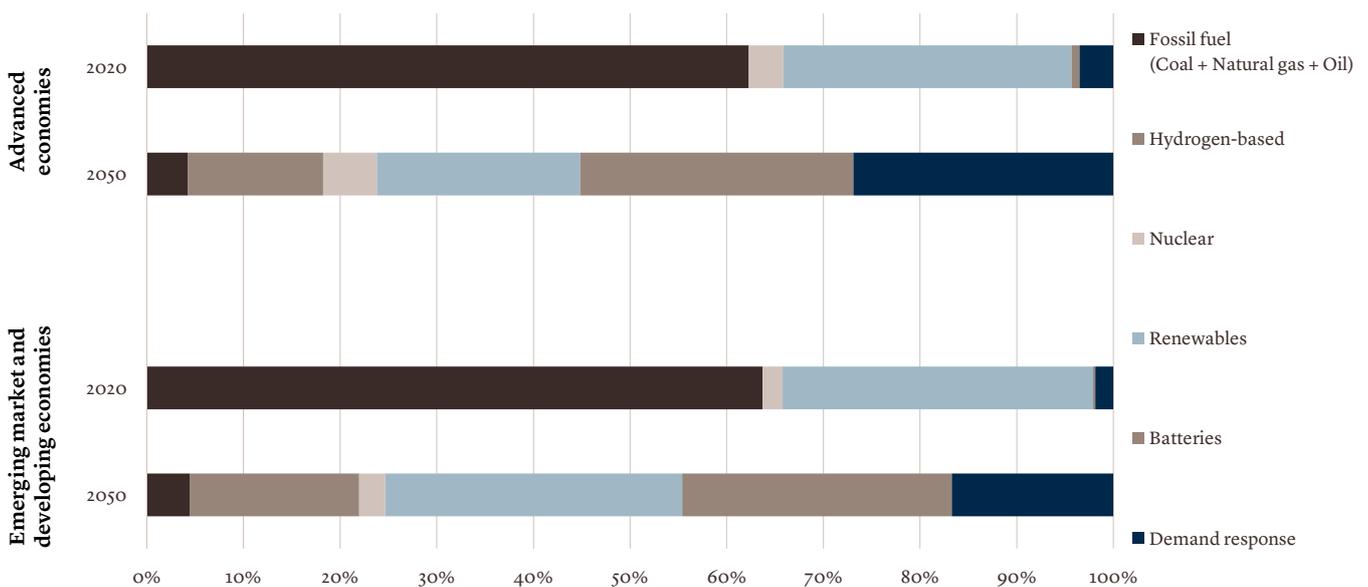
The same applies to the oil market, with oil majors committed to reducing capital expenditure on fossil fuels and focusing on renewables instead. While OPEC’s spare capacities can help mitigate price effects for now, we note that this could trigger a phase of higher oil prices in two to three years from now - if demand has not already peaked by then. While higher energy prices are key to accelerate the transition, governments will likely need to cushion consumers from higher prices and rethink the safety net for the most vulnerable.

It is also worth noting that we are only at the beginning of this transition. While the current energy price squeeze has pushed the price to emit one tonne of CO₂ in Europe up to more than EUR60, in many parts of the world it is much lower, or free. China only began carbon trading in July 2021, with a price well below EUR10 per tonne. A price above USD100 is needed to spur the net zero shift, according to the World Bank. A price of USD125 per tonne by 2025 is the mid-range of scenarios modelled by the Network for Greening the Financial System, a group of central bankers and policymakers globally. The energy transition is a necessary one, and the scale of the change needed is monumental. Current price spikes indicate that it may not be smooth sailing.

Sophie Chardon, Cross-Asset Strategist

5. A huge energy shift is needed by 2050

Batteries and demand response must step up



Sources: International Energy Agency (2021), 'Net Zero by 2050' report

Important information

This is a marketing communication issued by Bank Lombard Odier & Co Ltd (hereinafter “Lombard Odier”).

It is not intended for distribution, publication, or use in any jurisdiction where such distribution, publication, or use would be unlawful, nor is it aimed at any person or entity to whom it would be unlawful to address such a marketing communication.

This marketing communication is provided for information purposes only. It does not constitute an offer or a recommendation to subscribe, purchase, sell or hold any security or financial instrument. It contains the opinions of Lombard Odier, as at the date of issue. These opinions and the information contained herein do not take into account an individual’s specific circumstances, objectives, or needs. No representation is made that any investment or strategy is suitable or appropriate to individual circumstances or that any investment or strategy constitutes personalised investment advice to any investor. Tax treatment depends on the individual circumstances of each person and may be subject to change in the future. Lombard Odier does not provide tax advice. Therefore, you must verify the above and all other information provided in the marketing communication or otherwise review it with your external tax advisors. Some investment products and services, including custody, may be subject to legal restrictions or may not be available worldwide on an unrestricted basis.

The information and analysis contained herein are based on sources considered reliable. Lombard Odier uses its best effort to ensure the timeliness, accuracy, and comprehensiveness of the information contained in this marketing communication. Nevertheless, all information and opinions as well as the prices, market valuations and calculations indicated herein may change without notice.

Investments are subject to a variety of risks. Before entering into any transaction, an investor should consult his/her investment advisor and, where necessary, obtain independent professional advice in respect of risks, as well as any legal, regulatory, credit, tax, and accounting consequences. **Past performance is no guarantee of current or future returns, and the investor may receive back less than he/she invested.** The value of any investment in a currency other than the base currency of a portfolio is subject to foreign exchange rate risk. Exchange rates may fluctuate and adversely affect the value of the investment when it is realised and converted back into the investor’s base currency. The liquidity of an investment is subject to supply and demand. Some products may not have a well-established secondary market or in extreme market conditions may be difficult to value, resulting in price volatility and making it difficult to obtain a price to dispose of the asset.

European Union Members: This marketing communication has been approved for use by Lombard Odier (Europe) S.A. in Luxembourg and by each of its branches operating in the following territories: **Belgium:** Lombard Odier (Europe) S.A. Luxembourg · Belgium branch; **France:** Lombard Odier (Europe) S.A. · Succursale en France; **Italy:** Lombard Odier (Europe) S.A. · Italian branch; **Spain:** Lombard Odier (Europe) S.A. · Sucursal en España. Lombard Odier (Europe) S.A. is a credit institution authorised and regulated by the Commission de Surveillance du Secteur Financier (CSSF) in Luxembourg.

In addition, this marketing communication has also been approved for use by the following entity domiciled within the European Union: **Spain:** Lombard Odier Gestión (España) S.G.I.I.C., S.A.U., an investment management company authorised and regulated by the Comisión Nacional del Mercado de Valores (CNMV), Spain.

Hong Kong: This marketing communication has been approved for use by Lombard Odier (Hong Kong) Limited, a licensed entity regulated and supervised by the Securities and Futures Commission in Hong Kong for the general information of professional investors and other persons in accordance with the Securities and Futures Ordinance (Chapter 571) of the laws of Hong Kong.

Singapore: This marketing communication has been approved for use by Lombard Odier (Singapore) Ltd for the general information of accredited investors and other persons in accordance with the conditions specified in Sections 275 and 305 of the Securities and Futures Act (Chapter 289). Recipients in Singapore should contact Lombard Odier (Singapore) Ltd, an exempt financial adviser under the Financial Advisers Act (Chapter 110) and a merchant bank regulated and supervised by the Monetary Authority of Singapore, in respect of any matters arising from, or in connection with this marketing communication. The recipients of this marketing communication represent and warrant that they are accredited investors and other persons as defined in the Securities and Futures Act (Chapter 289). This advertisement has not been reviewed by the Monetary Authority of Singapore.

Panama: This marketing communication has been approved for use in Panama by Lombard Odier (Panama) Inc., an entity authorised and regulated by the Superintendencia del Mercado de Valores de Panamá. Licensed to operate as an Investment Adviser. Res. SMV No.528-2013.

Israel: This marketing communication has been approved for use in Israel by the Israel Representative Office of Bank Lombard Odier & Co Ltd, an entity not supervised by the Supervisor of Banks in the Bank of Israel, but by the Swiss Financial Market Supervisory Authority, which supervises the activities of Bank Lombard Odier & Co Ltd.

South Africa: This marketing communication has been approved for use in South Africa by the South Africa Representative Office of Bank Lombard Odier & Co Ltd, an authorised financial services provider. Registration number 48505.

Switzerland: This marketing communication has been approved for use in Switzerland by Bank Lombard Odier & Co Ltd, a bank and securities firm authorised and regulated by the Swiss Financial Market Supervisory Authority (FINMA).

United Kingdom: This marketing communication has been approved for use in the United Kingdom by Lombard Odier (Europe) S.A. – UK Branch, a bank authorised and regulated by the Commission de Surveillance du Secteur Financier ('CSSF') in Luxembourg and authorised in the UK by the Prudential Regulation Authority ('PRA'). Subject to regulation by the Financial Conduct Authority ('FCA') and limited regulation by the Prudential Regulation Authority. Financial Services Firm Reference Number 597896. **Details about the extent of our authorisation and regulation by the Prudential Regulation Authority and regulation by the Financial Conduct Authority are available from us on request.**

United States: Neither this document nor any copy thereof may be sent to, taken into, or distributed in the United States of America, any of its territories or possessions or areas subject to its jurisdiction, or to or for the benefit of a United States Person. For this purpose, the term "United States Person" shall mean any citizen, national or resident of the United States of America, partnership organised or existing in any state, territory or possession of the United States of America, a corporation organised under the laws of the United States or of any state, territory or possession thereof, or any estate or trust that is subject to United States Federal income tax regardless of the source of its income.

This marketing communication may not be reproduced (in whole or in part), transmitted, modified, or used for any public or commercial purpose without the prior written permission of Lombard Odier.

Data protection: You may be receiving this communication because you have provided us with your contact details. If this is the case, note that we may process your personal data for direct marketing purposes. If you wish to object to this processing, please address your objection to the Group's Data Protection Officer: Bank Lombard Odier & Co Ltd, Group Data Protection Officer, 11, Rue de la Corraterie, 1204 Geneva, Switzerland. E-Mail: group-dataprotection@lombardodier.com. For more information on Lombard Odier's data protection policy, please refer to www.lombardodier.com/privacy-policy.

© 2021 Bank Lombard Odier & Co Ltd – all rights reserved. Ref. LOCH/LOESA/LOASIA-GM-en-012021.

SWITZERLAND

GENEVA

Bank Lombard Odier & Co Ltd¹

Rue de la Corraterie 11 · 1204 Genève · Suisse
geneva@lombardodier.com

Lombard Odier Asset Management (Switzerland) SA

Avenue des Morgines 6 · 1213 Petit-Lancy · Suisse
Support-Client-LOIM@lombardodier.com
Management Company regulated by the FINMA.

FRIBOURG

Banque Lombard Odier & Cie SA · Bureau de Fribourg¹

Rue de la Banque 3 · 1700 Fribourg · Suisse
fribourg@lombardodier.com

LAUSANNE

Bank Lombard Odier & Co Ltd¹

Place St-François 11 · 1003 Lausanne · Suisse
lausanne@lombardodier.com

VEVEY

Banque Lombard Odier & Cie SA · Agence de Vevey¹

Rue Jean-Jacques Rousseau 5 · 1800 Vevey · Suisse
vevey@lombardodier.com

ZURICH

Bank Lombard Odier & Co Ltd¹

Utoschloss · Utoquai 29-31 · 8008 Zürich · Schweiz
zurich@lombardodier.com

EUROPE

BRUSSELS

Lombard Odier (Europe) S.A. Luxembourg · Belgium branch²

Avenue Louise 81 · Box 12 · 1050 Brussels · Belgium
brussels@lombardodier.com

Credit institution supervised in Belgium by the National Bank of Belgium (NBB) and the Financial Services and Markets Authority (FSMA).

LONDON

Lombard Odier (Europe) S.A. · UK Branch²

Queensberry House · 3 Old Burlington Street · London
W1S 3AB · United Kingdom
london@lombardodier.com

The Bank is authorised in the UK by the Prudential Regulation Authority (PRA). Subject to regulation by the Financial Conduct Authority (FCA) and limited regulation by the Prudential Regulation Authority. Financial Services Firm Reference Number 597896. Details about the extent of our authorisation and regulation by the Prudential Regulation Authority and regulation by the Financial Conduct Authority are available from us on request.

Lombard Odier Asset Management (Europe) Limited

Queensberry House · 3 Old Burlington Street · London
W1S 3AB · United Kingdom
london@lombardodier.com

Investment firm authorised and regulated by the Financial Conduct Authority (FCA register No.515393).

LUXEMBOURG

Lombard Odier (Europe) S.A.

291, route d'Arlon · 1150 · Luxembourg · Luxembourg
luxembourg@lombardodier.com

Credit institution authorised and regulated by the Commission de Surveillance du Secteur Financier (CSSF) in Luxembourg.

Lombard Odier Funds (Europe) S.A.

291, route d'Arlon · 1150 · Luxembourg · Luxembourg
luxembourg@lombardodier.com

MADRID

Lombard Odier (Europe) S.A. · Sucursal en España²

Paseo de la Castellana 66 · 4^a Pl. · 28046 Madrid · España · madrid@lombardodier.com
Credit institution supervised in Spain, by the Banco de España and the Comisión Nacional del Mercado de Valores (CNMV).

Lombard Odier Gestión (España) S.G.I.I.C, S.A.U.

Paseo de la Castellana 66, 4^a Pl. · 28046 Madrid · España · madrid@lombardodier.com
Management Company supervised by the Comisión Nacional del Mercado de Valores (CNMV).

MILAN

Lombard Odier (Europe) S.A. · Succursale in Italia²

Via Santa Margherita 6 · 20121 Milano · Italia
milano-cp@lombardodier.com
Credit institution supervised in Italy by the Commissione Nazionale per le Società e la Borsa (CONSOB) and la Banca d'Italia.

MOSCOW

Bank Lombard Odier & Co Ltd · Representative Office Moscow

Letnikovskaya st. 2, bld. 1 · 115114 Moscow · Russian Federation · moscow@lombardodier.com
Under the supervisory authority of the Central Bank of the Russian Federation.

PARIS

Lombard Odier (Europe) S.A. · Succursale en France²

8, rue Royale · 75008 Paris · France. RCS PARIS
B 803 905 157 · paris@lombardodier.com
Credit institution supervised in France by the Autorité de contrôle prudentiel et de résolution (ACPR) and by the Autorité des Marchés Financiers (AMF) in respect of its investment services activities. Business permit No.23/12. Registered in Luxembourg · No.B169 907. Insurance intermediary authorised by the Commissariat aux Assurances (CAA) No.2014 CMO02. The registration with the CAA can be verified at www.orias.fr.

AFRICA | AMERICAS | MIDDLE EAST

ABU-DHABI

Bank Lombard Odier & Co Ltd · Abu Dhabi Global Market Branch

Al Maryah Island · Abu Dhabi Global Market Square · Al Khatem Tower · 8th floor · P.O. Box 764646 · Abu Dhabi · UAE · abudhabi@lombardodier.com
Arranging Deals in Investments · Advising on Investment or Credit · Arranging Credit. Regulated by the ADGM Financial Services Regulatory Authority.

BERMUDA

Lombard Odier Trust (Bermuda) Limited

3rd Floor, Victoria Place · 31 Victoria Street · Hamilton
HM 10 · Bermuda · bermuda@lombardodier.com
Licensed to conduct Trust, Investment and Corporate Service Provider Business by the Bermuda Monetary Authority.

BRASIL

Lombard Odier (Brasil) Consultoria de Valores Mobiliários Ltda.

Avenida 9 de Julho No. 3624, Torre DGN 360, 6^o andar · Jardim Paulista · CEP 01406-000 · São Paulo · Brasil
sao.paulo.office@lombardodier.com
Supervised by the Comissão de Valores Mobiliários of Brazil.

DUBAI

Bank Lombard Odier & Co Ltd · Representative Office Dubai

Conrad Business Tower · 12th Floor · Sheikh Zayed Road · P.O. Box 212240 · Dubai · UAE
dubai@lombardodier.com
Under the supervisory authority of the Central Bank of the UAE.

ISRAEL

Israel Representative Office ·

Bank Lombard Odier & Co Ltd

Alrov Tower 11th floor · 46 Rothschild Blvd. · Tel Aviv
6688312 · Israel · telaviv@lombardodier.com
Not supervised by the Supervisor of Banks in the Bank of Israel, but by Swiss Financial Market Supervisory Authority which supervises the activities of Bank Lombard Odier & Co Ltd.

JOHANNESBURG

South Africa Representative Office ·

Bank Lombard Odier & Co Ltd

4 Sandown Valley Crescent · Sandton · Johannesburg
2196 · South Africa · johannesburg@lombardodier.com
Authorised financial services provider Registration number 48505.

NASSAU

Lombard Odier & Cie (Bahamas) Limited

Lyford Cay House · Western Road · P.O. Box N-4938 · Nassau · Bahamas · nassau@lombardodier.com
Supervised by the Central Bank of the Bahamas and the Securities Commission of the Bahamas.

PANAMA

Lombard Odier & Cie (Bahamas) Limited · Representative Office in Panama

Oceania Business Plaza Torre 2000 · Oficina 38-D · Blvd. Pacifica · Urb. Punta Pacifica · Corregimiento de San Francisco · Panamá · panama@lombardodier.com
Supervised by the Central Bank of the Bahamas and the Superintendencia de Bancos de Panamá.

Lombard Odier (Panama) Inc.

Oceania Business Plaza Torre 2000 · Oficina 38-D · Blvd. Pacifica · Urb. Punta Pacifica · Corregimiento de San Francisco · Panamá · panama@lombardodier.com
Supervised by the Superintendencia del Mercado de valores de Panamá. Licensed to operate as an Investment Adviser. Res. SMV No.528-2013.

ASIA - PACIFIC

HONG KONG

Lombard Odier (Hong Kong) Limited

3901, Two Exchange Square · 8 Connaught Place · Central · Hong Kong · hongkong@lombardodier.com
A licensed entity regulated and supervised by the Securities and Futures Commission in Hong Kong.

SINGAPORE

Lombard Odier (Singapore) Ltd.

9 Raffles Place · Republic Plaza #46-02 · Singapore
048619 · singapore@lombardodier.com
A merchant bank regulated and supervised by the Monetary Authority of Singapore.

TOKYO

Lombard Odier Trust (Japan) Limited

Izumi Garden Tower 41F · 1-6-1 Roppongi, Minato-ku · Tokyo 106-6041 · Japan · tokyo@lombardodier.com
Regulated and supervised by the Financial Services Agency (FSA) in Japan. It holds a trust business license (FSA No.208) and is registered with Kanto Local Finance Bureau for Financial Instruments Business Operator (No.470).

¹ Private bank and securities firm authorised and regulated by the Swiss Financial Market Supervisory Authority (FINMA).

² Branch of Lombard Odier (Europe) S.A., a credit institution based in Luxembourg, authorised and regulated by the Commission de Surveillance du Secteur Financier (CSSF) in Luxembourg.