

USD/CNH Currency Futures

- Final Settlement Process for Buyer (for illustration purpose only)

LTD - 1

Trading Hours
(08:30 – 18:30)

Buy 1 spot month contract, @ RMB 6.3011

Set CQ
~19:00

CQ : RMB 6.3010

Day-end Processing
After 20:30

VA loss :

$$\begin{array}{r} 6.3010 \\ - 6.3011 \\ - 0.0001 \\ \times 100,000^* \\ = - \text{RMB } 10 \end{array}$$

Assume
Margin Requirement[#] :
 - RMB 7,561

LTD

By 09:15

Clearing House Collects RMB 7,571 (RMB 10 + RMB 7,561)

~11:15

Final Settlement Price:
RMB 6.3000

Underlying Price @ market close :
RMB 6.2980

VA loss:

$$\begin{array}{r} 6.3000 \\ - 6.3010 \\ - 0.0010 \\ \times 100,000^* \\ = - \text{RMB } 100 \end{array}$$

Delivery P/L Margin (DR):

$$\begin{array}{r} 6.2980 \\ - 6.3000 \\ - 0.0020 \\ \times 100,000^* \\ = - \text{RMB } 200^{\wedge} \end{array}$$

LTD + 1

By 09:15

Clearing House Collects RMB 300 (RMB 100 + RMB 200[^])

RMB payment obligations
 Net shortfall
 Final Settlement Value 630,000
 Margin release - 7,561
 Delivery P/L margin release - 200[^]
 RMB 622,239

USD delivery
USD100,000

Final Settlement Day

By 09:15

Clearing House Collects RMB 622,239

After 14:30

Upon receipt of withdrawal request from Participant, Clearing House releases the USD delivery of USD 100,000 to Participant's bank account

CQ – Closing Quotation
LTD – Last Trading Day
VA – Variation Adjustment



* Contract size = USD 100,000

[#] Spot month charge included, if applicable

[^] Losses arising from the Delivery P/L margin will be added to and collected as Clearing House margin payable

USD/CNH Currency Futures

- Final Settlement Process for Seller (for illustration purpose only)

LTD - 1

Trading Hours
(08:30 – 18:30)

Sell 1 spot month contract,
@ RMB 6.3011

Set CQ
~19:00

CQ :
RMB 6.3010

Day-end Processing
After 20:30

VA gain :
$$\begin{array}{r} 6.3011 \\ - 6.3010 \\ 0.0001 \\ \times 100,000^* \\ = + \text{RMB } 10 \end{array}$$

Assume
Margin Requirement[#] :
- RMB 7,561

LTD

By 09:15

Clearing House Collects
RMB 7,551 (- RMB10 + RMB 7,561)

~11:15

Final Settlement Price:
RMB 6.3000

Underlying Price @ market close :
RMB 6.2980

VA gain:
$$\begin{array}{r} 6.3010 \\ - 6.3000 \\ 0.0010 \\ \times 100,000^* \\ = + \text{RMB } 100 \end{array}$$

Delivery P/L Margin (CR):
$$\begin{array}{r} 6.3000 \\ - 6.2980 \\ 0.0020 \\ \times 100,000^* \\ = + \text{RMB } 200^{\wedge} \end{array}$$

LTD + 1

After 14:30

Upon receipt of withdrawal request from Participant, Clearing House releases the VA gain and Margin (Cr) , i.e. RMB 300 (RMB 100 + RMB 200[^]) to Participant's bank account

USD delivery obligation
USD100,000

RMB receivable
Final Settlement Value 630,000
Margin release + 7,361[^]
RMB 637,361

Final Settlement Day

By 09:15

Clearing House Collects
USD 100,000

After 14:30

Upon receipt of withdrawal request from Participant, Clearing House releases the RMB payment of RMB 637,361 to Participant's bank account

CQ – Closing Quotation
LTD – Last Trading Day
VA – Variation Adjustment

* Contract size = USD 100,000

Spot month charge included, if applicable

[^] Profits arising from the Delivery P/L margin will be offset against Clearing House margin payable, i.e. RMB 7,561 – RMB 200 = RMB 7,361

