

The USD/CNH derivative products suite, together with other RMB currency futures listed on HKEX, are widely traded and popular risk management tools for investors to manage their RMB and USD exposures and cater to the needs of various market participants who may prefer physically delivered or cash settled, bigger or smaller contracts

Trading benefits

Transparency & Efficiency Exchange-traded Contracts	Flexible Collateral Policy Multiple Currencies Accepted	Capital Efficiency Margin Offsets with Multiple Related Products Available	Block Trade* OTC Flexibility with Relatively Low Counterparty Risk	Calendar Spreads High Liquidity for Efficient Spread Trading	Long Tenors Covering up to 22 Month Horizon
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USD/CNH Futures and Mini USD/CNH Futures contracts specifications

	USD/CNH Futures	Mini USD/CNH Futures
HKATS Code	CUS	MCS
Contract Size	USD 100,000	USD 20,000
Price Quotation	RMB per USD (e.g. RMB 6.2486 per USD)	
Min. Fluctuation	RMB 0.0001 (4 decimal places)	
Tick Value	RMB 10	RMB 2
Last Trading Day	Two Trading Days prior to the third Wednesday of the Contract Month	
Final Settlement Day	The third Wednesday of the Contract Month	The first Trading Day after the Last Trading Day
Final Settlement Price	USD/CNY (HK) Spot Rate published by Hong Kong Treasury Markets Association (TMA) at or around 11:30am on the Last Trading Day	
Contract Months	Spot month, the next 3 calendar months, the next 6 calendar quarter months	
Trading Hours	8:30 am - 6:30 pm (Day Session) 7:15 pm - 3:00 am (AHT Session) (Expiring contract month closes at 11:00 am on the Last Trading Day)	
Settlement Method	Delivery of US dollars by the Seller and payment of the Final Settlement Value in RMB by the Buyer	Cash settled
Margin Offset	Margin offset can be offered between any two of the USD/CNH Futures & Options, Mini USD/CNH Futures and CNH/USD Futures	

* For Block Trade quote enquiries, please email FICD@hkex.com.hk.

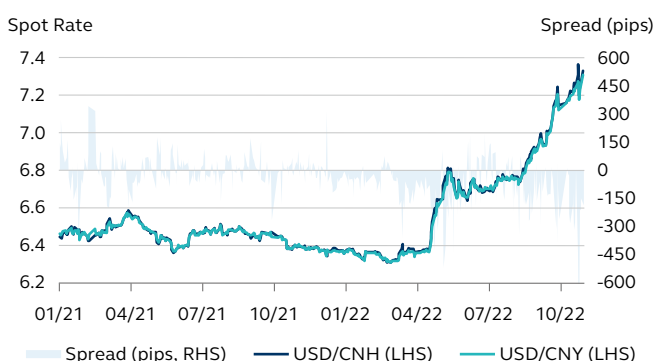
USD/CNH Options contract¹ specifications

USD/CNH Options										
HKATS Code	CUS									
Contract Size	USD 100,000									
Price Quotation	RMB per USD (e.g. RMB 6.2486 per USD)									
Min. Fluctuation	RMB 0.0001 (4 decimal places)									
Tick Value	RMB 10									
Expiry Day	Two Trading Days prior to the Final Settlement Day									
Final Settlement Day	The third Wednesday of the Contract Month									
Official Settlement Price	USD/CNY (HK) Spot Rate published by Hong Kong Treasury Markets Association (TMA) at or around 11:30am on the Expiry Day									
Contract Months	Spot month, the next 3 calendar months, the next 6 calendar quarter months									
Trading Hours	8:30 am to 6:30 pm (8:30 am to 11:00 am on the Expiry Day)									
Exercise Style	European style									
Strike Price	Strike intervals will be set at 0.05									
Settlement on Exercise	Physical delivery on Exercise									
	<table border="1"> <thead> <tr> <th></th> <th>Holder</th> <th>Writer</th> </tr> </thead> <tbody> <tr> <td>Call Options</td> <td>Payment of the Final Settlement Value* in RMB</td> <td>Delivery of US dollars</td> </tr> <tr> <td>Put Options</td> <td>Delivery of US dollars</td> <td>Payment of the Final Settlement Value* in RMB</td> </tr> </tbody> </table>		Holder	Writer	Call Options	Payment of the Final Settlement Value* in RMB	Delivery of US dollars	Put Options	Delivery of US dollars	Payment of the Final Settlement Value* in RMB
	Holder	Writer								
Call Options	Payment of the Final Settlement Value* in RMB	Delivery of US dollars								
Put Options	Delivery of US dollars	Payment of the Final Settlement Value* in RMB								
	* Final Settlement Value is the Strike Price multiplied by the Contract Size; applies to both Call and Put Options									
Margin Offset	Margin offset can be offered between any two of the USD/CNH Futures & Options, Mini USD/CNH Futures and CNH/USD Futures									

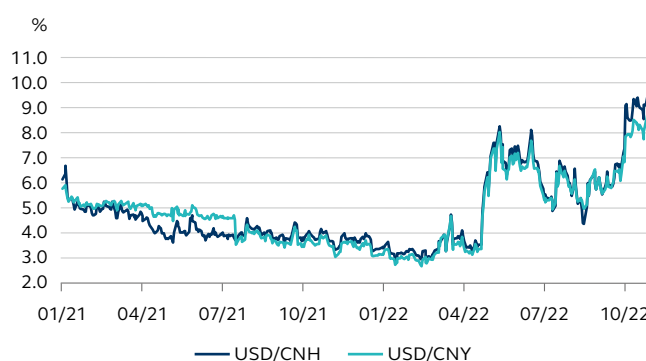
¹ Currency Options are of high risk and not suitable for inexperienced investors or people who are less risk tolerant

Market snapshot

Spot spread: USD/CNH vs USD/CNY



1-Month implied volatility: USD/CNH vs USD/CNY

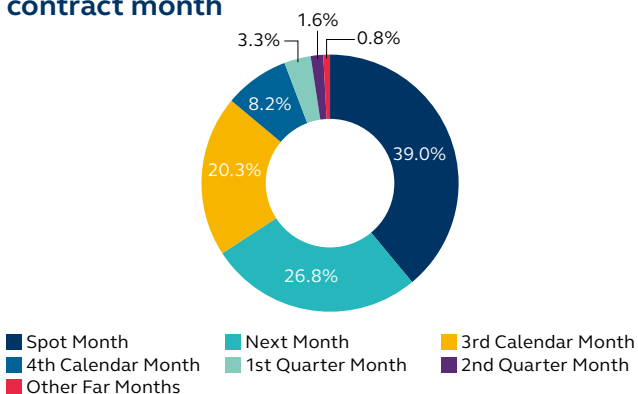


Data Period: Jan 2021 - Oct 2022
Source: Bloomberg

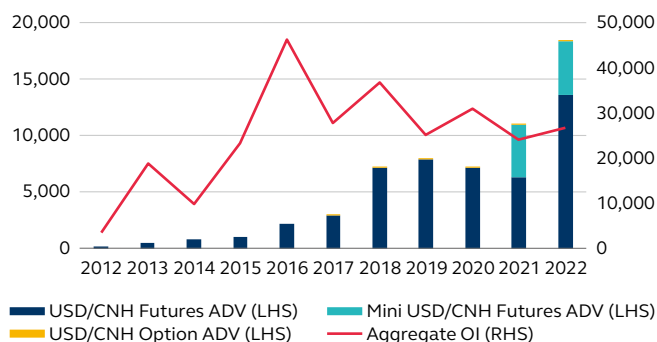


Market landscape

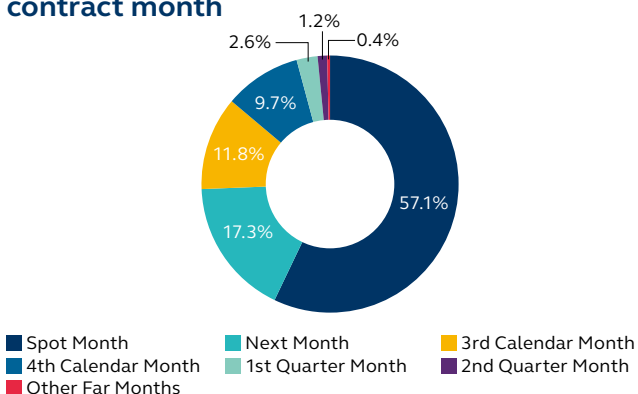
USD/CNH Futures volume distribution by contract month



USD/CNH Futures & Options and Mini USD/CNH Futures average trading volume (“ADV”) and open interest (“OI”)



Mini USD/CNH Futures volume distribution by contract month



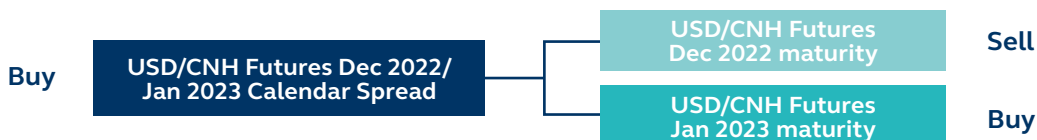
Data period: Jan - Oct 2022
Source: Bloomberg

Market strategies

Calendar Spreads

Calendar spreads are available to all individual contract month futures series for efficient calendar rolling.

Upon placing of calendar spread orders, bait orders, system-generated orders that adjust prices according to the prevailing market price, would be placed on outright series legs to increase the chance of execution.



Tailor-Made Combinations

Strategies can also be traded through the Tailor-Made Combinations (TMC) facility which enables trading of self-defined futures and options strategies[^], including strategies for delta hedging and rollover, through a single order.

Benefits

Execution Certainty:	Option strategy will be executed only if all legs are simultaneously executed hence no risk of failed legs
Efficiency:	Each TMC consists of a maximum of 4 legs and is traded through a single net price
Quotation:	Investors may request for quotes from liquidity providers* for additional liquidity on TMC series

* For quote enquiries please email FICD@hkex.com.hk

[^] For the list of eligible strategies please refer to “List of Prescribed Strategies for Tailor-Made Combinations” on HKEX website



Block trade

A block trade comprises large buy and sell orders privately negotiated apart from the public auction market.

Benefits

- Gain large size of FX exposure
- Price and execution certainty
- OTC flexibility with central clearing benefits
- Added liquidity

Criteria

Items	Mini USD/CNH Futures	USD/CNH Futures	USD/CNH Options
Minimum volume threshold	100 contracts	50 contracts	50 contracts
Permissible price range	±3%	±3%	if price >= 0.4000 10% if price < 0.4000 0.040
Execution must be within product trading hours			
Telephone recording is required to record all block trade orders			

Execution Procedures



Product team for quote enquiries – Email FICD@hkex.com.hk
 HKATS team for execution enquiries – Tel +852 2211 6360 and hkatssupport@hkex.com.hk

For Information Vendor Access Code, please visit HKEX website
 (https://www.hkex.com.hk/Products/Listed-Derivatives/Foreign-Exchange/Derivatives-Market-Access-Codes?sc_lang=en).

Please also refer to the HKEX website (www.hkex.com.hk/fx) for real time quotes and further product information.

Risks of trading futures & options

Futures or options involve a high degree of risk. Losses from futures or options trading can exceed initial margin funds and investors may be required to pay additional margin funds on short notice. Failure to do so may result in the position being liquidated and the investor being liable for any resulting deficit. Investors must therefore understand the risks of trading in futures and options and should assess whether they are right for them.

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