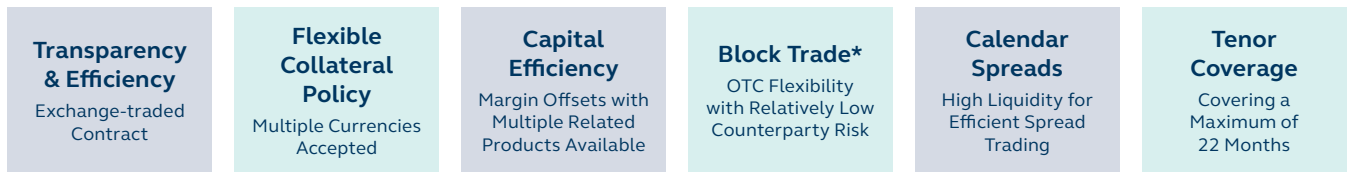


The USD/CNH Futures, together with other RMB currency futures and options listed on HKEX, are widely traded and popular risk management tools for investors to manage their RMB exposures. The Mini USD/CNH Futures expands HKEX’s RMB derivatives product suite, providing investors with an enhanced range of risk-management tools, and catering to the needs of some market participants who prefer cash settled contract and/or smaller contract size.

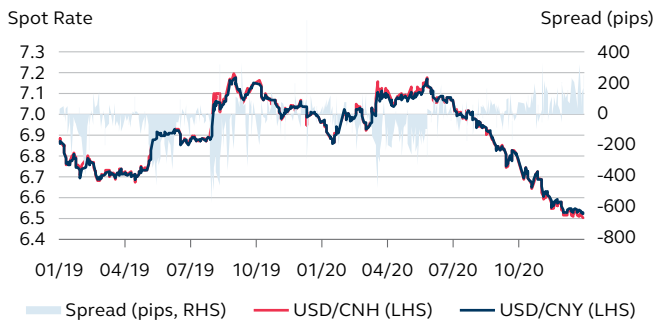
## Trading benefits<sup>1</sup>



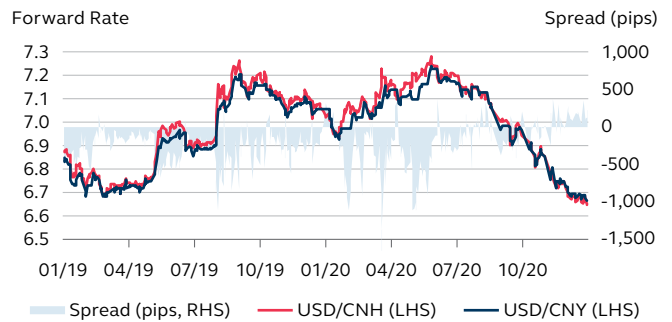
Note 1: Currency Options are of high risk and not suitable for inexperienced investors or people who are less risk tolerant  
\* For Block Trade quote enquiries, please call +852 2840 3726 / 2211 6122 or email FICD@hkex.com.hk.

## Market snapshot

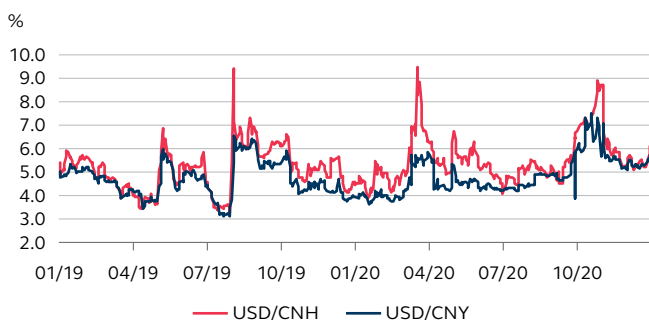
### Spot spread: USD/CNH vs USD/CNY



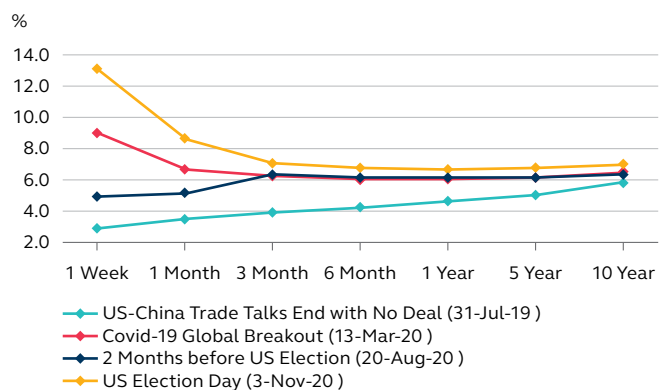
### 1-Year forward spread: USD/CNH vs USD/CNY



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



### USD/CNH at-the-money implied volatility term structure



# Contracts specifications

## 1. USD/CNH Futures and Mini USD/CNH Futures

	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. 6.8418)	
Min. Fluctuation	RMB 0.0001 (4 decimal places)	
Tick Value	RMB 10	RMB 2
Last Trading Day	Two Hong Kong Business Days prior to the third Wednesday of the Contract Month	
Final Settlement Day	The third Wednesday of the Contract Month	The first Hong Kong Business 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	
Block Trade Min. Volume Threshold	50 contracts	100 contracts
Contract Months	Spot month, the next 3 calendar months, the next 6 calendar quarter months	
Trading Hours	8:30am – 4:30pm (no lunch break) & 5:15pm – 3:00am (next day) (T+1 session) (Expiring contract month closes at 11:00am on the Last Trading Day)	
Settlement Method	Physical delivery. Delivery of US dollars by the Seller and payment of the Final Settlement Value in RMB by the Buyer	Cash settled contract for difference
Margin Offset	Margin offset can be offered between any two of the USD/CNH Futures & Options, Mini USD/CNH Futures and CNH/USD Futures	

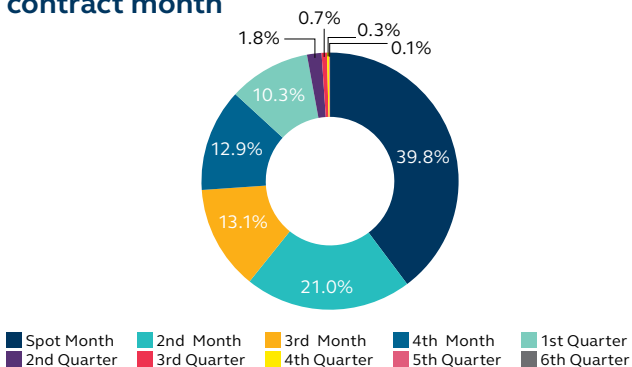
## 2. USD/CNH Options

	USD/CNH Options		
HKATS Code	CUS		
Contract Size	USD 100,000		
Price Quotation	RMB per USD		
Min. Fluctuation	RMB 0.0001 (4 decimal places)		
Tick Value	RMB 10		
Expiry Day	Two Hong Kong Business Days prior to the third Wednesday of the Contract Month		
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		
Block Trade Min. Volume Threshold	50 contracts		
Contract Months	Spot month, the next 3 calendar months, the next 6 calendar quarter months		
Trading Hours	8:30am – 4:30pm (no lunch break) (Expiring contract month closes at 11:00am on the Expiry Day)		
Exercise Style	European style		
Strike Price	Strike intervals shall be set at intervals of 0.05 ±10% from the at-the-money Strike Price		
Settlement on Exercise	Physical delivery on Exercise		
		<b>Holder</b>	<b>Writer</b>
	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		



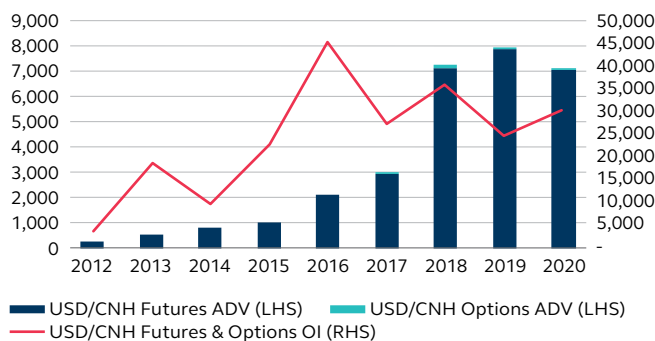
# Market landscape

## USD/CNH Futures volume distribution by contract month



Data period: 2020, Source: Bloomberg, Refinitiv

## USD/CNH Futures & Options volume and open interest ("OI")

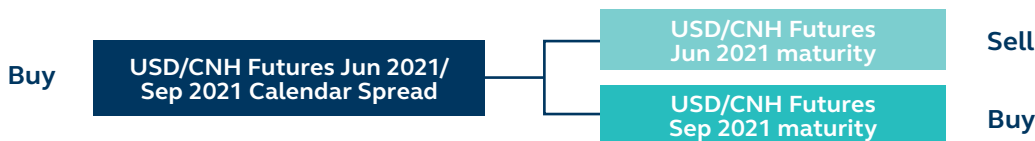


# Market strategies

## 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<sup>^</sup>, including strategies for delta hedging and rollover, through a single order.

## Benefits

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

<sup>^</sup> For the list of eligible strategies please refer to "List of Prescribed Strategies for Tailor-Made Combinations" on HKEX website  
 \* For quote enquiries please call + 852 2840 3726 / 2211 6122 or email FICD@hkex.com.hk

# 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 – Tel +852 2840 3726 / 2211 6122 and FICD@hkex.com.hk  
 HKATS team for execution enquiries – Tel +852 2211 6360 and clicksupport@hkex.com.hk

## Information vendor access code<sup>2</sup>

Vendor	USD/CNH Futures	Mini USD/CNH Futures	USD/CNH Options
AAStocks.com Ltd	221355	221745	-
Activ Financial Systems, Inc.	CUS/<yy><mm>.HF; <yy>=contract year, <m>=contract month	MCS/<yy><m>.HF; <yy>=contract year, <m>=contract month	CUS/<yy><mm>/<strike><t>.HF; <yy>=contract year, <mm>=contract month, <t>=C or P
AFE Solutions Ltd	870799	-	873181
Bartech (Int'l) Information Network Limited	CUS	MCS	CUS
Bloomberg L.P.	Standard Series: UCAA Curncy CT Standard Combination Series: UCAUCA Curncy	Standard Series: UMCA Curncy CT Standard Combination Series: UMCUMC Curncy	CSX Curncy OMON
CQG, Inc.	CUS	MCS	CUS
Colt Technology Services Limited	CUSmy; m=contract month, y=contract year	MCSmy; m=contract month, y=contract year	CUS<Strikes>my; m=contract month, y=contract year
DB Power Online Ltd	CUS	MCS	CUS
ET Net Ltd	CUS	MCS	CUS
Infocast Ltd	CUS	MCS	CUS
Interactive Brokers LLC	CNH	CNH	CNH
N2N-AFE	870799	870841	873181
QuotePower International Ltd	P11020	-	-
Refinitiv	0#HCUS:	0#HMCS:	0#HCUS*.HF
SIX Group Ltd	CUSmy; m=contract year, y=contract year	MCSmy; m=contract month, y=contract year	CUSmy; m=contract month, y=contract year
Wind Information Co., Ltd	Commodity -> CUSF.HK	-	Quant -> CUSO.HK

Note 2: Access code will be updated as appropriate

Please also refer to the HKEX website ([www.hkex.com.hk/fx](http://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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### Hong Kong Exchanges and Clearing Limited

8/F, Two Exchange Square, 8 Connaught Place, Central, Hong Kong  
 info@hkex.com.hk (t) +852 2522 1122 | (f) +852 2295 3106 | [hkex.com.hk](http://hkex.com.hk)

