HKEX
香港交易所

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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: Introduction of Additional Long-dated Contract Months in Hang Seng Index and Hang Seng China Enterprises Index Futures and Options – Update

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Reference is made to the circular (ref: MKD/EQD/24/17) dated 20 October 2017, circular (ref: MKD/EQD/25/17) dated 1 November 2017 and circular (ref: MKD/EQD/28/17) dated 24 November 2017 regarding the introduction of additional long-dated contract months in Hang Seng Index (HSI) and Hang Seng China Enterprises Index (HSCEI) Futures and Options with maturities up to 5.5 years.

Please be informed that the Market Rehearsal held on 3 February 2018 was successfully completed. Exchange Participants, Clearing Participants and their supporting system vendors have confirmed their system readiness for the launch. The implementation of this initiative will be effective **on Monday, 5 March 2018**. Please refer to the Attachment for implementation details.

Relevant rule amendments will be announced via a separate circular.

Participants should ensure your front-end and back office systems are ready to support this initiative and your staff are fully aware of this implementation. Participants should advise clients on the arrangements above when trading long-dated HSI and HSCEI Futures and Options contracts.

Romnesh Lambda
Co-Head
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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.

Attachment

Details of Additional Long-dated Contract Months

1. Contract Months Available for Trading

The contract months for HSI and HSCEI Futures and Options will be revised as follows:

- HSI and HSCEI Futures: add five December contracts;
- HSI Options: add two December contracts and last June contract will not be introduced[1]; and
- HSCEI Options: add three December contracts.

Products	Existing Contract Months	Revised Contract Months
HSI Futures	Spot, next calendar month and next 2 calendar quarter months	**Short-dated Futures:** Spot, next calendar month and next 2 calendar quarter months; and **Long-dated Futures:** the following 5 December months
HSCEI Futures		
HSI Options	**Short-dated Options:** Spot, next 3 calendar months and next 3 calendar quarter months; and **Long-dated Options:** the next 5 months of June & December	**Short-dated Options:** Spot, next 3 calendar months and next 3 calendar quarter months; and **Long-dated Options:** the next 3 months of June & December and the following 3 December months
HSCEI Options	**Short-dated Options:** Spot, next 3 calendar months and next 3 quarter months; and **Long-dated Options:** the next 3 months of June & December	

[1] The June 2021 maturity for HSI Options which has already been introduced will be available for trading as normal.

2. Error Trade Parameters and Block Trade Permissible Range

The error trade parameters and block trade permissible price range for long-dated contract months will be revised:

a. Error Trade Parameters

Product	**Existing Parameter**	**Revised Parameter**
Short-dated Futures	+/-3% from Notation Price	Unchanged
Long-dated Futures	N/A	+/-6% from Notation Price
Short-dated Options	If Notation Price: >= 300 index points: 10%; or < 300 index points: 30 index points	Unchanged
Long-dated Options		If Notation Price: >= 300 index points: 20%; or < 300 index points: 60 index points

b. Block Trade Permissible Price Range

Product	**Existing Price Range**	**Revised Price Range**
Short-dated Futures	+/-1% from Notation Price	Unchanged
Long-dated Futures	N/A	+/-3% from Notation Price
Short-dated Options	If option price: > 300 index points: 10%; or =< 300 index points: 30 index points	Unchanged
Long-dated Options		If option price: > 300 index points: 30%; or =< 300 index points: 90 index points

3. Standard Combination

There will be no standard combinations introduced for the additional contract months.

Apart from the above, other terms in the Contract Specifications and other operational procedures will remain unchanged.