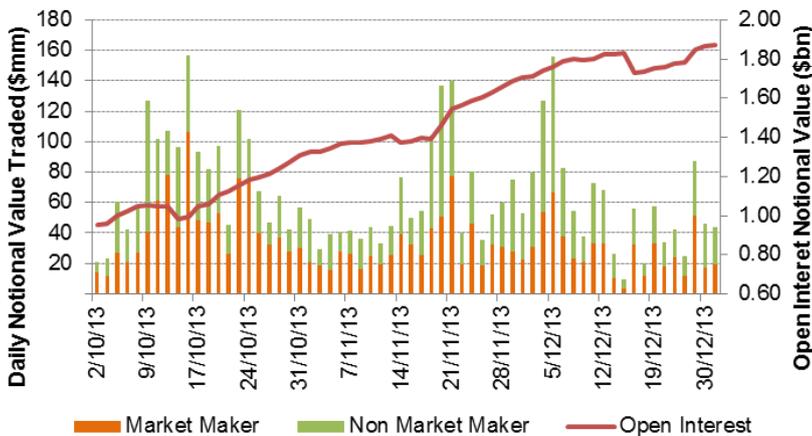


Quarterly Report USD/CNH Futures

Quarterly Highlights

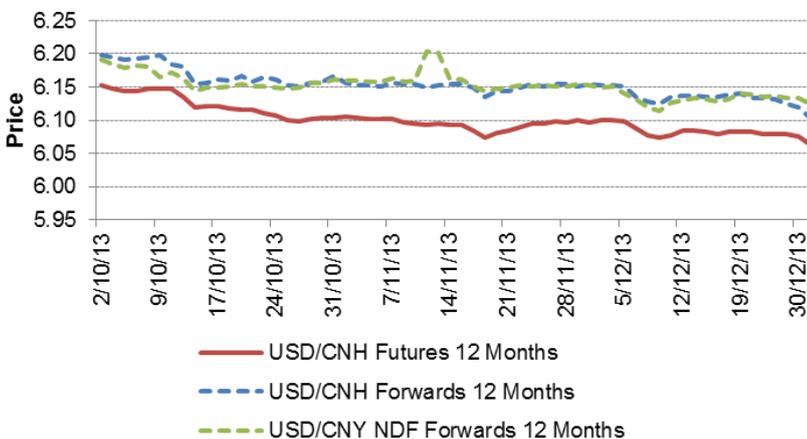
- Open Interest was increasing gradually over the 4th quarter and reached a new record high of 18,701 contracts (i.e. USD 1,870 million notional) as of 31 December 2013.
- Tight bid-ask spread during the 4th quarter with the average spread of 0.023 per cent.
- Increasing participation from both buy-side institutional and retail investors was observed where the volume contribution from market makers was decreasing.

Daily Turnover and Open Interest



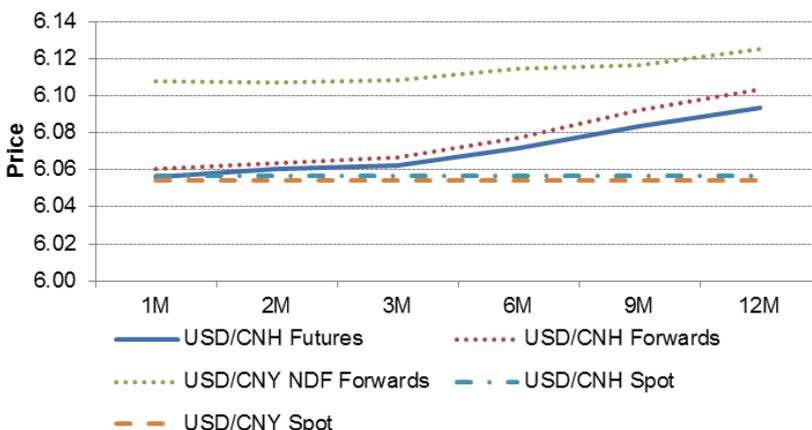
- In Q4 2013, a total of USD 4.02 billion contract value was transacted with average daily notional value of USD 64.9 million.
- Open interest reached a new record high of USD 1,870 million notional value on 31 December 2013.

USD/RMB Forward Price 12 Months



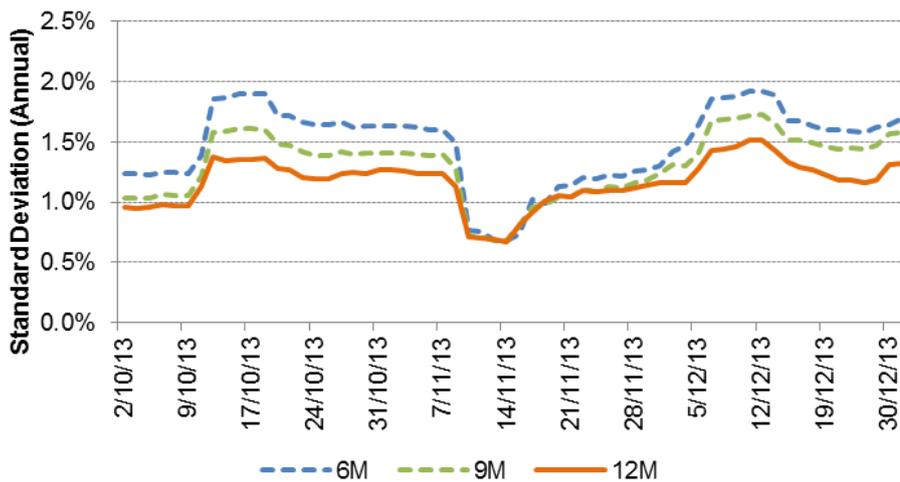
- The RMB 12 months forward price had trended downwards throughout Q4 2013.

USD/RMB Forward Price Curve as of 31 Dec 2013



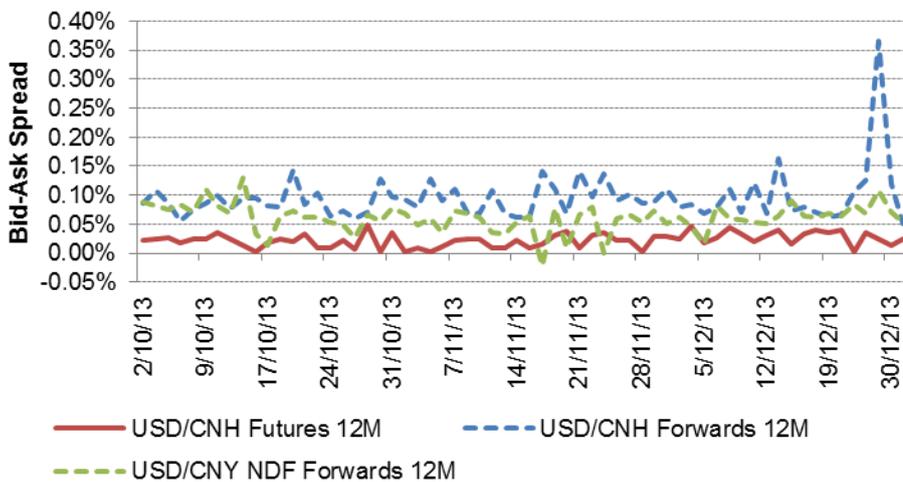
- On the near end of the forward price curve, the USD/CNH Futures exhibited lower price premiums when compared to the USD/CNH Forwards.
- On the far end of the Forward price curve, the USD/CNH Futures exhibited similar level of price discount compared to that of the USD/CNH Forwards but lower level of price discount compared to that of the USD/CNY NDF Forwards.

Historical Volatility (20d Rolling)



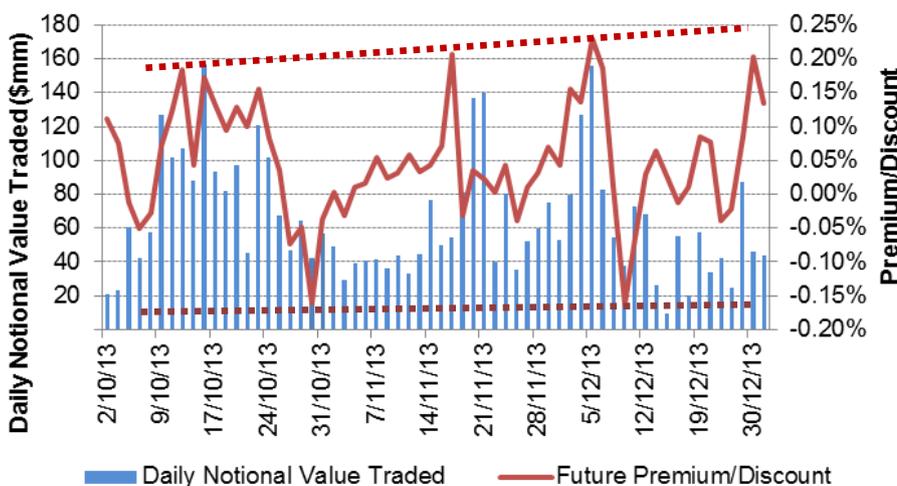
- Volatility in USD/CNH Futures had moved between 1 per cent to 2 per cent during Q4 2013.
- The volatility spreads across far month contracts and front month contracts were also tightening through the quarter.

Bid-Ask Spread



- In Q4 2013, USD/CNH Futures tended to exhibit tighter bid-ask spreads when compared to USD/CNH forwards and USD/CNY NDF forwards.
- The variance of bid-ask spreads was also lower for USD/CNH Futures.

Turnover vs Future Premium/Discount



- Volumes were building momentum in Q4 2013.
- The future premium/discount was frustrating over time.

For the USD/CNH Futures Contract Specifications, please visit:

<http://www.hkex.com.hk/eng/prod/drprod/rmb/cnhspecs.htm>

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