

Trading in Global Futures – Frequently Asked Questions

Account Opening

1. **How do I open a global futures trading account with Kenanga Futures Sdn Bhd (KF)?**

There are few ways for you to open a global futures trading account with us:

- i. Visit us at **Level 6, Kenanga Tower, 237 Jalan Tun Razak, 50400 Kuala Lumpur;** or
- ii. Contact your respective Futures Broker Representative (FBR) in KF; or
- iii. Email us at futures@kenanga.com.my; or
- iv. Call us at **+603 2172 3820**.

You are required to complete the account opening forms and submit back to us together with the following required supporting documents:

- i. Photocopy of IC (front and back)/Passport; and
- ii. Latest 3 months pay slip/bank statement or latest annual income statement/EPF statement/EA Form.

A notification will be sent to you once your global futures trading account is opened.

2. **If I am an existing client of KF, do I still need to resubmit a new set of account opening forms in order to trade global futures products?**

No, you are only required to complete and submit the **Trading in Specified Exchange Form** to us.

3. **If I have opened an account with KF and have been dormant for more than 2 years, what is the next course of action if I want to trade global futures products?**

You are required to complete and submit the following documents to us:

- i. Individual – Customer Information Form
- ii. KF's Account Opening Form for Individual
- iii. Addendum to Futures Trading Agreement
- iv. Trading in Specified Exchange Form

Products

4. **What are the global futures products that KF is offering?**

We are currently offering two (2) Specified Exchanges' futures products namely **Chicago Mercantile Exchange (CME) Group** and **Hong Kong Exchange (HKEX)**.

A range of products in **CME Group** has been selected including those products under **Chicago Board of Trade (CBOT)**, **New York Mercantile Exchange (NYMEX)**, **Commodity Exchange Inc. (COMEX)** and **CME** such as:

- i. **Energy:** Crude Oil Futures, E-mini Crude Oil Futures, Henry Hub Natural Gas Futures, RBOB Gasoline Futures, Heating Oil Futures and NYM Brent Last Day;
- ii. **Agriculture:** Corn Futures, Chicago SRW Wheat Futures, Soybean Futures, Soybean Meal Futures, Soybean Oil Futures and Live Cattle Futures;
- iii. **Metal:** 100oz Gold Futures, CMX E-micro Gold Futures, 5000oz Silver Futures, Copper Futures and Platinum Futures;
- iv. **Indices:** E-mini Dow (\$5) Futures, E-mini S&P 500 Futures, E-mini Nasdaq 100 Futures and USD Nikkei 225 Futures; and
- v. **Interest Rates:** 2-year US Treasury Note, 5-year US Treasury Note, 10-year US Treasury Note, 30-year US Treasury Bond and Eurodollar.

For **HKEX**, KF offers the following selected products:

- i. Hang Seng Index (HSI) Futures
- ii. Mini-HSI Futures
- iii. Hang Seng China Enterprises Index (HSCEI) Futures
- iv. Mini HSCEI Futures

5. Will there be any market commentary provided for global futures products?

Yes, a daily commentary with technical outlook on selected CME Group products will be emailed to you.

Deposit of Funds

6. What is the minimum amount that I need to deposit for my global futures account?

You are required to deposit a minimum initial deposit of **USD500 for CME Group** and/or **HKD10,000 for your HKEX** markets to your global futures account. The banking details can be obtained from your respective FBR.

7. Do I need to provide any supporting documents for my deposit of funds?

Yes, you are required to provide the proof of deposit or bank-in slip to us.

8. Do I need to convert my equity balance in RM to USD and/or HKD in order to trade CME Group and/or HKEX products?

Yes, you are required to convert the **RM to USD and/or HKD** to trade your selected CME Group and/or HKEX products. The conversion rate will be quoted by our settlement bank in Malaysia on the day of conversion.

9. When will the deposited funds be updated in my global futures account?

All funds received during our operations hours between **8:30am to 6:00pm** (Malaysian time, GMT +8) will be updated in your global futures account the same business day. Any additional deposit **after 6:00pm** will only be credited to your global futures account the next business day.

Placing Orders

10. How do I place a trading order with KF?

You can either place your orders via our dealing desk at **+603 2172 3820** or use KF's online electronic trading platform, **KDF TradeActive™**.

11. What is the dealing desk's operating hours for trading the global futures products?

During daylight savings, our dealing desk operates from **Monday to Friday, 6:00am to 5:00am** (Malaysian time, GMT +8) the following day.

During non-daylight savings, our dealing desk will operate from **Monday to Friday, 7:00am to 6:00am** (Malaysian time, GMT +8) the following day.

Trading System

12. What are the key features of KDF TradeActive™?

- i. You can trade on a computer or mobile phone via internet by using the same User ID and password;
- ii. You can trade all products for BMD, CME Group and HKEX on a single trading platform;
- iii. All currencies will be combined as one base currency equivalent amount in the trading platform for easy monitoring;
- iv. Our trading platform offers synthetic orders on top of the normal order type such as:
 - ✓ One-Cancel-Other (OCO);
 - ✓ Trailing Stop;
 - ✓ Bull & Bear with a combination of 3 types of orders (limit order, profit taking and stop loss) at one go; and
 - ✓ Time-To-Send order which can indicate a specific time to send your orders to the exchange;
- v. Click trading using "Click To Trade" function as your order entry method;
- vi. Real-time technical chart with indicators for both BMD and CME products; and
- vii. Real-time calculation of profit & loss and account margining.

13. Can I login KDF TradeActive™ via my mobile if I forgot to log out from my computer?

Yes, you can. The system only allows one login at a time. Hence, the login at your computer will be logged out automatically once you have login KDF TradeActive™ via mobile and vice versa.

14. Any additional charges impose for KDF TradeActive™?

There will be no trading platform charges for KDF TradeActive™. However, we reserve the right to impose the live market data fee of CME Group and HKEX products subject to the respective exchange's prevailing rate.

15. What should I do if system related issue arises?

You may call our dealing desk at **+603 2172 3820** for assistance.

Margin Policy

16. Where can I obtain the margin requirement of the CME Group and HKEX products that I am interested to trade into?

You may get this information from CME Group website at www.cmegroup.com and HKEX website at www.hkex.com.hk. Alternatively, you may contact your respective FBR for the latest information.

17. What is KF's margin policy for global futures?

We practise full margin trading requirement and T+1 margin call policy. You are required to deposit the margin call amount latest by the following time for different Specified Exchanges.

1. **HKEX: 3:30pm** (Malaysian time, GMT +8) **on T+1 day**
2. **CME Group: 5:00pm** (Malaysian time, GMT +8) **on T+1 day**

You should also take note of the initial-maintenance margin requirement, whereby margin call is issued to restore the account's equity to initial margin level when it falls below maintenance level. For example, initial margin requirement for CME Group products are set at 110% of the maintenance margin requirement while initial margin requirement for HKEX products are set at 120% of the maintenance margin requirement.

18. What will happen if I do not deposit the required amount for margin call?

If margin call is not met on T+1 day, force liquidation will take place at the following time for different Specified Exchanges.

1. **HKEX: 4:00pm** (Malaysian time, GMT+8)
2. **CME Group: 7:00pm** (Malaysian time, GMT+8)

In the event that the equity over margin falls **below 20%**, your positions will be forced liquidated anytime until no margin call level disregarding the cut-off time.

19. Any interest on margin shortfall / excess?

Yes, interest will be charged for any margin shortfall based on **Base Lending Rate (BLR)** per annum from trade date onwards. However, there will be no interest given for any margin excess in USD and/or HKD.

20. What if I have margin shortfall for CME Group and/or HKEX market while I have excess margin in RM?

You will be notified on margin call for CME Group and/or HKEX market and we will perform conversion from your excess in RM to meet the margin call as stated in the Trading in Specified Exchange Form. In the event that the margin excess in RM is not sufficient to cover the margin call in USD and/or HKD, you are required to top up the margin shortfall during T+1.

Please take note that this margin call in USD and/or HKD will be subject to interest charges as per Q19 above and further action will be taken as per Q18 above if the margin call is not met on time.

21. What if I have margin shortfall for all markets in BMD, CME Group and HKEX market?

You will be notified via two separate daily statements for the above mentioned markets for BMD and CME Group/HKEX. In this case, your margin call will be combined and met by depositing the total RM required to us.

Withdrawal of Funds

22. How do I withdraw my USD and/or HKD funds from global futures account?

You are required to fill up the **Cash Excess Withdrawal Request Form**, indicating the currency and amount that you wish to withdraw. Thereafter, you will need to submit the withdrawal form to us for processing.

23. How long will the USD and/or HKD funds reach my bank account?

The USD and/or HKD funds may take up to 2 days before it can reach your bank account in Malaysia as the funds need to be repatriated from overseas. It will be automatically converted into RM on the day the USD and/or HKD funds reach your bank account.

24. What is the cut-off time for withdrawal of USD funds?

The cut-off time for withdrawal of USD and/or HKD funds will be at **10:00am** (Malaysian time, GMT +8) **on any business day in Malaysia** unless it is a USD and/or HKD settlement holidays. After the cut-off time, the withdrawal of funds will be processed the next business day.

For more information, please call us at **+603 2172 3820** or alternatively you may email us at futures@kenanga.com.my.

Kenanga

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