

# HANG SENG CHINA ENTERPRISES INDEX FUTURES (HSCEI) FACTSHEET

For investors who wish to gain or manage exposure to Mainland China companies that are listed in Hong Kong, Hang Seng China Enterprises Index (HSCEI) futures contracts are the effective hedging tools. HSCEI futures contract which was introduced in 8 December 2003 are based on the underlying index of HSCEI, a market capitalization weighted stock index which tracks the performance of major H-shares companies.



## About H-Shares Companies

- The companies that are incorporated in mainland China and obtain approval from China Securities Regulatory Commission (CSRC) to list in Hong Kong.
- The shares are denominated in Chinese Yuan Renminbi (CNY) but subscribed for and traded in Hong Kong Dollars (HKD).

## Key Features of HSCEI Futures Contract



### Accepted Benchmark

HSCEI is a widely accepted benchmark for Mainland China companies listed in Hong Kong and seen as reliable indicator of market performance.



### Free Float Adjusted

The index is free float adjusted and market capitalisation weighted according to each constituent company with 10 per cent cap on the weighting of individual stocks.



### Margin Basis

HSCEI futures are traded on a margin basis with the margin set at just a fraction of the contract value.

## Key Statistics HSCEI Futures Contract (Source : [www.hkex.com.hk](http://www.hkex.com.hk))

	Average Daily Volume (2018)	Total Open Interest (2018)
HSCEI Futures	152,241	428,692

## MINI HANG SENG CHINA ENTERPRISES INDEX FUTURES (Mini-HSCEI)

Like Mini-HSI futures contract, the Mini-Hang Seng China Enterprises Index (Mini-HSCEI) futures contract was introduced on 31 August 2008 and 5 September 2016 respectively to serve the trading and hedging needs of retail investors. The underlying index of Mini-HSCEI futures contract is the HSCEI, the same as the standard HSCEI futures contract.

### Key Features of Mini HSCEI Futures Contract

#### Tailor made for retail investors

- With smaller risk capital and contract size, the experienced and novice retail investors can now participate in the performance of the H-Shares market in a graduated scale.

#### Transaction costs

- Commission levy will be exempted for the first 6 months of trading of Mini-HSCEI futures and no stamp duty is required for trading of both Mini-HSCEI futures products.

#### Fungibility

- The Mini-HSCEI futures contract and the HSCEI futures contract are fungible in that opposite positions in these two contracts can be offset at the ratio of one HSCEI Index futures contract against five Mini-HSCEI Index futures contracts.



#### Do you know?

There is another type of shares in Mainland China which is known as A-shares. These shares are offered by public Chinese companies trading on the Shenzhen and Shanghai Stock Exchange. A-shares are typically quoted in Chinese Yuan Renminbi (CNY).

### Key Statistics Mini HSCEI Futures Contract (Source : [www.hkex.com.hk](http://www.hkex.com.hk))

	Average Daily Volume (2018)	Total Open Interest (2018)
Mini-HSCEI Futures	22,568	5,292

# Kenanga Futures Sdn Bhd

## Factors that drive the market



Economic data – GDP and inflation



Corporate earning results



Movement of Chinese Yuan Renminbi (CNY)



Government policy changes



Demand and supply factors for each sector



Global and regional issues

## Contract Specification (Source : [www.hkex.com.hk](http://www.hkex.com.hk))

Product	HSCEI Futures	Mini HSCEI Futures
Underlying Instrument	Hang Seng China Enterprises Index	
HKATS Code	HHI	MCH
Contract Multiplier	HK\$50 per index point	HK\$10 per index point
Minimum Price Fluctuation	One index point	
Contract Months	<p>Short-dated Futures : Spot, next calendar month &amp; next two calendar quarter months</p> <p>Long-dated Futures : the following 5 December months</p>	Spot, next calendar month & next two calendar quarter months
Trading Hours	<p>1st Session : 0915 - 1200</p> <p>2nd Session : 1300 - 1630</p> <p>After Hour Trading Session : 1715 - 0300</p>	

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