

1 August 2016

### HIGHLIGHTS

- TR/HKEX RXY Global CNH index fell 0.23 per cent to 95.85 while the People's Bank of China (PBOC) USD/CNY Fixing fell 0.24 per cent to 6.6511 last week.
- The largest contributor to the performance of the TR/HKEX RXY Global CNH Index was the JPY, which appreciated 2.34 per cent against the USD during the same period of time.
- The PBOC's Governor, Zhou Xiaochuan, said at the G-20 Finance Ministers and Central Bank Governors' meetings on 24 July 2016 that China would continue to refer to a currency basket in the USD/CNY Fixing. He stated that the regulator would continue to promote transparency of Foreign Exchange (FX) regulations and improve communications with market participants.

Weekly Return/Risk Statistics

Indices	Return					Risk				
	2016/7/25 - 2016/7/29 (Week)	2016/7/18 - 2016/7/22 (Week)	Chg	MTD	YTD	30-Day Realized Volatility (as of 2016/7/29)	30-Day Realized Volatility (as of 2016/7/22)	Chg	Correlation with China Foreign Exchange Trade System (CFETS) RMB Index	Beta <sup>(1)</sup> vs CFETS RMB Index
TR/HKEX RXY Global CNH (RXYH)	-0.23%	0.91%	↓	0.36%	-4.95%	3.44%	3.71%	↓	0.98	0.69
TR/HKEX RXY Global CNY (RXYC)	-0.20%	0.97%	↓	0.60%	-5.88%	3.40%	3.58%	↓	0.98	0.67
TR/HKEX RXY Reference CNH (RXYRH)	-0.12%	0.88%	↓	0.28%	-6.00%	3.31%	3.91%	↓	0.98	0.64
TR/HKEX RXY Reference CNY (RXYRY)	-0.08%	1.01%	↓	0.68%	-4.82%	3.55%	3.58%	↓	0.98	0.71

### KEY DATA

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

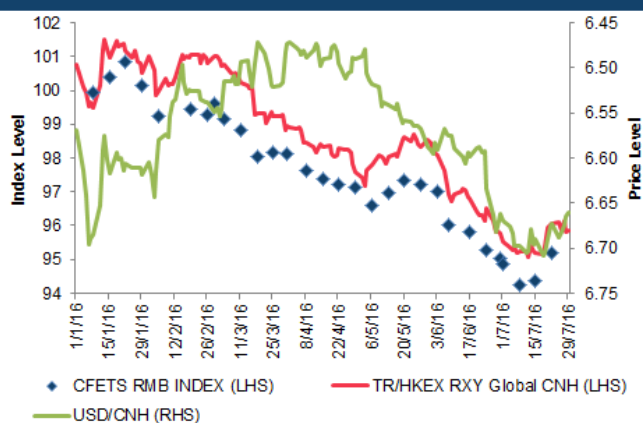


Fig 2: Weekly Performance Contribution Breakdown<sup>(2)</sup>: TR/HKEX RXY Global CNH

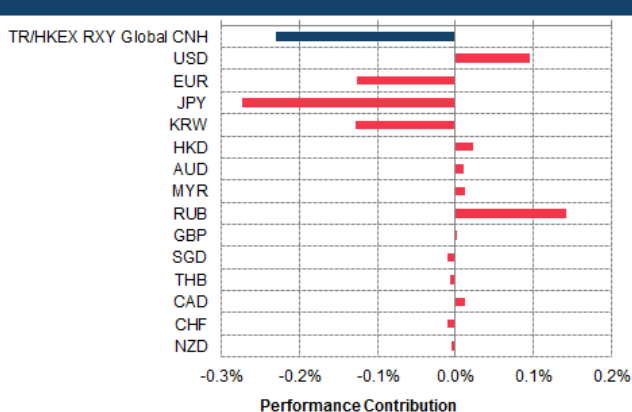


Fig 3: 30-Day Realized Volatility of TR/HKEX RXY Reference CNY and PBOC USD/CNY Fixing

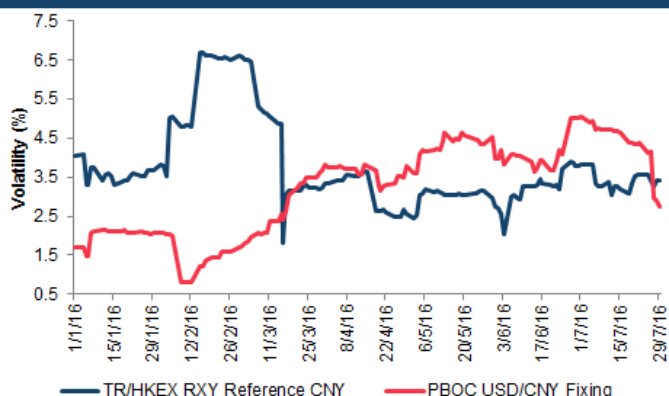
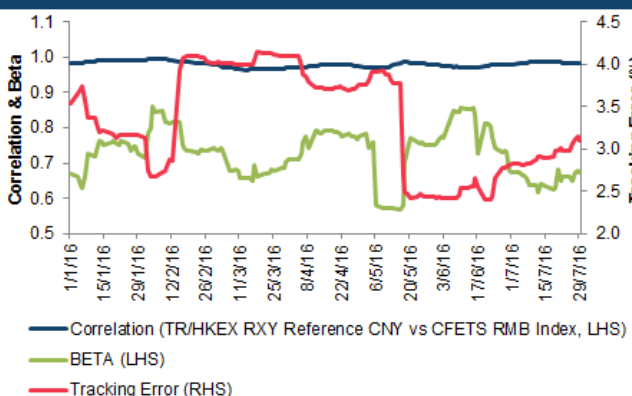


Fig 4: Correlation, Beta and Tracking Error<sup>(3)</sup>: TR/HKEX RXY Reference CNY vs CFETS RMB Index



### 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 Organisation 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.

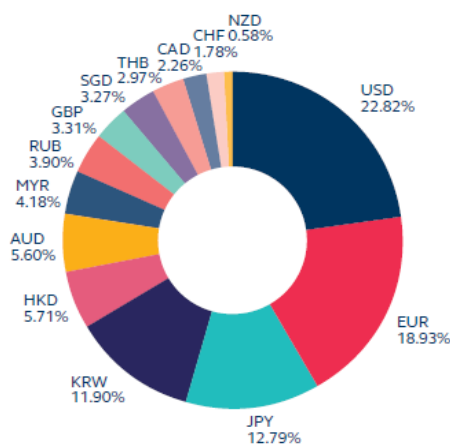
### METHODOLOGY

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

For more details, a complete methodology document is available at: [financial.thomsonreuters.com/fxindices](http://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	22.81%	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:

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

**Email:** [FICD@hkex.com.hk](mailto:FICD@hkex.com.hk)



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