





## HANG SENG INDEX FUTURES FACTSHEET

Hang Seng Index (HSI) Futures was introduced by Hong Kong Futures Exchange (HKFE) in May 1986 to meet the growing needs in hedging instrument for its underlying index, Hang Seng Index (HSI).

### About Hang Seng Index (HSI)

	A market capitalisation-weighted index of the constituent stocks in Hong Kong Stock Exchange (HKEX).
	Includes the largest and most liquid stocks listed in Hong Kong.
	HSI constituent stocks are group into 4 sectors ; Finance, Utilities, Properties and Commerce and Industry Sub indexes.
	In total, HSI index consists 50 constituent stocks.

### Key Features of HSI Futures Contract



#### Proven Benchmark

HSI is a benchmark for the Hong Kong stock market and yardstick of portfolio performance.



#### High Liquidity

HSI futures markets are characterised by their trading liquidity and the active participation by both local and overseas investors.



#### High Cost Effectiveness

HSI futures are traded on a margin basis. The margin is only a fraction of the contract value.

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

	Average Daily Volume (2018)	Total Open Interest (2018)
HSI Futures	234,424	133,924

## MINI HANG SENG INDEX FUTURES (Mini-HSI)

In 9 October 2000, HKFE has introduced a Mini Hang Seng Index (Mini-HSI) futures contract to cater the needs of retail investors who have an interest in HKFE.

Like HSI futures contracts, Mini-HSI futures contract are also based on Hong Kong's benchmark Hang Seng Index. However, the contract multiplier are much lower which are HK\$10 or one-fifth the size of the standard HSI futures contracts.

### Key Features of Mini-HSI Futures Contract

#### Tailor made for retail investors

- The smaller contract size allows experienced and novice investors alike to participate in the performance of the constituent stocks in the index in a graduated scale.

#### Low costs

- The margin requirements and commission for Mini-HSI futures and option contracts are much lower given its smaller contract size.

#### Fungibility

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

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

	Average Daily Volume (2018)	Total Open Interest (2018)
Mini-HSI Futures	100,262	12,587



#### DO YOU KNOW?

Originally, there are only 33 companies listed in HSI index until the inclusion of H shares (China incorporated companies listed in Hong Kong) in the index in early 1990s which had boosted the number of constituents to 50. Out of the 33 original HSI constituents, only seven remain from the initial list. They are HSBC, CLP, Power Assets, Hong Kong and China Gas, Swire, Wharf and Hutchison Whampoa.

## Factors that move the market



Economic data – GDP and inflation



Corporate earning results



Government policy changes



Demand and supply factors for each sector



Global and regional issue

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

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

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