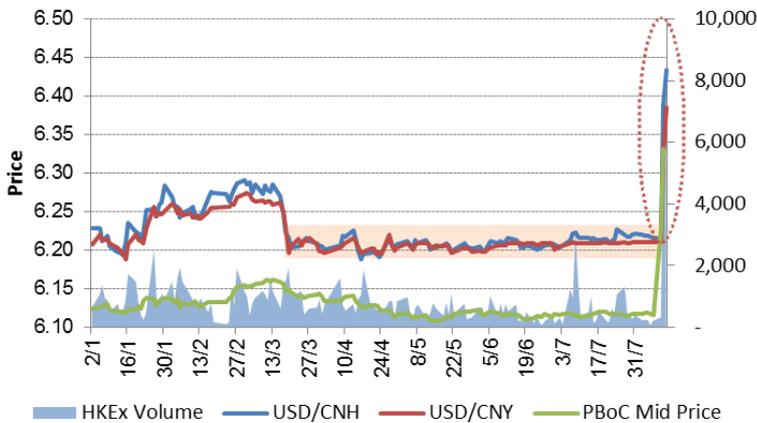


Highlights

- Over the week ending 14 August 2015, the average daily volume of HKE_x's USD/CNH futures was 3,928 contracts (US\$393 million notional). This includes an all-time turnover record of 8,061 contracts (US\$806 million notional) on 12 August 2015.
- In the coming weeks, the RMB currency movement and CNY/CNH convergence is something to pay close attention to.
- With the surge in implied volatility in the RMB currency, indicating near-term policy and depreciation risks, HKE_x's USD/CNH futures market serves as an efficient risk management tool.

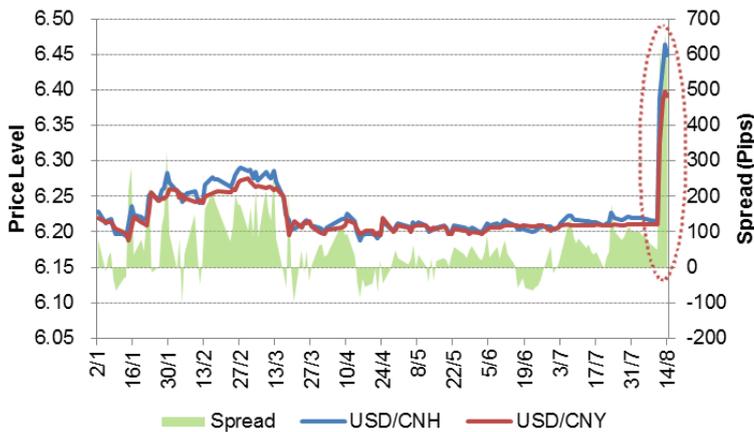
Onshore/Offshore RMB Price Range



The US dollar against the onshore RMB (CNY) and offshore RMB (CNH) rates had stayed in range throughout most of the year, particularly from March to July. The range was broken on 11 August, following an unexpected policy adjustment on the People's Bank of China (PBOC) middle price mechanism.

RMB currency movement is now of great interest to the market.

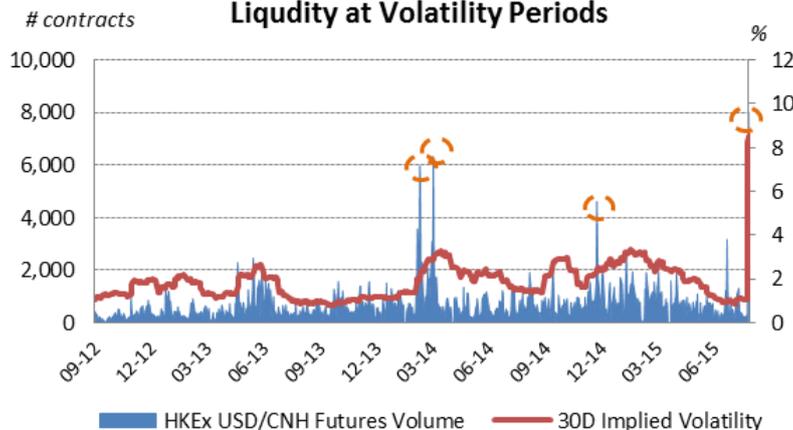
CNY and CNH Divergence



The recent PBOC adjustment also drove divergence between CNH and CNY rates to as much as 2,000 pips intraday, and to around 500 pips at the end of the week. This is the widest divergence so far this year.

Whether the CNY/CNH differential narrows or widens in the future might depend on whether the market expects the RMB devaluation to be a one-off. HKE_x's after-hour futures trading (AHFT) market serves the price discovery function when the onshore market is closed.

HKE_x RMB Futures Contract Provides Best Liquidity at Volatility Periods



Since launching in September 2012, HKE_x's USD/CNH futures contracts provide the best liquidity for past volatility spikes amid RMB depreciation concerns and unexpected policy adjustments.

With an increase in implied volatility in the RMB currency, which factors in near-term policy and depreciation risks, HKE_x's USD/CNH futures contracts serve as an efficient risk management tool that provides the best liquidity and strong market depth.

HKEx's USD/CNH Futures Market Statistics

Contract Month	Closing price					Price change over the week	
	10-Aug	11-Aug	12-Aug	13-Aug	14-Aug		
Aug-15	6.2191	6.3605	6.5620	6.4428	6.4408	+2,217 pips	3.56%
Sep-15	6.2325	6.3790	6.5805	6.4640	6.4613	+2,288 pips	3.67%
Oct-15	6.2498	6.3912	6.5927	6.4852	6.4834	+2,336 pips	3.74%
Nov-15	6.2630	6.4044	6.6059	6.4980	6.4967	+2,337 pips	3.73%
Dec-15	6.2780	6.4194	6.6246	6.5117	6.5100	+2,320 pips	3.70%
Mar-16	6.3224	6.4742	6.6757	6.5507	6.5461	+2,237 pips	3.54%
Jun-16	6.3672	6.5086	6.7101	6.5889	6.5805	+2,133 pips	3.35%
Sep-16	6.4134	6.5548	6.7280	6.6257	6.6169	+2,035 pips	3.17%

Further Information



- HKFE announced **revised margin rates** for the USD/CNH futures, effective on 14 August and 18 August 2015. Please refer to the announcement for further details <http://www.hkex.com.hk/eng/newsconsul/hkexnews/2015/Documents/1508124news.pdf>
- **Block trade facility** is available for trading over 50 contracts of the USD/CNH futures. Learn about how this could benefit you: <http://www.hkex.com.hk/eng/prod/dprod/rmb/Documents/Blocktrade-e.pdf>

For more information about the USD/CNH futures Contract Specifications, please visit: <http://www.hkex.com.hk/rmbcurrencyfutures>

If you have any question, please contact us at:

Address: 10/F One International Finance Centre
1 Harbour View Street, Central, Hong Kong

Email: FICD@hkex.com.hk



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