

MSCI China A 50 Connect (USD) Index Futures

Product factsheet | March 2024

Innovative indexing methodology

The MSCI China A 50 Connect Index adopts a sector-balanced approach that prevents the overweighting of financials and offers a wider diversification of large-cap A-share exposures.

High Correlation with A-share benchmarks

With a high correlation and low tracking error with the CSI 300 Index and the MSCI China A Index, the MSCI China A 50 Connect Index enables investors to hedge broad-based China portfolios with greater precision.

Established liquidity

Within two years of its launch on 18 October 2021, the contract has achieved an average daily volume of US\$700 million¹ in notional value.

HKATS Code Ticker

MCA

Bloomberg Ticker

MCYA Index

Refinitiv Code

0#HMCA:

Contract Size

US\$45,940¹

Exchange Fee

US\$0.5²

Contract Type

Price return contract

Contract Months

Spot month, next calendar month and the following 4 quarterly months

Trading Hours (Hong Kong Time)

9:00 am – 4:30 pm
(day trading session);
5:15 pm – 3:00 am
(after-hours trading session)

Eligibility for US Person

CFTC certified

	MSCI China A 50 Connect	CSI 300	FTSE China A50
Coverage	Constructed to approximate MSCI China A Index performance; Balanced sector weighting	Top 300 stocks traded on the Shanghai and Shenzhen stock exchanges	50 largest A-shares in Shanghai and Shenzhen stock exchanges
Index Market Cap (US\$ Bil)	873	1944	841
No. of Constituent	50	300	50
3-Year Index Performance³	-11.01%	-10.11%	-10.11%
5-Year Index Performance³	4.84%	4.90%	4.80%
Index Volatility (30-day historical)	16.10%	15.06%	15.80%
Dividend Yield	2.78%	2.90%	3.39%
Tracking Error with CSI 300	5.41%	-	6.40%
Correlation with CSI 300	0.96	-	0.94

Source: Bloomberg, as of 29 December 2023.

¹ Source: Bloomberg, as of 29 December 2023.

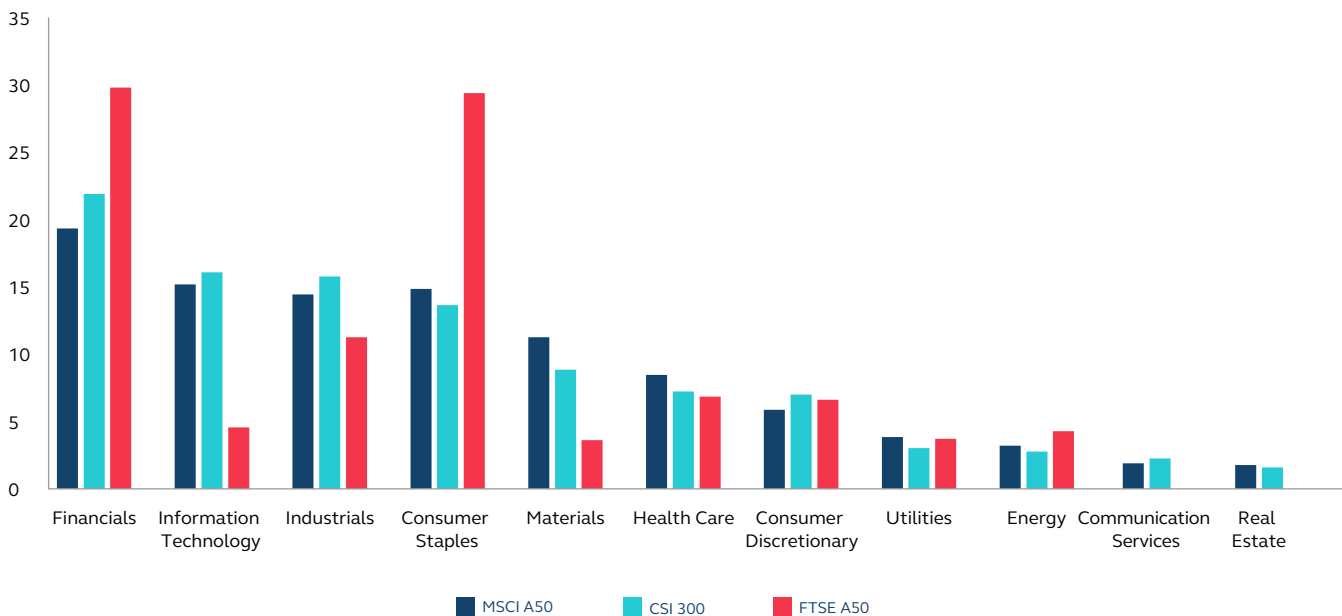
² Fee: Market wide discounted fee at US\$0.5, subject to change at HKEX's discretion.

³ 3-year and 5-year index performance are based on annualized total returns (last close).

Balanced sector weighting

The index selects 50 of the largest China A shares investable through Stock Connect and targets at least two stocks from each GICS sector to ensure a diversified sector allocation and balanced representation of the broader China A market.

Sector weight(%)



Source: MSCI, as of 29 December 2023.

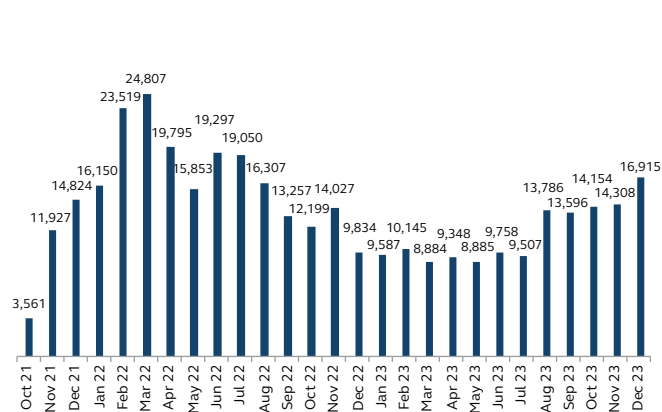
Top 10 constituents

Constituent	Float adjusted Market Cap (US\$ Bil)	Index weight (%)	Sector
Kweichow Moutai	46.32	7.86	Consumer Staples
Contemporary Amperex Technology	36.46	6.19	Industrials
Zijin Mining Group	33.32	5.66	Materials
Wanhua Chemical Group	31.33	5.32	Materials
Luxshare Precision	26.34	4.47	Information Technology
BYD Company	23.08	3.92	Consumer Discretionary
Foxconn Industrial Internet	21.42	3.64	Information Technology
China Yangtze Power	19.74	3.35	Utilities
China Merchants Bank	18.74	3.18	Financials
LONGi Green Energy	18.57	3.15	Information Technology

Source: MSCI, as of 29 December 2023.

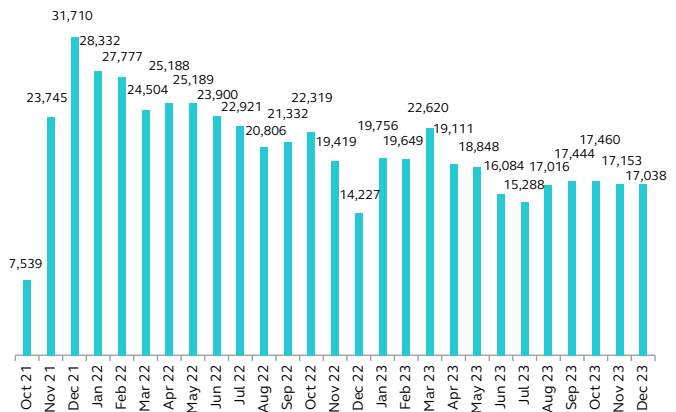
Significant liquidity development

Average daily volume since launch⁴



Average daily volume in December 2023
16,915 contracts (Notional value: US\$0.8 billion)

Month-end open Interest since launch



Average open interest at end-December 2023
17,038 contracts (Notional value: US\$0.8 billion)

Source: HKEX, as of 29 December 2023.

Deep roll book liquidity since launch

Spread on touch	T Session		T+1 Session	Calendar spread
Month	Bps		Bps	Bps
May 2023	2.9		4.7	1.0
Jun 2023	2.7		5.1	1.0
Jul 2023	2.5		5.0	1.1
Aug 2023	2.3		5.3	1.0
Sep 2023	2.2		5.1	1.1
Oct 2023	2.2		5.3	1.4
Nov 2023	2.1		7.2	1.0
Dec 2023	2.2		7.8	1.2



Bid-ask spread in T-session narrows to **2.2 bps**



Bid-ask spread of calendar spread narrows to **1.2 bps**

Size on touch (in USD)	T Session		T+1 Session		Calendar spread	
Month	Bid	Ask	Bid	Ask	Bid	Ask
May 2023	245K	252K	160K	161K	18M	17M
Jun 2023	233K	246K	170K	157K	12M	14M
Jul 2023	210K	216K	168K	155K	15M	15M
Aug 2023	235K	248K	196K	187K	26M	23M
Sep 2023	201K	206K	158K	151K	18M	14M
Oct 2023	221K	218K	176K	161K	25M	31M
Nov 2023	241K	243K	177K	174K	27M	35M
Dec 2023	229K	229K	172K	174K	20M	23M



Average best-bid-offer size in the roll book crossed **US\$20 million**

Source: Bloomberg, as of 29 December 2023.

⁴ MSCI A50 Launch Date: 18 October 2021



Competitive margin offsets

MSCI China A 50 Connect	43%	46%	40%	41%
Derivative Products	Hang Seng Index Products	Hang Seng China Enterprises Index Products	MSCI China (USD) Index futures	MSCI China Net Total Return (USD) Index futures

An expanding product ecosystem

AUM of ETFs tracking the MSCI China A 50 Connect Index exceeded US\$2.5 billion globally, with the majority in onshore-listed ETFs.

Fund Manager	Exchange	AUM of the ETF (US\$ Mil)
Onshore ETF		
China Universal Asset Management	Shanghai	728
E Fund	Shanghai	638
China AMC	Shenzhen	535
Southern Asset Management	Shenzhen	183
Offshore ETF		
Kraneshares	United States	282
China AMC	Hong Kong	46
E Fund	Hong Kong	15
Kiwoom	South Korea	7
Kiwoom	South Korea	6
Kraneshares	London	5
CSOP	Hong Kong	5
Kiwoom	South Korea	4

Source: Bloomberg, as of 29 December 2023.

Other contract specifications

Trading Currency	USD
Underlying Currency	CNH
Contract Multiplier	US\$25 per index Point
Minimum Fluctuation	0.2 index point
Holiday Trading	This contract can be traded on Hong Kong public holidays (except for the holiday of New Year's Day)
Pre-Market Opening Period (Hong Kong Time)	8:45 am – 9:00 am
Last Trading Day (LTD)	The third Friday of the contract month. If it is not a trading day or if it falls on a Mainland China public holiday, the LTD shall be the preceding trading day which is also a business day in Mainland China
Final Settlement Price	The average of quotations of the MSCI China A 50 Connect Index on LTD, taken at (i) 15 second intervals during the last two hours of trading on the Shanghai Stock Exchange and Shenzhen Stock Exchange before the end of the continuous trading sessions, and (ii) the closing index value, rounded up to the nearest 2 decimal places if the figure in the third decimal place is 5 or above and rounded down to the nearest 2 decimal places if it is below 5.
Settlement Fee	USD 1.0
Commission Levy	USD 0.07
Position Limit	28,000 net contracts long or short for all contract months combined
Large Open Position	Large Open Position 500 open contracts in any one contract month

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