

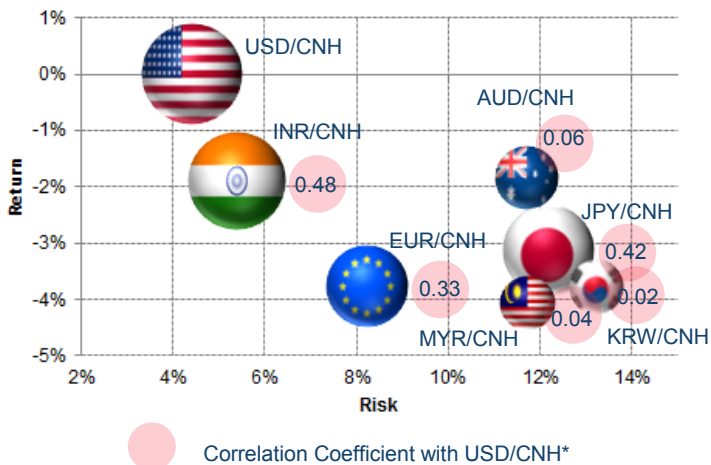
25 May 2016

**HIGHLIGHTS**

Following the RMB exchange rate reform towards a managed float regime with reference to a basket of currencies, HKEX has received regulatory approval to introduced new cash-settled RMB currency futures on 30 May 2016.

- Cash-settled Euro-RMB, Japanese yen-RMB and Australian dollar-RMB futures
- US dollar-denominated cash-settled RMB-US dollar futures to complement the existing physically-delivered US dollar-RMB futures

**RMB FX's RISK/RETURN/CORRELATION SPACE**

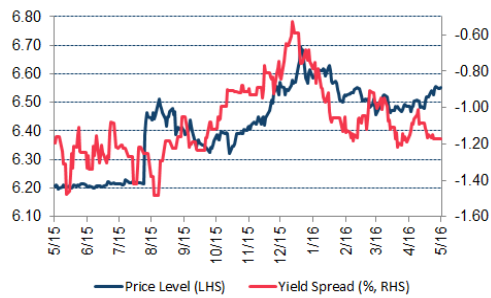


**KEY BENEFITS OF NEW RMB CURRENCY FUTURES**

- Hedging and risk management opportunities
- Capital efficiency of exchange-traded futures
- Block trade facility offers OTC flexibility with minimal counterparty risk
- Dedicated liquidity providers to provide competitive bid-ask spreads
- Same Asian time zone for liquidity aggregation

**KEY DRIVING FACTORS OF RMB CURRENCY PAIRS**

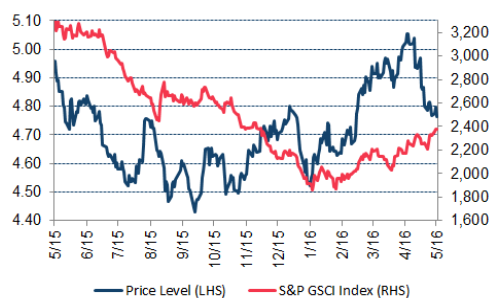
**USD/CNH** mostly driven by relative interest rates



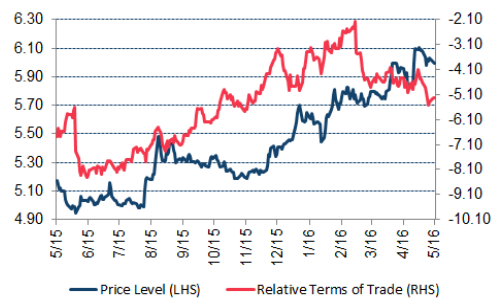
**EUR/CNH** mostly driven by risk reversals



**AUD/CNH** mostly driven by commodity price movements



**JPY/CNH** mostly driven by relative terms of trade between China and Japan

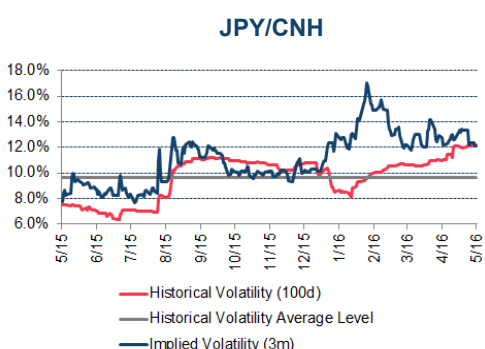
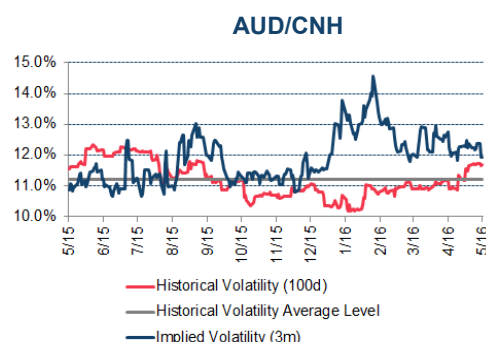
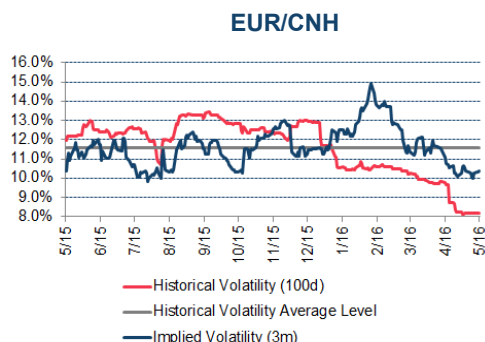
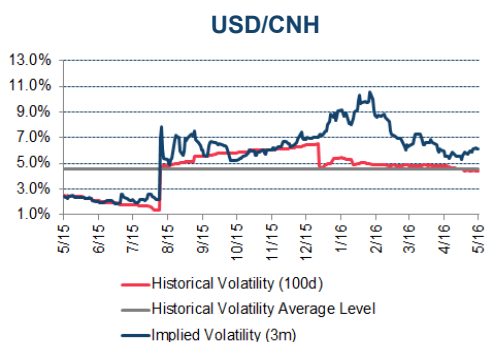


	Performance					Correlation w/h USD/CNH
	Current Month	Prior Month	Chg	Prior 3 Month	YTD	
USD/CNH	-1.0%	-0.4%	↓	0.0%	0.2%	1.00
EUR/CNH	0.5%	-1.0%	↑	-3.7%	-2.9%	0.33
AUD/CNH	3.4%	0.3%	↑	-1.8%	0.5%	0.06
JPY/CNH	1.6%	-6.1%	↑	-3.1%	-10.0%	0.42

	Volatility					
	Implied	Prior Month	Chg	Historical	Prior Month	Chg
USD/CNH	6.1%	5.9%	↑	4.4%	4.8%	↓
EUR/CNH	10.4%	11.1%	↓	8.2%	9.8%	↓
AUD/CNH	11.9%	12.7%	↓	11.7%	11.2%	↑
JPY/CNH	12.1%	12.8%	↓	12.2%	11.0%	↑

## VOLATILITY DYNAMICS

All the RMB currency pairs' volatilities decrease recently except for the JPY/CNH.



## COMPARISON BETWEEN USD/CNH FUTURES AND CNH/USD FUTURES

Product	USD/CNH Currency Futures	CNH/USD Currency Futures
<b>Quotation</b>	RMB per 1 USD (e.g. RMB 6.6233 per USD)	USD per 10 RMB (e.g. USD 1.2888 per 10 RMB)
<b>Trading and Margin Currency</b>	RMB	USD
<b>Contract size</b>	USD 100,000	RMB 300,000
<b>Settlement Method</b>	Physically settled (USD vs RMB)	Cash-settled in USD
<b>Last Trading Day (LTD) Final Settlement Day (FSD)</b>	LTD: Usually 3 <sup>rd</sup> Monday FSD: Usually 3 <sup>rd</sup> Wednesday	LTD: Usually 3 <sup>rd</sup> Monday FSD: Usually 3 <sup>rd</sup> Tuesday

KEY CONTRACT SPECS	EUR/CNH Futures	JPY/CNH Futures	AUD/CNH Futures	CNH/USD Futures
<b>Contract Size</b>	EUR50K	JPY6,000K	AUD80K	RMB300K
<b>Price Quotation</b>	RMB per EUR (e.g. 6.8028)	RMB per 100 JPY (e.g. 5.5923)	RMB per AUD (e.g. 4.6942)	USD per 10 RMB (e.g. 1.5288)
<b>Tick Value</b>	RMB5	RMB6	RMB8	USD3
<b>Settlement Methodology</b>	Cash settled in RMB			Cash settled in USD
<b>Contract Months</b>	4 contract months (Spot, next and first two quarter months)			8 contract months (Spot, next 3 months and next 4 quarter months)
<b>Reference Benchmark</b>	A cross rate calculated from WM/Reuters Intraday Spot Rates <sup>1</sup> at 11:00am and TMA <sup>2</sup> CNH Fixing at 11:15am			TMA Fixing
<b>Minimum Fluctuation</b>	RMB 0.0001 (4 decimal places)			USD 0.0001
<b>Trading Hours</b>	9:00am to 4:15pm (T session) and 5:00pm to 11:45pm (T+1 session)			
<b>Last Trading Day</b>	Two business days prior to the 3rd Wednesday of the contract month			

Find a broker for trading RMB futures, please visit : [www.hkex.com.hk/eng/prod/drprod/rmb/brokerlist.htm](http://www.hkex.com.hk/eng/prod/drprod/rmb/brokerlist.htm)



Sources: Bloomberg (16 May 2016)

<sup>1</sup> The WM/Reuters Intraday Spot Rates are provided by the World Markets Company plc, or WM, in conjunction with Reuters.

<sup>2</sup> Hong Kong's Treasury Markets Association

## INFORMATION VENDOR ACCESS CODES FOR NEW RMB CURRENCY FUTURES

(The list will be updated from time to time on [www.hkex.com.hk/FX](http://www.hkex.com.hk/FX))

### A. Hong Kong and International Information Vendors

Information Vendor	EUR/CNH Futures	JPY/CNH Futures	AUD/CNH Futures	CNH/USD Futures
AAStocks	221450	221455	221460	221465
Activ Financial	CEU/16M.HF	CJP/16M.HF	CAU/16M.HF	UCN/16M.HF
AFE Solution	870814	870815	870816	870817
Bloomberg	CUEA Curncy	JPCA Curncy	CUAA Curncy	UNCA Curncy
CQG	CNE	CJP	CAU	UCN
DBPower	CEU	CJP	CAU	UCN
ETNet	[HV/IQ] Futures -> Index Futures Screen			
Fidessa	CEU_Fmy.HF	CJP_Fmy.HF	CAU_Fmy.HF	UCN_Fmy.HF
Infocast	CEU	CJP	CAU	UCN
Interactive Data	F[n]:CEU\MYDD	F[n]:CJP\MYDD	F[n]:CAU\MYDD	F[n]:UCN\MYDD
Market Prizm	CEUmy	CJPmy	CAUmy	UCNmy
QPI	P11022	P11024	P11026	P11028
SIX Financial	CEUmy	CJPmy	CAUmy	UCNmy
Telequote	CEUmy	CJPmy	CAUmy	UCNmy
Tele-Trend	CEFC, CEmyy	CJFC, CJmyy	CAFC, CAmyy	CUFC, CUmyy
Thomson Reuters	0#HCEU:	0#HCJP:	0#HCAU:	0#HUCN:

### B. Mainland China Information Vendors

Information Vendor	EUR/CNH Futures	JPY/CNH Futures	AUD/CNH Futures	CNH/USD Futures
AASTOCKS.com / Shanghai DZH	CEU	CJP	CAU	UCN
East Money Information	CEU	CJP	CAU	UCN
Hexin Flush Financial	CEUc	CJPc	CAUc	UCNc
Pobo Financial Information	CEU+Month Code+Year Code	CJP+Month Code+Year Code	CAU+Month Code+Year Code	UCN+Month Code+Year Code
Shanghai Qianlong Advanced Technology	229	229	229	229
Shanghai Wind Information	CEUF+yymm+HK	CJPF+yymm+HK	CAUF+yymm+HK	UCNF+yymm+HK

For more information about RMB Futures,  
please visit: [www.hkex.com.hk/fx](http://www.hkex.com.hk/fx)

If you have any question, please contact us at:

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