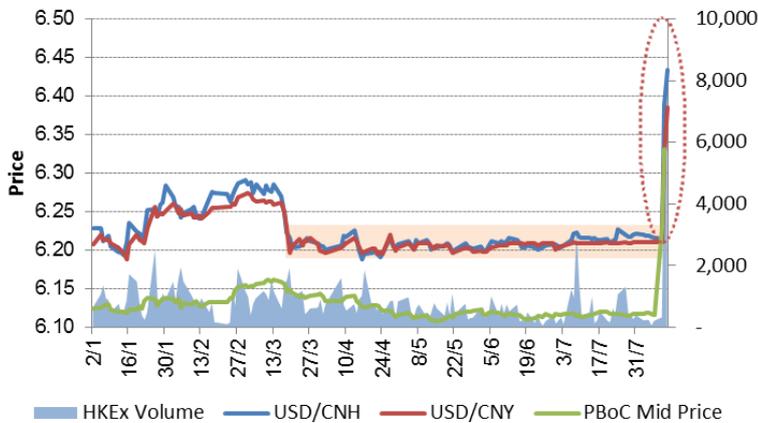


Highlights

- Over the week ending 14 August 2015, the average daily volume of HKE'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's USD/CNH futures market serves as an efficient risk management tool.

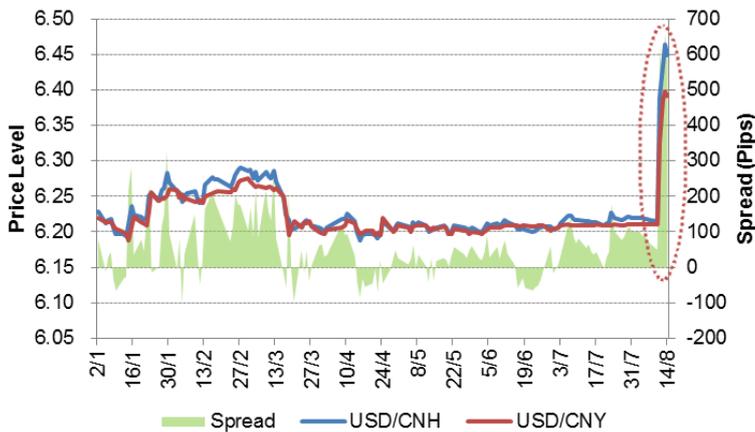
Onshore/Offshore RMB Price Range



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.

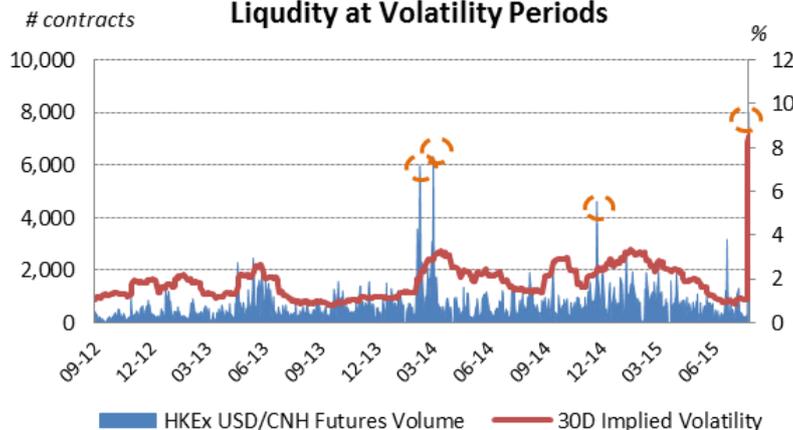
CNY and CNH Divergence



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's after-hour futures trading (AHFT) market serves the price discovery function when the onshore market is closed.

HKE's RMB Futures Contract Provides Best Liquidity at Volatility Periods



Since launching in September 2012, HKE'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'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



DISCLAIMER

All information contained herein is provided for reference only. While HKEx endeavours to ensure the accuracy, reliability and completeness of the information, neither it, nor any of its affiliates makes any warranty or representation, express or implied, or accept any responsibility or liability for, the accuracy, completeness, reliability or suitability of the information for any particular purpose. HKEx accepts no liability whatsoever to any person for any loss or damage arising from any inaccuracy or omission in the information or from any decision, action or non-action based on or in reliance upon the information.

The information does not, and is not intended to, constitute investment advice or a recommendation to make any kind of investment decision. Any person who intends to use the information or any part thereof should seek independent professional advice. Modification of the information in whole or in part, in any form or by any means are strictly prohibited without the prior written permission of HKEx.

Futures involve a high degree of risk. Losses from futures trading can exceed your initial margin funds and you may be required to pay additional margin funds on short notice. Failure to do so may result in your position being liquidated and you being liable for any resulting deficit. You must therefore understand the risks of trading in futures and should assess whether they are right for you. You are encouraged to consult a broker or financial adviser on your suitability for futures trading in light of your financial position and investment objectives before trading.