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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: Enhancement to the Maximum Fluctuation Price Band Mechanism for the USD/CNH London Mini Futures Contracts

Enquiry: HKATS (Hotline[1]: 2211-6360 E-mail: hkatssupport@hkex.com.hk)

Reference is made to the circular (ref: MO/DT/064/22) dated 17 March 2022 regarding the introduction of a Maximum Fluctuation price band mechanism for the USD/CNH London Mini Futures Contracts[2] and the circular (ref: MO/DT/068/22) dated 21 March 2022 regarding a change to the Maximum Fluctuation price band for the USD/CNH London Nickel Mini Futures Contracts. With a view to applying a more representative reference price ("RP") to determine the Maximum Fluctuation price bands for the USD/CNH London Mini Futures Contracts, Hong Kong Futures Exchange Limited ("HKFE") now announces that an enhancement as set out in this circular will be implemented with effect from **Friday, 5 August 2022**. Unless otherwise defined, capitalised terms used in this circular will have the same meaning given to them in the Rules, Regulations and Procedures of HKFE.

On each Business Day in Hong Kong, the existing arrangement is that the HKFE T-session close is adopted as the RP in determining the Maximum Fluctuation price band for each USD/CNH London Mini Futures Contract. This will remain unchanged unless the difference between the HKFE T-session close of a USD London Mini Futures Contract[3] and the Closing Price published by The London Metal Exchange ("LME") for the corresponding LME contract[3] is greater than 5%, in which case, (i) the Closing Price of the corresponding LME contract will be used as the RP in determining the Maximum Fluctuation price band (i.e. +/- 15%) for the trading of the USD London Mini Futures Contract on the following HK Business Day; and (ii) the USD RP will be converted into CNH based on the exchange rate in the daily Risk Parameter File ("RPF") and will be used as the RP for determining the related CNH London Mini Futures Contract's Maximum Fluctuation price band (please refer to the illustration below).

[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]USD/CHN London Mini Futures Contracts are not Holiday Trading Exchange Contracts.

[3] The spot-month contract at HKFE and the LME will be used in determining the RP to be adopted except if it is the Last Trading Day, the spot-next contract will be used.

HKFE will notify the market of any RP change due to the difference being greater than 5% before the next HKFE T-session opens.

Illustration on the RP to be adopted for determining the Maximum Fluctuation price band for the trading of USD/CNH London Nickel and Copper Mini Futures Contracts on the next Business Day

Contract	HKFE T-Session Close	LME Closing Price	Difference	RP under Existing Arrangement	**RP under Enhanced Mechanism**	Upper/Lower Limit
USD London Nickel Mini Futures (LUN) August 2022	22,968	24,300	5.80%[4]	22,968	**24,300[5]**	+15/-15%
CNH London Nickel Mini Futures (LRN) August 2022	153,760	N/A	N/A	153,760	**154,585.42[5]**	+15/-15%
USD London Copper Mini Futures (LUC) August 2022	8,254	8,300	0.67%	8,254	8,254	+15/-15%
CNH London Copper Mini Futures (LRC) August 2022	55,260	N/A	N/A	55,260	55,260	+15/-15%

[4](LME Closing Price – HKFE T-session close) / HKFE T-session close x 100%, rounded up to 2 decimal places.

[5]The LME Closing Price will be used as an RP for the USD London Nickel Mini Futures Contract (LUN) and the RP will be converted into CNH for the CNH London Mini Futures Contract (LRN) at the exchange rate published in the daily RPF (USD/CNH: 6.36154) =24,300 x 6.36154 = 154,585.42 (rounded up to 2 decimal places).

Supplementary Notes

I. No Maximum Fluctutation price band will be determined for the USD/CNH London Mini Futures Contracts for any Trading Day which is not a Business Day in Hong Kong (a "DHT day") given that USD/CNH London Mini Futures Contracts are not Holiday Trading Exchange Contracts. For the trading of USD/CNH London Mini Futures Contracts on a Business Day following a DHT day, the last available HKFE T-session close will be compared against the last available Closing Price published by the LME in determining the RP to be adopted[6].

II. On any Business Day which is not a London Business Day, the HKFE T-session close will be used as the RP for determining the Maximum Fluctuation price band for the trading of USD/CNH London Mini Futures Contracts on the following Business Day.

III. On any Business Day during which trading of USD/CNH London Mini Futures Contracts is cancelled or is terminated before the end of the T-session due to inclement weather, the preceding HKFE T-Session Close (if trading is cancelled) or the HKFE T-session close (if trading is early terminated) will be used for comparing against the Closing Price published by LME.

IV. If the Closing Price is not published by the LME by 2:30 a.m. (Hong Kong Time) for any reason, any provisional Closing Price which may be made available by the LME to HKFE by 2:30 a.m. (Hong Kong Time) will be used for comparing against the HKFE T-session close. In case neither the Closing Price nor the provisional Closing Price is available by

2:30 a.m. (Hong Kong Time), the HKFE T-session close will be used as the RP. HKFE will inform the market regarding such arrangement before the next HKFE T-session opens.

[6]Assume Monday to Wednesday are DHT days in Hong Kong and Wednesday and Thursday are not London Business Days, the last available Closing Price published by the LME on Tuesday will be used for comparing against the last available HKFE T-session close from the previous Friday.

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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.