

March 2016

## INTRODUCTION

Sector Index Futures are low cost and capital efficient products for investors to capture sector specific trading opportunities and manage their investment risk exposure in certain sectors.

## OVERVIEW

HKEX's sector index futures market covers seven major business sectors in HKEX's securities market. The underlying indices are:

- CES Gaming Top 10 Index (CESGI0)
- Hang Seng Mainland Banks Index (HSMBI)
- Hang Seng Mainland Properties Index (HSMPI)
- Hang Seng Mainland Oil & Gas Index (HSMOGI)
- Hang Seng Software & Services Index (HSSSI)
- Hang Seng IT Hardware Index (HSITHI)
- Hang Seng Mainland Healthcare Index (HSMHI)

## KEY FEATURES OF UNDERLYING INDICES

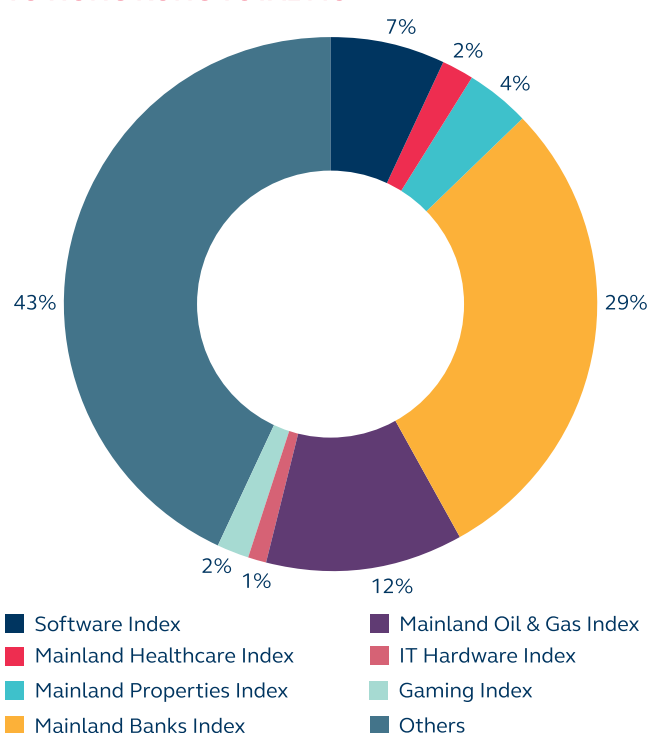
- Constituents are selected to reflect the particular business and regulatory environment of their segment
- Constituents are limited to largest companies in the sector and subject to liquidity screening
- Weighting of each constituent is capped to avoid over-concentration

## ADVANTAGES AND USES OF SECTOR INDEX FUTURES

- Respond to sector news and policy changes
- Diversify portfolio while avoiding single stock risk
- High leverage and capital efficiency
- No stamp duty
- Short sell positioning without stock borrowing
- Long / short strategies: market vs sector, sector vs sector and sector vs single stock



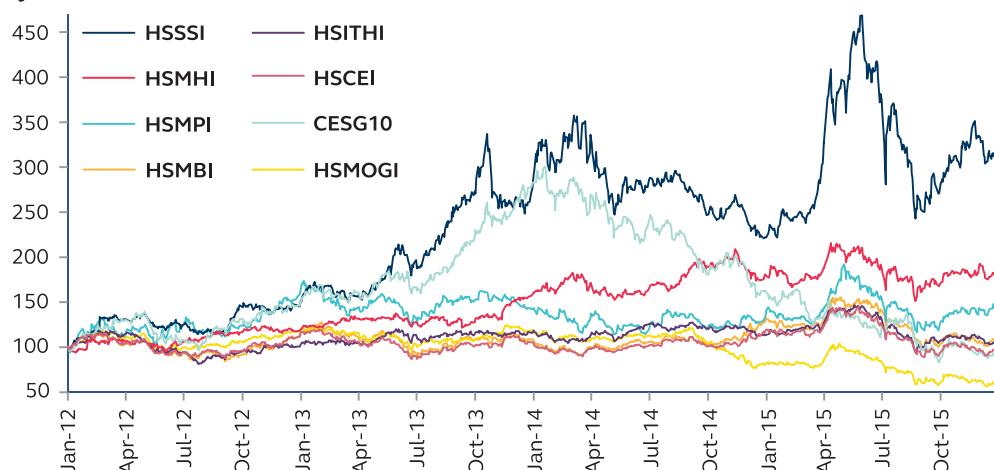
## MARKET CAPITALISATION (MC) OF SECTOR INDEX TO HONG KONG TOTAL MC\*



\*Data as at 24 Mar 2016  
Source: Bloomberg

## RETURN AND VOLATILITY COMPARISON WITH HANG SENG CHINA ENTERPRISES INDEX (HSCEI)

Adjusted index level



Index	Return
HSSSI	209.72%
HSMHI	82.81%
HSMPI	47.14%
HSMBI	6.59%
HSITHI	5.01%
HSCEI	-5.61%
CESG10	-8.14%
HSMOGI	-40.01%

Index	Gaming Index (CESG10)	Mainland Banks Index (HSMBI)	Mainland Properties Index (HSMPI)	Mainland Oil & Gas Index (HSMOGI)	Software Index (HSSSI)	IT Hardware Index (HSITHI)	Mainland Healthcare Index (HSMHI)
Return*	-8.14%	6.59%	47.14%	-40.01%	209.72%	5.01%	82.81%
HSCEI Return*	-5.61%						
Average Annualised Volatility*	31.74%	23.63%	29.24%	22.30%	35.92%	21.36%	22.56%
HSCEI Average Annualised Volatility*	22.14%						

\*Data from 3 Jan 2012 to 31 Dec 2015

Source: HSIL, CESC

Past performance information is not indicative of future performance.

## TOP 5 CONSTITUENT STOCKS OF THE SECTOR INDICES<sup>A</sup>

Gaming Index		
Stock Code	Stock Name	Weight
0027	Galaxy Ent	16.44%
1928	Sands China	16.40%
0880	SJM Holdings	14.64%
2282	MGM CHina	14.37%
1128	Wynn Macau	14.19%

Mainland Banks Index		
Stock Code	Stock Name	Weight
0939	CCB	15.09%
3988	Bank of China	14.91%
1398	ICBC	14.60%
1288	ABC	13.58%
3968	CM BANK	12.38%

Mainland Properties Index		
Stock Code	Stock Name	Weight
1109	China Res Land	14.99%
0688	China Overseas	14.55%
2007	Country Garden	14.51%
3333	Evergrande	11.94%
3699	Wanda Comm	11.76%

Mainland Oil & Gas Index		
Stock Code	Stock Name	Weight
0883	CNOOC	15.48%
0386	Sinopec Corp	15.39%
2386	Sinopec SEG	14.63%
0857	PetroChina	14.58%
0135	Kunlun Energy	14.47%

Software Index		
Stock Code	Stock Name	Weight
0700	Tencent	17.16%
3888	Kingsoft	14.98%
0327	PAX Global	14.59%
0268	Kingdee Int'l	12.94%
0777	NetDragon	9.26%

IT Hardware Index		
Stock Code	Stock Name	Weight
0303	VTech Hldgs	15.61%
2018	AAC Tech	15.32%
0992	Lenovo Group	14.25%
0763	ZTE	13.79%
2038	FIH	12.76%

Mainland Healthcare Index		
Stock Code	Stock Name	Weight
1093	CSPC Pharma	15.42%
1099	Sinopharm	15.36%
1177	Sino Biopharm	13.55%
0867	CMS	11.29%
2186	Luye Pharma	9.70%

## LIST OF INFORMATION VENDORS AND ACCESS CODES

Access Code							
Vendor	Gaming Index	Mainland Banks Index	Mainland Properties Index	Mainland Oil & Gas Index	Software Index	IT Hardware Index	Mainland Healthcare Index
AASTOCKS.com Limited	221445	221420	221425	221415	221440	221435	221430
Activ Financial	GTI/16K.HF	MBI/16K.HF	MPI/16K.HF	MOI/16K.HF	SSI/16K.HF	ITI/16K.HF	MCI/16K.HF
AFE Solutions Limited	870807	870809	870810	870808	870813	870812	870811
Bloomberg	CCSA Index	BMWA Index	PPTA Index	OGIA Index	HISA Index	IHWA Index	HCEA Index
DB Power Limited	GTI	MBI	MPI	MOI	SSI	ITI	MCI
East Money Information	GTI	MBI	MPI	MOI	SSI	ITI	MCI
ET Net Limited	[HV/IQ] Futures > Index Futures Screen						
Hexin Flush Financial	GTIC	MBIC	MPIC	MOIC	SSIC	ITIC	MCIC
Infocast Limited	GTI	MBI	MPI	MOI	SSI	ITI	MCI
Pobo Financial	GTI+Month	MBI+Month	MPI+Month	MOI+Month	SSI+Month	ITI+Month	MCI+Month
Shanghai Qianlong	209						
QuotePower Int'l Ltd	P11228	P11223	P11224	P11222	P11227	P11226	P11225
Shanghai Wind	GTIF+ yymm+HK	MBIF+ yymm+HK	MPIF+ yymm+HK	MOIF+ yymm+HK	SSIF+ yymm+HK	ITIF+ yymm+HK	MCIF+ yymm+HK
Telequote Data Int'l Ltd	GTImy	MBImy	MPImy	MOImy	SSImy	ITImy	MCImy
Thomson Reuters	0#HGTI:	0#HMBI:	0#HMPI:	0#HMOI:	0#HSSI:	0#HITI:	0#HMHI:

^Data as at 29 Jan 2016

The indices automatically adjusts to changes in stock prices so caps may be exceeded between half-yearly index reviews.

## KEY CONTRACT SPECIFICATIONS

Contract	Sector Index Futures
Contract Multiplier (per Index point)	\$50
Minimum Fluctuation (Index point)	0.5
Contract Months	Spot month, the next calendar month and the next two calendar quarter months
Trading Hours	9:15am – 12:00 noon; 1:00pm – 4:15pm (Expiring contract month closes at 4:00pm on the Last Trading Day)
Last Trading Day	The second last Business Day of the Contract Month
Exchange Fee (per contract)	\$2.00
Position Limit	For Mainland Healthcare, Mainland Properties, IT Hardware, Software & Services and Gaming: 5,000 net contracts in all contract months combined  For Mainland Oil & Gas and Mainland Banks: 15,000 net contracts for all contract months combined
Large Open Position Reporting Requirement (contracts)	500 open contracts, in any one Contract Month

## ENQUIRY

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### CES Gaming Top 10 Index

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