

15 August 2016

HIGHLIGHTS

- TR/HKEX RXY Global CNH Index remained flat at 95.16 while the People's Bank of China (PBOC) USD/CNY Fixing dropped 0.21 per cent to 6.6543 last week.
- The largest contributor to the performance of the TR/HKEX RXY Global CNH Index was the JPY, which depreciated nearly 1 per cent against the USD during the same period of time.
- China's foreign exchange reserves slid by USD4.1 billion to USD3.2 trillion in July, according to data released by the PBOC on August 7th. China's reserves, the largest in the world, rose USD13.4 billion in June, after rebounding from a 5-year low in May.

Indices	Return					Risk			
	2016/8/8 - 2016/8/12 (Week)	2016/8/1 - 2016/8/5 (Week)	Chg	MTD	YTD	30-Day Realized Volatility (as of 2016/8/12)	30-Day Realized Volatility (as of 2016/8/5)	Chg	Correlation with China Foreign Exchange Trade System (CFETS) RMB Index
TR/HKEX RXY Global CNH (RXYH)	0.00%	-0.72%	↑	-0.72%	-5.37%	3.63%	3.74%	↓	0.99
TR/HKEX RXY Global CNY (RXYC)	0.00%	-0.70%	↑	-0.70%	-6.39%	3.44%	3.60%	↓	0.99
TR/HKEX RXY Reference CNH (RXYRH)	0.08%	-0.71%	↑	-0.63%	-5.13%	3.59%	3.60%	↓	0.98
TR/HKEX RXY Reference CNY (RXYRY)	0.08%	-0.69%	↑	-0.61%	-6.17%	3.50%	3.77%	↓	0.99

KEY DATA

Fig 1: Performance: TR/HKEX RXY Global CNH, CFETS RMB Index and USD/CNH

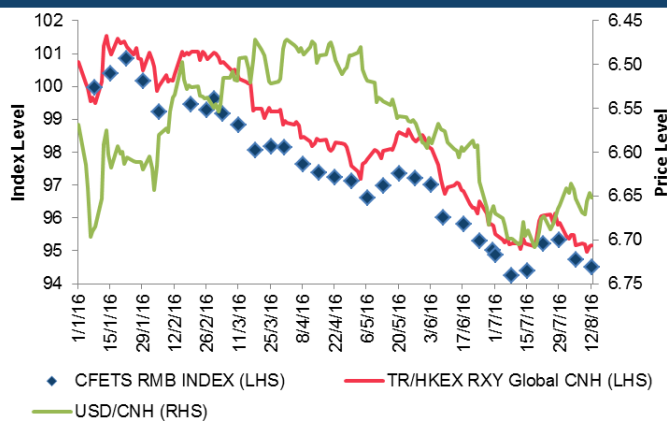


Fig 2: Weekly Performance Contribution Breakdown⁽²⁾: TR/HKEX RXY Global CNH

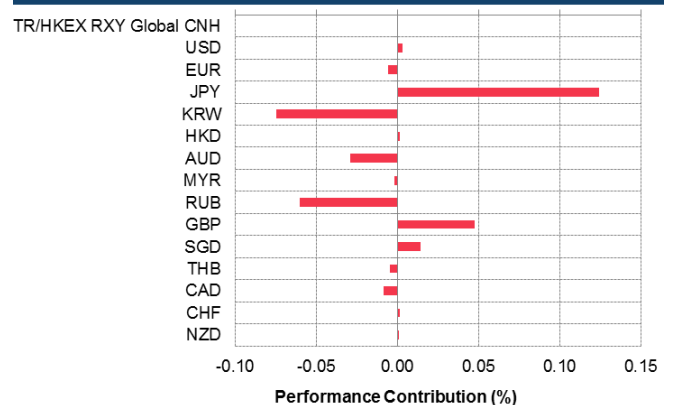


Fig 3: 30-Day Realized Volatility of TR/HKEX RXY Reference CNY and PBOC USD/CNY Fixing

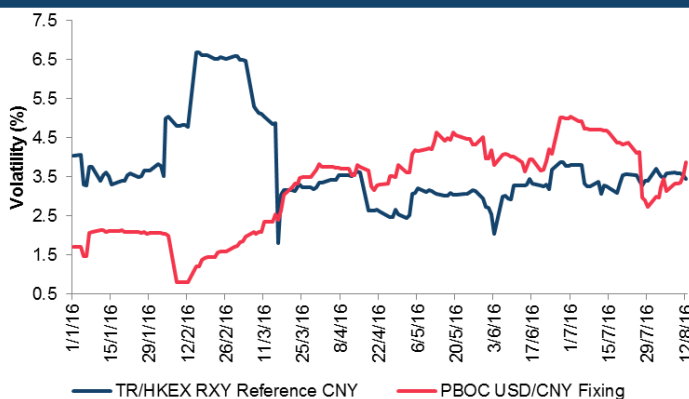
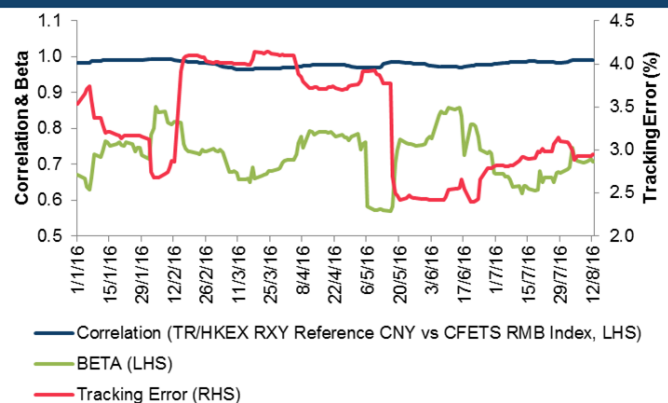


Fig 4: Correlation, Beta and Tracking Error⁽³⁾: TR/HKEX RXY Reference CNY vs CFETS RMB Index



Definitions:

- (1) Beta is a measure of currency index sensitivity to a benchmark. We calculate beta by comparing currency index excess return over Shanghai Interbank Offered Rate (SHIBOR) to CFETS RMB index excess return over SHIBOR based on the prior 3 month daily data. Beta of 0.66 shows that the currency index performs 33% worse than the benchmark index in up markets for the benchmark index and 33% better in down markets for the benchmark index, assuming all other factors remain constant.
- (2) Contribution (weighted return) of each constituent to RXYH performance. For the constituent weights, please refer to information on page 2.
- (3) Tracking error is a measure of volatility of the difference in returns between a currency index and its benchmark. We calculate tracking error as a standard deviation of the returns differences of the currency index and the CFETS RMB index based on the prior 3 month daily data.

TR/HKEX RMB CURRENCY INDICES (RXY)

PRODUCT HIGHLIGHTS

- The RXY indices offer independent, transparent and timely benchmarks for RMB against Mainland China's most important trade partners' currencies.
- The indices are calculated based on WM/Reuters foreign exchange rates (WM/Reuters FX Rates) and managed in accordance with the IOSCO (International Organization of Securities Commissions) principles for financial benchmarks.
- The RXY indices are designed to be the basis for investment and trading products such as futures, options and exchange traded funds.

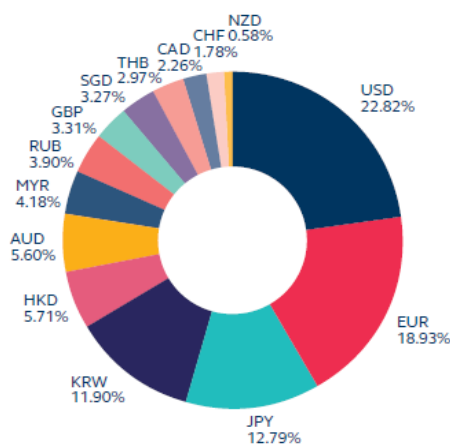
METHODOLOGY

Calculation Method:	Geometric Average
Weighting Method:	Bilateral trade weighted with adjustment for Hong Kong re-exports
Trade Data Source:	UN Comtrade, Hong Kong Census and Statistics Department
Weighting Rebalance:	Annual review. Announcement in June, Implementation first business day of Q4
Calculation Frequency:	Hourly
FX Rate Data Source:	WM/Reuters FX Rates
Base Date:	100 as of 31 December 2014

For more details, a complete methodology document is available at: financial.thomsonreuters.com/fxindices

PRIMARY INDEX: TR/HKEX RXY GLOBAL CNH CURRENCY INDEX

Index Weights: Valid Until 30 September 2016



INDEX WEIGHTS			
Currency	RXY Global Currency Indices	RXY Reference Currency Indices	CFETS RMB Index
USD	22.82%	25.89%	26.40%
EUR	18.93%	21.49%	21.39%
JPY	12.79%	14.52%	14.68%
KRW	11.90%	0.00%	0.00%
HKD	5.71%	6.48%	6.55%
AUD	5.60%	6.36%	6.27%
MYR	4.18%	4.74%	4.67%
RUB	3.90%	4.43%	4.36%
GBP	3.31%	3.75%	3.86%
SGD	3.27%	3.71%	3.82%
THB	2.97%	3.38%	3.33%
CAD	2.26%	2.57%	2.53%
CHF	1.78%	2.02%	1.51%
NZD	0.58%	0.66%	0.65%

For more information about RXY Indices, please visit: <http://www.hkex.com.hk/eng/prod/drprod/rmb/rxy.htm>
If you have any questions, please contact us at:

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