



香港交易所

NEWS RELEASE

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New Educational Article Explains ELNs and How to Derive Them from HSI Options and Stock Options

Equity-linked notes (ELNs) are the focus of a new educational article by Dr. Ronald Ripple, an Associate Professor in the Department of Finance at The Chinese University of Hong Kong, and Mr. Kevin Cheng, the Hong Kong Exchanges and Clearing Limited (HKEx) Derivatives Market's Vice President of Market Development and Education.

The article introduces ELNs and highlights key points investors should keep remember when trading ELNs. In addition, it explains how investors can use derivatives to structure their own ELNs.

The authors describe ELNs as investment instruments that give relatively risk averse investors exposure to the volatility of the equity markets.

“ELNs may be structured by individual investors by employing bills/notes in the local debt market and HSI Options or any of the 31 Hong Kong stock options traded on HKEx’s exchanges,” explain the authors. “Investors are strongly advised to do their homework with regard to the stock the bill/note is linked to, to balance their risk and reward expectations.”

"Deriving Equity-linked Notes from HSI Options and Stock Options" is the latest in a series of educational articles aimed at enhancing public understanding of the derivatives markets and the important role they play in Hong Kong.

The article is available on the HKEx website – www.hkex.com.hk – in the Library section of Corporate, under the Reports of the Derivatives Market. Past educational articles are also available on the website.

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