

# COMMERZBANK 6 YEARS AUTOCALLABLE WITH 9.76% P.A. (USD)



NEBA FINANCIAL SOLUTIONS



## KEYPOINTS

- 6 Year Term
- Conditional Coupon
- MAX Potential Payout 58.56%
- Early Redemption Opportunity from Month 9
- Autocall Trigger Level 100%
- High Capital Protection 70% European Barrier

## PRODUCT CHARACTERISTICS

<b>ISSUING BANK</b>	Commerzbank AG (Moody's A2 / S&P A- / Fitch A-)
<b>MATURITY</b>	6 Years
<b>CURRENCY</b>	USD
<b>DENOMINATION</b>	USD / 1'000
<b>UNDERLYINGS</b>	S&P/ASX 200 INDEX SWISS MARKET INDEX EURO STOXX 50 PR NIKKEI 225
<b>OBSERVATIONS</b>	Quarterly
<b>COUPON TYPE</b>	Conditional Coupon
<b>MEMORY FEATURE</b>	YES
<b>COUPON TRIGGER</b>	95% of initial fixing
<b>AUTOCALL TRIGGER</b>	100% of initial fixing (1st Obs: Month 9)
<b>STRIKE LEVEL</b>	100% of the initial fixing
<b>PROTECTION BARRIER</b>	70% of initial fixing (EUROPEAN)

## CURRENCY & COUPON

<b>CURRENCY</b>	USD
<b>COUPON P.A</b>	9.76%
<b>ISIN</b>	XS1721240544

## KEY DATES

<b>INDICATIVE STRIKE DATE</b>	11 December 2017
<b>INDICATIVE FINAL VALUATION</b>	11 December 2023
<b>INDICATIVE REDEMPTION</b>	20 December 2023
<b>ESTIMATED CLOSING DATE</b>	11 December 2017 Unless Fully Subscribed

## ADVANTAGES

- Returns of 9.76% (USD) Per Annum
- Protection Buffer of 30%
- Memory Feature on Coupons
- Globally Recognised underlyings
- Early Redemption Opportunity from Month 9

## DISADVANTAGES

- Capital is not guaranteed at maturity.
- Investor is exposed to issuer credit risk.
- No dividend associated with the underlyings will be paid.

# PRODUCT DESCRIPTION

The is a 6-Year product based on the performance of S&P/ASX 200 INDEX, SWISS MARKET INDEX, EURO STOXX 50 PR and NIKKEI 225

## CONDITIONAL COUPON

If all underlyings are greater than or equal to 95% at any Quarterly observation date, a coupon is paid for each observation elapsed. Otherwise no coupon will be paid.

## EARLY REDEMPTION MECHANISM

*Early Redemption Opportunity from Month 9*

If all underlyings are greater than or equal to 100% Early Redemption Barrier at any Quarterly observation date, the note is autocalled and immediately redeemed alongside any payable coupons.

## CONDITIONAL PROTECTION OF CAPITAL AT MATURITY

If the lowest performing underlying closes at or above the 70% protection barrier at maturity, the investor will receive 100% of their initial capital.

## INDICATIVE COUPON PAYMENT

	USD
1st Observation	2.44%
2nd Observation	2.44%
3rd Observation	2.44%
4th Observation	2.44%
5th Observation	2.44%
6th Observation	2.44%
Nth Observation (where N is the last observation)	2.44%

## INVESTMENT RATIONALE

### S&P/ASX 200 INDEX



Members of the Reserve Bank of Australia said that the country's economy was growing in line with expectations. Price pressure remained broadly subdued, the minutes said, thanks in part to a strengthening Australian dollar and a softening greenback. At the meeting, the bank kept its benchmark lending rate unchanged at the record low 1.50 percent, as expected. The bank reiterated that the low level of interest rates is continuing to support the Australian economy. Policymakers also noted more consistent signs of non-mining business investment picking up. The bank expects inflation to pick up gradually as the economy strengthens. According to RBA, the unemployment rate will decline only gradually over the next couple of years. An appreciating exchange rate would be expected to result in a slower pick-up in economic activity and inflation than currently forecast. It is also weighing on the outlook for output and employment.

### SWISS MARKET INDEX



The Swiss economy is projected to expand at a slightly slower pace this year, according to the quarterly economic forecast published by the State Secretariat for Economic Affairs. The expert group of SECO on Tuesday said gross domestic product will grow only 1.4 percent this year. At the same time, projection for 2018 was retained at 1.9 percent. A further marked increase in economic momentum is to be expected over the coming quarters given the promising outlook for the global economy and positive leading indicators, SECO said. Domestic demand is expected to be a key pillar of growth this year and next. Following a rather subdued development in 2015 and 2016, consumption is forecast to grow more dynamically. Due to low interest rates and a persistently high demand for real estate, investment in construction also looks set to gain a little momentum, SECO added. Foreign trade is forecast to continue growing at a moderate pace in 2017 and 2018, with the trade balance providing somewhat positive impact on growth.

## EURO STOXX 50 PR

EuroStoxx 50  
SXSE



The euro-area economy recorded its fastest expansion in six years in the second quarter even as momentum eased in June due to weakening services activity. A composite purchasing managers' index (PMI) dropped to a five-month low of 55.7, IHS Markit said on Friday. Economists surveyed by Bloomberg predicted the index would ease to 56.6 from 56.8 in May. Manufacturing grew at its steepest pace since 2011, while a gauge for services slipped to a five-month low. The report comes two weeks after the European Central Bank said risks to the economic outlook were broadly balanced and no longer tilted to the downside. The recovery is broadly based and companies are adding jobs at a brisk pace amid strong optimism about future growth.

## NIKKEI 225

Nikkei 225  
NKY



The International Monetary Fund Tuesday raised its growth forecast for Japan's economy this year and next, but warned that a shrinking labour force and weak inflation will be a drag on the country's prospects. The IMF said it now expects the world's number three economy to post 1.5 per cent GDP growth in 2017 and 0.7 per cent next year, up from a July projection of 1.3 per cent and 0.6 per cent respectively. The fund cited a pickup in exports and stronger consumer spending for the upgraded outlook, after Japan's economy grew 1.0 per cent in 2016. "Stronger private consumption, investment, and external demand bolstered overall growth momentum in the first half of the year," it said in its latest World Economic Outlook.

## ABOUT THE ISSUER

	Standard & Poor's	Moody's	FitchRatings
<b>Investment Grade</b>	AAA	Aaa	AAA
	AA	Aa	AA
	A	A	A
	BBB	Baa	BBB
<b>Non Investment Grade</b>	BB	Ba	BB
	B	B	B
	CCC	Caa	CCC
	CC	Ca	CC
	C	C	C

Commerzbank AG (Moody's A2 / S&P A- / Fitch A-)

Commerzbank is a leading international commercial bank with branches and offices in more than 50 countries. The core markets of Commerzbank are Germany and Poland. With the business areas Private Customers, Mittelstandsbank, Corporates & Markets and Central & Eastern Europe, its private customers and corporate clients, as well as institutional investors, profit from a comprehensive portfolio of banking and capital market services. Commerzbank finances more than 30 per cent of Germany's foreign trade and is the unchallenged leader in financing for SMEs. With its subsidiaries comdirect and Poland's mBank it owns two of the world's most innovative online banks. With some 1,100 branches and approximately 90 advisory centres for business customers Commerzbank has one of the densest branch networks among German private banks. In total, Commerzbank boasts approximately 15 million private customers, as well as one million business and corporate clients. The bank, which was founded in 1870, is represented at all the world's major stock exchanges. In 2014, it generated gross revenues of almost EUR 9 billion with approximately 52,000 employees on average.