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香港期貨交易所有限公司
(香港交易及結算所有限公司全資附屬公司)

HONG KONG FUTURES EXCHANGE LIMITED
(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

通告 CIRCULAR

Subject: Inclusion of Futures Calendar Spread to the Prescribed Strategy List for Tailor-Made Combination

Enquiry: HKATS Hotline[1] Tel: 2211-6360

The Tailor-Made Combination (TMC) is a facility that enables market participants to create self-defined futures and options strategies through a single order. For the purpose of maintaining an orderly market, the Exchange has established a Prescribed Strategy List for TMC. Only strategies in the list are allowed to be created and executed through TMC.

In order to further utilise the TMC facility, the Exchange is pleased to announce that Futures Calendar Spread[2] will be added to the Prescribed Strategy List effective from 11 February 2019. This will facilitate market participants to rollover their HSI and HSCEI futures positions to long dated contract months that are not currently covered in standard combination[3],

For a full list of prescribed strategies and their structures, please refer to the Attachment or the List of Prescribed Strategies for Tailor-Made Combinations on the HKEX website.

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[1] All calls to the HKATS hotline would be recorded. Please refer to the following link for HKEX privacy policy statement: http://www.hkex.com.hk/Global/Exchange/Privacy-Policy?sc_lang=en

[2] Applicable to Hang Seng Index Futures and Hang Seng China Enterprises Index Futures only

[3] If a standard combination already exists, a TMC of the same structure cannot be created. The associated order will be placed to the corresponding standard combination.

This circular has been issued in the English language with a separate Chinese language translation. If there is any conflict in the circulars between the meaning of Chinese words or terms in the Chinese language version and English words in the English language version, the meaning of the English words shall prevail.

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Attachment

List of Prescribed Strategies for Tailor-Made Combinations

Strategy Types	Definitions
Calendar Spread for HSI and HSCEI Futures (New)	*Sell a near month futures and buy a far month futures*
Call Calendar Spread	Sell a near month call and buy a far month call at the same strike
Put Calendar Spread	Sell a near month put and buy a far month put at the same strike
Risk Reversal	Buy a call and sell a put at lower strike of the same maturity
Call Spread	Buy a call and sell a call at higher strike of the same maturity
Put Spread	Buy a put and sell a put at lower strike of the same maturity
Call Diagonal	Sell a call in near month and buy a call in far month at a different strike
Put Diagonal	Sell a put in near month and buy a put in far month at a different strike
Synthetic Futures	Buy a call and sell a put at the same strike of the same maturity
Straddle	Buy a call and a put at the same strike of the same maturity
Strangle	Buy a put at lower strike and buy a call at higher strike of the same maturity
1 x 2 Ratio Call Spread	Buy a call and sell two calls at a same higher strike. All options involved have to be of the same maturity
1 x 2 Ratio Put Spread	Buy a put and sell two puts at a same lower strike. All options involved have to be of the same maturity
Call Ladder	Buy a call, sell a call at a higher strike and sell a call at an even higher strike. All options involved have to be of the same maturity
Put Ladder	Buy put, sell a put at a lower strike and sell a put at an even lower strike. All options involved have to be of the same maturity

Straddle versus Call	Buy a call and a put at the same strike and sell a call at a different strike. All options involved have to be of the same maturity
Straddle versus Put	Buy a call and a put at the same strike, sell a put at different strike. All options involved have to be of the same maturity
Call Butterfly	Buy a call, sell two calls at a same higher strike and buy a call at an even higher strike. All options involved have to be of the same maturity
Put Butterfly	Buy a put, sell two puts at a same higher strike and buy a put at an even higher strike. All options involved have to be of the same maturity
Iron Butterfly	Buy a put, sell a call and a put at a same higher strike and buy a call at an even higher strike. All options involved have to be of the same maturity
Call Condor	Buy a call, sell two calls at higher different strikes and buy a call at an even higher strike. All options involved have to be of the same maturity
Put Condor	Buy a put, sell two puts at higher different strikes and buy a put at an even higher strike. All options involved have to be of the same maturity
Iron Condor	Buy a put, sell a put at a higher strike, sell a call at a further higher strike and buy a call at an even higher strike. All options involved have to be of the same maturity
Box Spread	Buy a call and sell a put at the same strike, buy a put and sell a call at a same higher strike. All options involved have to be of the same maturity
Calendar Spread for Prescribed Strategies	Buy any two-legged prescribed combination in far month and sell the same combination in near month
Delta Neutral Combinations	Buy single call option, single put option, Call Spread, Put Spread, Straddle, Strangle, Ratio Spread or Risk Reversal while sell or buy the related underlying futures Bottom of Form